

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-101
May 27, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to appropriate District Office

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

| | | |
|--|---|--|
| ¹ Operator Name and Address EL PASO ENERGY RATON, L.L.C. PO BOX 190 RATON, NM 87740 | | ² OGRID Number 180514 |
| | | ³ API Number 30-007-20176 |
| ⁴ Property Code 25179 | ⁵ Property Name VERMEJO PARK RANCH (VPR) | ⁶ Well No. VPR D 98 |
| ^{7a} Proposed Pool 1 VERMEJO | | ^{7b} Proposed Pool 2 RATON |

⁷ Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|----------|------------|------------|----------|---------------|------------------|---------------|----------------|---------------|
| B | 3 | 30N | 17E | B | 1124 | North | 1378 | East | Colfax |

⁸ Proposed 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 |
|---------------|----------|------------|------------|----------|---------------|------------------|---------------|----------------|---------------|
| C | 2 | 30N | 17E | C | 185 | North | 2074 | West | Colfax |

Additional Well Information

| | | | | |
|---|---|---|---|---|
| ¹¹ Work Type Code N | ¹² Well Type Code G | ¹³ Cable/Rotary Rotary/Fluid | ¹⁴ Lease Type Code P | ¹⁵ Ground Level Elevation 8,413' |
| ¹⁶ Multiple Yes | ¹⁷ Proposed Depth 1727' TVD 5304' MD | ¹⁸ Formation Lower Vermejo | ¹⁹ Contractor Ensign | ²⁰ Spud Date February 1, 2006 |
| Depth to Groundwater | | Distance from nearest fresh water well | | Distance from nearest surface water |
| Pit: Liner: Synthetic <input type="checkbox"/> _____ mils thick Clay <input type="checkbox"/> Pit Volume: _____ bbls Drilling Method: Rotary/Fluid | | | | |
| 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"/> | | | | |

²¹ Proposed Casing and Cement Program

| Hole Size | Casing Size | Casing weight/foot | Setting Depth | Sacks of Cement | Estimated TOC |
|---------------|---------------|--------------------|-------------------------|-----------------|----------------|
| 11" | 8 5/8" | 23# | 341' | 100 sx | SURFACE |
| 7 7/8" | 5 1/2" | 15.5# | 1946' | 246 sx | SURFACE |
| 4 3/4" | 3 1/2" | 9.3# | 1600' - 5304' MD | None | Liner |

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

1. Set RBP in 5 1/2" casing at 1,600'.
2. Set Whip stock in 5 1/2" casing at 1,586'.
3. Cut window in 5 1/2" casing at 1,580' - 1586'.
4. Drill a 4 3/4" hole in a 130' (42°) Radius curve to a 3,577' horizontal lateral in the lower Vermejo coal (Top 1,716' TVD).
5. Run 3 1/2" liner (No Cement) the length of the lateral.
6. Retrieve whip stock and RBP.
7. Clean out well bore, run production equipment, and put well back on production.

| | | | |
|---|------------------------------|---|--|
| 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 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 | |
| Printed name: Donald R. Lankford <i>DR Lankford</i> | | Approved by: <i>[Signature]</i> | |
| Title: Production Manager | | Title: DISTRICT SUPERVISOR | |
| E-mail Address: bill.ordemann@elpaso.com | | Approval Date: 1/24/06 Expiration Date: 1/24/07 | |
| Date: 01/20/06 | Phone: (505) 445-6724 | Conditions of Approval Attached <input type="checkbox"/> | |

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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 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 97046 | ³ Pool Name CASTLE ROCK PARK - VERMEJO GAS |
| ⁴ Property Code 25179 | ⁵ Property Name VERMEJO PARK RANCH | ⁶ Well Number VPR'D-98 |
| ⁷ OGRID No. 180514 | ⁸ Operator Name EL PASO ENERGY RATON, L.L.C. | ⁹ Elevation 8413' |

