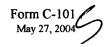
District [1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, Artesia, NM 88210

Date:

Phone: 505-392-9100

State of New Mexico Energy Minerals and Natural Resources



<u>District III</u> 1000 Rio Brazos Road, Aztec, NM 87410					Oil Conservation Division 1220 South St. Francis Dr.				RECEIVED				
<u>District IV</u> 1220 S. St. Francis Dr., Santa Fe, NM 87505					Santa Fe, NM 87505				JUN 2 1	JUN 2 1 2005			
A PPI	LICATI	ON FO	R PERMIT	TO D	RILL I	RE-ENTI	ER DI	REPEN	PEWE		R A DI) A 70	ONE
TALL!	Lichti		Operator Name	and Addre	ess		J14, 17	DIOI IOI	, LEUGE	OGRID	Number	J IN AL	71115
Sandel Operating Company c/o Pueblo West LLC 1218 W. Pueblo Ave									20 015	226685 3API Number			
³ Prope	Hobbs, NM 88240 Property Code Property								30 – 015-	30 – 015-10258 Well No.			
	34902					rris State				#1			
Proposed Pool 1 Ondes: Antelope Sink; Upper Penn 70520)	¹⁰ Proposed Pool 2						
					⁷ Surf	ace Locat	tion						
UL or lot no.	Section	Township	Range	Lot	Idn I	Feet from the		South line	Feet from the		East/West line County		
Р	36	18S	23S	<u> </u>		660		outh	660	Eas	East Eddy		ady
UL or lot no.	Section	Township			1	Location If	1	outh line		Eastalia			
OL of lot no.	Section	Township	Range	Lot	ion i	Feet from the	North/s	SOUTH LINE	Feet from the	East/We	st line	,	County
				A		Well Info	ormati	on					
	Type Code E		12 Well Type Co G	de 13 Cable/Ro R			ary 14 L		Lease Type Code S		15 Ground Level Elevation 3818		
/14	L: Iultiple		17 Proposed Depth			18 Formation			19 Contractor			²⁰ Spud Date	
	<u>S</u>		6806	 		pper Penn			Unknown at this time		ASAP		
Depth to Grou	ndwater 1	00 – 300ft			Distance from nearest fresh water well Estimated 1320ft				Distance from nearest surface water Estimated 900ft				
Pit: Liner:	Synthetic X		nils thick Clay	Pit Vo	olume:_1000_	bbls	D	rilling Meth	nod: SU and Reve				
Close	d-Loop Syster	m 🗌	21						Brine X Die	sel/Oil-based	i Gas	s/Air 🗌	
			21	Propo	sed Casii	ng and Ce	ement	Progran	n		,		
Hole S	ize	Cas	ing Size	Casing weight		t/foot Setting		Depth Sacks		Cement		Estimated TOC	
17		13 3/8"		48# / ft			193		275		Surface – In place		
12' 7 7/8		8 5/8" 5 ½"		24#/ft			1957		625		Surface – In place		
1 112	·		3 1/2		15 50# / ft		6600		- 20	<u> </u>	5700		
											<u> </u>		
²² Describe th	ne proposed p	program. If	this application	s to DEEF	PEN or PLUC	3 BACK, give	the data	on the pre	sent productive ze	one and prop	osed new	producti	ve zone.
Sand	el Operatii	ng propos	ram, if any. Use	the plugg	ged well bo	essary. o re drilled a	nd plug	ged by F	ranklin, Aston	and Fair i	n 1964.		
	Please see	attached	drilling progr	am and p	procedure			•	·				
						a	1						
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						. Pil	OIL CONSERVATION DIVISION						
constructed according to NMOCD guidelines X , a general permit , or										A VAL C	W GIM		
an (attached) alternative OCD-approved plan .				1.1.		V		TIM W. GUM DISTRICT II SUPERVIS			ISOR		
Printed name:	Michael S	S. Prichard	Mahul	1 Tran	lun!	Title:							
Title: Agent						Appro	val Date:	JUN	2 4 2005	Expiration I	Date:	JUN	2 4 2006
E-mail Addre	ss: michael:	sprichard@	hotmail.com							· ************************************			

Conditions of Approval Attached

Sandel Operating Company
OGRID # 226685
Re-entry Procedure
Harris State # 1
API # 30-015-10258
660 FSL X 660 FEL
UL "P", Section 36, T18S, R23E
Eddy County, New Mexico

Well was drilled and plugged and abandoned as dry hole in 1964 by Franklin, Aston & Fair.

- 1. Dig out well and removed PA marker.
- 2. Install weld on 8 5/8" x 8" 3000 psi well head with 2-2" outlets with nipples and ball valves.
- 3. Set and test 4 Service Unit anchors.
- 4. Move in rig up Service Unit.
- 5. Nipple up drilling spool and manual 8" 3000 psi BOP.
- 6. Pressure test well head and BOP assembly to 1500 psig.
- 7. Well will be re entered with 9.1 ppg cut brine.
- 8. Run 7 7/8" bit, drill collars and drill out surface plugs.
- 9. Run bit to 1100feet and circulate clean and pressure test casing to 1000 psig.
- 10. Drill out cement plug 1100' to 1200'
- 11. Drill out remaining cement plugs to TD of 6600ft with cut brine, Circulate clean.
- 12. Pull tubing and tools
- 13. Run 5 1/2" casing and cement with estimated 200 sack Class "H" cement.
- 14. Test Upper Penn for commercial production.

