NOTIFY OCD OF SPUD & TIME TO WITNESS CEMENTING OF SURFACE CASING

es

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

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	[2] OGRID Number
Echo Production, Inc. PO Box 1210, Graham, TX 76450	06742
	[3] API Number 30- 015- 34812

[3] Property Code	[5] Property Name	[6] Well No.
34361	Stiletto '16' State	4

[9] Proposed Pool 1	[10] Proposed Pool 2
74640 Cemetary, Morrow (Gas)	

[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	16	20S	25E		1650	north	990	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	[12] Well Type Code	[13] Cable/Rotary	[14] Lease Type Code	[15] Ground Level Elevation
N	Gas	rotary	State	3483
[16] Multiple	**[17] Proposed Depth**	**[18] Formation**	**[19] Contractor**	**[20] Spud Date**
no	9850'	Morrow	J&W	6/30/06

Depth to Groundwater	Distance from nearest fresh water well	Distance from nearest surface water
100±	1000±	1000±

Pit: Liner: Synthetic ☒ 12 mils thick Clay ☐ Pit Volume 12800 bbls Drilling Method: Fresh Water ☐ Brine ☒ Diesel/Oil-based ☐ Gas/Air ☐

Closed-Loop System ☐

[21] Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 ¼"	8 5/8"	32	1500	±875	surface
7 7/8"	5 ½"	17	9850	±1700	surface

[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.

Echo Production, Inc. proposes to drill to a depth sufficient to test the Morrow formation. If productive, 5½" casing will be set. If non-productive, the well will be plugged and abandoned in a manner consistent with State Regulations.

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OCD-ARTESIA

A mud program and BOP configuration are attached.

There is no known H_2S in this area, although H_2S monitoring equipment and safety training will be provided.

[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 ☒, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Printed name: Ken Seligman Ken Seligman

Title: Engineer

E-mail Address: ken.s@echoproduction.com

Date: 4/19/06 Phone: (940) 549-3292

OIL CONSERVATION DIVISION

Approved by: Dist. II Supervisor

Title:

Approval Date: APR 23 2006 Expiration Date: APR 23 2007

Conditions of Approval Attached ☐

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87505

Form C-102
Revised March 17, 1999

Submit to Appropriate District Office
State Lease – 4 Copies
Fee Lease – 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
	74640	CEMETARY, MORROW (GAS)

Property Code	Property Name	Well Number
	STILETTO "16" STATE	4

OGRID No.	Operator Name	Elevation
06742	ECHO PRODUCTION COMPANY	3483'

