

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

<sup>1</sup> Operator Name and Address ELK OIL COMPANY POST OFFICE BOX 310 ROSWELL, NEW MEXICO 88202-0310		<sup>2</sup> OGRID Number 7147
		<sup>3</sup> API Number 30 - 025-01932
<sup>4</sup> Property Code 003974	<sup>5</sup> Property Name NORTHEAST KEMNITZ	<sup>6</sup> Well No. 10
<sup>9</sup> Proposed Pool 1 KEMNITZ MORROW (GAS)		<sup>10</sup> Proposed Pool 2

<sup>7</sup> Surface Location

UL or lot no. <i>E</i>	Section 26	Township 16S	Range 34E	Lot Idn —	Feet from the 1980	North/South line NORTH	Feet from the 660	East West line WEST	County LEA
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<sup>8</sup> Proposed Bottom Hole Location If Different From Surface

UL or lot no. <i>D</i>	Section 26	Township 16S	Range 34E	Lot Idn —	Feet from the 1980	North/South line North	Feet from the 760'	East West line west	County Lea
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Additional Well Information

<sup>11</sup> Work Type Code E	<sup>12</sup> Well Type Code G	<sup>13</sup> Cable/Rotary R	<sup>14</sup> Lease Type Code S	<sup>15</sup> Ground Level Elevation 4073'
<sup>16</sup> Multiple NO	<sup>17</sup> Proposed Depth 13,150'	<sup>18</sup> Formation MORROW	<sup>19</sup> Contractor PATTERSON	<sup>20</sup> Spud Date 09/01/05
Depth to Groundwater 40'		Distance from nearest fresh water well 2700' N NW		Distance from nearest surface water N/A
Pit: Liner: Synthetic <input type="checkbox"/> _____mils thick Clay <input type="checkbox"/> Pit Volume: 800 bbls Drilling Method: ROTARY				
Closed-Loop System <input checked="" type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input checked="" type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

<sup>21</sup> 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#	379'	400 SXS	CIRCULATE
12 1/4	9 5/8	36#	4860'	2700 SXS	CIRCULATE
7 7/8	5 1/2	17# HC-P110	13,150'	1000 SXS	9,000

<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.

RE-ENTER, CLEAN OUT TO 12,000' WITH A PULLING UNIT. RUN SURVEY TO DETERMINE BOTTOM HOLE LOCATION. SET WHIPSTOCK. RIG UP DRILLING RIG. DEVIATE HOLE 100' AWAY FROM ORIGINAL WELLBORE TO ELIMINATE WELLBORE DAMAGE TO FORMATIONS. TD 13,150'. RUN 5 1/2" CASING TO 13,150' AND CEMENT. TEST MORROW AND ATOKA FORMATION. IF PRODUCTIVE, PLACE ON PRODUCTION. BOP PROGRAM ATTACHED. MUD PROGRAM TD TO 13,150. MUD WEIGHT 10.0 - 10.4, BRINE/SALT GEL/STARCH.

*Deviate well 100' to east.*

<sup>23</sup> 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 ☐.

Printed name:

Title: ELK OIL COMPANY, JOSEPH J. KELLY, PRESIDENT

E-mail Address: elkoi@pvt.net

Date: 07/15/2005

Phone: (505)623-3190

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Expiration Date:

Conditions of Approval Attached ☐

# Patterson-UTI Drilling Company

Rig # 736

12,000'

## DRAWWORKS

OMIE SD-5 DW 360  
Brake: Hydromatic PARMAC V-80  
Indicator Martin Decker 400ton  
Compound 1.1/8 Drlg.

