

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 EVERQUEST ENERGY CORPORATION 10 DESTA DRIVE MIDLAND, TX 79705		2. OGRID Number 212929
		3. API Number 30-025-37942
4. Property Code 35462	5. Property Name SCHOONER B STATE	6. Well No. 003

7. Surface Location

UL - Lot F	Section 17	Township 16S	Range 32E	Lot Idn F	Feet From 2310	N/S Line N	Feet From 2310	E/W Line W	County LEA
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8. Pool Information

ANDERSON RANCH,GRAYBURG, WEST	1560
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Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 4351
14. Multiple N	15. Proposed Depth 4400	16. Formation Grayburg	17. Contractor	18. Spud Date 8/1/2006
Depth to Ground water 280		Distance from nearest fresh water well > 1000		Distance to nearest surface water > 1000
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 _____ miles thick Clay <input type="checkbox"/> Pit Volume: 300 _____ 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	8.625	24	1250	700	0
Prod	7.875	5.5	15.5	4400	1100	0

Casing/Cement Program: Additional Comments

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Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	2000	2000	

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 NMOCB guidelines <input checked="" type="checkbox"/> a general permit <input type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/> . Printed Name: Electronically filed by Terry Duffey Title: President Email Address: everquest@nts-online.net Date: 6/16/2006 Phone: 432-686-9790	OIL CONSERVATION DIVISION	
	Approved By: Chris Williams	
	Title: District Supervisor	
	Approved Date: 6/16/2006	Expiration Date: 6/16/2007
	Conditions of Approval Attached	

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(505) 393-6161 Fax:(505) 393-0720
District II
1301 W. Grand Ave., Artesia, NM 88210
Phone:(505) 748-1283 Fax:(505) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

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Form C-102
Permit 32142

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-37942	2. Pool Code 1560	3. Pool Name ANDERSON RANCH;GRAYBURG, WEST
4. Property Code 35462	5. Property Name SCHOONER B STATE	6. Well No. 003
7. OGRID No. 212929	8. Operator Name EVERQUEST ENERGY CORPORATION	9. Elevation 4351

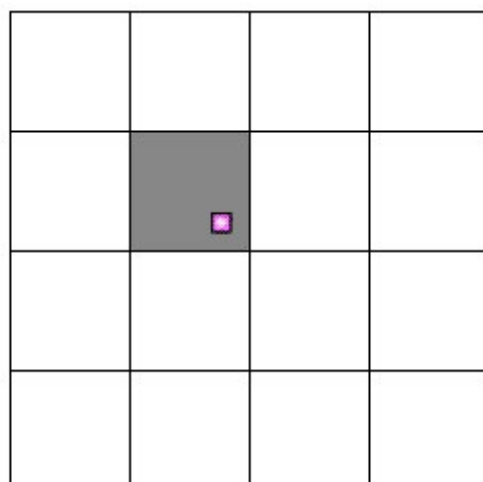
10. Surface Location

UL - Lot F	Section 17	Township 16S	Range 32E	Lot Idn	Feet From 2310	N/S Line N	Feet From 2310	E/W Line W	County LEA
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11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 40.00	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



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(s) 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.

E-Signed By: Terry Duffey
Title: President
Date: 6/16/2006

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: Gary Eidson
Date of Survey: 5/17/2006
Certificate Number: 06110846

Permit Comments

Operator: EVERQUEST ENERGY CORPORATION , 212929

Well: SCHOONER B STATE #003

API: 30-025-37942

Created By	Comment	Comment Date
CWILLIAMS	Everquest may want to use a 3000 lb BOP.	6/16/2006

Permit Conditions of Approval

Operator: EVERQUEST ENERGY CORPORATION , 212929

Well: SCHOONER B STATE #003

API: 30-025-37942

OCD Reviewer	Condition
DMULL	Terry, please check the location footage and the dedicated acreage for this well. Please correct and resubmit. Thanks