

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  
March 4, 2004

Oil Conservation Division

1220 South St. Francis Dr.  
Santa Fe, NM 87505

**RECEIVED** Submit to appropriate District Office  
State Lease - 6 Copies  
Fee Lease - 5 Copies  
MAY 05 2004

OCD-ARTESIA

☐ AMENDED REPORT

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

<sup>1</sup> Operator Name and Address Pecos River Operating, Inc. 8235 Douglas Ave., Suite 1200, LB76, Dallas, TX 75225		<sup>2</sup> OGRID Number
<sup>3</sup> Property Code		<sup>4</sup> Property Name Mitchell
<sup>5</sup> APL Number 30-005-63656		<sup>6</sup> Well No. 2

**7 Surface Location**

UL or lot no. f	Section 9	Township 6-S	Range 26-E	Lot Idn	Feet from the 1650	North/South line North	Feet from the 1650	East/West line West	County Chaves
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**8 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
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**9 Proposed Pool 1**

Pecos Slope Abo

**10 Proposed Pool 2**

**Drilling Pit Location and Other Information**

UL or lot no.	Section 9	Township 6-S	Range 26-E	Lot Idn	Feet from the 1650	North/South line N	Feet from the 1650	East/West line W	County Chaves
Depth to ground water				Distance from nearest fresh water well 5600'		Distance from nearest surface water 800'			
<sup>11</sup> Work Type Code New Drill		<sup>12</sup> Well Type Code Gas		<sup>13</sup> Cable/Rotary Rotary		<sup>14</sup> Lease Type Code Fee		<sup>15</sup> Ground Level Elevation 3634'	
<sup>16</sup> Multiple No		<sup>17</sup> Proposed Depth 5000'		<sup>18</sup> Formation Abo		<sup>19</sup> Contractor United Drilling, Inc.		<sup>20</sup> Spud Date 6/10/04	

**21 Proposed Casing and Cement Program**

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
15"	11-3/4"	42#, H-40	850'	275	Surface
11"	8-5/8"	24#, J-55	1625'	600	Surface
7-7/8"	5-1/2"	15.5#, J-55	4500'	790	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.

See Attachment #1 attached hereto.

**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 NMOCD guidelines ☐ a general permit ☐ or an (attached) alternative OCD-approved plan ☒. *per phone conv. 5/17/04*

Signature:

*Erik B. Daugbjerg*

Printed name: Erik B. Daugbjerg

Title: President

E-mail Address: edaugbjerg@msn.com

Date: 04/28/04

Phone: 214/691-3132

OIL CONSERVATION DIVISION

Approved by:

*[Signature]*

Title:

Approval Date:

MAY 14 2004

Expiration Date:

MAY 14 2005

Conditions of Approval:

Attached ☐

**NOTIFY OCD SPUD & TIME  
TO WITNESS CEMENTING OF  
ALL CASING STRINGS**

#### Attachment #1

- Plan to drill to a total depth of 4300'
- All casing will be cemented and tested according to approved methods.
- Well control equipment will be 11", 3M.double-ram BOP's, and will be tested prior to drilling below 8-5/8" casing.
- Earthen pits shall be located either on the West or North side of the drilling location.
- All free water shall be removed from pits and hauled off for disposal, and all cuttings shall be dried and removed per state regulations.

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State of New Mexico  
Energy Minerals and Natural Resources

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

Form C-144  
March 12, 2004

For drilling and production facilities, submit to appropriate NMOCD District Office.  
For downstream facilities, submit to Santa Fe office

**Pit or Below-Grade Tank Registration or Closure**

Is pit or below-grade tank covered by a "general plan"? Yes ☐ No ☐

Type of action: Registration of a pit or below-grade tank ☐ Closure of a pit or below-grade tank ☐

