

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

MAY 11 2009

Form C-101  
June 16, 2008

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

<sup>1</sup> Operator Name and Address Dan A. Hughes Company, L.P. P.O. Drawer 669, 208 E. Houston St., Beeville, TX 78104		<sup>2</sup> OGRID Number 251054
		<sup>3</sup> API Number 30-023-20014
<sup>4</sup> Property Code 37694	<sup>5</sup> Property Name Big Hatchet North Unit 14 State	<sup>6</sup> Well No 001
<sup>9</sup> Proposed Pool 1 Wildcat, Percha Shale		<sup>10</sup> Proposed Pool 2

<sup>7</sup> Surface Location

UL or lot no. MG	Section 14	Township 30S	Range 17W	Lot Idn	Feet from the 1545.11	North/South line N	Feet from the 2025.39	East/West line E	County Hidalgo
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<sup>8</sup> 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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Additional Well Information

<sup>11</sup> Work Type Code N	<sup>12</sup> Well Type Code G	<sup>13</sup> Cable/Rotary Cable	<sup>14</sup> Lease Type Code S	<sup>15</sup> Ground Level Elevation 4443'
<sup>16</sup> Multiple No	<sup>17</sup> Proposed Depth 7000'	<sup>18</sup> Formation Percha Shale	<sup>19</sup> Contractor Patterson Drlg.	<sup>20</sup> Spud Date May 30, 2009


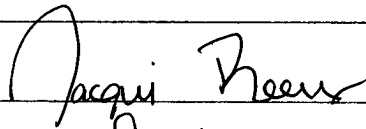
<sup>21</sup> Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12-1/4"	9-5/8"	36# J-55 LT&C	500' 800'		Surface
7-7/8"	5-1/2"	17# J-55 LT&C	7000'		5000'

<sup>22</sup> 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.

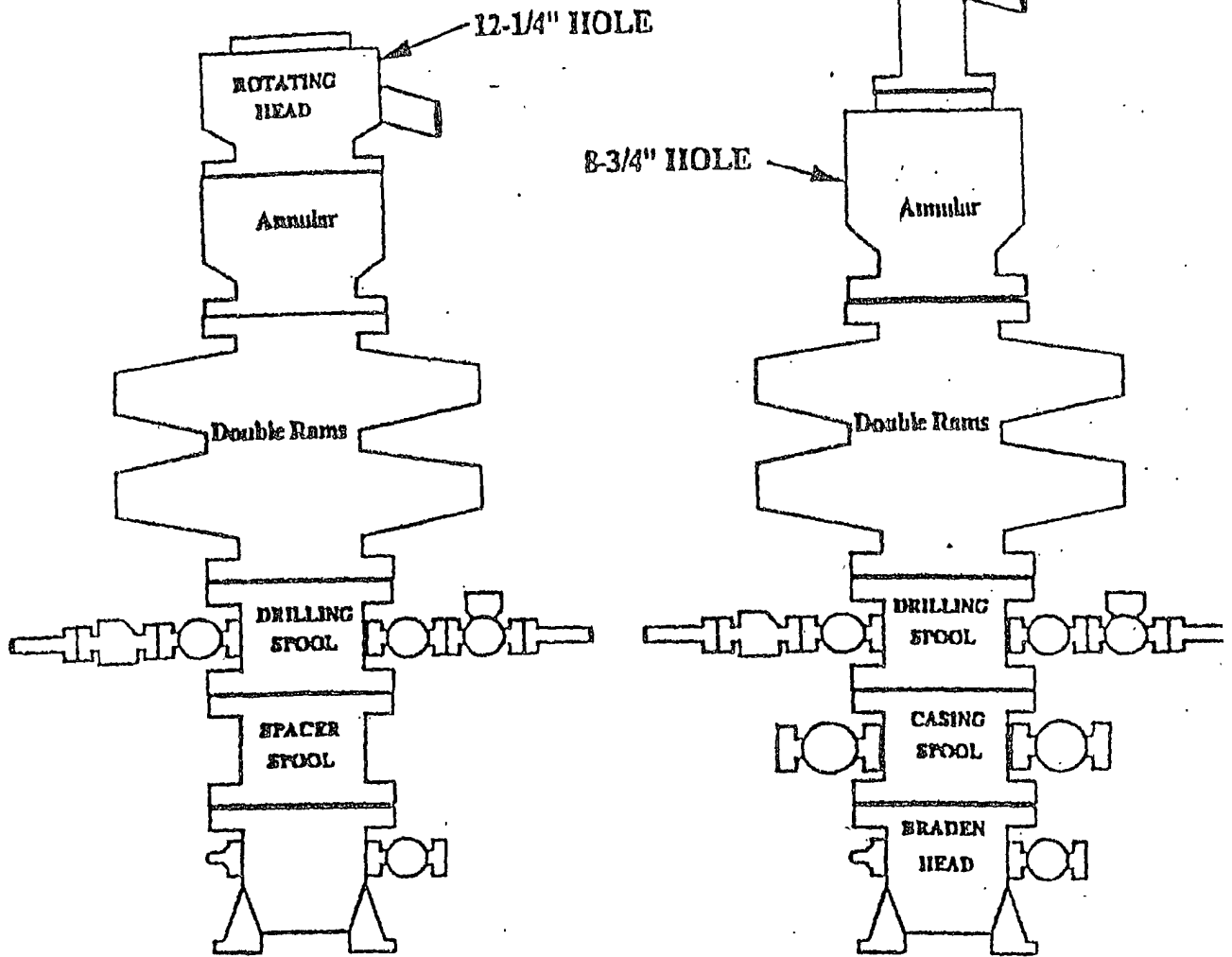
See attached proposed wellbore schematic & blowout preventers diagram.  
A closed loop system with steel tanks will be used with 100% haul-off.

