

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 PIERCE PRODUCTION COMPANY, LLC PO BOX 1969 EUNICE, NM 88231 | | 2. OGRID Number 17733 |
| | | 3. API Number 30-025-38673 |
| 4. Property Code 36914 | 5. Property Name ROBERTS | 6. Well No. 001 |

7. Surface Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| C | 9 | 20S | 38E | C | 660 | N | 1650 | W | LEA |

8. Pool Information

| | |
|-------------|---|
| WILDCAT ABO | 0 |
|-------------|---|

Additional Well Information

| | | | | |
|---|----------------------|--|---------------------------|------------------------------------|
| 9. Work Type New Well | 10. Well Type OIL | 11. Cable/Rotary | 12. Lease Type Private | 13. Ground Level Elevation 3571 |
| 14. Multiple N | 15. Proposed Depth | 16. Formation Abo | 17. Contractor | 18. Spud Date 3/20/2007 |
| Depth to Ground water 50 | | Distance from nearest fresh water well | | Distance to nearest surface water |
| Pit: Liner: Synthetic <input type="checkbox"/> mls thick Clay <input type="checkbox"/> Pit Volume: bbls Drilling Method: Closed Loop System <input checked="" type="checkbox"/> Fresh Water <input 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 | 32 | 1600 | 400 | |
| Prod | 7.875 | 5.5 | 17 | 7800 | 1000 | 1200 |

Casing/Cement Program: Additional Comments

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Proposed Blowout Prevention Program

| Type | Working Pressure | Test Pressure | Manufacturer |
|-----------|------------------|---------------|--------------|
| Annular | 3000 | 5000 | HydriL |
| DoubleRam | 3000 | 5000 | 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 NMOCB 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: Electronically filed by Bill Pierce | | Approved By: Paul Kautz | |
| Title: | | Title: Geologist | |
| Email Address: bill@dpps.us | | Approved Date: 12/31/2007 Expiration Date: 12/31/2008 | |
| Date: 12/28/2007 | Phone: 432-570-6009 | Conditions of Approval Attached | |