Operator: Pecos River Operating, Inc. Telephone: 214/691-3132 e-mail address: edaugbjerg@msn.com  
Address: 8325 Douglas Ave., Suite 1200, LB 76, Dallas, TX 75225  
Facility or well name: Mitchell API #: \_\_\_\_\_ U/L or Qtr/Qtr \_\_\_\_\_ Sec 9 T 6S R 26E  
County: Chaves Latitude 33°48'43.00"N Longitude 104°18'14.69"W NAD: 1927 ☐ 1983 ☐ Surface Owner Federal ☐ State ☒ Private ☐ Indian ☐

**Pit**

Type: Drilling ☒ Production ☐ Disposal ☐

Workover ☐ Emergency ☐

Lined ☒ Unlined ☐

Liner type: Synthetic ☒ Thickness 12 mil Clay ☐ Volume \_\_\_\_\_ bbl

**Below-grade tank**

Volume: \_\_\_\_\_ bbl Type of fluid: \_\_\_\_\_

Construction material: \_\_\_\_\_

Double-walled, with leak detection? Yes ☐ If not, explain why not. \_\_\_\_\_

Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)

Less than 50 feet

50 feet or more, but less than 100 feet

100 feet or more

(20 points)

20 points

(10 points)

( 0 points)

Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)

Yes

No

(20 points)

20 points

( 0 points)

Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)

Less than 200 feet

200 feet or more, but less than 1000 feet 800'

1000 feet or more

(20 points)

(10 points)

( 0 points)

10 points

**Ranking Score (Total Points)**

50 points

**If this is a pit closure:** (1) attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location:

onsite ☐ offsite ☐ If offsite, name of facility \_\_\_\_\_ (3) Attach a general description of remedial action taken including remediation start date and end

date. (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface \_\_\_\_\_ ft. and attach sample results. (5) Attach soil sample results and a

diagram of sample locations and excavations.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Date: 05/04/04

Printed Name/Title Erik B. Daugbjerg, President Signature Erik B. Daugbjerg

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

APPROVED MAY 13 2004 Field Rep ID

Date: \_\_\_\_\_ Printed Name/Title \_\_\_\_\_ Signature [Signature]

Please see attached  
stipulations and/or  
requirements:



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**  
Governor

**Joanna Prukop**  
Cabinet Secretary  
Acting Director  
Oil Conservation Division

13 May 2004

Pecos River Operating  
8325 Douglas Ave., Suite 1200, LB 76  
Dallas, Texas 75225

RE: Permit Stipulations - Mitchell# 2 1650'FNL & 1650'FWL Unit F SEC-9 T-6S R-26E

The Oil Conservation Division of Artesia is in receipt of your application to construct a pit for the purpose of drilling. The request is hereby accepted and approved with the following provisions:

1. Construction and closing of pit(s) must meet the criteria of Rule 19.15.2.50 and the Pit Guidelines.
2. The pit is not located in any watercourse, lakebed, sinkhole, playa lake, or wetland.
3. Notice is to be given to the OCD prior to construction of the pit(s).
4. Liner must be a minimum of 12 mil. woven.
5. Upon cessation of drilling the freestanding fluid will be removed and disposed of in an OCD approved facility.
6. Due to liner choice, the pit's contents and the liner shall be removed and disposed of in a manner approved by the Division.
7. The integrity of the bottom liner may not be breached at any time for any reason.
8. The pit will not be used for any additional storage of fluids.
9. The Division may attach additional conditions to any permit upon a finding that such conditions are necessary to prevent the contamination of fresh water, or to protect public health or the environment. (19.15.2.50.C.3.G.1.)
10. Re-seeding mixture will must be approved or authorized by surface owner.

If I can be of any further assistance, please feel free to call (505) 748-1283 ext. 109.

