

**FAX COVER SHEET**

**Gas Well Services, Inc.**  
26 E. Compress Rd

Artesia, NM 88210

505 748-2854

505 748-2875

<b>SEND TO</b> Company name Oil Conservation Division	<b>From</b> Jack Matthews
Attention Mike Stogner	Date 4-3-2000
Office location	Office location
Fax number 505 827 1389	Phone number

☐ Urgent    ☐ Reply ASAP    ☒ Please comment    ☒ Please review    ☐ For your information

Total pages, including cover: 12

**COMMENTS**

DATE IN	SUBJECT	DISPOSER	LOCATOR	TYPE
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ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
- Engineering Bureau -

**ADMINISTRATIVE APPLICATION COVERSHEET**

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

**Application Acronyms:**

☒ NSP-Non-Standard Production Unit    ☒ NSL-Non-Standard Location  
☒ DD-Directional Drilling    ☒ SD-Simultaneous Dedication  
☒ DHC-Downhole Commingling    ☒ CTB-Lease Commingling    ☒ PLC-Pool/Lease Commingling  
☒ PC-Pool Commingling    ☒ OLS - Off-Lease Storage    ☒ OLM-Off-Lease Measurement  
☒ WFX-Waterflood Expansion    ☒ PMX-Pressure Maintenance Expansion  
☒ SWD-Salt Water Disposal    ☒ IPI-Injection Pressure Increase  
☒ EOR-Qualified Enhanced Oil Recovery Certification    ☒ PPR-Positive Production Response

**[1] TYPE OF APPLICATION - Check Those Which Apply for [A]**

- [A] Location - Spacing Unit - Directional Drilling  
☒ NSL    ☐ NSP    ☐ DD    ☐ SD

Check One Only for [B] and [C]

- [B] Commingling - Storage - Measurement  
☐ DHC    ☐ CTB    ☐ PLC    ☐ PC    ☐ OLS    ☐ OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
☐ WFX    ☐ PMX    ☐ SWD    ☐ IPI    ☐ EOR    ☐ PPR

**[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply**

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners  
 [B] ☐ Offset Operators, Leaseholders or Surface Owner  
 [C] ☐ Application is One Which Requires Published Legal Notice  
 [D] ☐ Notification and/or Concurrent Approval by BLM or SLO  
       U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office  
 [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,  
 [F] ☐ Waivers are Attached

**[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding**

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data, information or notification is cause to have the application returned with no action taken.

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

Jack Matthews

Print or Type Name

Jack Matthews

Signature

President

Title

4-3-88

Date

**Gas Well Services, Inc.**26 E. Compress Rd.  
Artesia, NM 88210Phone 505 748-2854  
Fax 505 746-2675

April 03, 2000

Mike Stogner  
Oil Conservation Division  
P.O. Box 2088  
Santa Fe, NM 87504-2088

Dear Mike,

In accordance with our conversation on April 3, 2000, I am applying for a Non-Standard Location on the Shearn Shilo Fed. #1, Shearn Saranda Fed. #1, and the Shearn Samantha Fed. #1. All (3) wells are on the same lease with (2) existing wells the Shearn Fed. #1 and Shearn Fed. #2. The existing wells have been approved by the BLM to be plugged.

There is an outcropping of rock and a mountain which prohibits a standard location. Eventually, I believe that we will drill (3) more wells on each of the 40 acre spacings. These are marginal wells and will not threaten the allowable. These wells are on the northeast 1/4 with the closest producing oil well approximately 1 mile away. We will not encroach on any other operator. The royalty owners on each of the wells is the same.

I am sending a copy of the BLM Application to Drill, a copy of the Form C-102, and a topo map of the area on each of the wells.

Sincerely,



Jack Matthews

Form 3100-3  
(July 1992)

**UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT**

**SUBMIT IN TRIPLICATE**  
(Other instructions on  
reverse side)

**FORM APPROVED**  
OMB NO. 1010-0046  
Expires: February 2001

**APPLICATION FOR PERMIT TO DRILL OR DEEPEN**

1. TYPE OF WORK <b>DRILL</b> <input checked="" type="checkbox"/> <b>DEEPEN</b> <input type="checkbox"/>		6. LEASE DESIGNATION AND SERIAL NO. <b>NN-070803</b>
2. NAME OF OPERATOR <b>Gas Well Services</b>		7. UNIT AGREEMENT NAME
3. ADDRESS AND TELEPHONE NO. <b>26 East Compress Rd, Artesia, New Mexico 88210</b>		8. FARM OR LEASE NAME, WELL NO. <b>Sheep Serrada Fed. 81</b>
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface <b>1228' FNL &amp; 1108' FEL</b> At proposed prod. zone <b>Same</b>		9. API WELL NO.
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE <b>8 Miles east and 2 miles north of Artesia, New Mexico</b>		10. FIELD AND POOL, OR WILCOAT <b>Yates / Abo</b>
15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (AND TO NEAREST WELL, IF ANY)	16. NO. OF ACRES IN LEASE	17. NO. OF ACRES ASSIGNED TO THIS WELL
<b>1108'</b>	<b>180</b>	<b>10</b>
18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	19. PROPOSED DEPTH	20. ROTARY OR CABLE TOOLS
<b>424'</b>	<b>850'</b>	<b>Rotary Rig</b>
21. ELEVATIONS (Show whether OF, RT, GR, etc.) <b>3478' GL</b>		22. APPROX. DATE WORK WILL START <b>Upon Approval</b>

**PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
<del>10 1/4"</del> <b>7 7/8"</b>	<del>155 - 5 1/2"</del> <b>155 - 5 1/2"</b>	<del>15.55</del> <b>15.55</b>	<del>850'</del> <b>850'</b>	<del>100 lbs of Class C</del> <b>100 lbs of Class C</b>

Gas Well Services plans to drill this well to a sufficient depth to test the Yates Abo. If productive, 5 1/2" casing will be run and cemented at the total depth. If non-productive, the well will be plug in a manner consistent with BLM requirements. Specific programs are outlined in the following attachments:

- Exhibit #1 Location and Elevation plots
- Exhibit #2 Well plan
- Exhibit #3 Map of existing roads and planned access road
- Exhibit #4 Immediate radule Map

**APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS**

IN ABOVE SPACE DESCRIBE PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout prevention program, if any.

24. SIGNED *Karentha Matthews* TITLE Owner/Operator DATE 09/10/00

(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_

Application approval does not warrant or certify that the applicant holds legal or equitable use to those rights in the subject lease which would enable the applicant to conduct operations under the CONDITIONS OF APPROVAL, IF ANY.

APPROVED BY *Larry D. Bray* TITLE Assistant Field Manager, Lands and Minerals DATE MAR 27 2000

18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**APPROVED FOR 1 YEAR**

DISTRICT I  
P.O. Box 1880, Santa Fe, NM 87500

DISTRICT II  
P.O. Box 1880, Santa Fe, NM 87500

DISTRICT III  
P.O. Box 1880, Santa Fe, NM 87500

Fax :  
STANDARD OIL NEW MEXICO  
General, Technical and District Engineer's Department

Apr 03 '00 04:17 P03

Standard Oil New Mexico  
District Engineer's Department  
Santa Fe, NM 87500  
Tel 505-833-1111

# OIL CONSERVATION DIVISION

P.O. Box 2800

Santa Fe, New Mexico 87501-2800

□ APPROVED SIGNATURE

## WELL LOCATION AND ACREAGE INDICATION PLAT

API Number	Well Code	Well Name
Property Code	Property Name SHERMAN FEDERAL	Well Number 1
SEED No. 163645	Operator Name GAS WELL SERVICES	Well Status 3478

### Surface Location

W or Lot No.	Section	Township	Range	Lot No.	Feet from the	North/South line	Feet from the	East/West line	County
A	14	17S	27E		1200	NORTH	1100	EAST	BLAIRE

### Bottom Hole Location if Different from Surface

W or Lot No.	Section	Township	Range	Lot No.	Feet from the	North/South line	Feet from the	East/West line	County

Indicated above	Feet on well	Computation Code	Order No.
40			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL DIFFERENCES HAVE BEEN CORRECTED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION


Exhibit #1

### OPERATOR CERTIFICATION

I hereby certify the data furnished  
concerned herein is true and correct to the  
best of my knowledge and belief.

*Ed Platte*  
Signature

*Jack Mathews*  
Well Name

*Operator*  
Operator

*9-10-99*  
Date

Well

### SUPERVISOR CERTIFICATION

I hereby certify that the work  
on this plat was done in  
accordance with the  
regulations, and that the data  
furnished is the best of my belief.

