

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

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

Form C-101
Revised March 17, 1999

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

¹ Operator Name and Address Pecos Production Company 400 W. Illinois, Suite 1070 Midland, TX 79701		² OGRID Number 215758
		³ API Number 30 - 015 - 32862
³ Property Code	⁵ Property Name State 2	⁶ Well No. 8

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	2	19S	30E		330'	South	1980'	West	Eddy

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
⁹ Proposed Pool 1 Undes. Benson ; Bone Spring									
¹⁰ Proposed Pool 2									

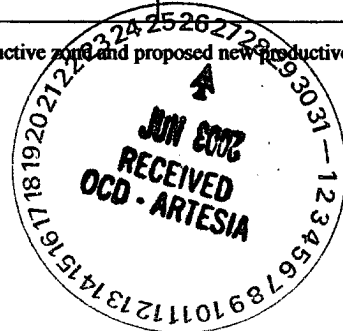
¹¹ Work Type Code N	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3428'
¹⁶ Multiple No	¹⁷ Proposed Depth 9000'	¹⁸ Formation Bone Spring	¹⁹ Contractor Unknown	²⁰ Spud Date ASAP

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2"	13 3/8"	48#	650'		Surface
11"	8 5/8"	24#	2000'		Surface
7 7/8"	5 1/2"	15.5# & 17#	9000'		1500'

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 Attached Program.



²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief		OIL CONSERVATION DIVISION	
Signature: <i>William R. Huck</i>		Approved by: <i>John W. Gamm</i>	
Printed name: William R. Huck		Title: <i>District Supervisor</i>	
Title: VP- Engr. & Operations		Approval Date: <i>JUL 08 2003</i> Expiration Date: <i>JUL 08 2004</i>	
Date: 6-23-03	Phone: (915) 620-8480	Conditions of Approval: Attached <input checked="" type="checkbox"/> <i>See STIPS / Corrections</i>	

**Pecos Production Company
Drilling Well Plan**

Well Name: State 2 No. 8

Location: 330' FSL & 1980' FWL, Section 2, Twp 19-S, Rge 30-E, Eddy Co, NM
Well is believed to be outside the OCD R-111-P Area.
Shallow horizons (Yates – San Andres) contain H₂S. Limited Exposure radius.
100 PPM ROE = 11.71 ft. 500 PPM ROE = 5.71 ft
Use appropriate warning signs, monitors, and train drilling personnel.

Objective: 9,000' Bone Spring

Rig Specs: 600 Hp w/ 10,000 – 12,000' depth bracket.
Proj Max Drlg Hookload (16.6# dp): 170,000 lb.
Proj Max Casing Hookload: 130,000 lb.

BOP's: Surface Hole: None
Intermediate: 13-5/8", 3M Double Ram w/ Annular.
Production: 11", 3M Double Ram w/ Annular.

EST FORMATION TOPS

Yates	2,290	1 st BS Sand	8,490
Queen	2,713	2 nd BS Sand	8,600
SanAndres	3,460	TD	9,000
Delaware	5,023		
Bone Spring	6,000		

LOCATION

Build 280' x 180' caliche pad w/ 130 x 130 double horseshoe reserve. Use material from reserve for pad and road surface. Keep reserve pit below grade to facilitate reclamation to OCD guidelines. Install 6' x 6' x 6' cellar. Drill and grout in 40 ft of 20" conductor pipe.

SURFACE HOLE

Drill 17-1/2" surface hole to +/- 680'. Use fresh water – native mud. Circulate steel pits to control washout. Run and cement 13-3/8" casing. Centralize every other collar. Install Texas Pattern Guide shoe and insert float. Displace w/ fresh water.

18 Hours WOC

SURFACE CASING

Size	Wgt	Grd	Cplg	Depth	Col SF	Burst SF	Tens SF
13-3/8"	48#	H-40	STC	680	2.43	1.15*	9.80

MASP – 1500 psi.

CEMENT

Lead: 385 sx Class C w/ 4% gel, 1/4# Celloflake, 2% CaCl. 13.4 ppg. 1.77 cf/sk.
Tail: 200 sx Class C w/ 1/4# celloflake, 2% CaCl. 14.8 ppg. 1.34 cf/sk.

