

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

RECEIVED  
FEB 14 2005  
OCD-ARTESIA

Submit to appropriate District Office

☐ AMENDED REPORT

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

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

<sup>11</sup> Work Type Code P/ CONVERT TO INJ	<sup>12</sup> Well Type Code I	<sup>13</sup> Cable/Rotary ---	<sup>14</sup> Lease Type Code S	<sup>15</sup> Ground Level Elevation 3464.2'
<sup>16</sup> Multiple NO	<sup>17</sup> Proposed Depth (PB- 3300')	<sup>18</sup> Formation QUEEN	<sup>19</sup> Contractor	<sup>20</sup> 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

<sup>22</sup> 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

<sup>23</sup> 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: <b>TIM W. GUM</b> <b>DISTRICT II SUPERVISOR</b>	
	Title: _____	
	Approval Date: <b>FEB 16 2005</b>	Expiration Date: <b>FEB 16 2006</b>
	Conditions of A	
Printed name: DORA LARA <i>Dora Lara</i>		
Title: ENGR ASST		
E-mail Address: <a href="mailto:dorah@pecosproduction.com">dorah@pecosproduction.com</a>		
Date: 2-11-05 Phone: 432-620-8480		

\* See Steps for approval.

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**

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

<sup>10</sup> Surface Location

UL or lot no. <b>E</b>	Section <b>2</b>	Township <b>19S</b>	Range <b>30E</b>	Lot Idn	Feet from the <b>1855'</b>	North/South line <b>North</b>	Feet from the <b>660'</b>	East/West line <b>West</b>	County <b>Eddy</b>
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<sup>11</sup> 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
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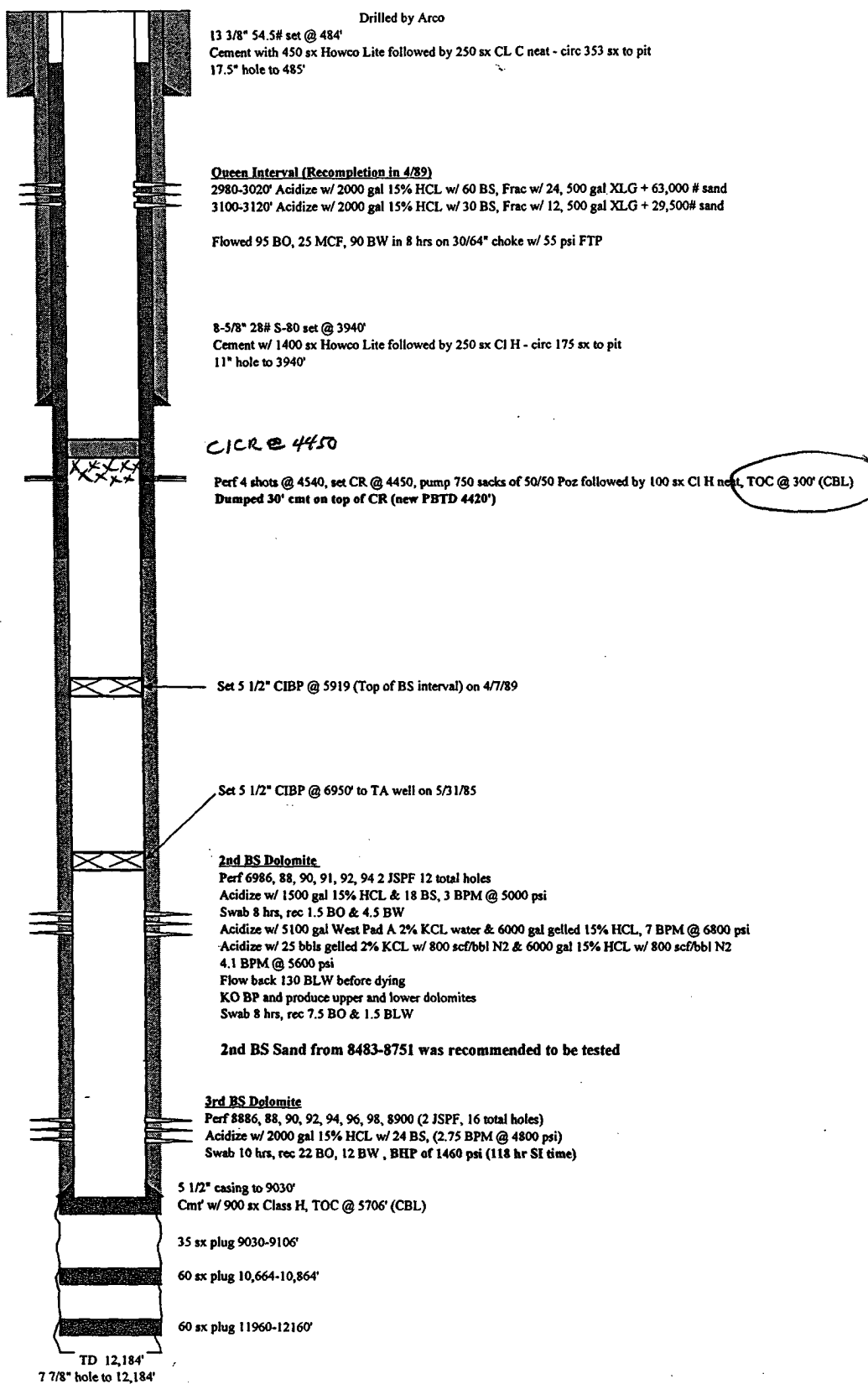
<sup>12</sup> Dedicated Acres <b>40</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No. <b>R-12268</b>
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p><sup>17</sup> <b>OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>[Signature]</i> Signature</p> <p>Dora Lara Printed Name</p> <p>Engr. &amp; Operations Asst / dorab@pecosproduction.com Title and E-mail Address</p> <p>1-11-05 Date</p>			
	<p><sup>18</sup> <b>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 belief.</p> <p><b>REFER TO ORIGINAL ON FILE</b></p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p><b>REFER TO ORIGINAL ON FILE</b></p> <p>Certificate Number</p>			

