

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
June 16, 2008

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

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 ECHO PRODUCTION COMPANY P. O. BOX 1210 GRAHAM, TEXAS 76450						² OGRID Number 6742					
³ Property Code 34361						⁴ Property Name STILETTO "16" STATE				⁵ Well No. 6H	
⁶ Proposed Pool 1 CL N. SEVEN RIVERS GULCH-YESO (97465)						⁷ Proposed Pool 2					
⁸ Surface Location											
UL or lot no. B	Section 16	Township 20S	Range 25E	Lot Idn	Feet from the 380'	North/South line North	Feet from the 1700'	East/West line East	County EDDY		
⁹ Proposed Bottom Hole Location If Different From Surface											
UL or lot no. 0	Section 16	Township 20S	Range 25E	Lot Idn	Feet from the 380'	North/South line SOUTH	Feet from the 1700'	East/West line EAST	County EDDY		
¹⁰ Additional Well Information											
¹¹ Work Type Code N		¹² Well Type Code O		¹³ Cable/Rotary ROTARY		¹⁴ Lease Type Code S		¹⁵ Ground Level Elevation 3473'			
¹⁶ Multiple NO		¹⁷ Proposed Dep TVD- 2800' MD-6989'		¹⁸ Formation YESO		¹⁹ Contractor J & W DRILLING		²⁰ Spud Date WHEN APPROVED			

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
26"	20"	CONDUCTOR	40"	Redi-mix	Surface
12 1/4"	9 5/8"	36#	900'	400 Sx.	Surface
8 3/4"	5 1/2"	17#	6980'	456 Sx.	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.

