

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. 1331 LAMAR SUITE 1350 HOUSTON , TX 77010		2. OGRID Number 241401
		3. API Number 30-025-39099
4. Property Code 302966	5. Property Name COOPER JAL UNIT	6. Well No. 517

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
A	25	24S	36E	A	110	N	160	E	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 3286
14. Multiple Y	15. Proposed Depth 3600	16. Formation Queen	17. Contractor	18. Spud Date 8/15/2008
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> miles thick      Clay <input type="checkbox"/> Pit Volume:      bbls      Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input checked="" 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	8.875	24	1100	450	0
Prod	7.875	5.5	15.5	3600	1000	0

Casing/Cement Program: Additional Comments

1. MIRU Drilling Rig. MIRU Closed Loop Mud System. 2. Drill 12 1/4" hole to 400'. 3. Land 8 5/8" Casing & cement to surface. 4. NU Cameron Style Blind & Annular Rams & test to 3000 psig. 5. Drill 7 7/8" hole to 3600'. 6. Land 5 1/2" casing & cement to surface. 7. Release Rig & prep to complete.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
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 type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	OIL CONSERVATION DIVISION	
	Approved By: Paul Kautz	
Printed Name: Electronically filed by Randy Ziebarth	Title: Geologist	
Title: VP	Approved Date: 8/22/2008	Expiration Date: 8/22/2010
Email Address: ziebarthr@teai.com		
Date: 7/24/2008	Phone: 713-756-1620	Conditions of Approval Attached

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 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-1021  
Revised October 12, 2005  
Submit to Appropriate District Office  
State Lease-4 copies  
Fee Lease-3 copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

1 API Number		2 Pool Code		3 Pool Name Jalmat; Langlie Mattix					
4 Property Code		5 Property Name Cooper Jal Unit						6 Well Number 517	
7 OGRID No. 193003		8 Operator Name TORCH ENERGY SERVICES, INC.						9 Elevation 3286'	
10 Surface Location									
UL or lot no. A	Section 25	Township 24-S	Range 36-E	Lot Idn	Feet from the 110'	North/South line North	Feet from the 160'	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>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>July 19, 2008 Date of Survey _____</p> <p>Signature &amp; Seal of Professional Surveyor: _____</p> <p>Certificate No. 7254</p>	

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

ADDITIONAL INFORMATION ON THE LOCATION

State Plane Coordinates	
Northing 436596.26 (1927= 436537.64)	Easting 888593.09 (1927= 847406.27)
Latitude 32°11'43.071"	Longitude 103°12'38.722"
Zone North American Datum	Combined Grid Factor
East 1983/86	0.99989039
Drawing File	Field Book
Coop_Jal.Dwg	Lea #24, Pg. 37

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 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

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

1 API Number		2 Pool Code		3 Pool Name Jalmat; Langlie Mattix					
Property Code		4 Property Name Cooper Jal Unit						5 Well Number 517	
6 OGRID No. 193003		7 Operator Name TORCH ENERGY SERVICES, INC.						8 Elevation 3287'	
9 Surface Location									
UL or lot no. A	Section 25	Township 24-S	Range 36-E	Lot Idn	Feet from the 110'	North/South line North	Feet from the 110'	East/West line East	County Lea
10 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	County
11 Dedicated Acres 40		12 Joint or Infill		13 Consolidation Code		14 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.

	<b>17 OPERATOR CERTIFICATION</b> 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: 6-30-08 Printed Name: Jim Kidd
	<b>18 SURVEYOR CERTIFICATION</b> 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.  Date of Survey:  Signature & Seal of Professional Surveyor:  Certificate No.:

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

ADDITIONAL INFORMATION ON THE LOCATION

State Plane Coordinates Northing 436575.00 (1927= 436516.20 )		Easting 888653.29 (1927= 847466.44 )	
Latitude 32°11'43.151"		Longitude 103°12'38.136"	
Zone East	North American Datum 1983/86	Combined Grid Factor 0.99988837	Coordinate File Coop_Jal.Crd
Drawing File		Field Book	

## Permit Comments

Operator: TORCH ENERGY SERVICES, INC. , 241401

Well: COOPER JAL UNIT #517

API: 30-025-39099

Created By	Comment	Comment Date
MREYES	C-144 & C-107A DHC Application will be submitted.	7/24/2008
pkautz	waiting on C-144	7/31/2008
DMULL	Received C-144 "Pit Registration". OCD Permit Number P1-00333.	8/22/2008

## Permit Conditions of Approval

Operator: TORCH ENERGY SERVICES, INC. , 241401

Well: COOPER JAL UNIT #517

API: 30-025-39099

OCD Reviewer	Condition
pkautz	surface casing set 25' into top Rustler Anhydrite inorder to protect fresh water in Santa Rosa formation