

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., Artesia, NM 88210

District III

1000 Rio Brazos Rd., 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 S. St Francis Dr.
Santa Fe, NM 87505

Form C-101

APPLICATION FOR PERMIT TO DRILL

Operator Name and Address Shackelford Oil Company PO Box 10665 Midland, TX 79702		OGRID Number 20595
		API Number 30-15-32924
Property Code 29783	Property Name EDDY IK STATE	Well No. 004

Surface Location

UL or Lot C	Section 2	Township 20S	Range 29E	Lot Idn	Feet From 990	N/S Line N	Feet From 2310	E/W Line W	County Eddy
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Proposed Pools

CLAYTON BASIN; SEVEN RIVERS 97229

Work Type New Well	Well Type Oil	Cable/Rotary	Lease Type State	Ground Level Elevation 3324
Multiple N	Proposed Depth 1600	Formation Seven Rivers	Contractor	Spud Date 8/5/2003

Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	11	8.625	24	350	175	0
Prod	7.875	5.5	15.5	1600	200	0

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	3000	3000	guiberson

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Electronically Signed By: Don Shackelford

Title:

Date: 7/31/2003

Phone: 432-682-9754

OIL CONSERVATION DIVISION

Electronically Approved By: Bryan Arrant

Title: Geologist

Approval Date: 7/31/2003

Expiration Date: 7/31/2004

Conditions of Approval:

There are conditions. See Attached.

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State of New Mexico
Energy, Minerals and Natural Resources

Form C-102

Oil Conservation Division

1220 S. St Francis Dr.

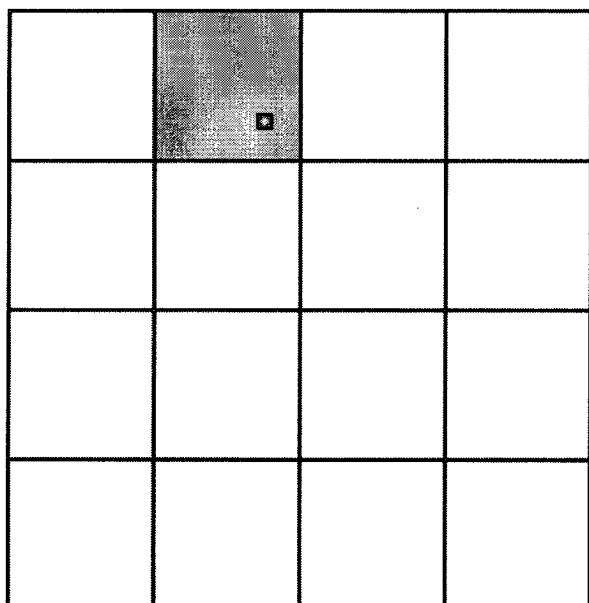
Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-15-32924	Pool Name CLAYTON BASIN; SEVEN RIVERS	Pool Code 97229
Property Code 29783	Property Name EDDY IK STATE	Well No. 004
OGRID No. 20595	Operator Name Shackelford Oil Company	Elevation 3324

Surface And Bottom Hole Location

UL or Lot C	Section 2	Township 20S	Range 29E	Lot Idn	Feet From 990	N/S Line N	Feet From 2310	E/W Line W	County Eddy
Dedicated Acres 40.97	Joint or Infill	Consolidation Code	Order No.						



OPERATOR CERTIFICATION

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

Electronically Signed By: Don Shackelford

Title:

Date: 7/31/2003

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.

Electronically Signed By: John Jaquess

Date of Survey: 7/1/2003

Certificate Number: 6290

APD Conditions Of Approval

Operator: 20595 Shackelford Oil Company

Well: EDDY IK STATE 004

OCD Reviewer	Condition
BARRANT	Notify OCD time of Ssud and time to witness All Casing strings.