SEE ATTACHED FOR DETAIL

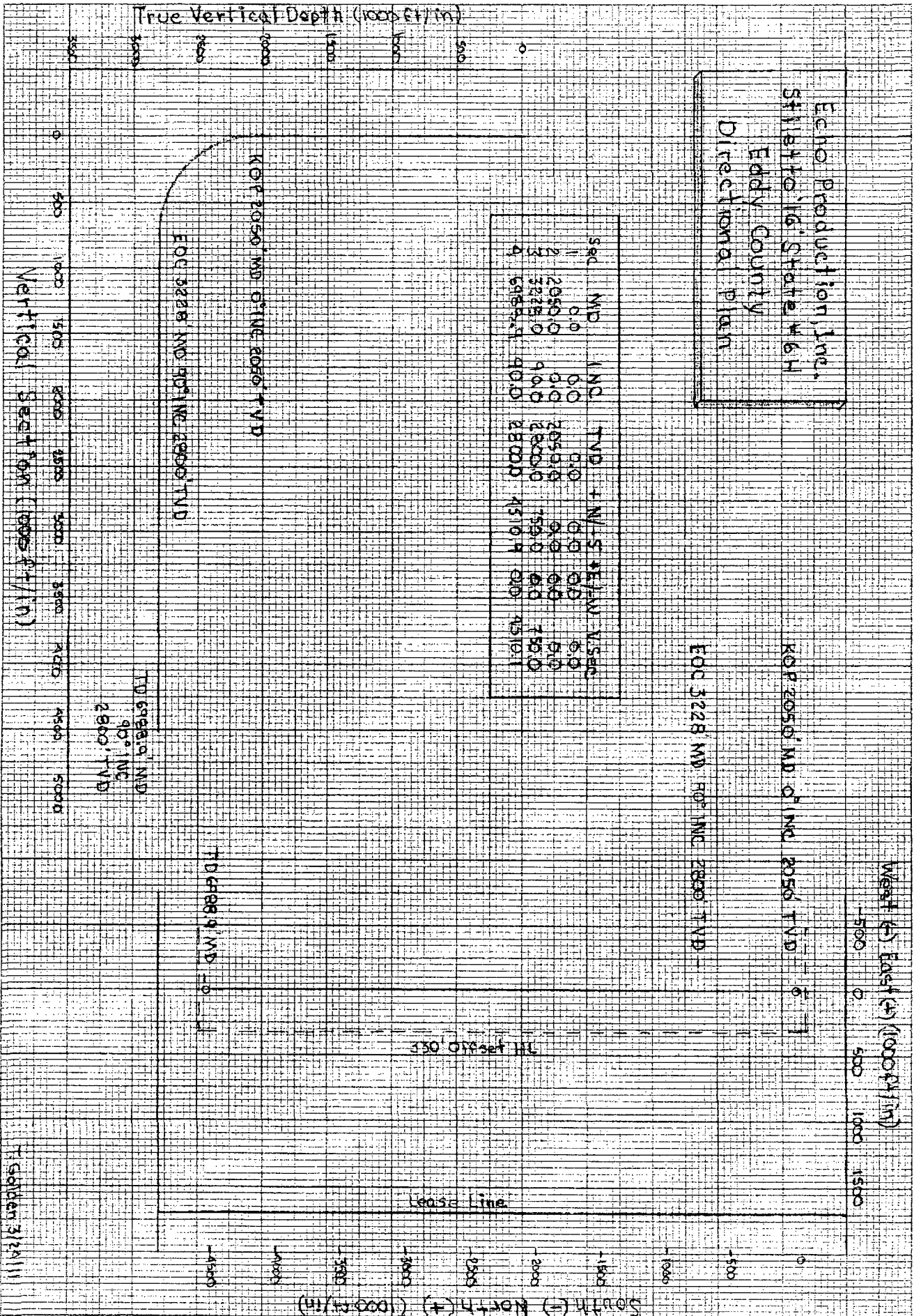
RECEIVED
MAR 31 2011
NMOCD ARTESIA

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.		OIL CONSERVATION DIVISION	
Signature: <i>Joe T. Janica</i>		Approved by: <i>[Signature]</i>	
Printed name: Joe T. Janica		Title: Geologist	
Title: Permit Eng.		Approval Date: 04/13/11	Expiration Date: 04/13/13
E-mail Address: joejanica@valornet.com			
Date: 03/30/11	Phone: 575-391-8503	Conditions of Approval Attached <input type="checkbox"/>	

1. Drill 26" hole to 40'. Set 40' of 20" conductor pipe and cement to surface with Redi-mix.
2. Drill 12 $\frac{1}{4}$ " hole to 900'. Run and set 900' of 9 5/8" 36# J-55 ST&C casing. Cement with 400 Sx. of Premium Plus Class "C" cement, + 2% CaCl, + 0.25# Flocele/Sx. Yield 1.34, circulate cement to surface.
3. Drill 8 3/4" vertical hole to 2050' MD, kickoff at 2050 drill angle to reach 90° at 3228 MD, continue drilling to a TD of 6989' MD. Run 6980' of 5 $\frac{1}{2}$ " 17# N-80 LT&C casing with a DVTool at 2550±'. The section of the hole from 6989' to 2550' will not be cemented but will contain multiple open hole packers with Frac sleeves to stimulate the production hole. The interval from 2550' to surface will be cemented with 500 Sx. of Premium Plus Class "C" cement + additives, Yield 1.34 10% Excess, circulate cement to surface.

30-015-38956

Echo Production, Inc.
Stillwater State Well
Eddy County
Directional Plan



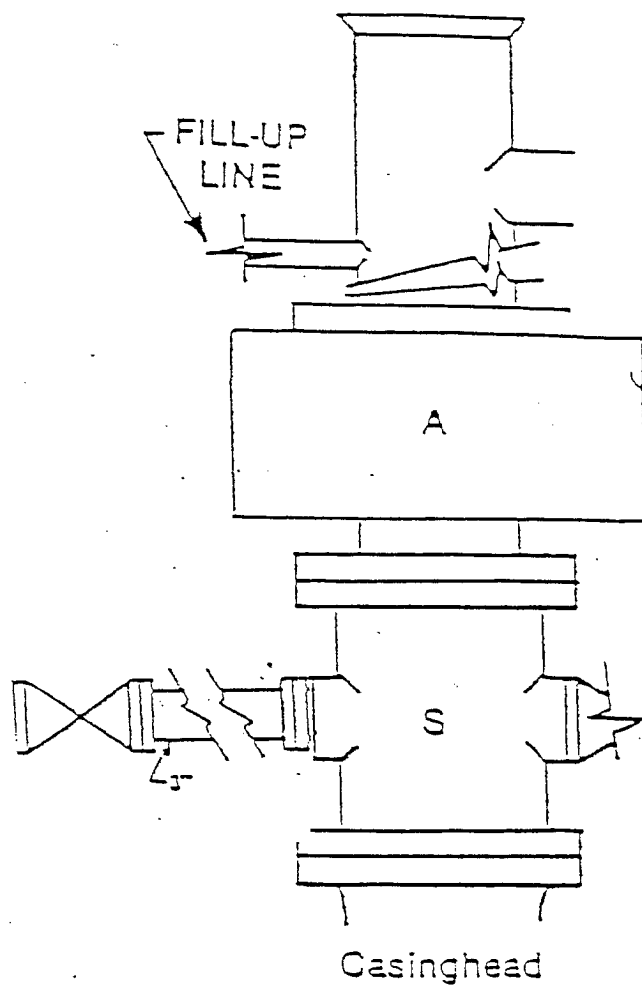


FIGURE K1-1. Recommended LADC Class 2 BOP stack, 2000 psi WP. Either SRd (left) or SA (right) arrangement is acceptable and drilling spool is optional.

