

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

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

1. Operator Name and Address ENCORE OPERATING LP 777 MAIN STREET, SUITE 1400 FORT WORTH, TX 76102		2. OGRID Number 189951
		3. API Number 30-025-37993
4. Property Code 35822	5. Property Name ENCORE "36" STATE	6. Well No. 001

7. Surface Location

UL - Lot J	Section 36	Township 16S	Range 34E	Lot Idn J	Feet From 1330	N/S Line S	Feet From 1750	E/W Line E	County LEA
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8. Pool Information

VACUUM;ATOKA-MORROW, NORTH (GAS)	86800
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Additional Well Information

9. Work Type New Well	10. Well Type GAS	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 4038
14. Multiple N	15. Proposed Depth 12800	16. Formation Morrow	17. Contractor	18. Spud Date 8/1/2006
Depth to Ground water 84		Distance from nearest fresh water well > 1000		Distance to nearest surface water > 1000
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 miles thick Clay <input type="checkbox"/> Pit Volume: 14000 bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	500	450	
Int1	11	8.625	32	4800	1590	
Prod	7.875	5.5	17	12800	570	4700

Casing/Cement Program: Additional Comments

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Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	5000	5000	

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 <input checked="" type="checkbox"/> a general permit <input type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	OIL CONSERVATION DIVISION	
	Approved By: Paul Kautz	
	Title: Geologist	
	Approved Date: 7/10/2006	Expiration Date: 7/10/2007
	Conditions of Approval Attached	

Printed Name: Electronically filed by Ann Wiley	
Title: Sr. Regulatory Analyst	
Email Address: awiley@encoreacq.com	
Date: 7/7/2006	Phone: 817-877-9955

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(505) 393-6161 Fax:(505) 393-0720

District II
 1301 W. Grand Ave., Artesia, NM 88210
 Phone:(505) 748-1283 Fax:(505) 748-9720

District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

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Form C-102
 Permit 33710

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-37993	2. Pool Code 86800	3. Pool Name VACUUM,ATOKA-MORROW, NORTH (GAS)
4. Property Code 35822	5. Property Name ENCORE "36" STATE	6. Well No. 001
7. OGRID No. 189951	8. Operator Name ENCORE OPERATING LP	9. Elevation 4038

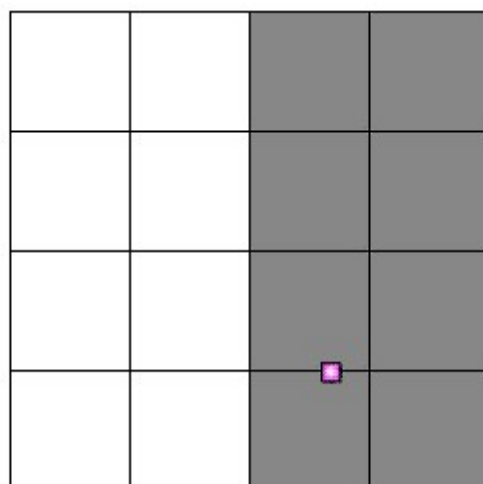
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
J	36	16S	34E		1330	S	1750	E	LEA

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 320.00		13. Joint or Infill		14. Consolidation Code		15. 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



OPERATOR CERTIFICATION

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 unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

E-Signed By: Ann Wiley
 Title: Sr. Regulatory Analyst
 Date: 7/7/2006

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.

Surveyed By: Gary Jones
 Date of Survey: 6/12/2006
 Certificate Number: 7977

Permit Conditions of Approval

Operator: ENCORE OPERATING LP , 189951

Well: ENCORE "36" STATE #001

API: 30-025-37993

OCD Reviewer	Condition
pkautz	Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines
pkautz	prior to any pit construction notify Gary Wink at 505-393-6161 ext 114
pkautz	This well is within the boundries of the Vacuum;Abo North Pool and also within 1 mile of the boundries of the Vacuum;Grayburg-San Andres. Therefore, the cement on the production string must be tied back into the Intermediate String.
pkautz	Note changes to the BOP requirements.