Shackleford Oil Company

**PO Box 10665
Midland TX, 79702**

Hydrogen Sulfide (H₂S) Contingency Plan

For

Eddy IK State location(s)

**#3 1980' FNL, 990' FWL
Sec-2, T-20S, R-29E**

**#4 990' FNL, 2310' FWL
Sec-3, T-20S, R-29E**

**#5 1650' FNL, 990' FEL
Sec-2, T-20S, R-29E**

**#6 990' FNL, 990' FEL
Sec-2, T-20S, R-29E**

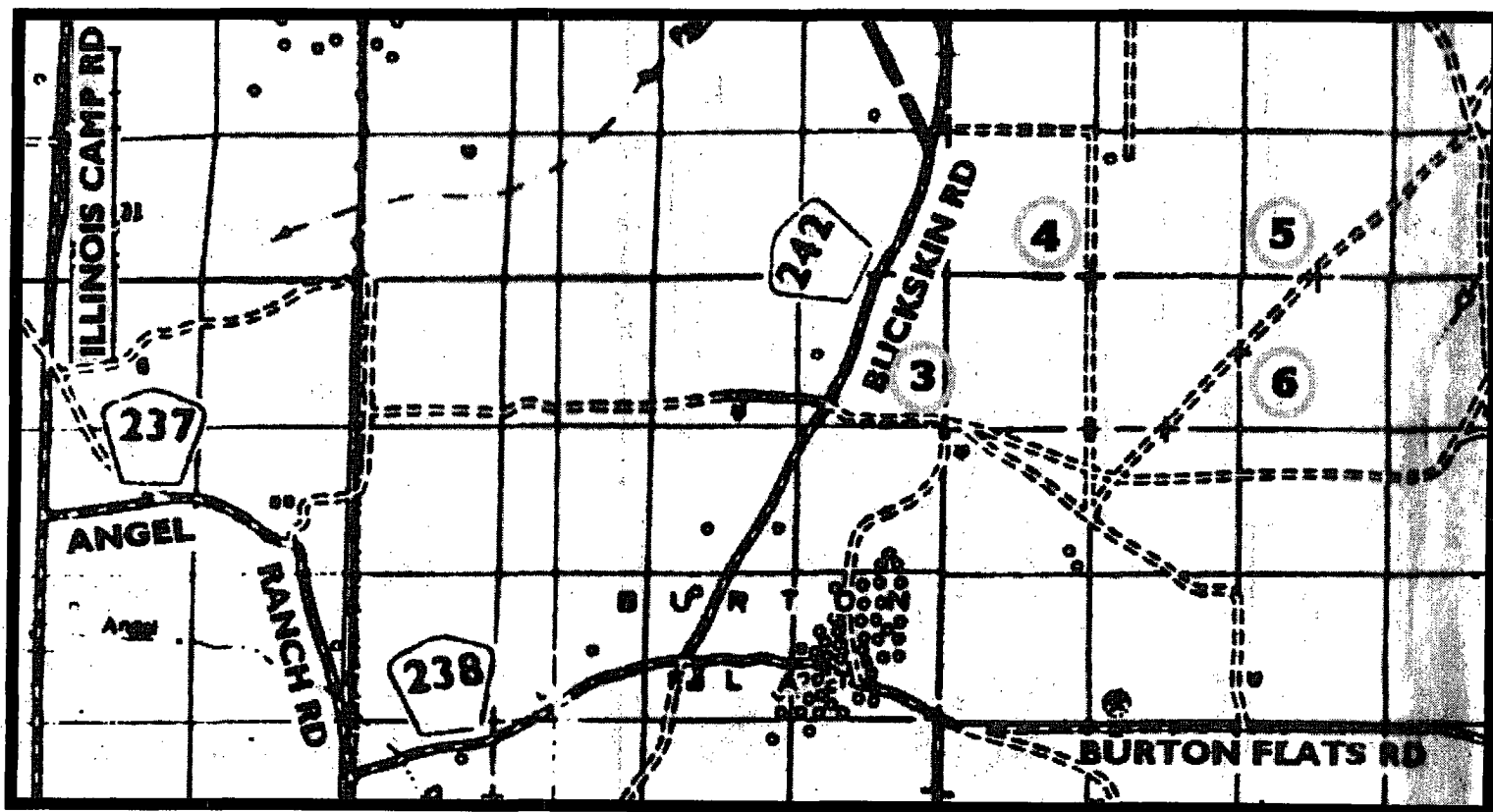
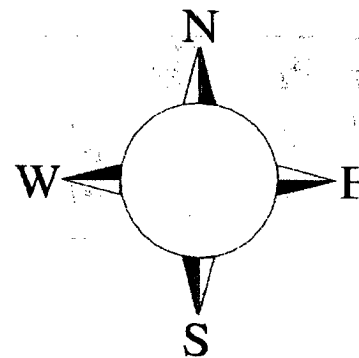
Eddy County NM

