

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Río Brazos Road, Aztec, NM 87410  
District IV  
1220 S. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy Minerals and Natural Resources

Form C-101  
Revised March 17, 1999

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

RECEIVED

Submit to appropriate District Office  
JAN 22 2004  
State Lease - 6 Copies  
Fee Lease - 5 Copies

OCD-ARTESIA ☐ AMENDED REPORT

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

<sup>1</sup> Operator Name and Address Dinero Operating Company P.O. Box 10505, Midland, Texas 79702		<sup>2</sup> OGRID Number
		<sup>3</sup> API Number 30 - 015-25838
<sup>4</sup> Property Code	<sup>5</sup> Property Name Dinero State Com	<sup>6</sup> Well No. 3

<sup>7</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
	16	22S	28E		660	South	1950	East	Eddy

<sup>8</sup> 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
<sup>9</sup> Proposed Pool 1 Unders. Indian Draw, Delaware, East					<sup>10</sup> Proposed Pool 2				

<sup>11</sup> Work Type Code E	<sup>12</sup> Well Type Code O	<sup>13</sup> Cable/Rotary R	<sup>14</sup> Lease Type Code S	<sup>15</sup> Ground Level Elevation 3023.8
<sup>16</sup> Multiple No	<sup>17</sup> Proposed Depth 4,300'	<sup>18</sup> Formation Delaware	<sup>19</sup> Contractor NA	<sup>20</sup> Spud Date 2/10/04

<sup>21</sup> Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
7 7/8"	5 1/2"	17#	4300'	350	350 Ft.

<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.

Rig up workover rig and reverse unit. Pick up drill collars & bit 7 7/8". Drill out cement plugs down to 4,300 ft. Circulate hole. Pull out of hole. Run 5 1/2" csg. to TD-4,300'. Rig up cementers and pump enough cement to bring cement up into bottom of 8 5/8". Will drill plugs out with 10# brine.

Note - 8 5/8" csg. was set at 450 ft. Cement circ. to surface.

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature: *Charlie Williams*

Printed name: Charlie Williams

Title: Production Superintendent

Date: 1/20/04

Phone: (432) 556-6809

*BA* OIL CONSERVATION DIVISION

Approved by: *James H. [Signature]*

Title: *District Superintendent*

Approval Date: MAR 20 2004

Expiration Date: MAR 20 2005

Conditions of Approval:

Attached ☐

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, 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 & 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 30-015-25838	<sup>2</sup> Pool Code 33725	<sup>3</sup> Pool Name Delaware Indian Draw East
<sup>4</sup> Property Code	<sup>5</sup> Property Name DINERO STATE COM	<sup>6</sup> Well Number 3
<sup>7</sup> OGRID No. 006224	<sup>8</sup> Operator Name DINERO OPERATING COMPANY	<sup>9</sup> Elevation 3023.8 GL

**<sup>10</sup> Surface Location**

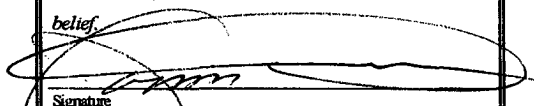
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	16	22S	28E		660	South	1650	East	Eddy

**<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
---------------	---------	----------	-------	---------	---------------	------------------	---------------	----------------	--------

<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill N	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No. This is a re-entry.
-------------------------------------	------------------------------------	----------------------------------	------------------------------------------------

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

16	<p>RECEIVED</p> <p>JAN 30 2004</p> <p>OCD-ARTESIA</p>			<p><b><sup>17</sup> OPERATOR CERTIFICATION</b></p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p>Signature </p> <p>Printed Name James C. Dewey</p> <p>Title and E-mail Address President-jdewey@dineroinc.com</p> <p>Date 1/28/04</p>
				<p><b><sup>18</sup> SURVEYOR CERTIFICATION</b></p> <p><i>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.</i></p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p>
				<p>660' FSL</p> <p>1650' FEL</p>
				<p>Certificate Number</p>

**DINERO OPERATING COMPANY**

**1004 N. BIG SPRING, SUITE 500**

**P.O. BOX 10505**

**MIDLAND, TEXAS 79702**

**(432) 684-5544 Fax - (432) 684-3990**

---

March 16, 2004

Bryan Arrant  
State of New Mexico  
Oil Conservation Division  
1301 W. Grand Avenue  
Artesia, NM 88210

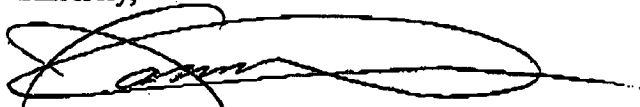
Re: Dinero State #3  
API #: 30-015-25838  
S/2 Section 16, T22S, R28E  
Eddy County, New Mexico

Dear Bryan:

Pursuant to our telephone conversation this letter is to advise you that Dinero has re-completed the Dinero State Com #1 well in the N/2 of this Section in the same zone that we are proposing to complete this well in. It was not a hydrogen sulfide bearing zone from surface to total depth, however, we do keep H2S monitors on the workover rig and around the wellhead and we have fresh air packs on location. There is a safety meeting every morning prior to commencement of work and the crew members are notified where to meet to be counted incase we do have an H2S problem. There is a well to the west of us, one 40-acre proration unit that was drilled through this zone to a total depth of 6,000 ft. and they never encountered H2S. Our intention is to use a blowout preventer while we are re-entering this well. Again, to have H2S monitors on hand and fresh air packs.

Should you need anything further please do not hesitate to contact me.

Sincerely,



James C. Dewey  
President