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

State of New Mexico Energy Minerals and Natural Resources

Form C-101 May 27, 2004

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505 RECEIVED to appropriate District Office

JUN 2, 1 2005 AMENDED REPORT

1220 S. St. Francis Dr., Santa Fe, NM 87505 APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE Operator Name and Address
Sandel Operating Company
c/o Pueblo West LLC 1218 W. Pueblo Ave
Hobbs, NM 88240 OCRID Number 226685 API Number 30 - 015-10258 Property Code Property Name Harris State Well No #1 34907 10 Proposed Pool 2 Proposed Pool 1 70520 Antelope Sink , Upper Penn Surface Location Fact/West line County UL or lot no. Township Lot Idn Feet from the North/South line Feet from the P 36 **18S** 23S 660 South 660 East Eddy ⁸ Proposed Bottom Hole Location If Different From Surface Feet from the North/South line Feet from the East/West line UL or lot no Township Range Lot ldn County Section Additional Well Information Work Type Code 12 Well Type Code 13 Cable/Rotary 15 Ground Level Elevation Lease Type Code E 3818 Multiple Proposed Depth 18 Formation 19 Contractor Spud Date 6806 Unknown at this time ASAP **Upper Penn** Distance from nearest fresh water well 100 - 300ft Distance from nearest surface water Depth to Groundwater Estimated 1320ft Estimated 900fl Liner: Synthetic X 12 mils thick Clay Drilling Method: SU and Reverse Circulation Unit Pit Volume: 1000 bbls Pit: Fresh Water X Brine X Diesel/Oil-based Gas/Air Closed-Loop System ²¹ Proposed Casing and Cement Program Hole Size Casing Size Casing weight/foot Setting Depth Sacks of Cement Estimated TOC 17" 13 3/8" 48# / ft 193 275 Surface – In place 12" 8 5/8" 24#/1 1957 625 Surface - In place 5 1/3" 7.7/8" 15 50# / ft 200 6600 5700 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 Sandel Operating proposes to re-enter the plugged well bore drilled and plugged by Franklin, Aston and Fair in 1964. Please see attached drilling program and procedure ²³ I hereby certify that the information given above is true and complete to the OIL CONSERVATION DIVISION best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines XI, a general permit I, or Approved by: an (attached) alternative OCD-approved plan Printed name: Michael S. Prichard 2 4 2005 Approval Date JUN Title: Agent Expiration Date E-mail Address: michaelsprichard@hotmail.com Date: Phone: 505-392-9100 Conditions of Approval Attached

Approval: Printed Name/Title	P	Signature	Date:
		AS A CONDITION OF APPROVAL, A DE MUST BE APPROVED BEFORE CLOS	TRED GLOSURE PLAN RE MAY COMMENCE.