

District I
1655 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

Form C-101
May 27, 2004

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

¹ Operator Name and Address HEC PETROLEUM, INC. C/O Mike Pippin 3104 N. Sullivan, Farmington, NM 87401		² OGRID Number 009812
³ Property Code 4916	⁴ Property Name TAFOYA L2	⁵ Well No. #3
⁹ Proposed Pool 1 Basin Fruitland Coal		¹⁰ Proposed Pool 2

7 Surface Location

UL or lot no. E	Section 35	Township 32N	Range 13W	Lot Idn	Feet from the 1600'	North/South line North	Feet from the 675'	East/West line West	County San Juan
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8 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

¹¹ Work Type Code N	¹² Well Type Code G	¹³ Cable/Rotary R	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 5892'
¹⁶ Multiple No	¹⁷ Proposed Depth 2300'	¹⁸ Formation Fruitland Coal	¹⁹ Contractor None Yet	²⁰ Spud Date 4/20/06
Depth to Groundwater >100'		Distance from nearest fresh water well >1000'		Distance from nearest surface water 200'-1000'
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 mils thick Clay <input type="checkbox"/> Pit Volume: 1950 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"/>				

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12-1/4"	8-5/8"	24#	200'	200	Surface
7-7/8"	5-1/2"	15.5#	2300'	291	Surface

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.

Drill 12-1/4" hole to 200' using fresh water mud. Run & cement 8-5/8" surface casing to surface. Wait on cement 12 hours. Nipple up 7-1/16" BOPE (annular). Pressure test surface casing & BOPE to minimum of 500 psig for 30 minutes. Drill 7-7/8" hole to TD using polymer & water. Run 5-1/2" production casing & cement to surface in a single stage. Move out drilling rig. Move in completion equipment. Test production casing to 3800 psi for 30 minutes. Log well. Perforate select Fruitland Coal intervals and stimulate with a sand frac treatment. Install production equipment, 2-3/8" tubing, and gas sales meter. Complete as a single Fruitland Coal gas well.

23 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 ☒ a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

Printed name: Mike Pippin

Title: Agent - Petroleum Engineer

E-mail Address: mpippin@ddbroadband.net

Date: 11/10/05

Phone: 505-327-4573

Approved by:

File:

Approval Date: NOV 14 2005

Conditions of Approval Attached ☐

OIL CONSERVATION DIVISION

DEPUTY CHIEF OF BUREAU, DIST. 8

Expiration Date: NOV 14 2006

OCT 19 1964

JOHN VUKOVICH

NEW MEXICO

REGISTERED PROFESSIONAL SURVEYOR

14831

4-05

Certificate Number