Surface Location

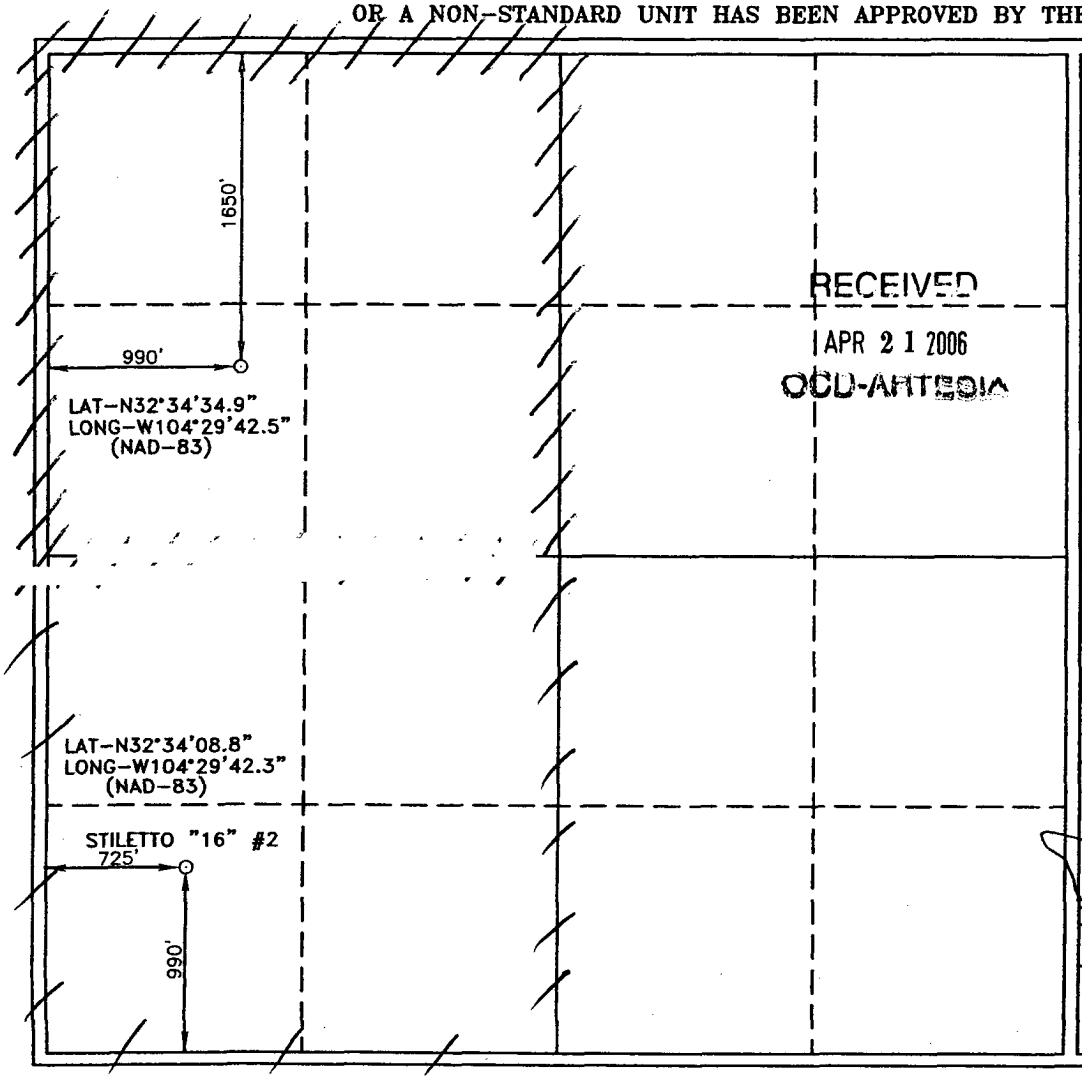
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	16	20 S	25 E		1650'	NORTH	990'	WEST	EDDY

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

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
~~160~~ 320			

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



RECEIVED
APR 21 2006
OCD-ARTESIA

OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

Ken Seligman
Signature

Ken Seligman
Printed Name

Engineer
Title

4/19/06
Date

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 supervison, and that the same is true and correct to the best of my belief.

