

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 30-025-38201
4. Property Code 302966	5. Property Name COOPER JAL UNIT	6. Well No. 506

7. Surface Location

UL - Lot O	Section 18	Township 24S	Range 37E	Lot Idn O	Feet From 1310	N/S Line S	Feet From 2477	E/W Line E	County LEA
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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 3329
14. Multiple Y	15. Proposed Depth 3730	16. Formation Queen	17. Contractor	18. Spud Date 12/22/2006
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" with 2% CaCl₂ (14.8 ppg, 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 floccle (12.8 ppg, 1.94 cf/sk, 10.4 gw/sk) + 350 sacks Class "H" (15.6 ppg, 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. 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"/> . Printed Name: Electronically filed by Randy Ziebarth Title: VP Email Address: ziebarth@teai.com Date: 12/5/2006 Phone: 713-756-1620	OIL CONSERVATION DIVISION
	Approved By: Chris Williams
	Title: District Supervisor
	Approved Date: 12/5/2006 Expiration Date: 12/5/2007
	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

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

Form C-1027
Revised October 12, 2005

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name Jalmat; Langlie Mattix					
⁴ Property Code		⁵ Property Name Cooper Jal Unit						⁶ Well Number 506	
⁷ OGRID No. 193003		⁸ Operator Name TORCH ENERGY SERVICES, INC.						⁹ Elevation 3329'	
¹⁰ Surface Location									
UL or lot no. 0	Section 18	Township 24-S	Range 37-E	Lot Idn	Feet from the 1310'	North/South line South	Feet from the 2477.4'	East/West line East	⁷ County Lea
¹¹ 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	⁷ County
¹² Dedicated Acres 40		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.

	<p>¹⁷ 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.</p> <p><i>Jim Kidd</i> 10/30/06 Signature Date Jim Kidd Printed Name</p> <p>¹⁸ 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.</p> <p>September 19 & 21, 2006 Date of Survey</p> <p>Signature & Seal of Professional Surveyor: <i>John H. [Signature]</i></p> <p>Certificate No. 7254</p>
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○ = 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 443338.31		Easting 891394.95	
Latitude 32°12'49.487"		Longitude 103°12'05.294"	
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. 6	

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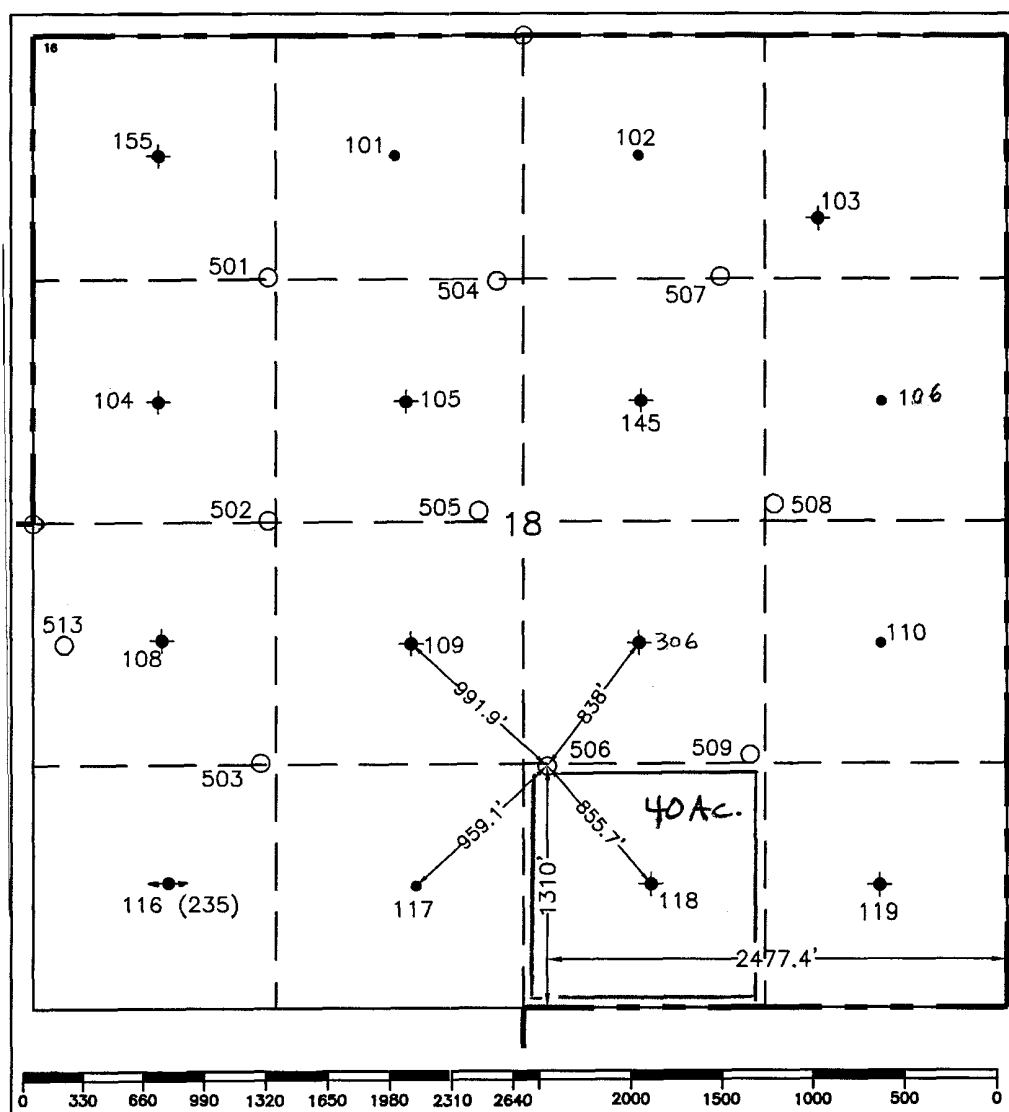
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Drawing File		Field Book	
Coop_Jal.Dwg		LEA #24, Pg. 6	

Permit Comments

Operator: TORCH ENERGY SERVICES, INC. , 241401

Well: COOPER JAL UNIT #506

API: 30-025-38201

Created By	Comment	Comment Date
MREYES	A request to downhole commingle the Jalmat & Langlie Mattix pools will be filed later.	12/5/2006

Permit Conditions of Approval

Operator: TORCH ENERGY SERVICES, INC. , 241401

Well: COOPER JAL UNIT #506

API: 30-025-38201

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	Well requires 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.