

**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) 748-9720  
**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. **OCT 22 2014**  
Santa Fe, NM 87505

Form C-101  
Revised July 18, 2013

**HOBBS OCD**

☐ AMENDED REPORT

**RECEIVED**

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

<sup>1</sup> Operator Name and Address <b>Sovereign Eagle LLC</b> <b>PO Box 1030, Roswell, NM 88202</b>		<sup>2</sup> OGRID Number <b>263940</b> <sup>3</sup> API Number <b>30-041-20965</b>
<sup>4</sup> Property Code <b>306460</b>	<sup>5</sup> Property Name <b>StoltenBerg</b>	<sup>6</sup> Well No. <b>2</b>

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
F	26	2S	29E		1650	N	2260	W	Roosevelt

**8. Proposed Bottom Hole Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
F	26	2S	29E		1650	N	23187 2260	W	Roosevelt

**9. Pool Information**

Pool Name <b>Tule Montoya/Penn</b>	Pool Code <b>86442/86443</b>
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**Additional Well Information**

<sup>11</sup> Work Type <b>N</b>	<sup>12</sup> Well Type <b>Gas</b>	<sup>13</sup> Cable/Rotary <b>Rotary</b>	<sup>14</sup> Lease Type <b>Fee</b>	<sup>15</sup> Ground Level Elevation <b>4394'</b>
<sup>16</sup> Multiple <b>Yes</b>	<sup>17</sup> Proposed Depth <b>7290'</b>	<sup>18</sup> Formation <b>Montoya</b>	<sup>19</sup> Contractor <b>Silver Oak</b>	<sup>20</sup> Spud Date <b>10/25/2014</b>
Depth to Ground water <b>&gt;100'</b>		Distance from nearest fresh water well <b>&gt; 1 mile</b>		Distance to nearest surface water <b>&gt; 1 mile</b>

☒ 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	17 1/2"	13 3/8"	48#	331'	250	Circulated
Int.	11"	8 5/8"	24#	2340'	700	Circulated
Prod.	7 7/8"	5 1/2"	17#	7290'	1500	Circulated

**Casing/Cement Program: Additional Comments**

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**22. Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	2000	1000	

<sup>23</sup> 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: *Paul Ragsdale*

Printed name: Paul Ragsdale  
 Title: Operations Manager  
 E-mail Address: pragsdale@stratanm.com  
 Date: 10/22/2012

Phone: 575-622-1127 ext. 18

**OIL CONSERVATION DIVISION**

Approved By: *[Signature]*

Title: **Petroleum Engineer**

Approved Date: **10/22/14**

Expiration Date: **10/24/16**

**See Attached**

**Conditions of Approval**

**OCT 23 2014**

# CONDITIONS OF APPROVAL

API #	Operator	Well name & Number
30-041-20965	Sovereign Eagle LLC	Stoltenberg # 2

Applicable conditions of approval marked with XXXXXX

## Administrative Orders Required

XXXXXXX	Will require administrative order for non-standard location prior to placing the well on production

## Other wells

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## Drilling

XXXXXXX	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

XXXXXXX	SURFACE & INTERMEDIATE(1) CASING - Cement must circulate to surface --
XXXXXXX	PRODUCTION CASING - Cement must circulate to surface --
XXXXXXX	If cement does not circulate to surface, must run temperature survey or other log to determine top of cement