State of New Mexico

Revised February 10, 1994

Form C-101

PO Box 1980, Hobbs, NM 88241-1980

District II

811 S. First Street, Artesia, NM 88210

District III

1000 Rio Brazos Rd, Aztec. NM 87410

District IV

2040 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION

Energy, Minerals & Natural Resources Department

2040 South Pacheco Santa Fe, NM 87504-2088 RECEIVED to Appropriate District Office

Instructions On Back

State Lease - 6 Copies Fee Lease - 5 Copies

DEC 2 9 7004

AMENDED RÉPORT

COUNTESIA APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE 2 OGRID Numbe **ELK OIL COMPANY** 7147 P.O. BOX 310 3 API Number ROSWELL, NEW MEXICO 88202-0310 30-0 **6 5** 63719 4 Property Code 5 Property Name 2 Z-28 State Unit Surface Location Lot Idn North/South Line East/West Line UL or Lot No. Section Township Range Feet from the Feet from the County 10S 660 24 26E 660 West South Chaves M 8 Proposed Bottom Hole Location If Different From Surface UL or Lot No. Section Township Lot Ind North/South Line Feet from the East/West Line County Proposed Pool 1 10 Proposed Pool 2 Pting Well Type Lomanch Permian 13 Cable/Rotary 11 Work Type Code 14 Lease Type Code 15 Ground Level Elevation G R S 3710' N 16 Multiple 17 Proposed Depth 19 Contractor 20 Soud Date 6700 Fusselman Patterson 01/15/05 21 Proposed Casing and Cement Program Hole Size Casing Size Casing weight/foot Setting Depth Sacks of Cement Estimated TOC 17 1/4" 11 3/4" 42# 450' 450 SXS Circulate 12 1/4" 8 5/8" 24# 1400' 600 SXS Circulate 7 7/8" 5 1/2" 15# & 17# 6700' 650 SXS Circulate 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. yout prevention program, if any. Use additional sheets if necessary Propose to drill and test the Fusselman and Intermediate formations. If commercial, production casing will be run and cemented. We will perforate and stimulate as needed for production. MUD PROGRAM: 0 - 450' FW Gel/Native Mud; 450'-1400' FW Gel/Paper/LCM; 1400'- 4400' Brine; 4400'-TD Starch/Salt Gel. BOP PROGRAM: See Attached. No H2S anticipated at this location. Cover all oil, gas and water zones. OIL CONSERVATION DIVISION 23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief TIM W. GUM DISTRICT II SUPERVISOR **Ю**\$ЕРН Printed name Title: PRESIDENT Expiration Date JAN 03 2006 Title Approval Date: JAN 0 3 2005 Date Conditions of Approval: 505-623-3190 12/27/04 Attached

Patterson-UTI Drilling Company

Rig # 478

11,500'

DRAWWORKS

Wilson 75

ENGINES

2 Cat D-3406-TA 750HP

DERRICK

Wilson 131", 344,000# hock load w/10 lines

SUBSTRUCTURE

13'5" w/10.5' clear height to rotary beam

MUD PUMPS

2-Ellis Williams 600 w/Cat D-353-TA 450HP max

DRILL STRING

4 1/2" 16.60# Grade E w/4 1/2" XH connections

BLOWOUT PREVENTERS

Shaffer LWS 11" 3000 psi double ram w/(2) 4" openings below-rams. Shaffer 11" 3000 psi annular

MUD SYSTEM

MUD HOUSE COMMUNICATIONS

24 hour direct cellular telephone

OTHER EQUIPMENT

Blocks. McKissick 536, 250 ton 5 sheave 1" line

Hook. National 200 ton

Swivel. Gardner-Denver, SW 200 ton

Rotary Table.

Electrical Power. 2 – 165 KW AC generators powered by Catapillar D-3306 TC engines Fresh Water Storage. Housing. 420 bbl tank w/80 bbl oil compartment

"Hole Requirements will dictate actual Reserve Pit size (TOOLPUSHER SHOULD BE CONSULTED)"