APRIL 04, 2006
Date Surveyed

Signature & Seal of Professional Surveyor

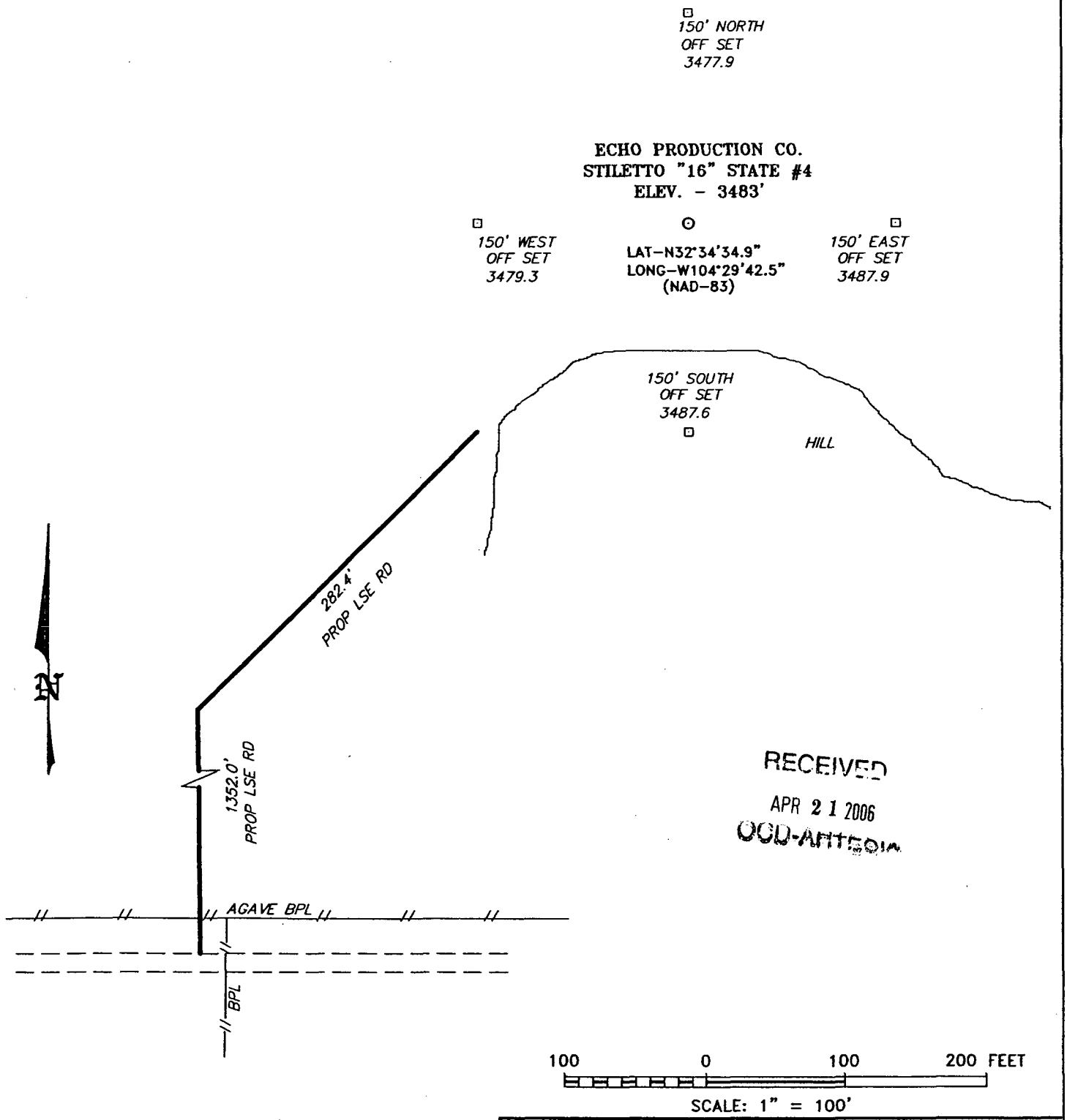
GARY L. JONES
NEW MEXICO
7977
REGISTERED PROFESSIONAL LAND SURVEYOR

W.O. No. 6417

Certificate No. Gary L. Jones 7977

BASIN SURVEYS

SECTION 16, TOWNSHIP 20 SOUTH, RANGE 25 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



RECEIVED
APR 21 2006
OCD-ARTESIA

DIRECTIONS TO LOCATION:

FROM THE JUNCTION OF US HWY 285 AND CO. RD. 28(WHITE PINE ROAD), GO WEST ON CO. RD. 28 FOR 3.6 MILES TO CO. RD. 27; THENCE NORTH AND WEST ON CO. RD. 27 FOR 1. MILE TO THE STILETTO "16" STATE #4 PROPOSED LEASE ROAD.