Sincerely,



Van Barton

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV  
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

State of New Mexico  
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

Form C-102  
Revised February 10, 1994  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name
		Pecos Slope Abo
Property Code	Property Name	Well Number
	MITCHELL	2
OGRID No.	Operator Name	Elevation
	PECOS RIVER OPERATING, INC.	3634'

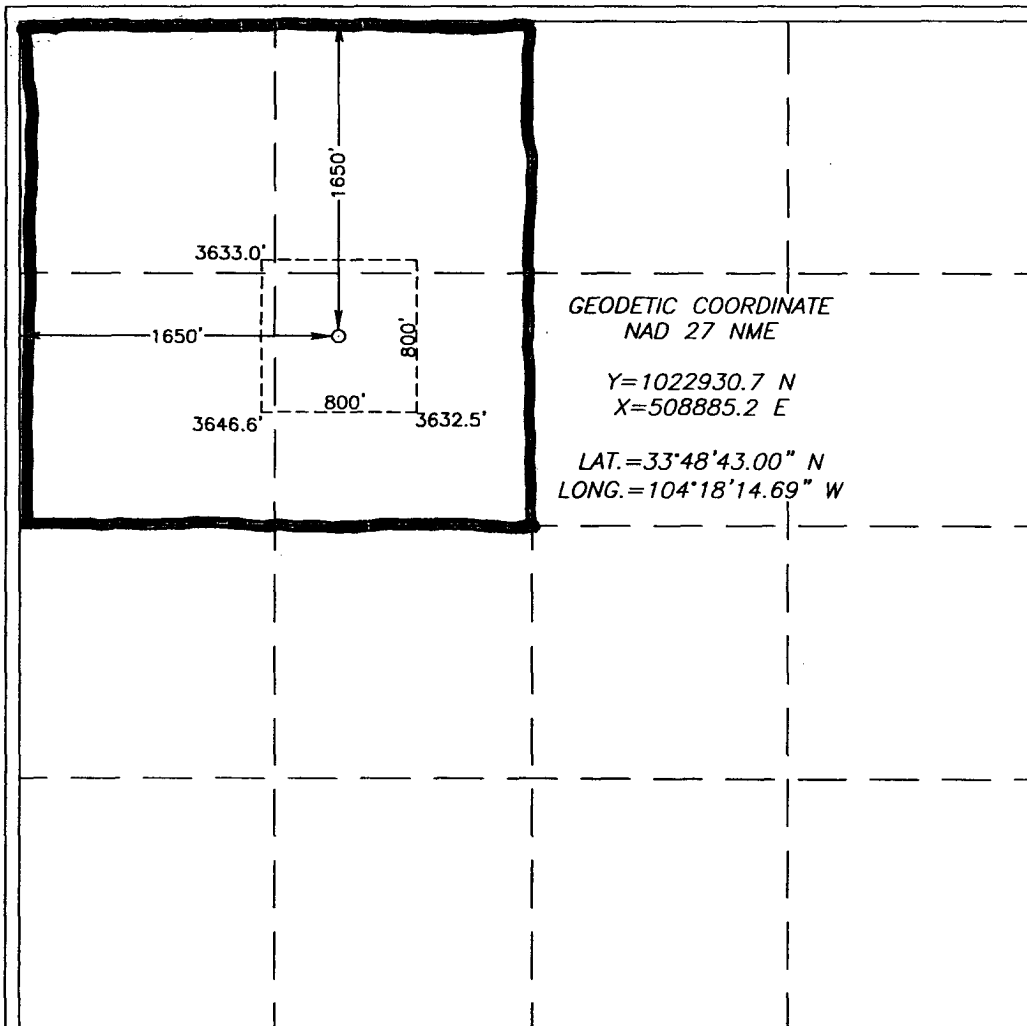
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	9	6-S	26-E		1650'	NORTH	1650'	WEST	CHAVES

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
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						
160									

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



OPERATOR CERTIFICATION

I hereby certify the the information  
contained herein is true and complete to the  
best of my knowledge and belief.