*12/10/1999*  
Date

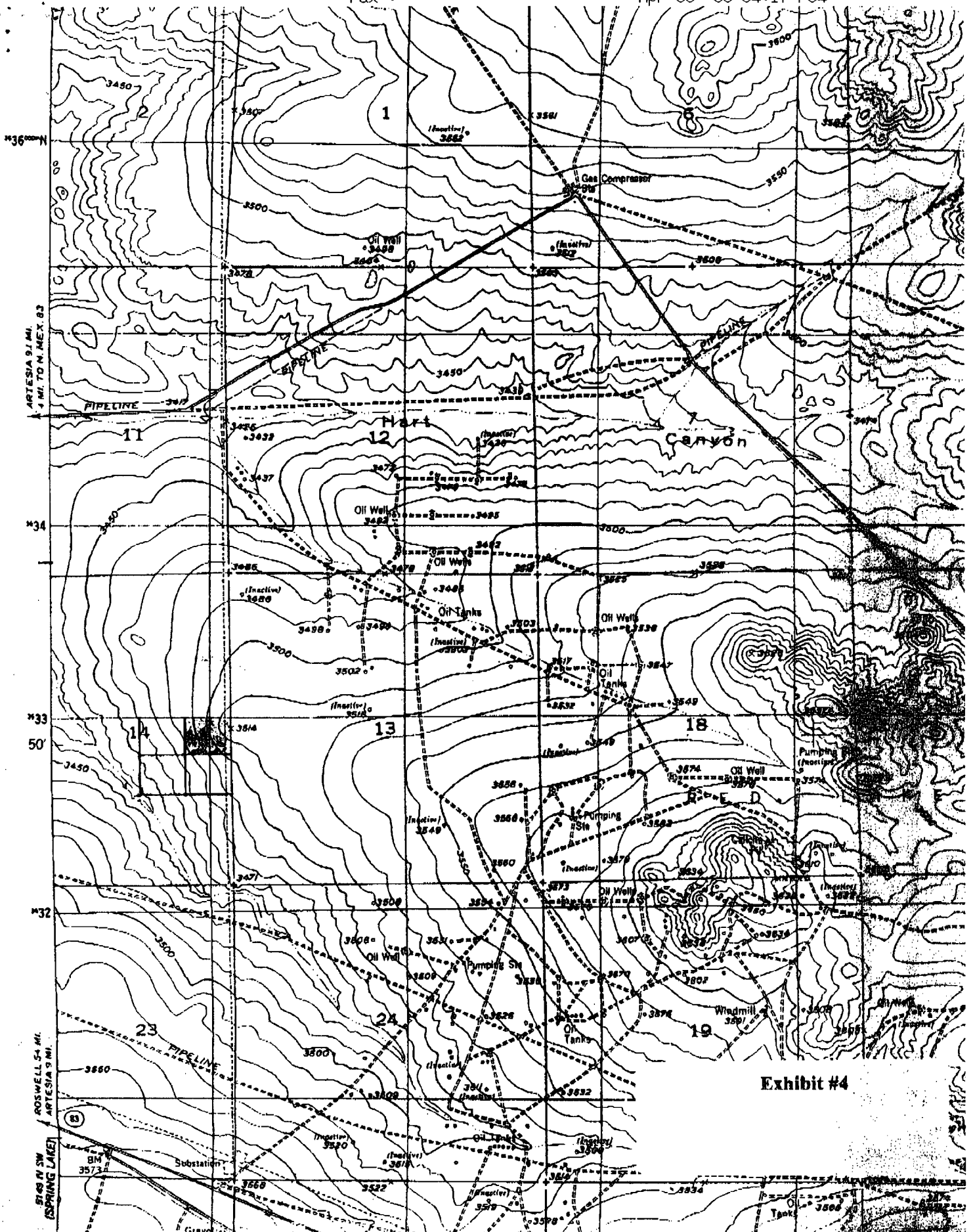
Signature

Well Name

Operator

Date

Well



**FAX COVER SHEET**

**Gas Well Services, Inc.**  
26 E. Compress Rd

Artesia, NM 88210

505 748-2854

505 746-2875

<b>Oil Conservation Division</b>	<b>Jack Matthews</b>
<b>Attention</b>	<b>Date</b>
<b>Mike Stogner</b>	<b>4-3-2000</b>
<b>Office location</b>	<b>Office location</b>
<b>FAX number</b>	<b>FAX number</b>
<b>505 827 1389</b>	

