

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
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, Inc. PO Box 1210, Graham, TX 76450		² OGRID Number 006742 ✓
³ Property Code 34555		⁴ Property Name Big Sky '13' State
⁵ Well No. 1		⁶ API Number 30-025-37055
⁹ Proposed Pool 1 Wildcat (Wolfcamp)		¹⁰ Proposed Pool 2

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	13	18S	34E		1680	south	1980	west	Lea

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 N	¹² Well Type Code XO <i>drilling</i>	¹³ Cable/Rotary rotary	¹⁴ Lease Type Code State /	¹⁵ Ground Level Elevation 3976
¹⁶ Multiple no	¹⁷ Proposed Depth 10140	¹⁸ Formation Wolfcamp	¹⁹ Contractor J&W	²⁰ Spud Date 3/01/05
Depth to Groundwater 96'		Distance from nearest fresh water well 751'		Distance from nearest surface water 1000+
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 mils thick Clay <input type="checkbox"/> Pit Volume: 12800bbls Drilling Method: Closed-Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input checked="" 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
17 1/2"	13 3/8"	48#	350	300	surface
11"	8 5/8"	24#	3250	1250	surface
7 7/8"	5 1/2"	17#	10140	sufficient to reach ±600'	
				above top of any pay interval	

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 Wolfcamp formation. If productive 5 1/2" casing will be set. If non-productive the well will be plugged and abandoned in a manner consistent with State regulations. A double ram blowout preventer will be utilized during all drilling operations and conventional fresh water spud mud will be utilized from 0-350' (8.4 ppg-9.4 ppg) Brine water will be utilized from 350' to 3250' (±10.0 ppg) Cut brine will be utilized from 3250' to TD (9.0 ppg - 10.2 ppg) A H₂O Contingency plan is attached.

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 ☐.

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date: JAN 21 2005

Expiration Date:

Printed name: Tom Golden *Tom Golden*

Title: Operations Manager

E-mail Address: rondaw@echoproduction.com

Date: 1/11/05

Phone: (940) 548-2892

Conditions of Approval Attached ☐

Permit Expires 1 Year From Approval Date Unless Drilling Underway

Echo Production, Inc.

PO Box 1210 Graham, Texas 76450 (940) 549-3292 Fax: (940) 549-5162

Big Sky '13' State #1
1680' FSL & 1980' FWL
Section 13 T20S R34E
Lea County, New Mexico

A review of offset wells does not show any abnormally pressured zones or any formations containing H₂S. Sufficient mud weights will be utilized to eliminate any flow from the well. A double ram type blowout preventor will be utilized during all drilling operations and will be tested after setting both the surface and intermediate casing.

The nearest public road is ± 2 miles from the location, but H₂S detection and safety equipment will be utilized and all rig personnel will receive safety training by a qualified H₂S safety instructor as to the following:

- A. Characteristics of H₂S
- B. Physical effects and hazards
- C. Proper use of safety equipment and life support systems
- D. Principle and operation of H₂S detectors
- E. Evacuation procedure, routes and first aid
- F. Proper use of air pack

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2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999

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

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number <i>30-025-37055</i>	Pool Code <i>990</i>	Pool Name <i>Airstrip; Wolfcamp, North</i>
Property Code <i>34555</i>	Property Name BIG SKY "13" STATE	Well Number 1
OGRID No. <i>6742</i>	Operator Name ECHO PRODUCTION CO.	Elevation 3976'

