

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy Minerals and Natural Resources

Form C-101  
May 27, 2004

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Submit to appropriate District Office

AMENDED REPORT

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

Operator Name and Address <b>HEC PETROLEUM, INC.</b> C/O Mike Pippin 3104 N. Sullivan, Farmington, NM 87401		OGRID Number 009812
Property Code <b>35285</b>	Property Name <b>MONTOYA 25</b>	API Number <b>30-045-33442</b>
Proposed Pool 1 <b>Basin Fruitland Coal</b>		Proposed Pool 2
		Well No. <b>#4</b>

**Surface Location**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	25	32N	13W		2360'	North	1165'	West	San Juan

**Proposed Bottom Hole Location If Different From Surface**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

**Additional Well Information**

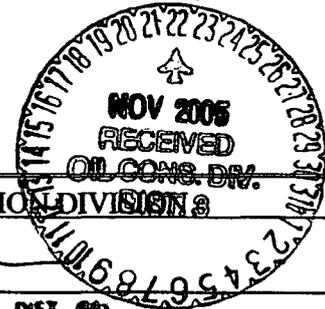
Work Type Code <b>N</b>	Well Type Code <b>G</b>	Cable/Rotary <b>R</b>	Lease Type Code <b>P</b>	Ground Level Elevation <b>5926'</b>
Multiple <b>No</b>	Proposed Depth <b>2400'</b>	Formation <b>Fruitland Coal</b>	Contractor <b>None Yet</b>	Spud Date <b>4/28/06</b>
Depth to Groundwater >100'		Distance from nearest fresh water well >1000'		Distance from nearest surface water >1000'
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 mils thick Clay <input type="checkbox"/> Pit Volume: 1950 bbls Drilling Method: Closed-Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

**Proposed Casing and Cement Program**

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12-1/4"	8-5/8"	24#	200'	200	Surface
7-7/8"	5-1/2"	15.5#	2400'	304	Surface

22 Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Drill 12-1/4" hole to 200' using fresh water mud. Run & cement 8-5/8" surface casing to surface. Wait on cement 12 hours. Nipple up 7-1/16" BOPE (annular). Pressure test surface casing & BOPE to minimum of 500 psig for 30 minutes. Drill 7-7/8" hole to TD using polymer & water. Run 5-1/2" production casing & cement to surface in a single stage. Move out drilling rig. Move in completion equipment. Test production casing to 3800 psi for 30 minutes. Log well. Perforate select Fruitland Coal intervals and stimulate with a sand frac treatment. Install production equipment, 2-3/8" tubing, and gas sales meter. Complete as a single Fruitland Coal gas well.



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 the drilling pit will be constructed according to NMOC D guidelines , a general permit , or an (attached) alternative OCD-approved plan .

Printed name: Mike Pippin *Mike Pippin*

Title: Agent - Petroleum Engineer

E-mail Address: mpippin@ddbroadband.net

Date: 11/19/05

Phone: 505-327-4573

<b>OIL CONSERVATION DIVISION</b>	
Approved by: <i>[Signature]</i>	Title: <b>DEPUTY OIL &amp; GAS INSPECTOR, DIST.</b>
Approval Date: <b>NOV 22 2005</b>	Expiration Date: <b>NOV 22 2006</b>
Conditions of Approval Attached <input type="checkbox"/>	

HOLD C104 FOR NSL

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State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised June 10, 2003

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number		*Pool Code 71629	*Pool Name BASIN FRUITLAND COAL
*Property Code 35285	*Property Name MONTOYA 25		*Well Number 4
*GRID No. 09812	*Operator Name HEC PETROLEUM		*Elevation 5926

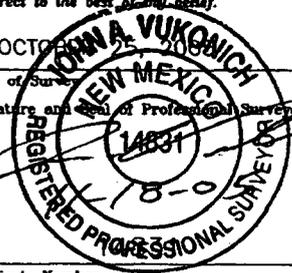
<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	25	32-N	13-W		2360	NORTH	1165	WEST	SAN JUAN

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<sup>12</sup> Dedicated Acres 320 N/2		<sup>13</sup> Joint or Infill Y		<sup>14</sup> Consolidation Code		<sup>15</sup> Order No.			

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

<sup>16</sup> FD 3 1/4" BC. B.L.M. 1952  S 0°26'08" E 2630.17' (M)  2360'  1165'  25	FD 3 1/4" BC. B.L.M. 1952  N 89°48'17" E 2700.81' (M)	<sup>17</sup> OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  <u>Mike Pippin</u> Signature  MIKE PIPPIN Printed Name  AGENT-PETR. ENGR. Title  11-18-05 Date
	LAT. 36°57'31.9" N (NAD 83) LONG. 108°09'34.8" W (NAD 83)	
<sup>18</sup> FD 3 1/4" BC. B.L.M. 1952	<sup>18</sup> SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.  OCTOBER 2005 Date of Survey Signature and Seal of Professional Surveyor:  Certificate Number	