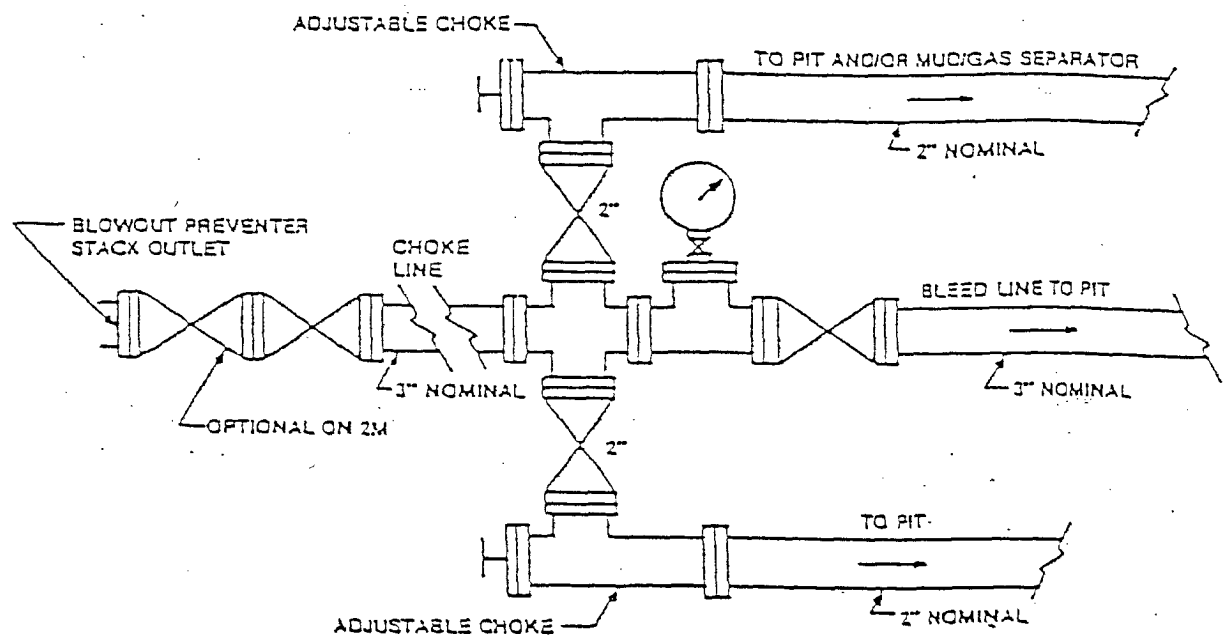


FIGURE K-1. Typical choke manifold assembly for 2M and 3M rated working pressure service — surface installation.

DISTRICT I --- CHECKLIST FOR INTENTS TO DRILL

34361 Operator ECHO PRODUCTION INC OGRID # 6742
Well Name & # STILETTO 16 STATE # 6H Surface Type (F) (S) (P)
Location: UL B, Sect 10, Twnship 20 s, RNG 24 e, Sub-surface Type (F) (S) (P)
0 16 - 20 - 25e

A. Date C101 rec'd / / C101 reviewed / /

B. 1. Check mark, Information is OK on Forms:

OGRID X BONDING X PROP CODE X WELL # X SIGNATURE X

2. Inactive Well list as of: 4/13/11 # wells 22, # Inactive wells 1

a. District Grant APD but see number of inactive wells:

No letter required X Sent Letter to Operator , to Santa Fe

3. Additional Bonding as of: 4/13/11

a. District Denial because operator needs addition bonding:

No Letter required X; Sent Letter to Operator ; To Santa Fe

b. District Denial because of Inactive well list and Financial Assurance:

No Letter required X; Sent Letter to Operator , To Santa Fe

C. C102 YES X NO , Signature

1. Pool N. SEVEN RIVERS; GLOMATA - YESO, Code 92565

a. Dedicated acreage 160, What Units BGJO

b. SUR. Location Standard X; Non-Standard Location

c. Well shares acres: Yes , No X, # of wells plus this well #

2. 2nd. Operator in same acreage, Yes , No X

Agreement Letter , Disagreement letter

3. Intent to Directional Drill Yes X, No

a. Dedicated acreage 160, What Units BGJO

b. Bottomhole Location Standard X; Non-Standard Bottomhole

4. Downhole Commingle: Yes , No

a. Pool #2 , Code , Acres

Pool #3 , Code , Acres

Pool #4 , Code , Acres

5. POTASH Area Yes , No X

D. Blowout Preventer Yes X, No

E. H2S Yes , No , PART STATE APD

F. C144 Pit Registration Yes , No X, need

G. Does APD require Santa Fe Approval:

1. Non-Standard Location: Yes , No X, NSL #

2. Non-Standard Proration: Yes , No X, NSP #

3. Simultaneous Dedication: Yes , No X, SD #

Number of wells Plus #

4. Injection order Yes , No X; PMX # or WFX #

5. SWD order Yes , NO X; SWD #

6. DHC from SF ; DHC-HOB ; Holding

7. OCD Approval Date 4/13/11

API #30-015- 38956

8. Reviewers KZ