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

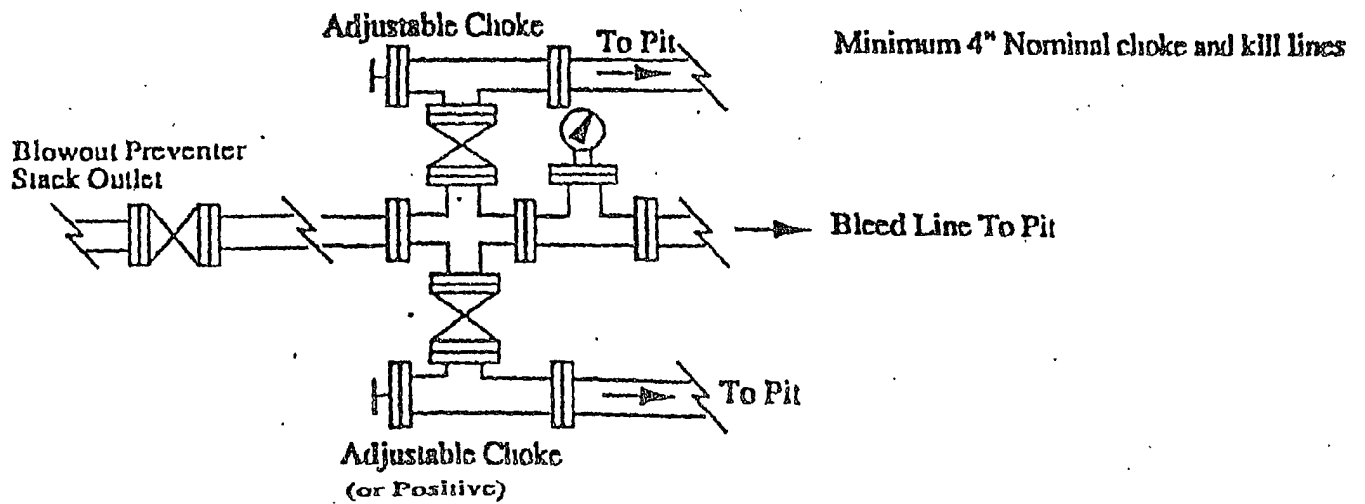
Signature 	OIL CONSERVATION DIVISION	
Printed name. Jeff Useng, P.E.	Approved by. 	
Title: Operations Manager	Title: Geologist	
E-mail Address jeffi@dahughes.net	Approval Date 5/20/2009	Expiration Date 5/20/2011
Date: 4/6/2009	Phone: 361/358-3752	Conditions of Approval Attached <input checked="" type="checkbox"/>

☐ AMENDED REPORT

16					<p>1545-11'</p> <p>2025.39'</p> <p>18 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed horizon hole location or has a right to drill this well at this location pursuant to a mineral lease or other agreement which is subject to an existing operating, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>[Signature]</i> 4/6/2009</p> <p>Signature Date</p> <p>Jeffery R. Ilse</p> <p>Printed Name</p>
					<p>18 SURVEYOR CERTIFICATION</p> <p>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 knowledge.</p> <p>5-4-09</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p><i>[Signature]</i></p> <p>5252</p> <p>Certificate Number</p>