## State '2' Lease, Well #1

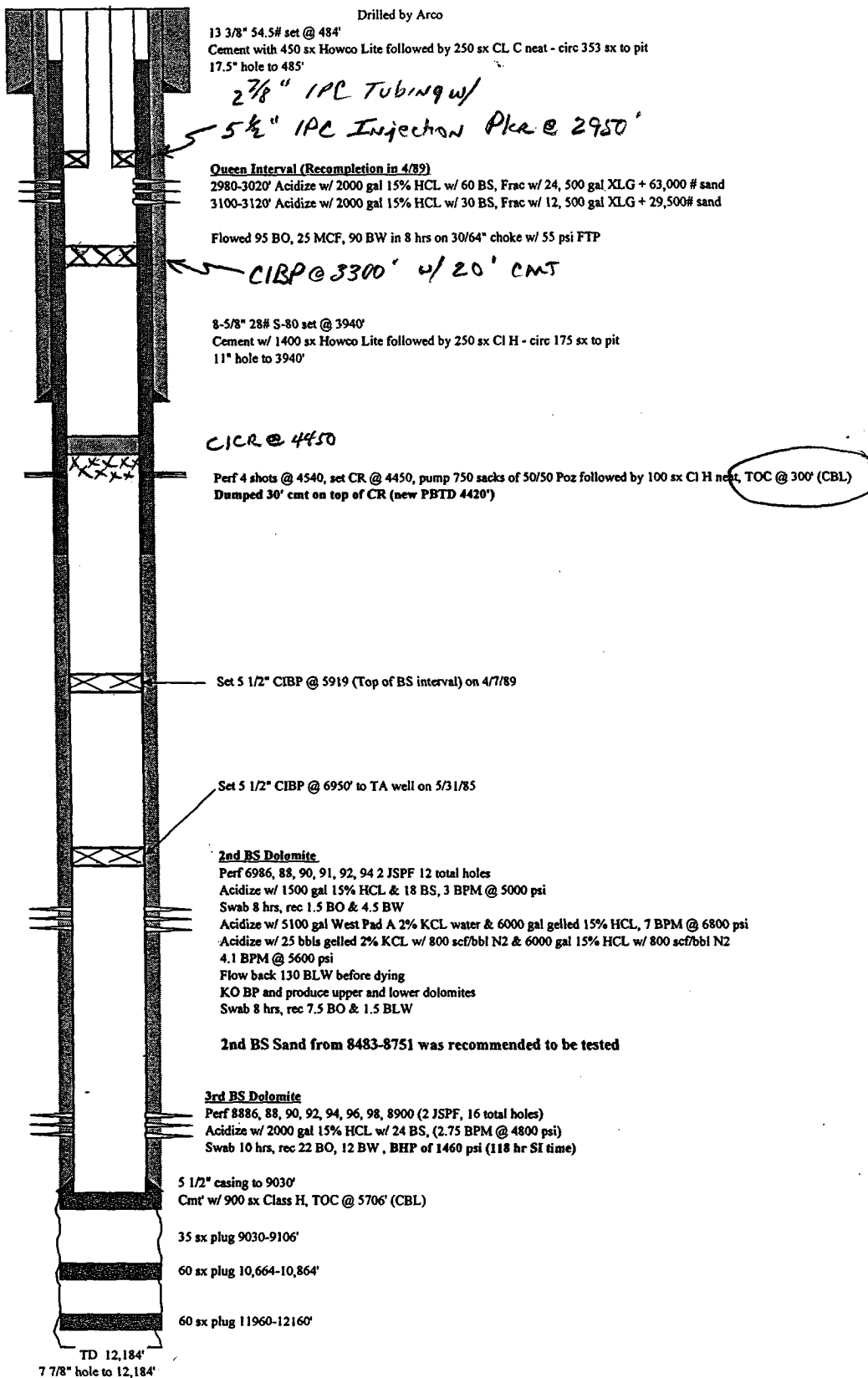
Shugart (Queen) Producer  
1855' FNL & 660' FWL, Sec. 2, T19S, R30E, Eddy County, New Mexico  
Spudded 9/10/84



PROPOSED

## State '2' Lease, Well #1

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





# 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