

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. 1331 LAMAR SUITE 1350 HOUSTON , TX 77010		2. OGRID Number 241401
		3. API Number 30-025-39100
4. Property Code 302966	5. Property Name COOPER JAL UNIT	6. Well No. 516

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
A	25	24S	36E	A	1050	N	223	E	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 3280
14. Multiple Y	15. Proposed Depth 3600	16. Formation Queen	17. Contractor	18. Spud Date 9/24/2008
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water
Pr. Liner: Synthetic <input type="checkbox"/> miles thick Clay <input type="checkbox"/> Pit Volume: 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	8.875	24	1125	250	0
Prod	7.875	5.5	15.5	3600	1000	0

Casing/Cement Program: Additional Comments

1. MIRU Drilling Rig. MIRU Closed Loop Mud System. 2. Drill 12 1/4" hole to 400'. 3. Land 8 5/8" casing & cement to surface. 4. NU Cameron Style BOP w/ Blind & Annular Rams. Test to 3000 psig. 5. Drill 7 7/8" hole to 3600'. 6. Land 5 1/2" casing & cement to surface. 7. Release rig & prep to complete.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
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 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	
Printed Name: Electronically filed by Randy Ziebarth	Title: Geologist	
Title: VP	Approved Date: 8/25/2008	Expiration Date: 8/25/2010
Email Address: ziebarthr@teai.com		
Date: 8/6/2008	Phone: 713-756-1620	Conditions of Approval Attached

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
1301 W. Grand Ave., Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
1220 St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-1021
Revised October 12, 2005

Submit to Appropriate District Office
State Lease-4 copies
Fee Lease-3 copies

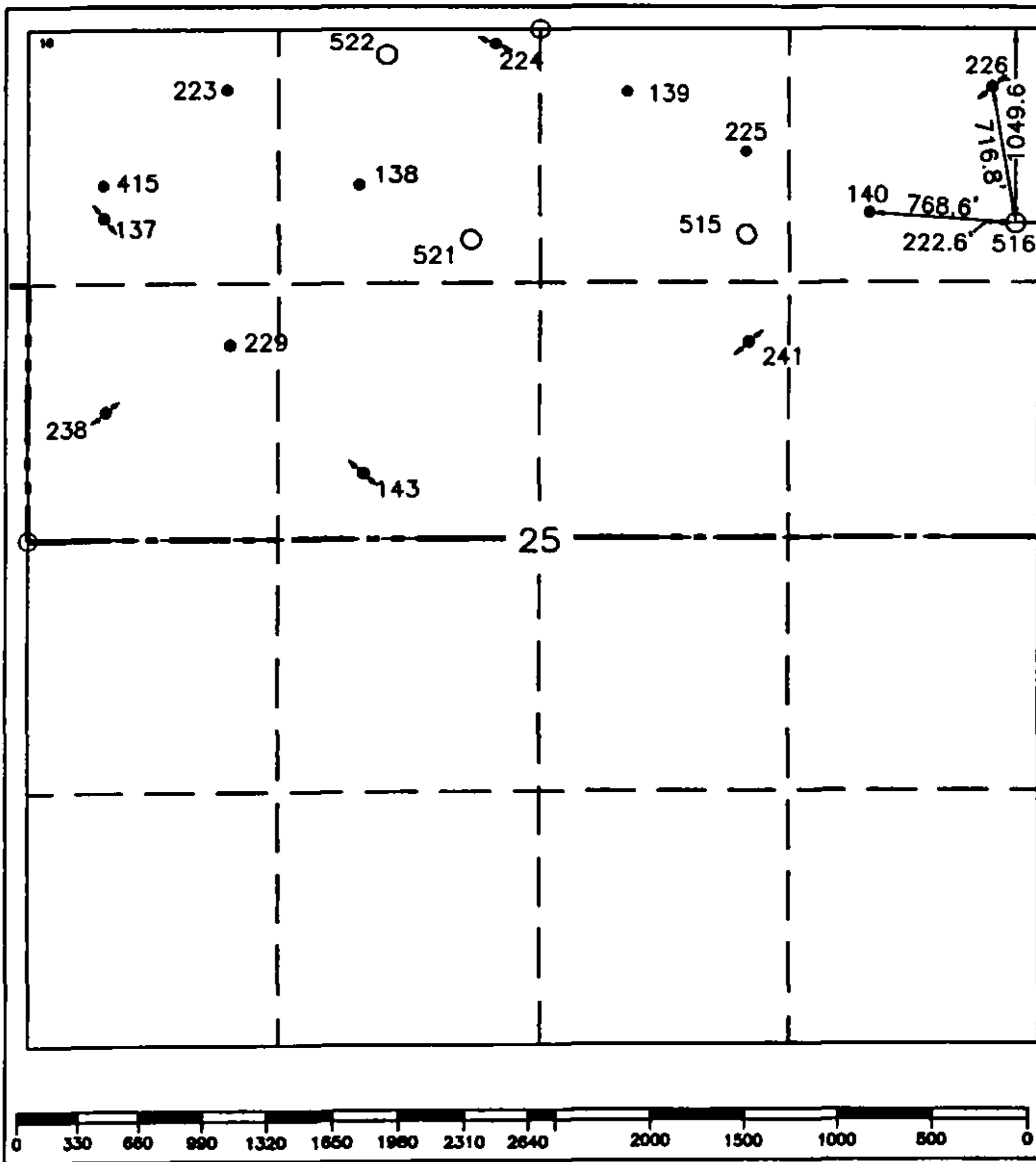
OIL CONSERVATION DIVISION
1220 South St. Francis Drive
Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name Jalmat; Langlie Mattix					
Property Code		5 Property Name Cooper Jal Unit						8 Well Number 516	
7 OGRID No. 193003		9 Operator Name TORCH ENERGY SERVICES, INC.						6 Elevation 3280'	
10 Surface Location									
UL or lot no. A	Section 25	Township 24-S	Range 36-E	Lot Idn	Feet from the 1049.6'	North/South line North	Feet from the 222.6'	East/West line East	County Lea
11 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
12 Dedicated Acres 40		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.

