

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

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

Form C-101
May 27, 2004

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 PECOS PRODUCTION COMPANY 400 W. ILLINOIS, STE 1070, Midland, TX 79701		² OGRID Number 215758
		³ API Number 30-015-25001
⁴ Property Code 31956	⁵ Property Name STATE 2	⁶ Well No. 1
⁹ Proposed Pool 1 SHUGART (YTS-7RVS-QN-GB)		¹⁰ Proposed Pool 2

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
E	2	19S	30E		1855'	NORTH	660'	WEST	EDDY

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

Additional Well Information

¹¹ Work Type Code P/ CONVERT TO INJ	¹² Well Type Code I	¹³ Cable/Rotary ---	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3464.2'
¹⁶ Multiple NO	¹⁷ Proposed Depth (PB- 3300')	¹⁸ Formation QUEEN	¹⁹ Contractor	²⁰ Spud Date UPON APPROVAL
Depth to Groundwater NA		Distance from nearest fresh water well- 2+ MILES		Distance from nearest surface water NA
Pit: Liner: Synthetic <input type="checkbox"/> _____mils thick Clay <input type="checkbox"/> Pit Volume: _____ bbls Drilling Method: NA				
Closed-Loop System <input type="checkbox"/> NA Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air				

21 Proposed Casing and Cement Program (ALREADY IN PLACE)

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2"	13 3/8"	54.5	485'	700	CIRC
11"	8 5/8"	28#	3980'	1650	CIRC
7 7/8"	5 1/2"	17- 15.5#	9030'	900	5706' CBL
			4540'	850	300' CBL

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.

PROPOSE TO CONVERT TO INJECTION PER DIVISION ORDER NO. R-12268 (STATE "2" COOPERATIVE WATERFLOOD PROJECT) AS FOLLOWS:

1. POOH LAYING DOWN PRODUCTION EQUIPMENT.
2. SET CIBP AT 3300' AND DUMP 20' CMT ON TOP.
3. TIH WITH 5 1/2" IPC INJECTION PACKER ON 2 7/8" IPC TUBING. LOAD ANNULUS WITH PACKER FLUID. NOTIFY OCD AND TEST ANNULUS TO 500 PSI.
4. PLACE WELL ON INJECTION.

NOTIFY OCD 24 hours
prior to test. 748-1283

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: DORA LARA <i>Dora Lara</i>		Approved by: TIM W. GUM DISTRICT II SUPERVISOR	
Title: ENGR ASST		Title:	
E-mail Address: dorah@pecosproduction.com		Approval Date: FEB 16 2005 Expiration Date: FEB 16 2006	
Date: 2-11-05 Phone: 432-620-8480		Conditions of App	

* See Steps

BDO

If this work requires an earthen pit, a permit must be approved prior to construction of the pit(s).

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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 June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-25001	² Pool Code 56439	³ Pool Name Shugart; Yates-7RVS-QU-Grayburg
⁴ Property Code 31956	⁵ Property Name State 2	⁶ Well Number 1
⁷ OGRID No. 215758	⁸ Operator Name Pecos Production Company	⁹ Elevation 3464.2'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	2	19S	30E		1855'	North	660'	West	Eddy

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	County

¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No. R-12268
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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.</p> <p><i>Dora Lara</i> Signature</p> <p>Dora Lara Printed Name</p> <p>Engr. & Operations Asst / dorab@pecosproduction.com Title and E-mail Address</p> <p>1-11-05 Date</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 belief.</p> <p>REFER TO ORIGINAL ON FILE</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p>REFER TO ORIGINAL ON FILE</p> <p>Certificate Number</p>			

State '2' Lease, Well #1

Shugart (Queen) Producer
1855' FNL & 660' FWL, Sec. 2, T19S, R30E, Eddy County, New Mexico
Spudded 9/10/84

Drilled by Arco

13 3/8" 54.5# set @ 484'
Cement with 450 sx Howco Lite followed by 250 sx CL C neat - circ 353 sx to pit
17.5" hole to 485'

Queen Interval (Recompletion in 4/89)

2980-3020' Acidize w/ 2000 gal 15% HCL w/ 60 BS, Frac w/ 24, 500 gal XLG + 63,000 # sand
3100-3120' Acidize w/ 2000 gal 15% HCL w/ 30 BS, Frac w/ 12, 500 gal XLG + 29,500# sand

Flowed 95 BO, 25 MCF, 90 BW in 8 hrs on 30/64" choke w/ 55 psi FTP

8-5/8" 28# S-80 set @ 3940'