BASIN SURVEYS P.O. BOX 1786 - HOBBS, NEW MEXICO

W.O. Number: 6417 | Drawn By: J. SMALL

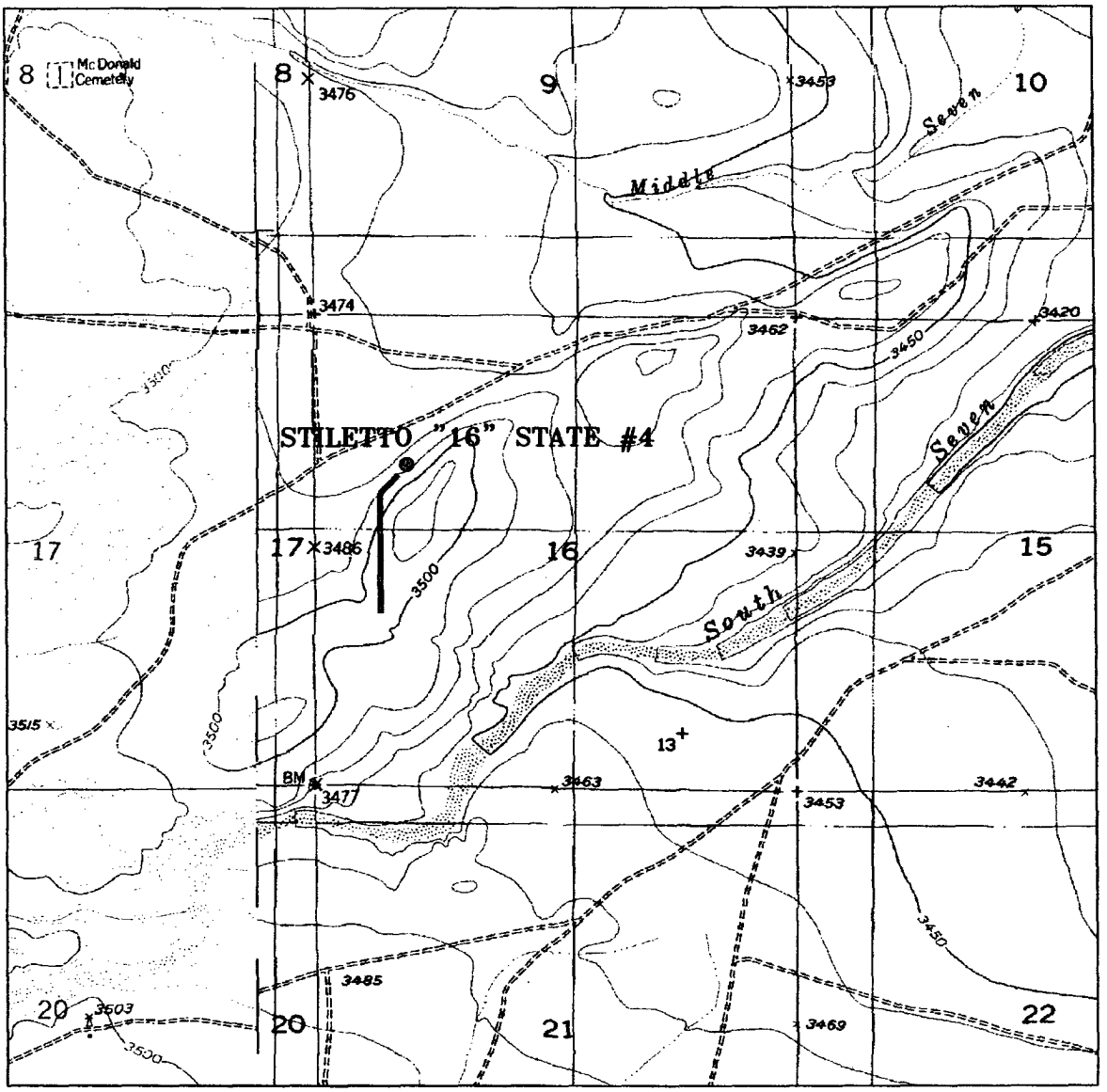
Date: 04-04-2006 | Disk: JMS 6417A

ECHO PRODUCTION CO.

REF: STILETTO "16" STATE No. 4 / Well Pad Topo

THE STILETTO "16" STATE No. 4 LOCATED 1650' FROM THE NORTH LINE AND 990' FROM THE WEST LINE OF SECTION 16, TOWNSHIP 20 SOUTH, RANGE 25 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.

Survey Date: 03-31-2006 | Sheet 1 of 1 Sheets



STILETTO "16" STATE #4

Located at 1650' FNL and 990' FWL
Section 16, Township 20 South, Range 25 East,
N.M.P.M., Eddy County, New Mexico.

basin surveys
focused on excellence in the oilfield

P.O. Box 1786
1120 N. West County Rd.
Hobbs, New Mexico 88241
(505) 393-7316 - Office
(505) 392-3074 - Fax
basinsurveys.com

W.O. Number:	JMS 6417AA
Survey Date:	03-31-2006
Scale:	1" = 2000'
Date:	04-04-2006

ECHO PRODUCTION COMPANY

EXHIBIT "A"