	17 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 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. Signature: <i>Jim Kidd</i> Date: 6-30-08 Printed Name: Jim Kidd	
	18 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 knowledge and belief. January 14, 2008 Date of Survey Signature & Seal of Professional Surveyor: <i>John D. [Signature]</i> Certificate No. 7254	

○ = Staked Location • = Producing Well ● = Injection Well ◇ = Water Supply Well ◆ = Plugged & Abandon Well
⊙ = Found Section Corner, 2 or 3" Iron Pipe & GLO B.C. ◦ = Found 1/4 Section Corner, 1" Iron Pipe & GLO B.C.

ADDITIONAL INFORMATION ON THE LOCATION

State Plane Coordinates Northing 435656.34 (1927= 435597.74)		Easting 888540.29 (1927= 847353.44)	
Latitude 32°11'33.776"		Longitude 103°12'39.451"	
Zone East	North American Datum 1983/86	Combined Grid Factor 0.99989039	Coordinate File Coop_Jal.Crd
Drawing File Coop_Jal.Dwg		Field Book Lea #24, Pg. 25	

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	Signature Jim Kidd	
	Date 6-30-08	
	Printed Name Jim Kidd	
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	Date of Survey January 14, 2008	
	Signature & Seal of Professional Surveyor: 	
	Certificate No. 7254	

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Drawing File Coop_Jal.Dwg		Field Book Lea #24, Pg. 25	

Permit Comments

Operator: TORCH ENERGY SERVICES, INC. , 241401

Well: COOPER JAL UNIT #516

API: 30-025-39100

Created By	Comment	Comment Date
MREYES	C-144 & C107A will be filed.	8/6/2008
DMULL	Received form C-144 "Pit Registration". OCD Permit Number P1-00334.	8/25/2008

Permit Conditions of Approval

Operator: TORCH ENERGY SERVICES, INC. , 241401

Well: COOPER JAL UNIT #516

API: 30-025-39100

OCD Reviewer	Condition
pkautz	Surface casing must be set into top of the Rustler Formation.
DMULL	Will require Santa Fe approval of form C-107-A "Downhole Commingling" before multiple zones can be produced by commingling in the wellbore accordance with the procedure set forth in Rule 19-15-303.C.