

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-0720

District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

HOBBS OCD

JUL 10 2017

RECEIVED

Form C-101
Revised July 18, 2013

☐ AMENDED REPORT

[Handwritten: H, P/P]

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address SPECIAL ENERGY CORPORATION PO DRAWER 369 STILLWATER, OK 74076		² OGRID Number 138008
		³ API Number 30-025- 43888
⁴ Property Code 218110	⁵ Property Name JENNA	⁶ Well No. 1-H

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
O	30	11-S	38-E		290	SOUTH	2205	EAST	LEA

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
O	31	11-S	38-E		330	SOUTH	2205	EAST	LEA

9. Pool Information

⁷ Pool Name WC-025 E-02 5113830A1	⁸ Pool Code 98238
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Additional Well Information

¹¹ Work Type NEW WELL	¹² Well Type OIL	¹³ Cable/Rotary ROTARY	¹⁴ Lease Type PRIVATE	¹⁵ Ground Level Elevation 3,909'
¹⁶ Multiple N	¹⁷ Proposed Depth 10,070'	¹⁸ Formation SAN ANDRES	¹⁹ Contractor TO BE DETERMINED	²⁰ Spud Date 7/31/2017
Depth to Ground water 45'		Distance from nearest fresh water well 1 mile		Distance to nearest surface water NA

☒ We will be using a closed-loop system in lieu of lined pits

21. Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surface	12.25	8.625	32	2255	890	0
Prod	7.875	5.5	20	10070	1410	0

Casing/Cement Program: Additional Comments

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22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	3000	3000	To Be Provided

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.
 I further certify that I have complied with 19.15.14.9 (A) NMAC ☒ and/or 19.15.14.9 (B) NMAC ☐ if applicable.
 Signature: *[Signature]*

Printed name: Gary Bond

Title: Vice President

E-mail Address: gary.bond@specialenergycorp.com

Date: **7/7/17** Phone: 405-377-1177

OIL CONSERVATION DIVISION

Approved By:

Title:

Petroleum Engineer

Approved Date: **07/11/17**

Expiration Date: **07/11/19**

Conditions of Approval Attached

**See Attached
Conditions of Approval**

CONDITIONS OF APPROVAL

API #	Operator	Well name & Number
30-025-43888	SPECIAL ENERGY CORP	JENA # 001H

Applicable conditions of approval marked with **XXXXXX**

Administrative Orders Required

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Other wells

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Drilling

XXXXXX	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string

Casing

XXXXXX	SURFACE & PRODUCTION CASING - Cement must circulate to surface --
XXXXXX	If cement does not circulate to surface, must run temperature survey or other log to determine top of cement
XXXXXX	Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water

Lost Circulation

XXXXXX	Must notify OCD Hobbs Office if lost circulation is encountered at 575-370-3186

Continued

Water flows

XXXXXX	Must notify OCD Hobbs Office of any water flow in the Salado formation at 575-370-3186. Report depth and flow rate.

Stage Tool

XXXXXX	Must notify OCD Hobbs Office prior to running Stage Tool at 575-370-3186
XXXXXX	If using Stage Tool on Surface casing, Stage Tool must be greater than 350' and a minimum 200 feet above surface shoe.
XXXXXX	When using a Stage Tool on Intermediate or Production Casing Stage must be a minimum of 50 feet below previous casing shoe.

Pits

XXXXXX	If using a pit for drilling and completions, must have an approved pit form prior to spudding the well
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Completion & Production

XXXXXXX	Will require a directional survey with the C-104
XXXXXXX	Operator shall notify appropriate District office when setting conductor pipe.
XXXXXXX	The Operator is to notify NMOCD by sundry (Form C-103) within ten (10) days of spudding a well.
XXXXXXX	It is the operator's responsibility to monitor cancellation dates of approved APDs. APD's are good for 2 years and may be extended for one year. Only one 1 year extension will be granted if submitted by C-103 before expiration date. After expiration date or after a 1 year extension must submit new APD.
XXXXXXX	If an APD expires and if site construction has occurred, site remediation is required.

Gas Capture Plan

XXXXXXX	Submit Gas Capture Plan form prior to spud