EQUIPMENT DESCRIPTION

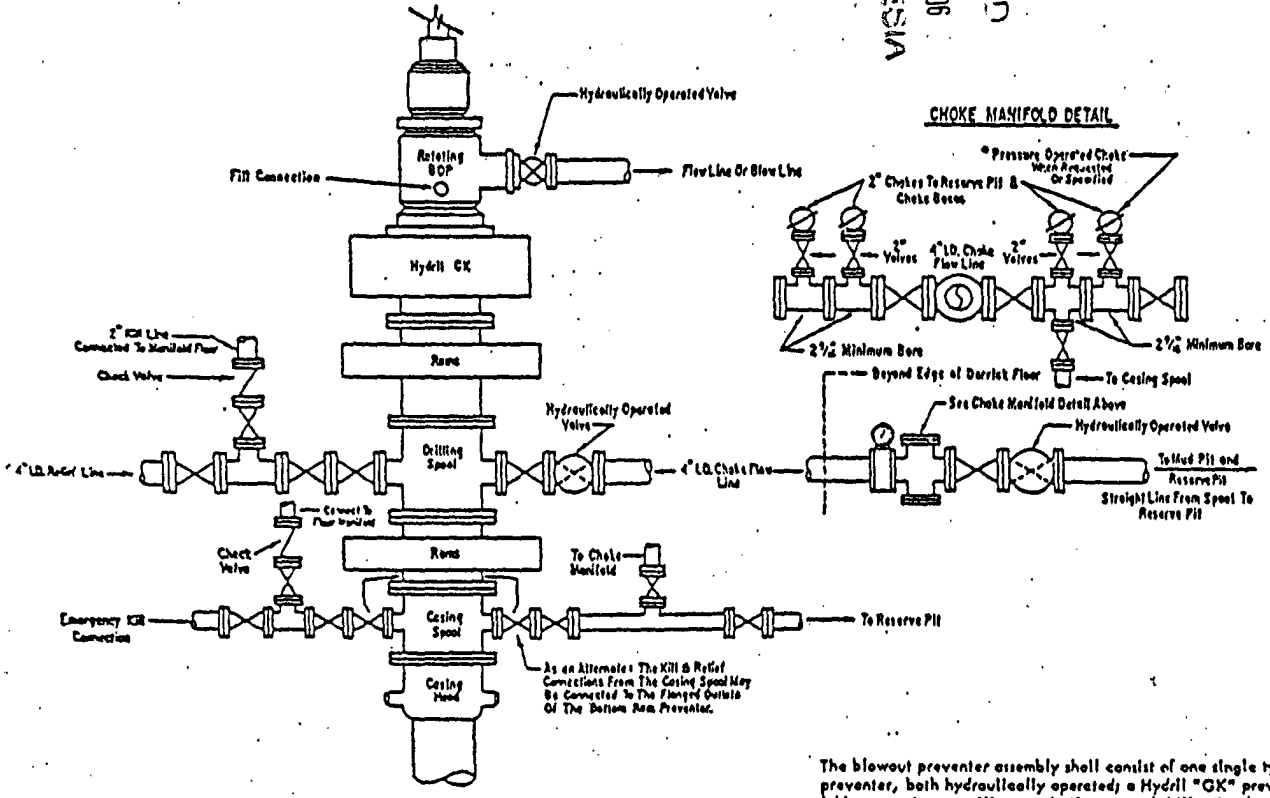
All equipment should be at least 3,000 psi WP or higher unless otherwise specified.

1. Bell nipple
2. Hydril bag type preventer
3. Ram type pressure operated blowout preventer with blind rams.
4. Flanged spool with one 3"and one 2"(minimum) outlet.
5. 2"(minimum) flanged plug or gate valve.
6. 2"x 2"x 2"(minimum) flanged.
7. 3"gate valve.
8. Ram type pressure operated blowout preventer with pipe rams.
9. Flanged type casing head with one side outlet.
10. 2" threaded (or flanged) plug or gate valve. Flanged on 5000# WP, threaded on 3000# WP or less.
11. 3" flanged spacer spool.
12. 3"x 2"x 2"x 2" flanged cross.
13. 2" flanged plug or gate valve.
14. 2" flanged adjustable choke.
15. 2" threaded flange.
16. 2" XXH nipple.
17. 2" forged steel 90°Ell.
18. Cameron (or equal) threaded pressure gauge.
19. Threaded flange.
20. 2" flanged tee.
21. 2" flanged plug or gate valve.
22. 2 1/2" pipe, 300' to pit, anchored.
23. 2 1/2" SE valve.
24. 2 1/2" line to steel pit or separator.