Surface Location

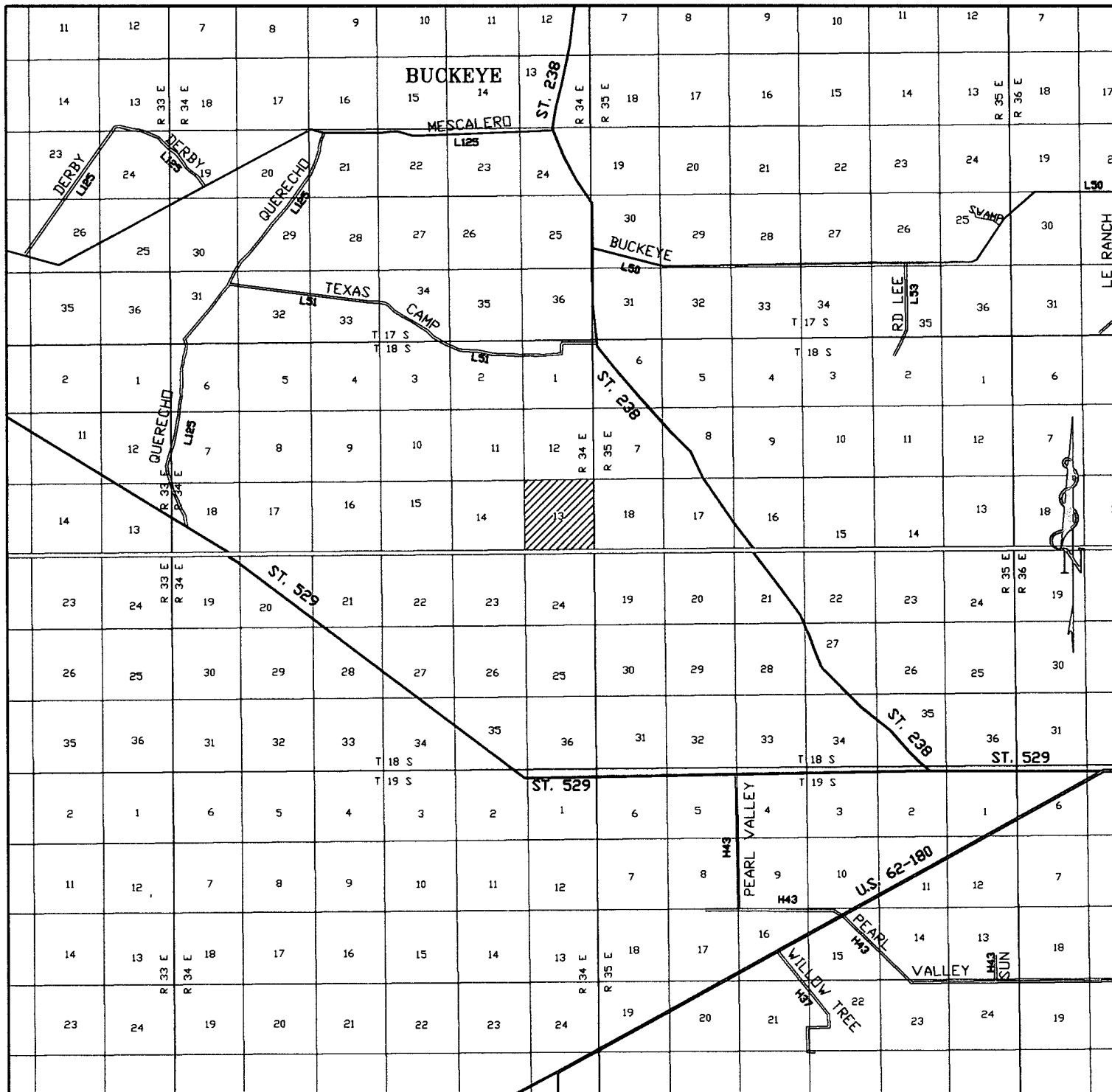
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	13	18 S	34 E		1680	SOUTH	1980	WEST	LEA

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 <i>40</i>		Joint or Infill	Consolidation Code	Order No.					

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

	OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <i>Tom Golden</i> Signature Tom Golden Printed Name <i>Operations Manager</i> Title <i>1/12/05</i> 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 supervision, and that the same is true and correct to the best of my belief. December 28, 2004 Date Surveyed <i>GARY L. JONES</i> Signature & Seal of Professional Surveyor Certificate No. <i>Gary L. Jones</i> 7977 JLP BASIN SURVEYS



BIG SKY "13" STATE #1 30-025-37055
 Located at 1680' FSL and 1980' FWL
 Section 13, Township 18 South, Range 34 East,
 N.M.P.M., Lea County, New Mexico.