Cement w/ 1400 sx Howco Lite followed by 250 sx Cl H - circ 175 sx to pit
11" hole to 3940'

CIRC @ 4450

Perf 4 shots @ 4540, set CR @ 4450, pump 750 sacks of 50/50 Poz followed by 100 sx Cl H neat, TOC @ 300' (CBL)
Dumped 30' cmt on top of CR (new FBTD 4420')

Set 5 1/2" CIBP @ 5919 (Top of BS interval) on 4/7/89

Set 5 1/2" CIBP @ 6950' to TA well on 5/31/85

2nd BS Dolomite

Perf 6986, 88, 90, 91, 92, 94 2 JSPF 12 total holes
Acidize w/ 1500 gal 15% HCL & 18 BS, 3 BPM @ 5000 psi
Swab 8 hrs, rec 1.5 BO & 4.5 BW
Acidize w/ 5100 gal West Pad A 2% KCL water & 6000 gal gelled 15% HCL, 7 BPM @ 6800 psi
Acidize w/ 25 bbls gelled 2% KCL w/ 800 scf/bbl N2 & 6000 gal 15% HCL w/ 800 scf/bbl N2
4.1 BPM @ 5600 psi
Flow back 130 BLW before dying
KO BP and produce upper and lower dolomites
Swab 8 hrs, rec 7.5 BO & 1.5 BLW

2nd BS Sand from 8483-8751 was recommended to be tested

3rd BS Dolomite

Perf 8886, 88, 90, 92, 94, 96, 98, 8900 (2 JSPF, 16 total holes)
Acidize w/ 2000 gal 15% HCL w/ 24 BS, (2.75 BPM @ 4800 psi)
Swab 10 hrs, rec 22 BO, 12 BW, BHP of 1460 psi (118 hr SI time)

5 1/2" casing to 9030'
Cmt w/ 900 sx Class H, TOC @ 5706' (CBL)

35 sx plug 9030-9106'

60 sx plug 10,664-10,864'

60 sx plug 11960-12160'

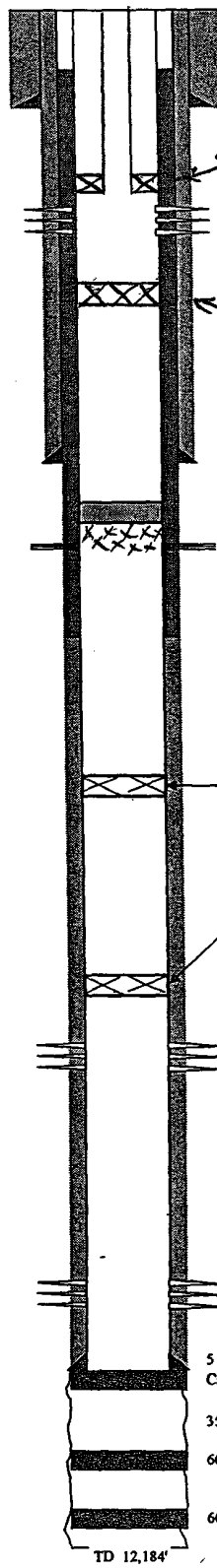
TD 12,184'
7 7/8" hole to 12,184'

PROPOSED

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7 7/8" hole to 12,184'



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

February 16, 2005
Pecos Production Company
400 W. Illinois, Suite 1070
Midland, TX 79701
Attn: Ms. Dora Lara

**RE: Pecos Production Company: State '2' # 1, located in Unit E (1855' FNL & 660' FWL) of
Section 2, Township 19 South Range 30 East, Eddy County, New Mexico.
API # 30-015-25001**

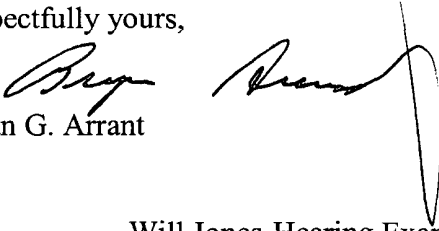
Dear Ms. Lara,

In regards to conditions for approval of the above captioned well, the New Mexico Oil Conservation Division (NMOCD) will require the following:

In addition for Pecos Production Company to follow **all** orders of **R-12268** and the proposed procedures stated on your C101 dated 2/11/2005, the following additional measures are required:

- Operator is to set a 100' cement plug across the shoe ("50'in/50'out") on the 8 5/8" casing from @ 3930-4030' and tag this cement plug.

Respectfully yours,


Bryan G. Arrant
PES

CC: Will Jones-Hearing Examiner-Santa Fe
Van Barton-Field Representative. II-Artesia
Well File