INTERMEDIATE HOLE

WOC 4 hrs. Cut off conductor and 13-3/8" casing. Weld on 13-3/8" SO x 13-5/8", 3M
Bradenhead. Install and test 13-5/8", 3M double-ram BOP's w/ Annular. Test casing to 1000 psi. Drill out

18 Hours Option 1, 12 Hours Option 2 per Rule 107

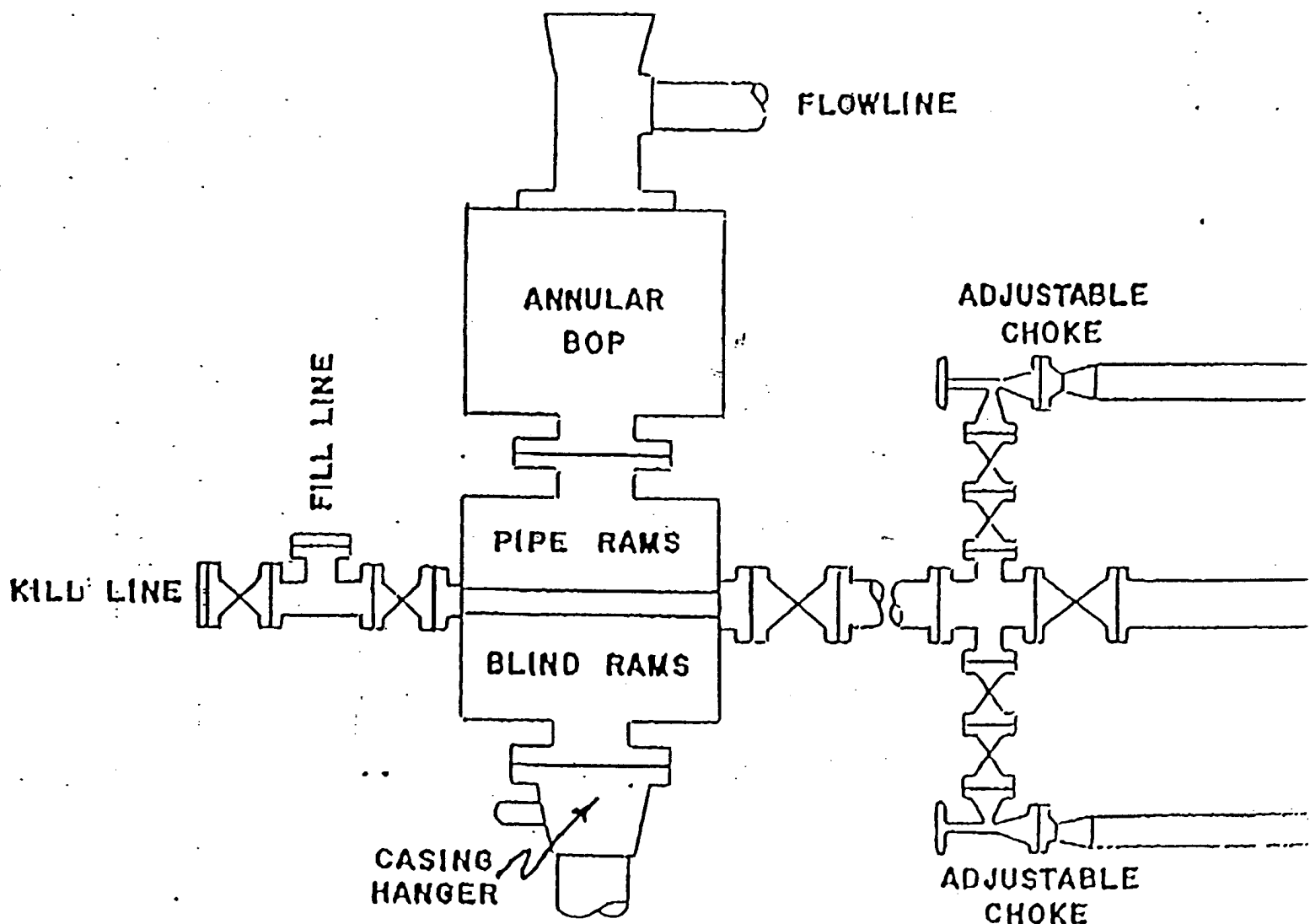
BLOWOUT PREVENTOR ARRANGEMENT

11" SHAFFER TYPE LWS, 3000 psi WP

11" CAMERON SPHERICAL, 3000 psi WP

80 GALLON, 5 STATION KOOMEY ACCUMULATOR

3000 psi WP CHOKE MANIFOLD



DISTRICT I
P.O. Box 1880, Hobbs, NM 88241-1880

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 Benson
Property Code	Property Name STATE 2	Well Number 8
OGRID No. 215758	Operator Name PECOS PRODUCTION COMPANY	Elevation 3428'