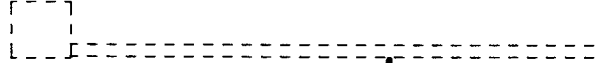
P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (505) 393-7316 - Office
 (505) 392-3074 - Fax
 basinsurveys.com

W.O. Number: 4966AA - JLP #1
 Survey Date: 12/28/04
 Scale: 1" = 2000'
 Date: 12/29/04

ECHO
 PRODUCTION
 CO.

SECTION 13, TOWNSHIP 18 SOUTH, RANGE 34 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.

WESTERN OIL
YESO ST. #1



NORTH
1338'

150' NORTH
OFF SET
3975.6'



ECHO PRODUCTION CO.
BIG SKY '13' STATE #1
ELEV. - 3976'



150' WEST
OFF SET
3977.7'



150' EAST
OFF SET
3975.1'



Lat - N32°44'42.8"
Lon - W103°30'57.6"

150' SOUTH
OFF SET
3976.5'



100 0 100 200 FEET

SCALE: 1" = 100'

DIRECTIONS TO LOCATION:

FROM THE JUNCTION OF STATE HWY 529 & 238 GO
NORTH ON ON 238 APPOX. 400 FEET BEFORE MM 4
TO A LEASE ROAD GO WEST ON LEASE ROAD 1.8
MILES TAKE CURVE NORTH 0.5 MILES, TAKING CURVE
1.0 MILES WEST TO BEG. PROPOSED ROAD.

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

W.O. Number: 4966 Drawn By: JAMES PRESLEY

Date: 12/29/04 Disk: JLP #1 - 4966A

ECHO PRODUCTION CO.

REF: BIG SKY "13" STATE #1 / Well Pad Topo

30-025-37055
BIG SKY "13" STATE #1 LOCATED 1680' FROM THE
SOUTH LINE AND 1980' FROM THE WEST LINE OF
SECTION 13, TOWNSHIP 18 SOUTH, RANGE 34 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO.

Survey Date: 12/28/04 Sheet 1 of 1 Sheets

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Energy Minerals and Natural Resources

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Form C-144
June 1, 2004

For drilling and production facilities, submit to
appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe
office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☐ No ☒
Type of action: Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

Operator: <u>Echo Production, Inc.</u> Telephone: <u>(940) 549-3292</u> e-mail address: <u>rondaw@echoproduction.com</u>		
Address: <u>PO Box 1210, Graham, TX 76450</u>		
Facility or well name: <u>Big Sky '13' State #1 30-025-37055</u> U/L or Qtr/Qtr <u>K</u> Sec <u>13</u> T <u>18</u> S <u>R</u> <u>34E</u>		
County: <u>Lea</u> Latitude <u>N32° 44'</u> Longitude <u>W103° 30'</u> NAD: 1927 <input type="checkbox"/> 1983 <input type="checkbox"/> Surface Owner Federal <input type="checkbox"/> State <input checked="" type="checkbox"/> Private <input type="checkbox"/> Indian <input type="checkbox"/>		
42.8" 57.6"		
Pit Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input checked="" type="checkbox"/> Thickness <u>12</u> mil Clay <input type="checkbox"/> Pit Volume <u>12800</u> bbl	Below-grade tank Volume: _____ bbl Type of fluid: _____ Construction material: _____ Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not. _____	
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)	Less than 50 feet 50 feet or more, but less than 100 feet <u>X</u> (96') 100 feet or more	(20 points) (10 points) 10 (0 points)
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes <u>X</u> (751') No	(20 points) 20 (0 points)
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet 200 feet or more, but less than 1000 feet 1000 feet or more <u>X</u>	(20 points) (10 points) (0 points) 0
Ranking Score (Total Points)		30

If this is a pit closure: (1) attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: (check the onsite box if your are burying in place) onsite ☐ offsite ☐ If offsite, name of facility _____. (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface _____ ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

Additional Comments:

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Date: 1/12/05

Printed Name/Title Tom Golden / Operations Manager

Signature Tom Golden

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval:

Printed Name/Title

JAN 21 2005

PETROLEUM ENGINEER

Signature [Signature]

Date: _____