*Erik B. Daugbjerg*  
Signature  
Erik B. Daugbjerg  
Printed Name  
President  
Title  
edugbjerg@msn.com  
Date  
05/04/04

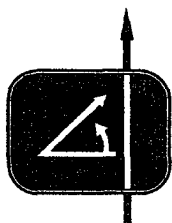
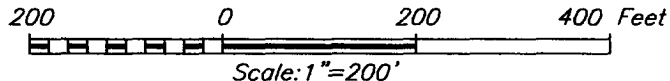
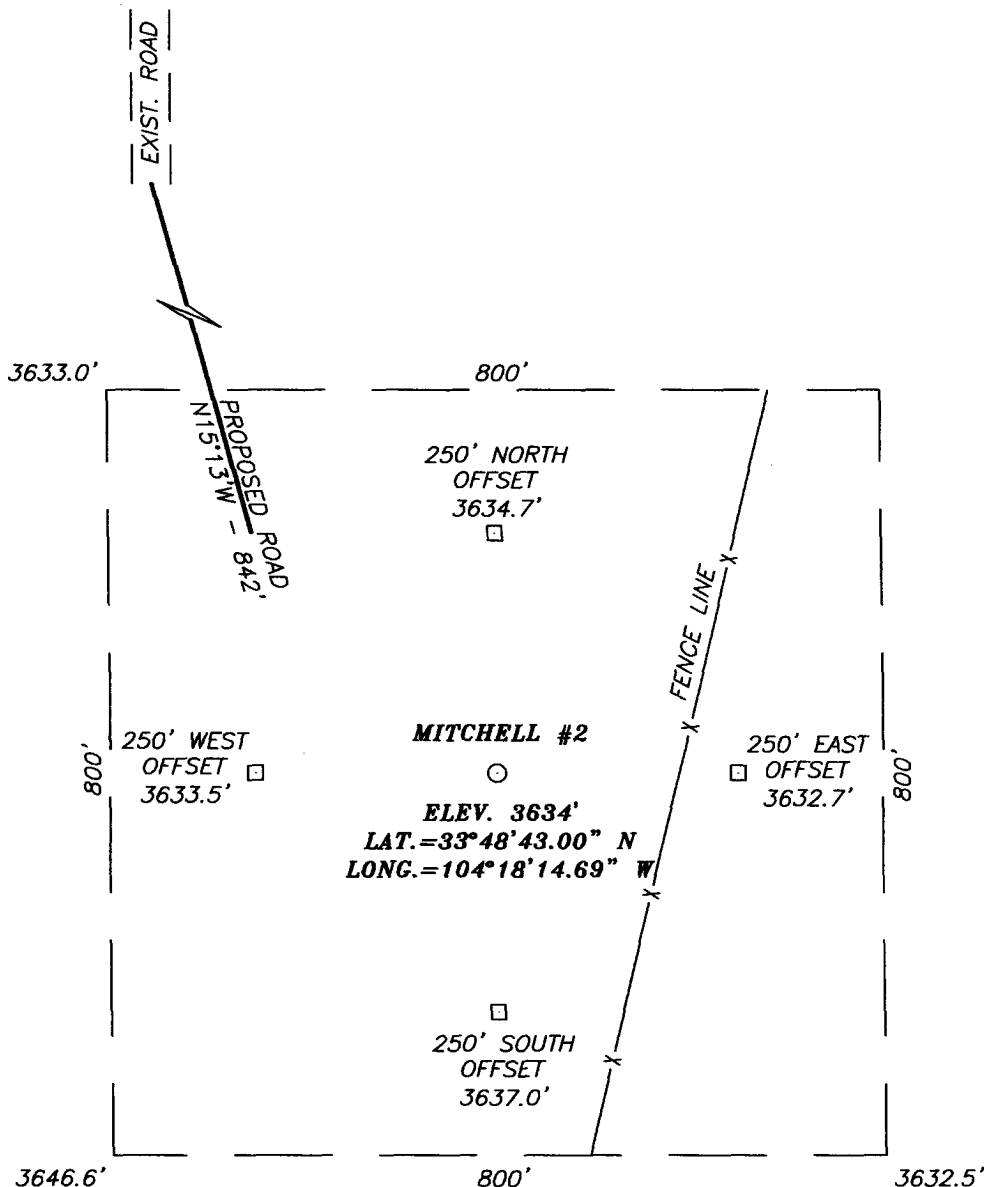
SURVEYOR CERTIFICATION

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.