And

United Drilling

Eddy IK-State Locations

These are open drilling sites. H₂S monitoring equipment and emergency response equipment will be used within 500' of zones known to contain H₂S, including warning signs, wind indicators and H₂S monitor.



Assumed 100 ppm ROE = 3000'

100 ppm H₂S concentration shall trigger activation of this plan.

Emergency Procedures

In the case of a release of gas containing H_2S , the first responder(s) must isolate the area and prevent entry by other persons into the 100 ppm ROE. Additionally the first responder(s) must evacuate the any public places encompassed by the 100 ppm ROE. First responder(s) must take care not to injure themselves during this operation. Company and/or local officials must be contacted to aid in this operation. Evacuation of the public should be beyond the 100 ppm ROE.

All responders must have training in the detection of H_2S , measures for protection against the gas, equipment used for protection and emergency response. Additionally, responders must be equipped with H_2S monitors and air packs in order to control the release. Use the "buddy system" to ensure no injuries during the response.

Ignition of Gas Source

Should control of the well be considered lost and ignition considered, take care to protect against exposure to Sulfur Dioxide (SO_2). Intentional ignition must be coordinated with the NMOCD and local officials. Additionally the NM State Police may become involved. NM State Police shall be the Incident Command on scene of any major release. Take care to protect downwind whenever there is an ignition of the gas

Characteristics of H_2S and SO_2

Common Name	Chemical Formula	Specific Gravity	Threshold Limit	Hazardous Limit	Lethal Concentration
Hydrogen Sulfide	H_2S	1.189 Air = 1	10 ppm	100 ppm/hr	600 ppm
Sulfur Dioxide	SO_2	2.21 Air = 1	2 ppm	N/A	1000 ppm

Contacting Authorities

Shackleford Oil Company personnel must liaison with local and state agencies to ensure a proper response to a major release. Additionally, the OCD must be notified of the release as soon as possible but no later than 4 hours. Agencies will ask for information such as type and volume of release, wind direction, location of release, etc. Be prepared with all information available. The following call list of essential and potential responders has been prepared for use during a release. Shackleford Oil Company response must be in coordination with the State of New Mexico's 'Hazardous Materials Emergency Response Plan' (HMER)

Company Call List

Midland (432) Office Fax

Don Shackelford.....682-9784.....684-5026

Bob Shackelford.....682-9784.....684-5026

Agency Call List

Eddy County (505)

Carlsbad

State Police.....885-3137

City Police.....885-2111

Sheriff's Office.....887-7551

Ambulance911

Fire Department885-2111

LEPC (Local Emergency Planning Committee)887-3798

NMOCD.....748-1283

Other

Boots & Coots IWC1-800-256-9688 or (281) 931-8884

Cudd Pressure Control.....(915) 699-0139 or (915) 563-3356

Halliburton(505) 746-2757

B. J. Services.....(505) 746-3569

Flight For Life -4000 24th St, Lubbock, TX(806) 743-9911

Aerocare -Rr 3 Box 49f, Lubbock, TX(806) 747-8923

Med Flight Air Amb 2301 Yale Blvd SE #D3, Albuquerque, NM(505) 842-4433

S B Air Med Svc 2505 Clark Carr Loop SE, Albuquerque, NM(505) 842-4949

Prepared in conjunction with

Wade Rohloff of;



