

**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 TORCH ENERGY SERVICES, INC. 1221 LAMAR SUITE 1175 HOUSTON, TX 77010		2. OGRID Number 241401
		3. API Number 30-025-38263
4. Property Code 302966	5. Property Name COOPER JAL UNIT	6. Well No. 505

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
F	18	24S	37E	F	2581	N	2369	W	LEA

**8. Pool Information**

JALMAT;TAN-YATES-7 RVRS (OIL)	33820
LANGLIE MATTIX;7 RVRS-Q-GRAYBURG	37240

**Additional Well Information**

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type Private	13. Ground Level Elevation 3301
14. Multiple Y	15. Proposed Depth 3730	16. Formation Queen	17. Contractor	18. Spud Date 1/26/2007
Depth to Ground water 120		Distance from nearest fresh water well > 1000		Distance to nearest surface water > 1000
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 20 _____ mils thick Clay <input type="checkbox"/> Pit Volume: 10730 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	12.25	8.625	24	400	250	
Prod	7.875	5.5	15.5	3730	1000	

**Casing/Cement Program: Additional Comments**

Cementing Program: Surface Casing- 250 sacks Class "C" w/ 2% CaCl<sub>2</sub> (14.8 ppg, 1.32 cf/sk, 6.31 gw/sk) Production Casing- 650 sacks 35/65 Poz "H" w/ 6% gel, 5% salt, 1/4 lb/sk floccle (12.8 ppg, 1.94 cf/sk, 10.4 gw/sk) + 350 sacks Class "H" (15.6 ppg, 1.18, cf/sk, 5.2 gw/sk)

**Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
Annular	3000	3000	
DoubleRam	3000	3000	Cameron

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"/> .	<b>OIL CONSERVATION DIVISION</b>
	Approved By: Chris Williams
Print Name: Electronically filed by Randy Ziebarth	Title: District Supervisor
Title: VP	Approved Date: 2/1/2007   Expiration Date: 2/1/2008
Email Address: ziebarthr@teai.com	
Date: 1/5/2007   Phone: 713-756-1620	Conditions of Approval Attached

**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 44261

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-025-38263	2. Pool Code 33820	3. Pool Name JALMAT,TAN-YATES-7 RVRS (OIL)
4. Property Code 302966	5. Property Name COOPER JAL UNIT	6. Well No. 505
7. OGRID No. 241401	8. Operator Name TORCH ENERGY SERVICES, INC.	9. Elevation 3301

**10. Surface Location**

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**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 40.69		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**

	<p align="center"><b>OPERATOR CERTIFICATION</b></p> <p><i>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.</i></p> <p>E-Signed By: Randy Ziebarth          Title: VP          Date: 1/5/2007</p>
	<p align="center"><b>SURVEYOR CERTIFICATION</b></p> <p><i>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.</i></p> <p>Surveyed By: John Piper          Date of Survey: 9/21/2006          Certificate Number: 7254</p>

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**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-025-38263	2. Pool Code 37240	3. Pool Name LANGLIE MATTIX,7 RVRS-Q-GRAYBURG
4. Property Code 302966	5. Property Name COOPER JAL UNIT	6. Well No. 505
7. OGRID No. 241401	8. Operator Name TORCH ENERGY SERVICES, INC.	9. Elevation 3301

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## Permit Comments

Operator: TORCH ENERGY SERVICES, INC. , 241401

Well: COOPER JAL UNIT #505

API: 30-025-38263

Created By	Comment	Comment Date
MREYES	A request to downhole commingle the Jalmat & Langlie Mattix Pools will be filed later.	1/5/2007
MREYES	I sent a C-102 Survey Plat to Donna Mull via e-mail due to a problem with website (unable to attach).	1/5/2007
CWILLIAMS	See conditions of approval.	2/1/2007

# Permit Conditions of Approval

**Operator:** TORCH ENERGY SERVICES, INC. , 241401

**Well:** COOPER JAL UNIT #505

**API:** 30-025-38263

OCD Reviewer	Condition
CWILLIAMS	Must have NSL and DHC order from Santa Fe before well can be produced.