APRIL 21, 2004

Date Surveyed  
Signature & Seal of  
Professional Surveyor  
GARY EIDSON  
4/26/04  
04.11.0440  
Certificate No. GARY EIDSON 12841

**SECTION 9, TOWNSHIP 6 SOUTH, RANGE 26 EAST, N.M.P.M.,**  
 CHAVES COUNTY, NEW MEXICO



**PROVIDING SURVEYING SERVICES  
 SINCE 1946**

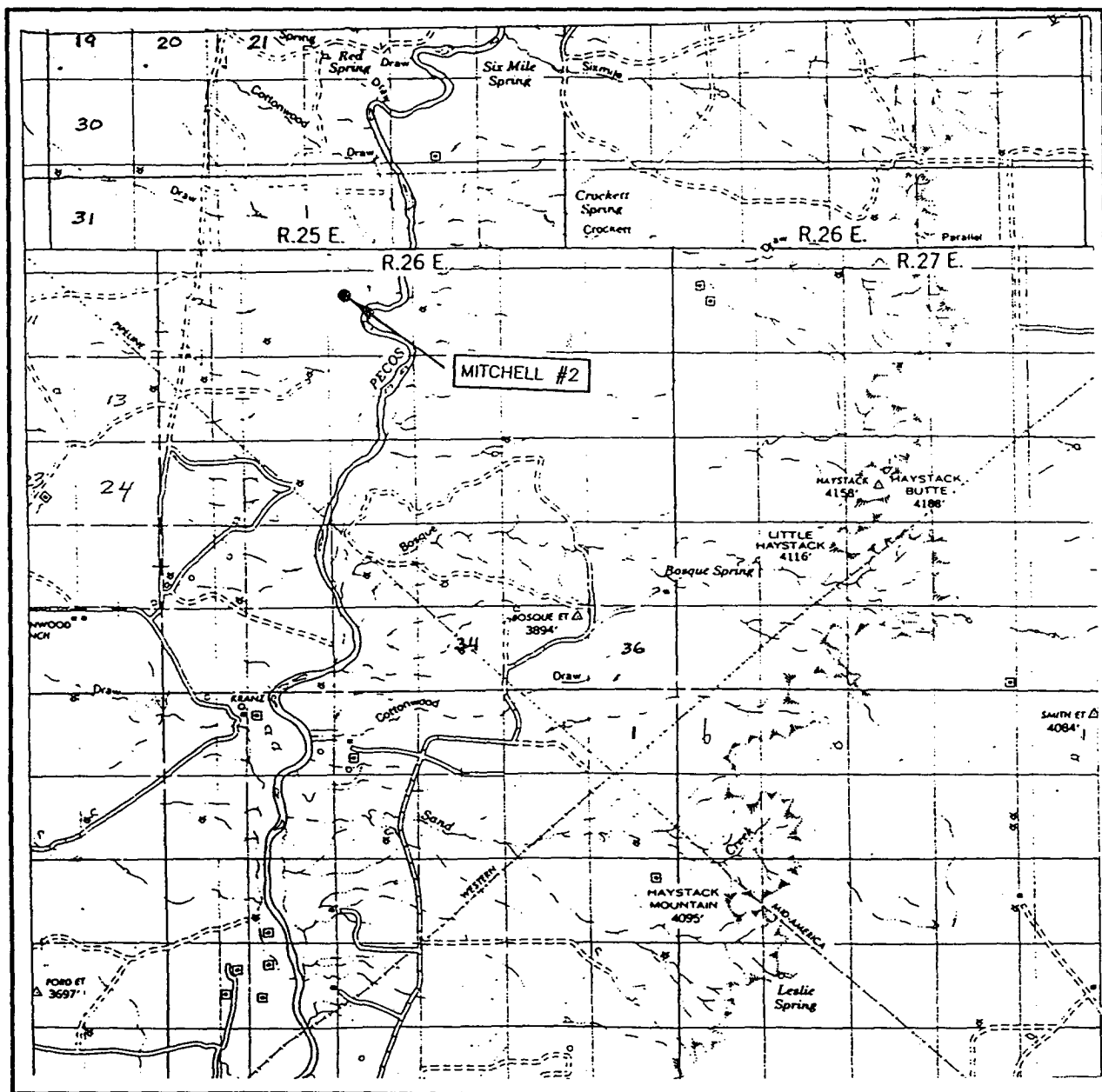
**JOHN WEST SURVEYING COMPANY**  
 412 N. DAL PASO  
 HOBBS, N.M. 88240  
 (505) 393-3117

