

207456863

AMEND NSL

4/4/02

**PRIMAL ENERGY  
CORPORATION**

211 HIGHLAND CROSS, SUITE 227  
HOUSTON, TEXAS 77073  
281-821-5600  
281-821-5602 fax

MAR 15 2002

March 11, 2002

State of New Mexico  
Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Att.: Michael Stogner

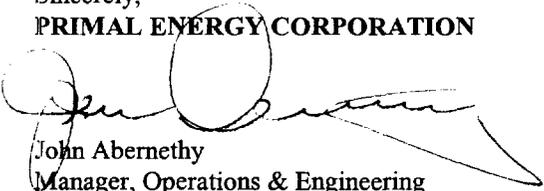
Dear Sir:

Primal Energy Corporation as current operator of the Knowles #1, Sec. 1, 16S, 38E, Lea County, requests an administrative approval for an unorthodox bottom hole oil well location (Previous approval NSL-4626BHL).

We recently cut a window in the 5 ½" casing and sidetracked the well. Unfortunately, the drilling assembly became stuck and the sidetrack was abandoned. We now propose a second sidetrack to a new bottom hole location that also is an unorthodox location. All of the previously furnished data is still valid with the exception of the C-102 (new C-102 is attached).

Please review this application and if further information is needed, please call.

Sincerely,  
**PRIMAL ENERGY CORPORATION**

  
John Abernethy  
Manager, Operations & Engineering

DISTRICT I  
 PO Box 1980, Hobbs, NM 88241-1980  
 DISTRICT II  
 811 South First, Artesia, NM 88210  
 DISTRICT III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 DISTRICT IV  
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals & Natural Resources Department

Form C-102  
 Revised October 18, 1994  
 Instructions on back  
 Submit to Appropriate District Office  
 State Lease - 4 Copies  
 Fee Lease - 3 Copies

**OIL CONSERVATION DIVISION**  
 2040 South Pacheco  
 Santa Fe, NM 87505

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number 30-025-33177	<sup>2</sup> Pool Code 96644	<sup>3</sup> Pool Name Southeast Denton-Devonian
<sup>4</sup> Property Code 26911	<sup>5</sup> Property Name Knowles	<sup>6</sup> Well Number 1
<sup>7</sup> OGRID No. 154303	<sup>8</sup> Operator Name Primal Energy Corporation	<sup>9</sup> Elevation 3,717'

<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
J	1	16S	38E	10	3,627	N	1,425	E	Lea

<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
J	1	16S	38E	10	3,736	N	1,520	E	Lea

<sup>12</sup> Dedicated Acres 40.0	<sup>13</sup> Joint or Infill N	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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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

	<p><sup>17</sup> OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i></p> <p></p> <p>Signature        John Abernethy        Printed Name        Manager, Operations &amp; Engineering        Title        03/01/02        Date</p>
	<p><sup>18</sup> SURVEYOR CERTIFICATION</p> <p><i>I hereby certify that the well location shown on this plat was plotted from fieldnotes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p>_____        Date of Survey</p> <p>_____        Signature and Seal of Professional Surveyer</p> <p>_____        Certificate Number</p>

PRIMAL ENERGY CORP FAX-201 021 5002 Fax 15 02 10-40 1.01

# FAX COVER SHEET

**PRIMAL ENERGY CORPORATION**  
211 Highland Cross, Suite 227  
Houston, Texas 77073  
281-821-5600  
281-821-5602 fax

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**TO:** Michael Stogner

**FROM:** John Abernethy

**FAX NUMBER:** 505-476-3471

**DATE:** 03/19/02

**NUMBER OF PAGES (INCLUDING COVER):** 2

**COMMENTS:** Schematic attached as per your request.

*J. abernethy@primalenergy.net*

Knowles #1  
 Lea CO., NM  
 Present Wellbore Schematic

Cement plug from 0' to 50'

Cement plug from 350' to 450'

13 3/8" cmt'd at 400'

Cement plug from 2,100' to 2,214'

8 5/8" cmt'd at 5013'

Cement plug from 4,950' to 5,120'

Cement plug from 6,360' to 6,460'

Cement plug from 8,210' to 8,322'

Cement plug from 10,490' to 10,602'

Window cut in 5 1/2" at 11'690'. 4 3/4" hole drilled to 13,009'. Left bit, motor and drill pipe in hole. Abandoned side track w/TOF at 11792'

Cement plug from 11,558' to 11,792'

5 1/2" cmt'd at 12018'

**NOTE:**

2 3/8" tubing fish inside 4 1/2" liner

4 1/2" liner cmt'd at 12983'

Open hole to 13053'

*Same window at this*

**GILMER & ASSOCIATES**

P.O. BOX 11402  
MIDLAND, TEXAS 79702  
PHONE: (915) 687-1166  
FAX: (915) 683-6970

FAX TRANSMITTAL SHEET

SEND THE FOLLOWING PAGES TO: DAVID CATALANIT

COMPANY NAME: \_\_\_\_\_

FAX NUMBER: 505-476-3471

FROM: JOE GILMER

TOTAL NUMBER OF PAGES: 4 (including this cover sheet.)

If you do not receive all of the pages, please call back asap.

COMMENTS: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*joedadgilmer@msn.com*



P.O. Box 11402, Midland, TX 79702

(915) 687-1166

March 19, 2002

David Catanach  
State Land Office  
Santa Fe, New Mexico

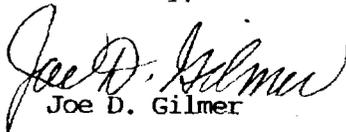
Dear Sirs:

B&W Southern Petroleum hereby requests to reenter and deviate the Primal Energy Knowles #1X well, located in Section 1 - T16S - R38E, Lea County, New Mexico. The well is proposed as a deviated well to reach a new BHL location approximately 100 feet south-southwest of the surface location. The purpose for deviating the well is to attempt to get away from junk left in the hole from a previous failed attempt to drill and complete the well as a deviated borehole.