☐ Urgent    ☐ Reply ASAP    ☒ Please comment    ☒ Please review    ☐ For your information

Total pages, including cover: 12



**Gas Well Services, Inc.**26 E. Compress Rd.  
ARIZONA, INDIANPhone 505 748-2854  
Fax 505 746-2675

April 03, 2000

Mike Stogner  
Oil Conservation Division  
P.O. Box 2088  
Santa Fe, NM 87504-2088

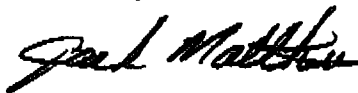
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Sincerely,



Jack Matthews

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ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
- Engineering Bureau -

**ADMINISTRATIVE APPLICATION OVERSHEET**

THIS OVERSHEET IS MANDATORY AND ALL ADMINISTRATIVE APPLICATIONS AND PROPOSALS TO MINING OIL BE SENT WITH THIS

**Application Acronyms:**

[NSP-Non-Standard Production Unit] [NSL-Non-Standard Location]  
[DD-Directional Drilling] [SD-Simultaneous Dedication]  
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Partial Lease Commingling]  
[PC-Partial Commingling] [OLS-Off Lease Storage] [OLM-Off Lease Measurement]  
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]  
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]  
[EOR-Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

**[1] TYPE OF APPLICATION - Check Those Which Apply for [A]****[A] Location - Spacing Unit - Directional Drilling**☒ NSL ☐ NSP ☐ DD ☐ SD

Check One Only for [B] and [C]

**[B] Commingling - Storage - Measurement**☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM**[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery**☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR**[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply****[A] ☐ Working, Royalty or Overriding Royalty Interest Owners****[B] ☐ Offset Operators, Leaseholders or Surface Owner****[C] ☐ Application is One Which Requires Published Legal Notice****[D] ☐ Notification and/or Concurrent Approval by BLM or SLO**

U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

**[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,****[F] ☐ Waivers are Attached****[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding**

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

Jack Matthews  
Print or Type Name

Jack Matthews  
Signature

President  
Title

4-3-00  
Date

## OPERATOR'S COPY

Form 3100-3  
(July 1992)UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTSUBJECT IN TRIPLICATE  
(Other instructions on  
reverse side)FORM APPROVED  
DATE NO. 1084-100  
EXPIRES: FEBRUARY 28, 1999

## APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1. TYPE OF WORK <b>DRILL</b> <input checked="" type="checkbox"/> <b>DEEPEN</b> <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NM-070803	
2. NAME OF OPERATOR Gas Well Services		6. IF MINOR, MAJOR, OR OTHER TYPE	
3. ADDRESS AND TELEPHONE NO. 26 East Compress Rd, Artesia, New Mexico 88210		7. UNIT AGREEMENT NAME	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1228' FNL & 1108' FEL At proposed prod. zone Same		8. FARM OR LEASE NAME, WELL NO. Shawn Sandoz Fed. #1	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE 8 Miles east and 2 miles north of Artesia, New Mexico		9. API WELL NO.	
15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest city, town, etc., if any) 1108'		10. FIELD AND POOL, OR WILDCAT Yates / Abo	
16. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 424'		11. SEC., T., R., N., OR BLK. AND SURVEY OR AREA Sec. 14 - T17S - R27E	
17. DIST. OF RIGS IN LEASE 160'		12. COUNTY OR PARISH Eddy	
18. PROPOSED DEPTH 650'		13. STATE NM	
19. ROTARY OR CABLE TOOLS Rotary Rig		20. APPROX. DATE WORK WILL START Upon Approval	
21. ELEVATION (Show whether DE, RT, OR, etc.) 3478' GL			

## PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
7 7/8"	J55 - 5 1/2"	15.5#	650'	100 lbs of Class "C"

WITNESS

Gas Well Services plans to drill this well to a sufficient depth to test the Yates Abo. If productive, 5 1/2" casing will be run and cemented at the total depth. If non productive, the well will be plug in a manner consistent with BLM requirements. Specific programs are outlined in the following attachments:

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APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS

-7

IN ABOVE SPACE DESCRIBE PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout prevention program, if any.

24. SIGNED Keretta Matthews TITLE Owner/Operator DATE 09/10/99  
(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_

Application approval does not warrant or certify that the applicant holds legal or equitable title to these rights in the subject lease which would entitle the applicant to conduct operations thereon.  
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY Larry D. Bray TITLE Assistant Field Manager, Lands and Minerals DATE MAR 27 2000  
\*See Instructions On Reverse Side

APPROVED FOR 1 YEAR  
Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

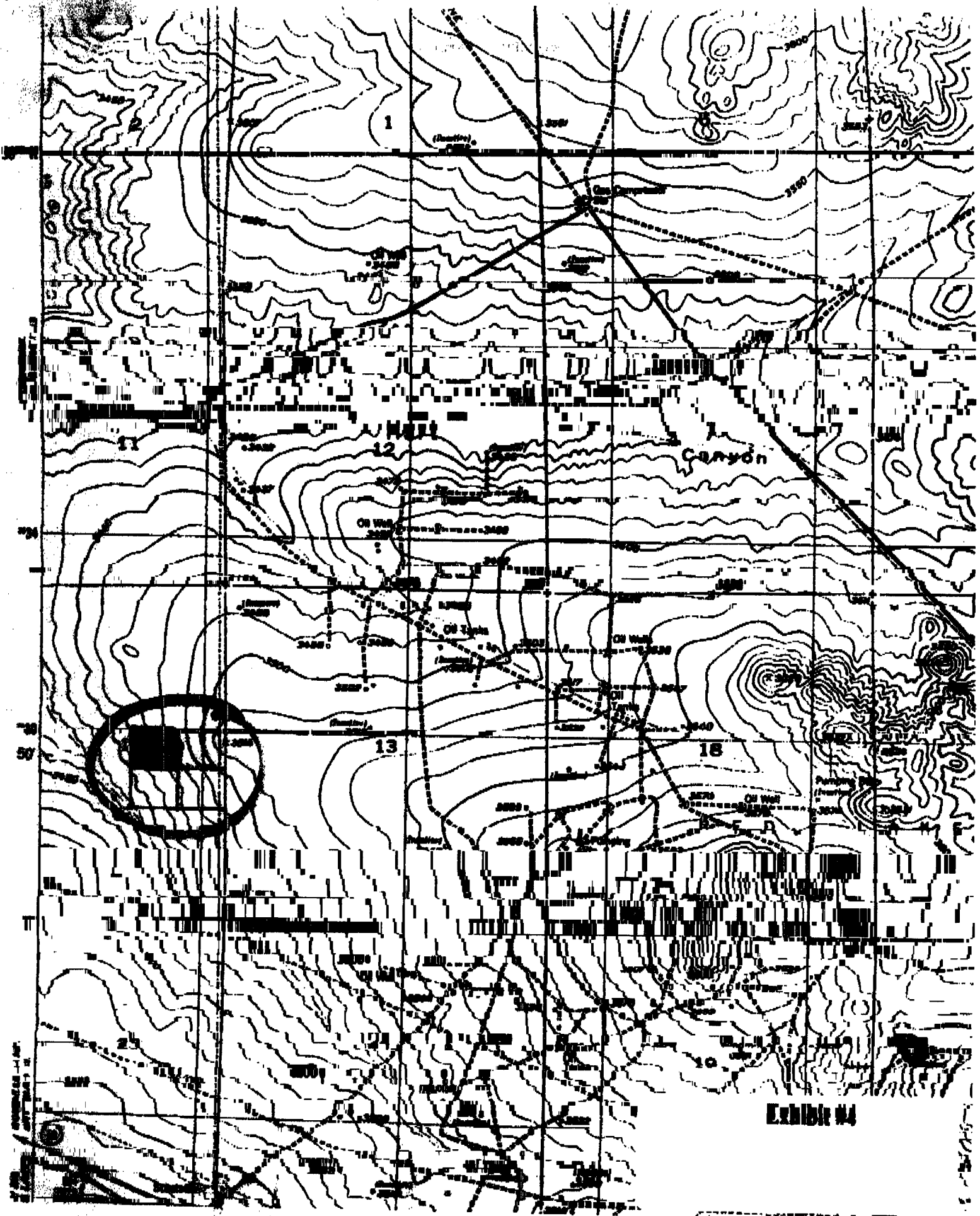


Exhibit #4