NOTES:

1). Items 3,4 and 8 may be replaced with double ram type preventer with side outlets between the rams.
2). The two valves next tho the stack on the fill and kill line to be closed unless drill string is being pulled.
3). Kill line is for emergency use only. This connection shall not be used for filling.
4). Replacement pipe rams and blind rams shall be on location at all times.
5). Only type U, LSW and QRC ram type preventers with secondary seals are acceptable for 5000 psi WP and higher BOP stacks.
6). Type E ram-type BOP's with factory modified side outlets may be used on 3000 psi or lower WP BOP stacks.

Exhibit 'A'



3000# PSI WORKING PRESSURE
BLOWOUT PREVENTER HOOK-UP

The blowout preventer assembly shall consist of one single type blind ram preventer and one single type pipe ram preventer, both hydraulically operated; a Hydril "GK" preventer; a rotating blowout preventer; valves; chokes and connections, as illustrated. If a tapered drill string is used, a ram preventer must be provided for each size of drill pipe. Casing and tubing rams to fit the preventers are to be available as needed. If correct in size, the flanged outlets of the ram preventer may be used for connecting to the 4-inch I.D. choke flow line and 4-inch I.D. relief line, except when air or gas drilling. All preventer connections are to be open-face flanged.

Minimum operating equipment for the preventers and hydraulically operated valves shall be as follows: (1) Multiple pumps, driven by a continuous source of power, capable of fluid charging the total accumulator volume from the nitrogen precharge pressure to its rated pressure within_____ minutes. Also, the pumps are to be connected to the hydraulic operating system which is to be a closed system. (2) Accumulators with a precharge of nitrogen of not less than 750 PSI and connected so as to receive the aforementioned fluid charge. With the charging pumps shut down, the pressurized fluid volume stored in the accumulators must be sufficient to close all the pressure-operated devices simultaneously within_____ seconds; after closure, the remaining accumulator pressure shall be not less than 1000 PSI with the remaining accumulator fluid volume at least_____ percent of the original. (3) When requested, an additional source of power, remote and equivalent, is to be available to operate the above pumps; or there shall be additional pumps operated by separate power and equal in performance capabilities.

The closing manifold and remote closing manifold shall have a separate control for each pressure-operated device. Controls are to be labeled, with control handles indicating open and closed positions. A pressure reducer and regulator must be provided for operating the Hydril preventer. When requested, a second pressure reducer shall be available to limit operating fluid pressures to ram preventers. Gulf Legion No. 38 hydraulic oil, an equivalent or better, is to be used as the fluid to operate the hydraulic equipment.

The choke manifold, choke flow line, relief line, and choke lines are to be supported by metal stands and adequately anchored. The choke flow line, relief line, and choke lines shall be constructed as straight as possible and without sharp bends. Easy and safe access is to be maintained to the choke manifold. If deemed necessary, walkways and stairways shall be erected in and around the choke manifold. All valves are to be selected for operation in the presence of oil, gas, and drilling fluids. The choke flow line valves and relief line valves connected to the drilling spool and all ram type preventers must be equipped with stem extensions, universal joints if needed, and hand wheels which are to extend beyond the edge of the derrick substructure. All other valves are to be equipped with handles.

*To include derrick floor mounted controls.

Recommended Drilling Fluids Program

Echo Production * Stiletto "16" State Com # 4 * Sec 16, T-20-S, R-25-E, Eddy, NM

Projected Mud Properties

INTERVAL: 0 - 1,400		12.25" hole			9.625" csg
Depth	Mud Wt. - ppg	Viscosity	Filtrate	pH	Chlorides - ppm
0' - 1,400'	8.4-8.5	28	N/C	10.0	5-15K

INTERVAL: 1,400 - 8,500		8.75" hole			
Depth	Mud Wt. - ppg	Viscosity	Filtrate	pH	Chlorides - ppm
1,400' - 8,500'	8.4-8.7	28	N/C	10.0	5-35K
8,500' - 8,500'	9.1-9.2	28	N/C	10.0	70-90K

INTERVAL: 8,500 - 9,850		8.75" hole			5.5" csg
Depth	Mud Wt. - ppg	Viscosity	Filtrate	pH	Chlorides - ppm
8,500' - 9,850'	9.1-9.6	32-38	10-6cc	10.0	70-90K