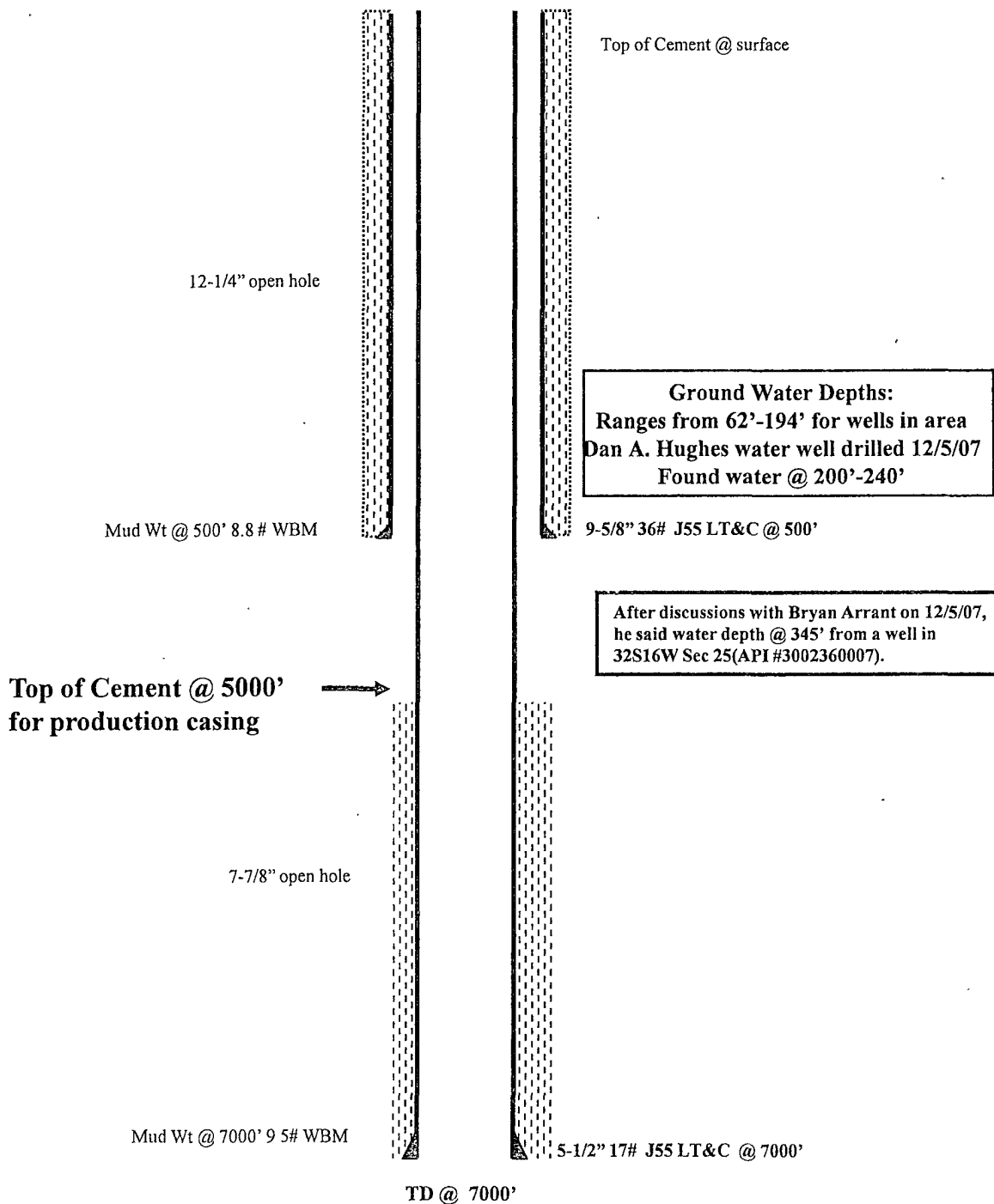


Choke Manifold Requirement (3000 psi WP)



Elev. 4443' GL

## PROPOSED WELLBORE SCHEMATIC



### DAN A. HUGHES COMPANY, L.P.

BIG HATCHET NORTH UNIT 14 STATE #1  
WILDCAT/PERCHA SHALE

HIDALGO COUNTY, NEW MEXICO  
BY: JEFF ILSENG DATE: 4/7/09

DIRECTIONS: Located Township 30S Range 17W, Section 14, FNL x FEL

## Conditions of Approval per NMOCD

Dan A Hughes Company, L.P.  
Big Hatchet North Unit 14 State # 1  
API#-

1. Surface casing must be set at a minimum of 800'. Cement must be circulated on surface and production string.
2. Fluid loss additives are required .
3. Open hole porosity, and resistivity logs must be pulled from TD to surface pipe and GR-CNL to surface.
4. Cement must be circulated on all casing strings-run DV/Stage Tool based on drilling loss zones if necessary.