The Knowles #1X well had previously produced over 27 MBO for the Devonian under Browning Oil Company. The Browning operation encountered mechanical problems, such as stuck packers, collapsed tubing and liner, as well as other operational problems. Due to the junk in hole, the well never produced as expected.

In August of 2001, Primal Energy Company attempted to reenter the Knowles #1X well for the purpose of completing from the Devonian formation from a new BHL, attempting to get away from the junk. Primal also encountered mechanical problems and also had to abandoned its borehole, again leaving junk in the hole. B&W now wishes to make one more attempt to deviate the well in order to attempt a completion in the Devonian. The BHL location is located on a mapped geologic feature that is expected to produce in commercial quantities. Using proper equipment and field personal, B&W fully expects this attempt to be successful.

Sincerely,

  
Joe D. Gilmer

MAR-18-2002 13:23

B&W SOUTHERN PETROLEUM

214 522 9245 P.03

DISTRICT I  
 PO Box 1980, Hobbs, NM 88241-1980

DISTRICT II  
 811 South First, Artesia, NM 88210

DISTRICT III  
 1000 Rio Grabez Rd., Artesia, NM 87410

DISTRICT IV  
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals & Natural Resources Department

Form G-102  
 Revised October 18, 1994  
 Instructions on back

OIL CONSERVATION DIVISION  
 2040 South Pacheco  
 Santa Fe, NM 87505

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION FLAT

<sup>1</sup> API Number 30-025-33177	<sup>2</sup> Post Code 98644	<sup>3</sup> Pool Name Southeast Denton-Devonian
<sup>4</sup> Property Code 28911	<sup>5</sup> Property Name Kropeid	<sup>6</sup> Well Number 1
<sup>7</sup> OGRID No 154303	<sup>8</sup> Operator Name Primal Energy Corporation	<sup>9</sup> Elevation 3,717'

<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
J	1	16S	38E	10	3,627	N	1,425	E	Lea

<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
J	1	16S	38E	10	3,736	N	1,520	E	Lea

<sup>12</sup> Dedicated Acres 40.0	<sup>13</sup> Joint or Int. N	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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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

	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature: <i>John Abernathy</i></p> <p>Printed Name: John Abernathy</p> <p>Title: Manager, Operations &amp; Engineering</p> <p>Date: 03/01/02</p>
	<p><b>SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this flat was plotted from a balance of aerial surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>Date of Survey: _____</p> <p>Signature and Seal of Professional Surveyor: _____</p> <p>Certificate Number: _____</p>

District I  
PO Box 1940, Hobbs, NM 88241-1940  
District II  
211 South First, Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Artesia, NM 87410  
District IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
2040 South Pacheco  
Santa Fe, NM 87505

Form C-101  
Revised October 18, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 6 Copies  
Fee Lease - 5 Copies

AMENDED REPORT

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

<sup>1</sup> Operator Name and Address: Primal Energy Corporation 211 Highland Cross, Suite #227 Houston, TX 77073		<sup>2</sup> GORIO Number 154303
		<sup>3</sup> API Number 30-025-33177
<sup>4</sup> Property Code 26911	<sup>5</sup> Property Name Knowles	<sup>6</sup> Well No 1

<sup>7</sup> Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	N/S Line	Feet from the	E/W Line	County
J	1	16S	38E	10	3,827	N	1,425	E	Lea

<sup>8</sup> Proposed Bottom Hole Location if Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	N/S Line	Feet from the	E/W Line	County
J	1	16S	38E	10	3,736	N	1,520	E	Lea

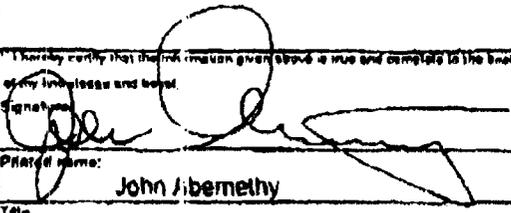
<sup>9</sup> Proposed Pool 1 Southeast Denton-Devonian	<sup>10</sup> Proposed Pool 2
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<sup>11</sup> Well Type Code D	<sup>12</sup> Well Type Code O	<sup>13</sup> Cable/ Rotary R	<sup>14</sup> Lease Type Code S	<sup>15</sup> Ground Level Elevation 3,717'
<sup>16</sup> Mudlog N	<sup>17</sup> Proposed Depth 13,100'	<sup>18</sup> Formation Devonian	<sup>19</sup> Contractor Unknown	<sup>20</sup> Spud Date 03/20/02

<sup>21</sup> Proposed Casing and Cementing Program					
Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
	13 3/8"	Existing			
	8 5/8"	Existing			
	5 1/2"	Existing			
4 3/4"	4"	9.5 ppf	13'100' MD	100 sx.	11,150' TOL

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

1. Install wellhead and drill out plugs to +/-11,850'.
2. Clean out wind jaw in 5 1/2" at 11,850'.
3. Directionally drill to proposed new bottom hole.
4. Run and cement 4" liner and complete in Devonian.

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: 	<b>OIL CONSERVATION DIVISION</b>	
Printed name: John Jibemethy	Approved by:	
Title: Mgr. Oper. & Eng.	Approval Date:	Expiration Date:

