

**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 TORCH ENERGY SERVICES, INC. 1221 LAMAR SUITE 1175 HOUSTON , TX 77010		2. OGRID Number 241401
		3. API Number 30-025-38189
4. Property Code 302966	5. Property Name COOPER JAL UNIT	6. Well No. 504

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
F	18	24S	37E	F	1330	N	2468	W	LEA

**8. Pool Information**

JALMAT;TAN-YATES-7 RVRS (OIL)	33820
LANGLIE MATTIX;7 RVRS-Q-GRAYBURG	37240

**Additional Well Information**

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type Private	13. Ground Level Elevation 3296
14. Multiple Y	15. Proposed Depth 3730	16. Formation Queen	17. Contractor	18. Spud Date 12/15/2006
Depth to Ground water 130		Distance from nearest fresh water well > 1000		Distance to nearest surface water > 1000
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 20 _____ mils thick Clay <input type="checkbox"/> Pit Volume: 10730 _____ 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	400	250	
Prod	7.875	5.5	15.5	3730	1000	

**Casing/Cement Program: Additional Comments**

Cementing Program: Surface Casing- 250 sacks Class "C" w/ 2% Cacl2 (14.8ppg, 1.32 cf/sk, 6.31 gw/sk) Production Casing- 650 sacks 35/65 Poz "H" w/ 6% gel, 5% salt, 1/4 lb/sk flocele (12.8ppg, 1.94 cf/sk, 10.4 gw/sk) + 350 sacks Class "H" (15.6ppg, 1.18 cf/sk, 5.2 gw/sk)

**Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
Annular	3000	3000	
DoubleRam	3000	3000	Cameron

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. <b>I further certify that the drilling pit will be constructed according to NMOCD guidelines <input checked="" type="checkbox"/> a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/>.</b>	<b>OIL CONSERVATION DIVISION</b>
Printed Name: Electronically filed by Randy Ziebarth	Approved By: Chris Williams
Title: VP	Title: District Supervisor
Email Address: ziebarth@teai.com	Approved Date: 12/5/2006   Expiration Date: 12/5/2007
Date: 11/29/2006   Phone: 713-756-1620	Conditions of Approval Attached

DISTRICT 1  
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 St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised October 12, 2005

Submit to Appropriate District Office  
State Lease-4 copies  
Fee Lease-3 copies

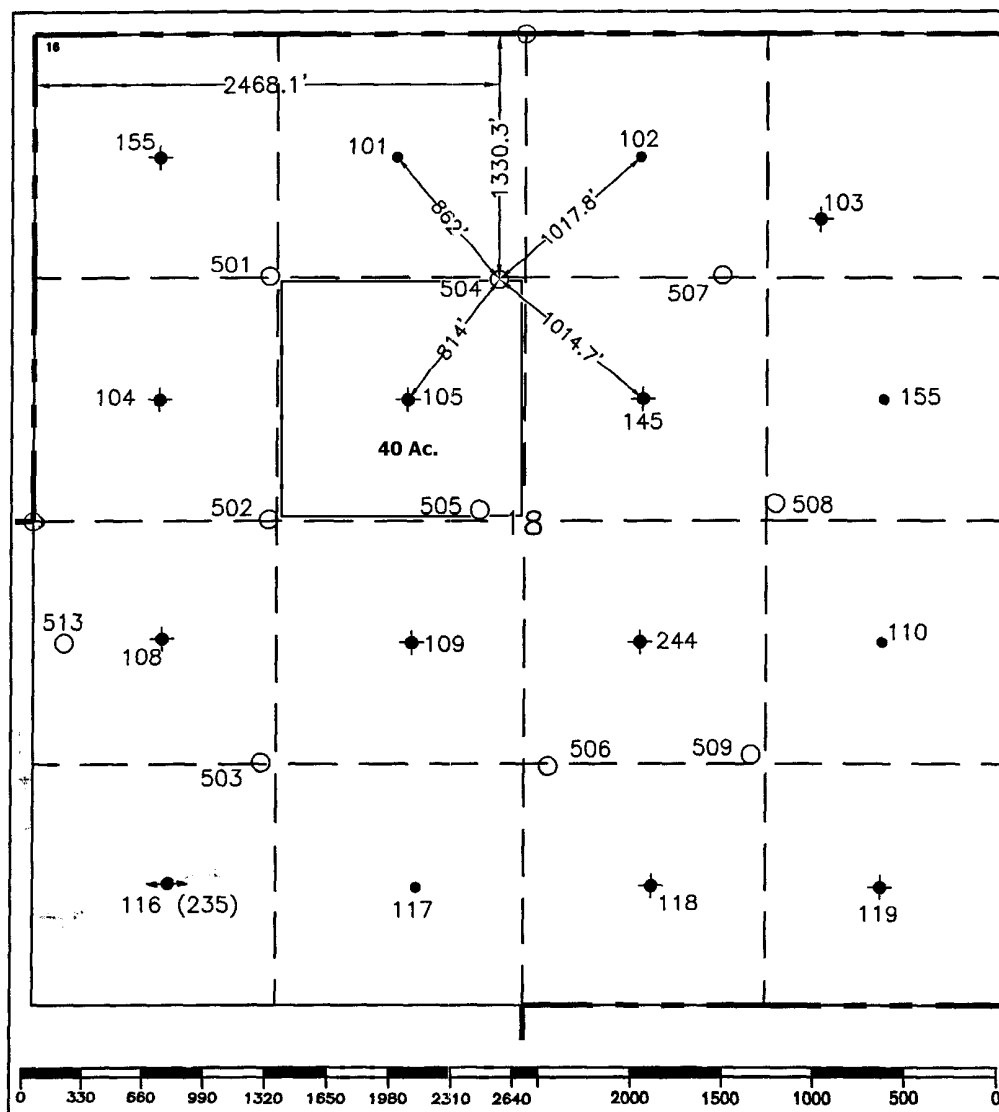
OIL CONSERVATION DIVISION  
1220 South St. Francis Drive  
Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number		<sup>2</sup> Pool Code		<sup>3</sup> Pool Name					
				Jalmat; Langlie Mattix					
<sup>4</sup> Property Code		<sup>5</sup> Property Name					<sup>6</sup> Well Number		
		Cooper Jal Unit					504		
<sup>7</sup> OGRID No.		<sup>8</sup> Operator Name					<sup>9</sup> Elevation		
193003		TORCH ENERGY SERVICES, INC.					3296'		
<sup>10</sup> Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	<sup>7</sup> County
F	18	24-S	37-E		1330.3'	North	2468.1'	West	Lea
<sup>11</sup> 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	<sup>7</sup> County
<sup>12</sup> Dedicated Acres		<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> Order No.			
40									

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.



<sup>17</sup> 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 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.

*Jim Kidd* 10/30/06  
Signature Date

Printed Name

<sup>18</sup> 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 knowledge and belief.

September 19 & 21, 2006

Date of Survey

Signature & Seal of Professional Surveyor:

*John D. [Signature]*

Certificate No.

7254

○ = Staked Location • = Producing Well ● = Injection Well ◊ = Water Supply Well ◆ = Plugged & Abandon Well  
⊙ = Found Section Corner, 2 or 3" Iron Pipe & GLO B.C. ○ = Found /4 Section Corner, 1" Iron Pipe & GLO B.C.

ADDITIONAL INFORMATION ON THE LOCATION

State Plane Coordinates			
Northing 445977.02		Easting 891091.90'	
Latitude 32°13'15.626"		Longitude 103°12'08.498"	
Zone	North American Datum	Combined Grid Factor	Coordinate File
East	1983/86	0.99988900	Coop_Jal.Crd
Drawing File		Field Book	
Coop_Jal.Dwg		LEA #24, Pg. 4	

DISTRICT 1  
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 St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised October 12, 2005

Submit to Appropriate District Office  
State Lease-4 copies  
Fee Lease-3 copies

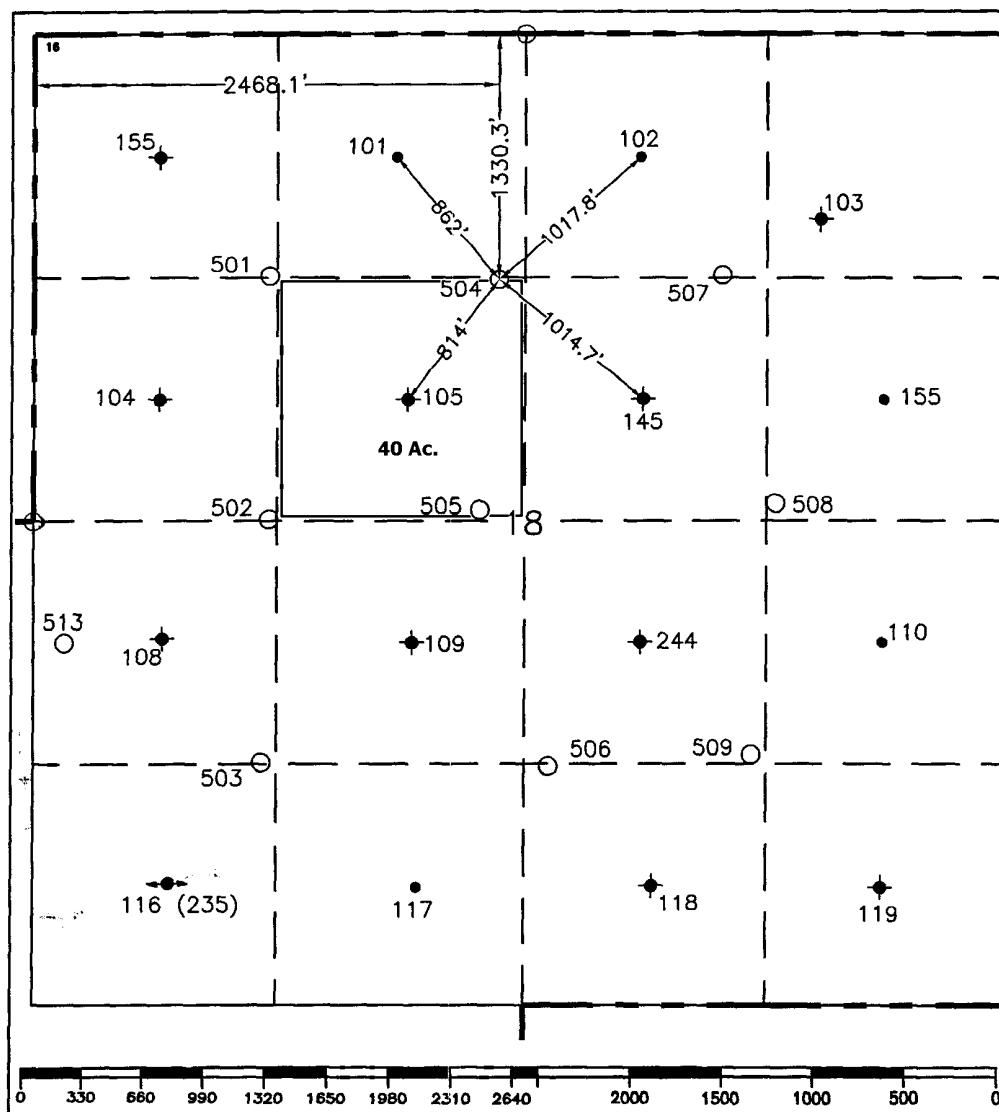
OIL CONSERVATION DIVISION  
1220 South St. Francis Drive  
Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number		<sup>2</sup> Pool Code		<sup>3</sup> Pool Name					
				Jalmat; Langlie Mattix					
<sup>4</sup> Property Code		<sup>5</sup> Property Name						<sup>6</sup> Well Number	
		Cooper Jal Unit						504	
<sup>7</sup> OGRID No.		<sup>8</sup> Operator Name						<sup>9</sup> Elevation	
193003		TORCH ENERGY SERVICES, INC.						3296'	
<sup>10</sup> Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	<sup>7</sup> County
F	18	24-S	37-E		1330.3'	North	2468.1'	West	Lea