## ENGINES

Two Cat 3412 engines, 475hp each

## DERRICK

Ideal 132' 375,000 rated capacity

## SUBSTRUCTURE

Custom 18.5 KB

## MUD PUMPS

Pump #1: Gardner Denver PZ8 w/cat 398  
Pump #2: Gardner Denver PZ8 w/cat 398

## DRILL STRING

Grade X, 4 1/2 16.60 300jts.  
27-6"x2.25 Drill collars  
15- 8"x2.50 Drill Collars

## BLOWOUT PREVENTERS

Annular - 13" 5000 Hydril GK Rem type Shaffer type  
B 13" Kookey - 3000# Air / Elect. Choke manifold-  
WTM 3Valve 4x2x2

## MUD SYSTEM

Mud pits - #1 11x9.48x29.92, 800bbls, #2 7x9.  
48x43 925bbls 200 bbl premix

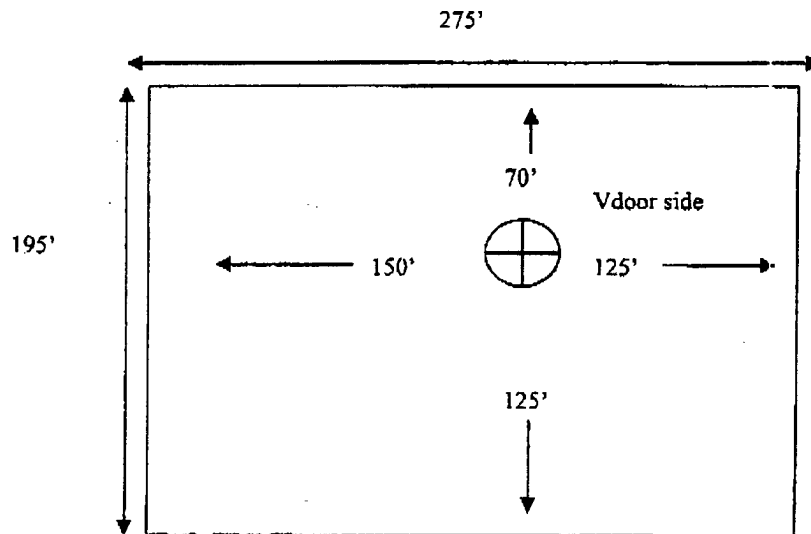
## COMMUNICATIONS

24 Hour Direct Cellular Telephone  
505-631-9390

## OTHER EQUIPMENT

Blocks: National 250Ton  
Hook: B.J. 250Ton  
Swivel: Contintal EMSC 200 Ton  
Rotary Table: Gardner Denver 22.5  
Shale Shaker: Brandt 5x6 double screen  
Generators: #1 D353cat, w/300kw #2 3406cat  
W/185kw  
Fresh Water Storage: #1 8.31x 1.40x16.50 #2  
10.2x9.9x36 925bbls total  
Housing: Two Bedroom 1 Bath bunk house

"Hole Requirements will dictate actual Reserve Pit size."



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## State of New Mexico

Energy, Minerals &amp; 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 30-025-01932	<sup>2</sup> Pool Code 79440	<sup>3</sup> Pool Name KEMNITZ MORROW (GAS)
<sup>4</sup> Property Code 003974	<sup>5</sup> Property Name NORTHEAST KEMNITZ	<sup>6</sup> Well Number 10
<sup>7</sup> OGRID No. 7147	<sup>8</sup> Operator Name ELK OIL COMPANY	<sup>9</sup> Elevation 4073' GR

<sup>10</sup> Surface Location

UL or lot no. D	Section 26	Township 16S	Range 34E	Lot Idn	Feet from the 1980	North/South line NORTH	Feet from the 660	East/West line WEST	County LEA
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<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
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<sup>12</sup> Dedicated Acres 320	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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

<sup>16</sup> <p>(N.M. STATE AV) #1 WELL</p> <p>660'</p>	STATE OF NEW MEXICO LEASE L-1038	SEE ORIGINAL SURVEY / HUMBLE OIL & GAS 1957	<sup>17</sup> 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 ELK OIL COMPANY Printed Name JOSEPH J. KELLY Title and E-mail Address PRESIDENT Date 07/15/2005
	STATE OF NEW MEXICO LEASE VO-6971		