¹⁰ Surface Location

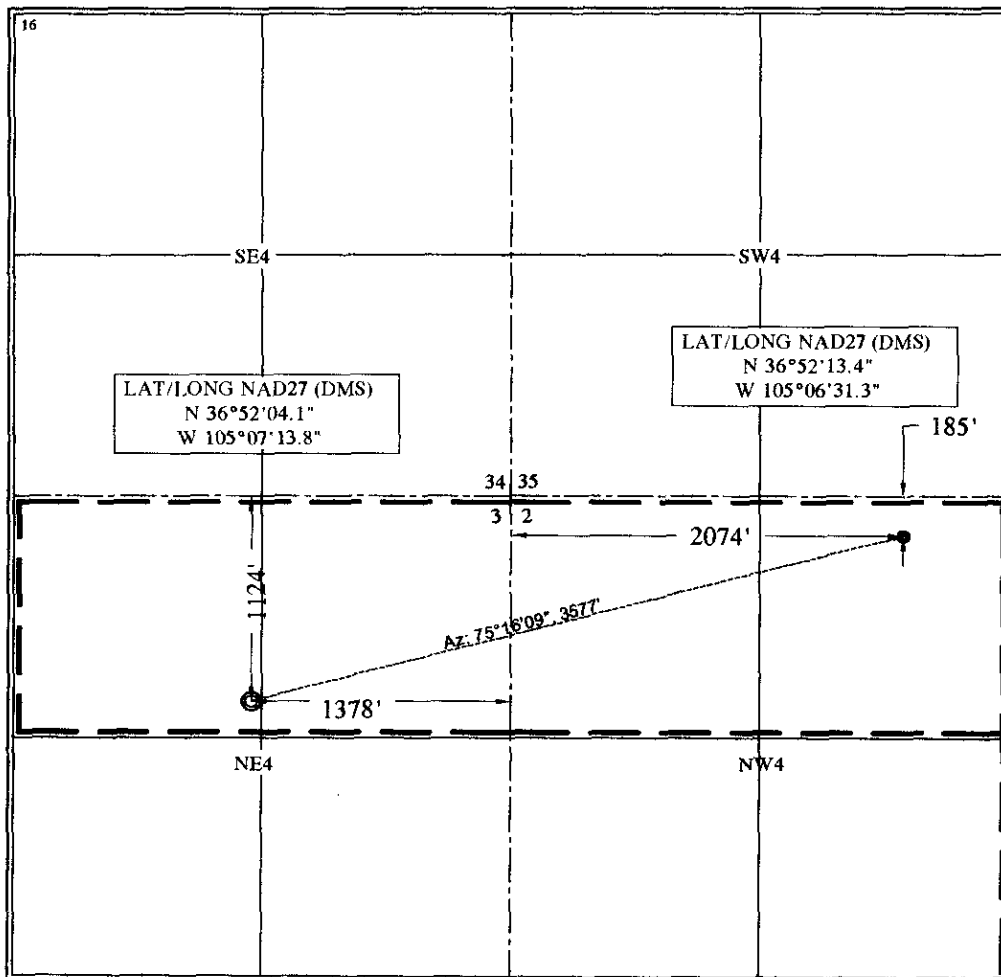
| | | | | | | | | | |
|--------------------|--------------|--------------------|-----------------|--------------|-----------------------|---------------------------|-----------------------|------------------------|------------------|
| UL or lot no. B | Section 3 | Township T 30 N | Range R 17 E | Lot Idn B | Feet from the 1124 | North/South line NORTH | Feet from the 1378 | East/West line EAST | County COLFAX |
|--------------------|--------------|--------------------|-----------------|--------------|-----------------------|---------------------------|-----------------------|------------------------|------------------|

¹¹ Bottom Hole Location If Different From Surface

| | | | | | | | | | |
|--------------------|--------------|--------------------|-----------------|--------------|----------------------|---------------------------|-----------------------|------------------------|------------------|
| UL or lot no. C | Section 2 | Township T 30 N | Range R 17 E | Lot Idn C | Feet from the 185 | North/South line NORTH | Feet from the 2074 | East/West line WEST | County COLFAX |
|--------------------|--------------|--------------------|-----------------|--------------|----------------------|---------------------------|-----------------------|------------------------|------------------|

| | | | |
|-------------------------------|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres | 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



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.

Signature DR Lankford Date 1/20/06

Printed Name Don Lankford
Production Manager

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 belief.

January 3, 2006

Date of Survey

Signature and Seal of Professional Surveyor:

Qu Shilds
Certificate Number NM LS NO. 5103