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

District II

1301 W. Grand Avenue, Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

State of New Mexico

Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-102

Revised June 10, 2003

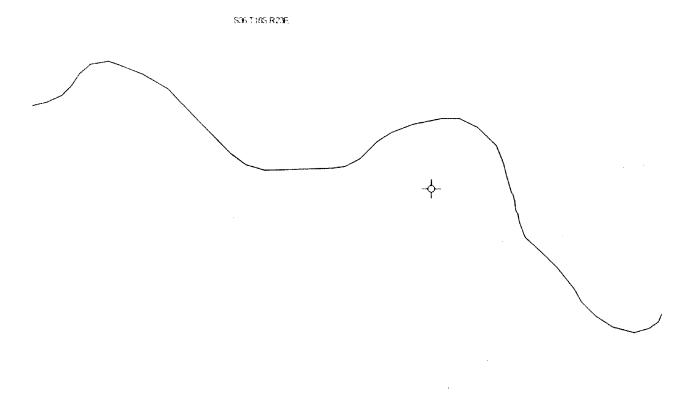
Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies:

1220 S. St. Franc	ris Dr., Santa								X AMEN	DED REPORT		
API Number 30-015-10258				CATION AND ACREAGE DEDICAT Pool Code 70520				² Pool Name	'ION PLAT ' Pool Name Antelope Sink: Upper Penn			
⁴ Property				70020	5 Property	Name	rli Number					
			Harris State						# 1			
OGRID No. 226685			·		* Operator		² Elevation					
					Sandel Ope	erating				3414,		
					¹⁰ Surface	Location						
UL or let no.	Section	Township	Range	løt ldn	Feet from the	North/Se	ruth line	Feet from the	East/West line	County		
P	36	18s	23E		660	Souti	•	660	East	Eddy		
			II Bo	ottom Ho	le Location I	Differen	t From	Surface				
VL or lot no.	Section	Township	Kange	løt idn	Feet from the	North/Sc		Feet from the	East/West line	County		
12 Dedicated Acr	es ¹³ Joint o	r infill 14	Consolidation	Code 15 Or	der Na.							
NO ALLO	WABLE \	VILL BE	ASSIGNEI NON-STA	O TO THIS	COMPLETION	N UNTIL A	LL INTE	ERESTS HAVE THE DIVISIO	BEEN CONSOL	IDATED OR A		
								belief. Signature Michael S. Prie Printed Name Agent mich	ackprikturd a hotmail o	anowledge and		
-					Lat 32.69899 Long - 104.6			I hereby certif was plotted fro me or under n and correct to	18 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this was plotted from field notes of actual surveys made me or under my supervision, and that the same is to and correct to the best of my belief. Date of Survey			
						6 660 FSL	60 FEL	` · · · · · · · · · · · · · · · · ·	nal of Professional Surveyo	4 :		

Pueblo West LLC Fourmile Draw through Section 36, T18S, R23E Eddy County, NM



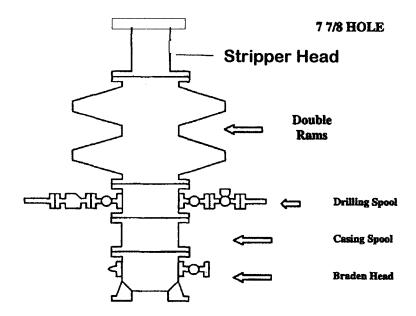
Sandel Operating Company
OGRID # 159853
Pit Procedure
Harris State # 1
API # 30-015-10258
660 FSL X 660 FEL
UL "P", Section 36, T18S, R23E
Eddy County, New Mexico

Well was drilled and plugged and abandoned as dry hole in 1964 by Franklin, Aston & Fair.

- 1. Drilling fluid (Cut Brine) will be contained in steel pit and hauled to disposal facility after completion of drilling and cementing operations.
- 2. Cement cuttings and well solids will be buried on site in 12 mil pit liner.
- 3. 12 mil liner will be placed over solids and covered and contoured to prevent rain water pooling
- 4. 3 feet of clean topsoil will be placed over liner
- 5. Due to distance from fourmile draw the north and east side of location will be bermed to contain any accidental spills

Sandel Operating Company

BOPE Schematic



Sandel Operating Company
OGRID # 226685
H2S Contingency
Harris State # 1
API # 30-015-10258
660 FSL X 660 FEL
UL "P", Section 36, T18S, R23E
Eddy County, New Mexico

Well was drilled and plugged and abandoned as dry hole in 1964 by Franklin, Aston & Fair.

H2S concentrations for wells in this area are low enough that a contingency plan is not required.