

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 S. St Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Oil Conservation Division

1220 S. St Francis Dr.

Santa Fe, NM 87505

Form C-101

APPLICATION FOR PERMIT TO DRILL

<p style="text-align: center;">Operator Name and Address</p> <p>HEC PETROLEUM, INC 463 Turner Drive 101 Durango, CO 81303</p>		<p>OGRID Number 9812</p>
		<p>API Number 30-045-31595</p>
<p>Property Code 4893</p>	<p>Property Name Jaquez K2</p>	<p>Well No. 003</p>

Surface Location

UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
C	2	31N	13W		940	N	1975	W	San Juan

Proposed Pools

BASIN FRUITLAND COAL (GAS) 71629

Work Type New Well	Well Type Gas	Cable/Rotary	Lease Type Private	Ground Level Elevation 5845
Multiple N	Proposed Depth 2500	Formation Fruitland Coal	Contractor	Spud Date

Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	8.625	24	350	300	0
Prod	7.875	5.5	15.5	2500	375	0

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	3000	3000	

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Electronically Signed By: Jim Bonaventura

Title: area foreman

Date: 03/21/2003

Phone: 970-259-1374

OIL CONSERVATION DIVISION

Electronically Approved By: Charlie Perrin

Title: Manager

Approval Date: 04/01/2003

Expiration Date: 04/01/2004

Conditions of Approval:

No Conditions

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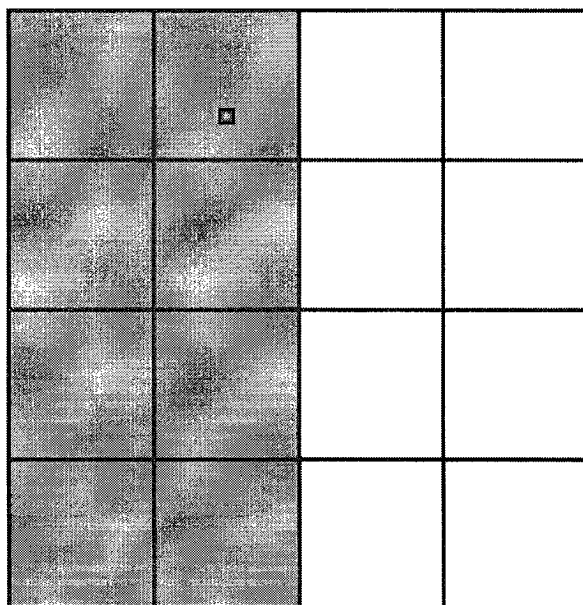
Form C-102

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-045-31595	Pool Name BASIN FRUITLAND COAL (GAS)	Pool Code 71629
Property Code 4893	Property Name Jaquez K2	Well No. 003
OGRID No. 9812	Operator Name HEC PETROLEUM, INC	Elevation 5845

Surface And Bottom Hole Location

UL or Lot C	Section 2	Township 31N	Range 13W	Lot Idn	Feet From 940	N/S Line N	Feet From 1975	E/W Line W	County San Juan
Dedicated Acres 319.8	Joint or Infill	Consolidation Code	Order No.						

**OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Electronically Signed By: Jim Bonaventura

Title: area foreman

Date: 03/21/2003

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: Jason Edwards

Date of Survey: 03/10/2003

Certificate Number: 15269