

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

Form C-101
May 27, 2004

Oil Conservation Division **RECEIVED** Submit to appropriate District Office
1220 South St. Francis Dr.
Santa Fe, NM 87505
MAR 17 2005
☐ AMENDED REPORT

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

¹ Operator Name and Address Brothers Production Co., Inc. PO Box 7515 Midland, TX 79708		² OGRID Number 2936
³ Property Code 30501		⁴ API Number 30 -015-32438
⁵ Property Name SHUGART STATE COM		⁶ Well No 2
⁷ Proposed Pool 1 Unders. Shugart Wolfcamp		¹⁰ Proposed Pool 2 Shugart, Bone Spring, North

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
K	16	18-S	31-E		1850	South	1650	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	¹² Well Type Code Oil	¹³ Cable/Rotary	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3659'
¹⁶ Multiple N	¹⁷ Proposed Depth	¹⁸ Formation Wolfcamp	¹⁹ Contractor	²⁰ Spud Date
Depth to Groundwater 115'		Distance from nearest fresh water well 2.5 miles		Distance from nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> _____mils thick Clay <input type="checkbox"/> Pit Volume: _____bbls Drilling Method: Closed-Loop System <input checked="" type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC

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.

Well is perforated in the Morrow formation from 11,695' to 11,768', and has not produced since March, 2004.

All recovered fluids will be contained in steel tankage, pits will not be used.

We do not expect to encounter H2S in any of the proposed completion zones.

Please see the attached recompletion procedure.

DHC required for Multi Zones

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 checked="" type="checkbox"/> a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .		OIL CONSERVATION DIVISION	
Printed name: Robert Newton <i>Robert Newton</i>		Approved by: TIM W. GUM	
Title: Petroleum Engineer		Title: DISTRICT II SUPERVISOR	
E-mail Address:		Approval Date: MAR 22 2005 Expiration Date: MAR 22 2006	
Date: 03-16-2005	Phone: (432) 682-2516	Conditions of Approval Attached <input type="checkbox"/>	

Shugart State Comm. #2

Eddy County, New Mexico

Recompletion Procedure

Note: All perforation depths as per Schlumberger CBL dated 12-5-2002

Wolfcamp

- 1) MIRU workover rig. POH w/ rods and pump. Install BOP and POH w/ tbg and TAC. Lay dn 2172' tbg.
- 2) Set CIBP@ 11650'. Dump ~~25'~~^{35'} cmt. Perf 9611-26' with 2 JSPF.
- 3) RIH w/ sn, 4 jts tail pipe and pkr to 9630+'. Load hole w/ 2% KCL. Spot 4 bbls acid. Break dn. Set EOT at 9550'. A/1000 gal 15% NEFE + 40 balls.
- 4) Swab and evaluate.

Brushy Canyon

- 5) POH w/ pkr laying down 3550' tbg. Set CIBP + cmt @ 9550'. Perf 5962-74' 2JSPF.
- 6) RIH w/ sn, 4 jts tail pipe and pkr to 5974+'. Spot 1000gal 15% NEFE. Acidize well.
- 7) Swab and evaluate.

Delaware

- 8) POH w/ tbg and pkr. Perf 5034-44' w/ 4JSPF.
- 9) RIH w/ RBP, 4jts tail and pkr. Set RBP @ 5200'. Test plug. Set EOT at 5044+'. Acidize w/ 1000 gal 7 ½% mud acid.
- 10) Swab and evaluate for possible frac.

Bone Springs

- 11) Fish RBP and POH. Perf 8612-32' 2JSPF.
- 12) RIH with tail pipe and pkr to 8632+'. Spot 150 gal 7 ½% acid. Break dn formation. Pull EOT to 8500'. Acidize w/ 1500 gal 7 ½% acid + 60 balls. Swab back load.
- 13) POH w/ 2 7/8" tbg (lay dn all tbg and rods if frac crew not available). RIH w/ pkr and 3 ½" workstring.
- 14) Frac well as per procedure. Leave SI 4 hrs for resin to cure. Flow back. Lay down workstring.
- 15) Run 2 7/8 tbg and TAC. Run rods and pump.
- 16) Set 456 unit
- 17) Build tank battery.

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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 30-015-32438	² Pool Code	³ Pool Name Undes. Shugart; Wolfcamp
⁴ Property Code 30501	⁵ Property Name Shugart State Com	⁶ Well Number 2
⁷ OGRID No 2936	⁸ Operator Name Brothers Production Co., Inc.	⁹ Elevation 3659'

¹⁰ Surface Location

UL or lot no. K	Section 16	Township 18-S	Range 31-E	Lot Idn	Feet from the 1850	North/South line South	Feet from the 1650	East/West line West	County Eddy
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¹¹ Bottom Hole Location If Different From Surface

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¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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

16		RECEIVED MAR 17 2005 OIL CONSERVATION DIVISION	17 OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i> Signature Robert Newton Printed Name Petroleum Engineer Title and E-mail Address 03-16-2005 Date
			18 SURVEYOR CERTIFICATION <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> Date of Survey Signature and Seal of Professional Surveyor: Certificate Number

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