Surface Location

UL or lot No. N	Section 2	Township 19-S	Range 30-E	Lot Idn	Feet from the 330'	North/South line SOUTH	Feet from the 1980'	East/West line WEST	County EDDY
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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 40	Joint or Infill	Consolidation Code	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

LOT 4	LOT 3	LOT 2	LOT 1
Pecos Production Company State 2 Lease 641.42 Acres			
40.40 AC	40.38 AC	40.38 AC	40.36 AC
GEODETC COORDINATES NAD 27 NME Y = 612371.2 N X = 619698.3 E LAT. 32°40'58.46"N LONG. 103°56'39.46"W			
40 Acres			
1980'			
330'			

OPERATOR CERTIFICATION

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

William R. Huck
Signature
William R. Huck
Printed Name
VP - Engr. & Operations
Title
6-23-03
Date

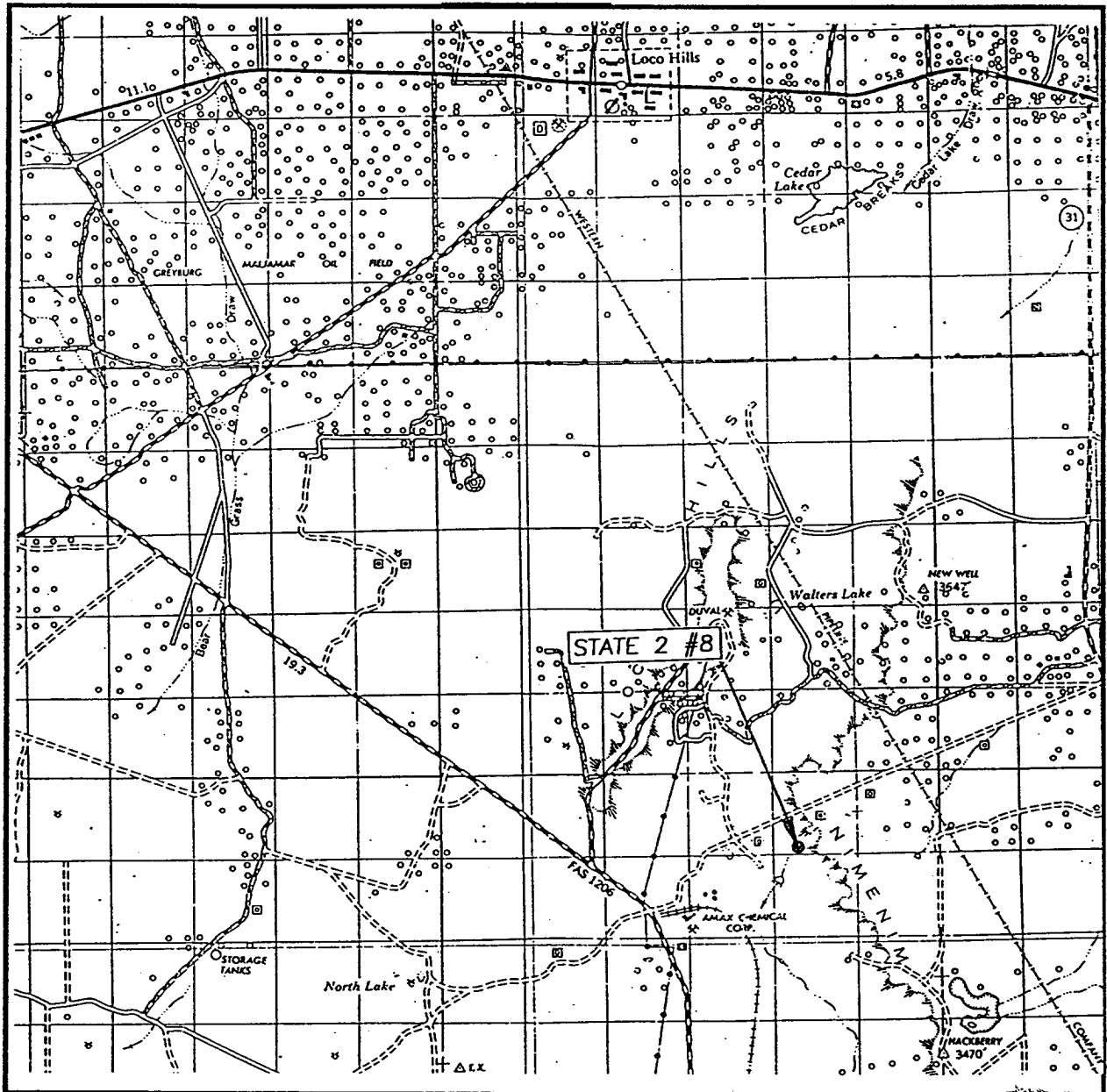
SURVEYOR CERTIFICATION

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.

June 11, 2003

Date Surveyed
Signature & Seal of
Professional Surveyor
RONALD J. EDSON
6/16/03
03.11.0594
Certificate No. RONALD J. EDSON 3239
GARY EDSON 12641

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 2 TWP. 19-S RGE. 30-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 330' FSL & 1980' FWL

ELEVATION 3428'

OPERATOR PECOS PRODUCTION COMPANY

LEASE STATE 2

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



CONTOUR INTERVAL: 10'
HACKBERRY LAKE, N.M.

U.S.G.S. TOPOGRAPHIC MAP
HACKBERRY LAKE, N.M.

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



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Lori Wrotenbery

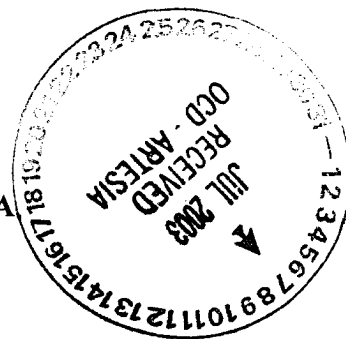
Director

Oil Conservation Division

Bureau of Land Management
620 East Greene St.
Carlsbad, NM 88220-6292
Attn: Craig Cranston or To Whom It May Concern

RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA

OPERATOR: Pecos Production Company
LEASE NAME: State '2' #8
LOCATION: SEC. 2 TOWNSHIP 19 SOUTH, RANGE 30 EAST,
330' FSL & 1980' FWL, Surface Location
EDDY COUNTY, NM, NMPM



PROPOSED DEPTH: 9000'.

Dear Craig or To Whom It May Concern,

The application for permit to drill identified above has been filed with this office of the New Mexico Oil Conservation Division. Pursuit to the provisions of Oil Conservation Division Order R-111-P, please advise this office whether or not this application is within an established Life-of-Mine Reserve area filed with and approved by your office. If not, please advise whether it is within the buffer zone established by this order.

Thank you for your assistance.

Sincerely,

Bryan G. Arrant

PES, District II Artesia NMOCD

In LMR	Yes _____	No <u>X</u>
In Buffer Zone	Yes _____	No <u>X</u>

Comments: The location is 3,285' from the open mine workings of the Horizon Potash Mine.


Date: July 2, 2003

Signature:



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop
Cabinet Secretary

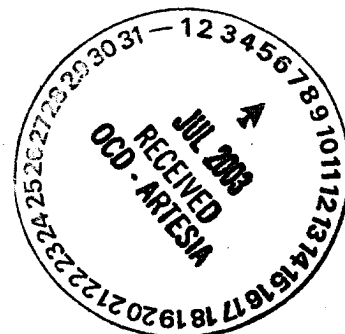
Lori Wrotenbery
Director

Oil Conservation Division

State Land Office
P.O. Box 1148
Santa Fe, NM 87405
Attn: Joe Mraz or To Whom It May Concern

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OPERATOR: Pecos Production Company
LEASE NAME: State '2' #8
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Thank you for your assistance.

Sincerely,

Bryan G. Arrant
PES, District II Artesia NMOCD

In LMR Yes _____
In Buffer Zone Yes _____

No X
No X

jm
7-1-03

Comments:

*located east of old Duval workings, 1/2 mile
+ east of API 3915/26521 1660 FSL + 1650 FWL by 330 feet*

Signature: *[Signature]*

Date: *7/2/03*