**PECOS RIVER OPERATING, INC.**

**MITCHELL #2 WELL**  
 LOCATED 1650 FEET FROM THE NORTH LINE  
 AND 1650 FEET FROM THE WEST LINE OF SECTION 9,  
 TOWNSHIP 6 SOUTH, RANGE 26 EAST, N.M.P.M.,  
 CHAVES COUNTY, NEW MEXICO.

Survey Date: 4/21/014	Sheet 1 of 1 Sheets
W.O. Number: 04.11.0440	Dr By: LA
Date: 4/26/04	Disk: CD#3
04110440	Scale: 1"=200'

# VICINITY MAP

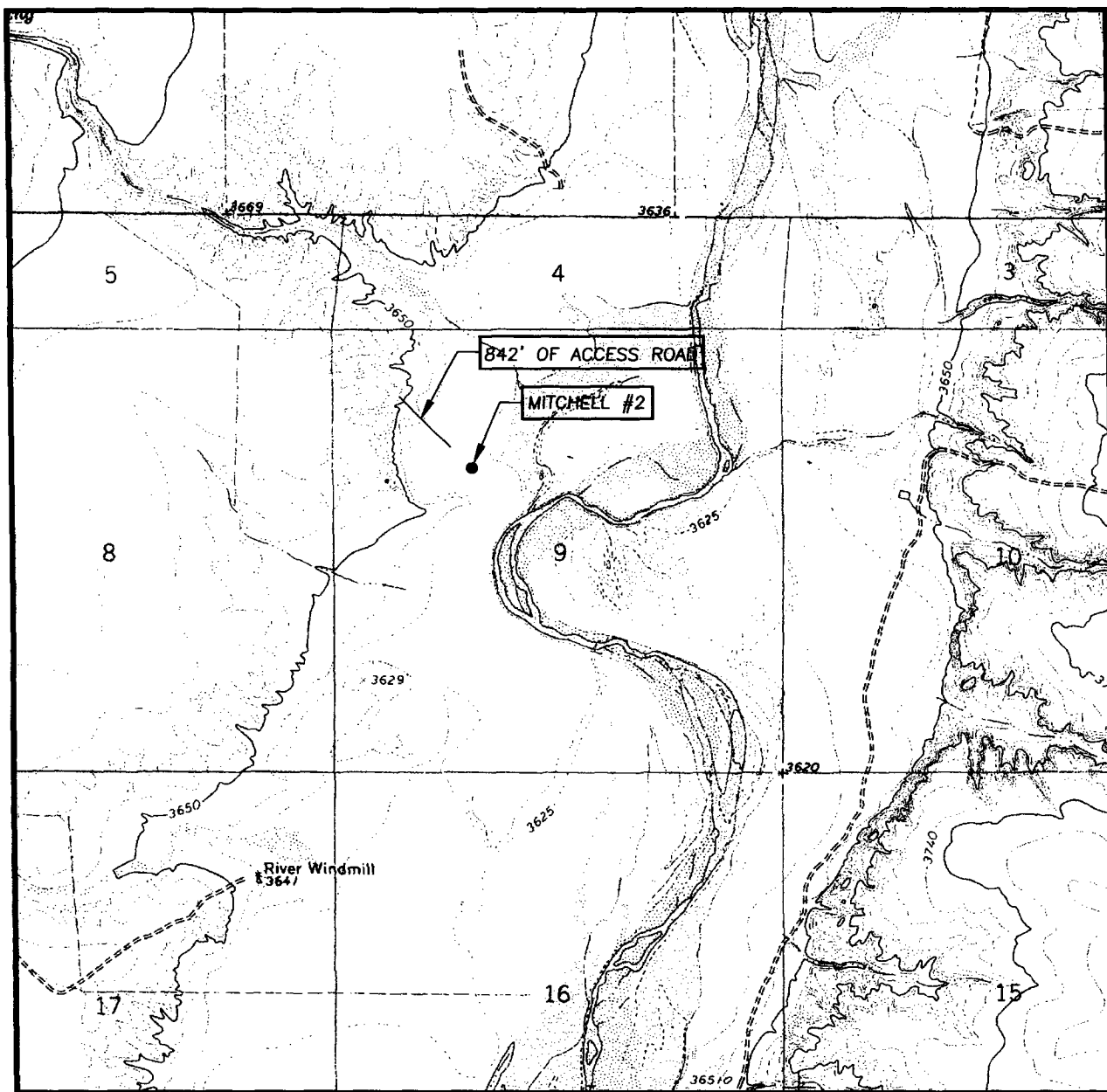


SCALE: 1" = 2 MILES

SEC. 9 TWP. 6-S RGE. 26-E  
 SURVEY N.M.P.M.  
 COUNTY CHAVES  
 DESCRIPTION 1650' FNL & 1650' FWL  
 ELEVATION 3634'  
 OPERATOR PECOS RIVER  
OPERATING, INC.  
 LEASE MITCHELL

JOHN WEST SURVEYING  