<sup>11</sup> 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	<sup>7</sup> County
<sup>12</sup> Dedicated Acres		<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> Order No.			
40									

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.



<sup>17</sup> 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 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.	
Signature <i>Jim Kidd</i>	Date 10/30/06
Printed Name Jim Kidd	
<sup>18</sup> 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 knowledge and belief.	
September 19 & 21, 2006	
Date of Survey	
Signature & Seal of Professional Surveyor: <i>John D. [Signature]</i>	
Certificate No. 7254	

○ = Staked Location • = Producing Well ● = Injection Well ◊ = Water Supply Well ◆ = Plugged & Abandon Well  
⊙ = Found Section Corner, 2 or 3" Iron Pipe & GLO B.C. ○ = Found /4 Section Corner, 1" Iron Pipe & GLO B.C.

ADDITIONAL INFORMATION ON THE LOCATION

State Plane Coordinates			
Northing 445977.02		Easting 891091.90'	
Latitude 32°13'15.626"		Longitude 103°12'08.498"	
Zone	North American Datum	Combined Grid Factor	Coordinate File
East	1983/86	0.99988900	Coop_Jal.Crd
Drawing File		Field Book	
Coop_Jal.Dwg		LEA #24, Pg. 4	

## Permit Comments

Operator: TORCH ENERGY SERVICES, INC. , 241401

Well: COOPER JAL UNIT #504

API: 30-025-38189

Created By	Comment	Comment Date
MREYES	A request to downhole commingle the Jalmat & Langlie Mattix Pools will be filed later.	11/29/2006

# Permit Conditions of Approval

Operator: TORCH ENERGY SERVICES, INC. , 241401

Well: COOPER JAL UNIT #504

API: 30-025-38189

OCD Reviewer	Condition
DMULL	Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines
DMULL	Will require DHC administrative order for downhole commingling before multiple zones can be produced by commingling in the wellbore.
CWILLIAMS	Surface casing must be cemented to surface.