Shackleford Oil Company

**PO Box 10665
Midland TX, 79702**

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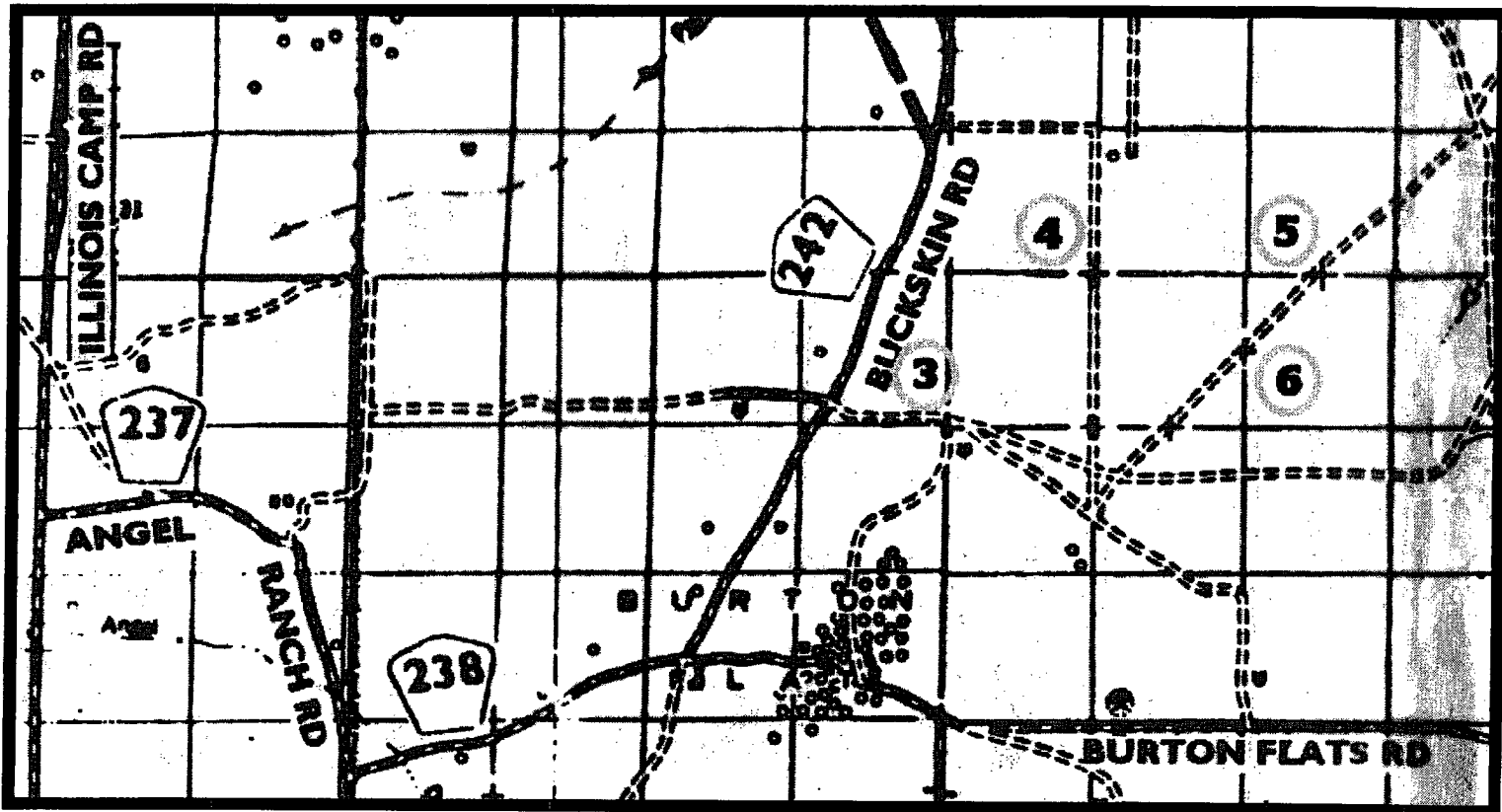
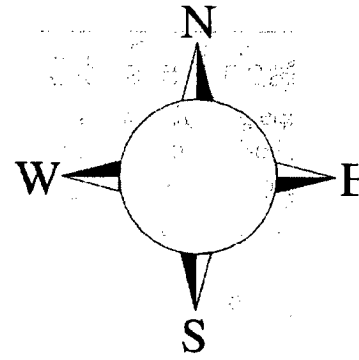
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