 HOBBS, NEW MEXICO  
 (505) 393-3117

# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: 10'  
COTTONWOOD DRAW, N.M.

SEC. 9 TWP. 6-S RGE. 26-E

SURVEY N.M.P.M.

COUNTY CHAVES

DESCRIPTION 1650' FNL & 1650' FWL

ELEVATION 3634'

OPERATOR PECOS RIVER  
OPERATING, INC.

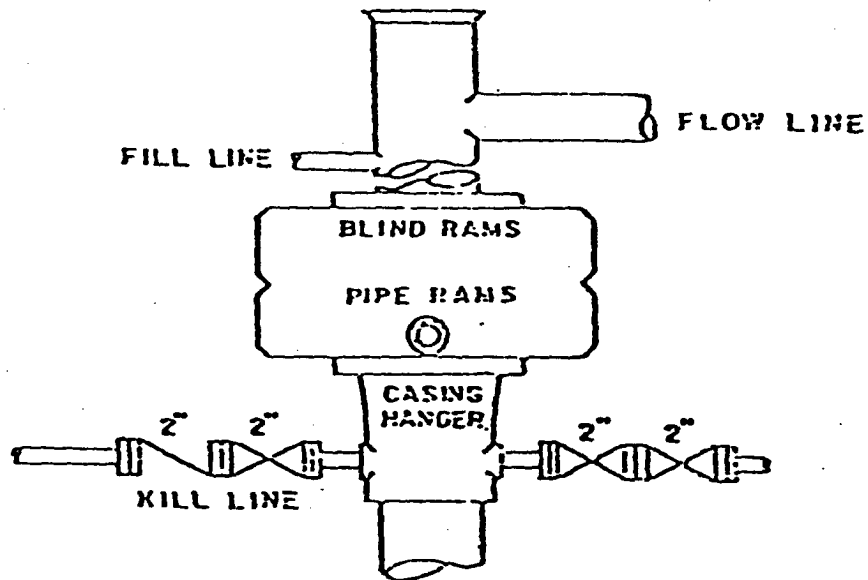
LEASE MITCHELL

U.S.G.S. TOPOGRAPHIC MAP  
COTTONWOOD DRAW, N.M.

**JOHN WEST SURVEYING  
HOBBS, NEW MEXICO  
(505) 393-3117**



BLOWOUT PREVENTER SKETCH



DUAL RAM-TYPE PREVENTER

PECOS RIVER OPERATING, INC.  
1650' FNL & 1650' FWL, Sec 9, T6S, R26E  
MITCHELL #2  
CHAVES COUNTY, NEW MEXICO