

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-101
Revised August 1, 2011

HOBBS OCD

Permit

NOV 16 2011

RECEIVED

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

¹ Operator Name and Address Pecos Operating Company, LLC 125 W. Missouri Ave., Suite 450 Midland, TX 79701		² OGRID Number 246798
		³ API Number 30-025-03682
⁴ Property Code 303965	⁵ Property Name STATE GA	⁶ Well No. 1

⁷ Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet from	E/W Line	County
F	16	15S	36E	F	1980	N	1980	W	Lea

⁸ Pool Information

Caudill; Perm Upper Penn ⁹	10830
---------------------------------------	-------

Additional Well Information

⁹ Work Type P	¹⁰ Well Type Oil	¹¹ Cable/Rotary R	¹² Lease Type S	¹³ Ground Level Elevation 3906
¹⁴ Multiple N/A	¹⁵ Proposed Depth 10500	¹⁶ Formation Wolfcamp	¹⁷ Contractor To be determined upon approval	¹⁸ Spud Date TBD
Depth to Ground water 100'		Distance from nearest fresh water well 2000'		Distance to nearest surface water N/A

¹⁹ Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/lb	Setting Depth	Sacks of Cement	Estimated TOC
	17 1/4	13 3/8	48#/ft	353'	400	CIRC
	11	8 5/8	32#/ft	4738'	2750	CIRC
	7 7/8	5 1/2	17# & 20#/ft	14064	1250	6965'
					950	CIRC

Casing/Cement Program: Additional Comments

Casing already in place. See attached procedure.
--

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Dual Manual	3000	3000	Shaffer or Equivalent

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"/> . No pit required.		OIL CONSERVATION DIVISION	
Printed name: Sherma Bowen		Approved By:	
Title: Regulatory Clerk		Title: PETROLEUM ENGINEER	
E-mail Address: sherma@pecoscompanies.com		Approved Date:	Expiration Date:
Date: 11/16/2011		NOV 29 2011	
Phone: 432-620-8480		Conditions of Approval Attached	

Permit Expires 2 Years From Approval
Date Unless Drilling Underway
Plugback

NOV 29 2011

HOBBS OCD

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

NOV 16 2011

RECEIVED

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 August 1, 2011

Submit one copy to appropriate

District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-03682	² Pool Code 10830	³ Pool Name Caudill; Perno Upper Penn
⁴ Property Code 303965	⁵ Property Name STATE GA	⁶ Well Number 1
⁷ OGRID No. 246798	⁸ Operator Name Pecos Operating Company, LLC	⁹ Elevation 3906' GL

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	16	15S	36E	F	1980	North	1980	West	Lea

¹¹ 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
¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No. N/A						

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.

	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature: <u>Sherma Bowen</u> Date: <u>11-16-11</u> Printed Name: <u>Sherma Bowen</u> E-mail Address: <u>sherma@pecoscompanies.com</u>	
	¹⁸ 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. Date of Survey: _____ Signature and Seal of Professional Surveyor: _____ Certificate Number: _____	

**Pecos Operating Company, LLC
Completion Prognosis**

Well: State GA No. 1 Re-Entry – Re-Complete from Devonian to Wolfcamp.

Location: 1980' FNL & 1980' FWL, Sec 16, Twp 15-S, Rge 36-E, Lea Co., NM

Elevations: 3906' GL, 3918' KB, (est) Old TD: 14,079' PBTD – 13,550'

Casing: 13-3/8", 48#, J-55 @ 353' 400 sx. (circ)
8-5/8", 32#, J -55 @ 4738'. 2750 sx (circ)
5-1/2", 17 & 20#, @ 14,064' 1250 sx (TOC – 6965' TS)
bowl-Over casing patch at 6759' 950 sx (circ)

Existing Perf: 13,366 – 438' (Devonian)

Wellhead: 7-1/16", 3M flange w/ 2000# ball valves.

Procedure

1. Clear location – test anchors if necessary. (Hobbs Anchor). MIRU. Nipple up 7-1/16" 3M BOP's.
2. Pick up 4-5/8" Mill-Tooth bit and 5-1/2" casing scraper on 2-7/8" L-80 tbg. Clean out 5-1/2" casing to 13,350'. TOOH.
3. Set CIBP at 13,310'. Dump bale 10 sx cement. Pressure test 5-1/2" casing to 1000 psi. Run GR-CCL log 11,000' – 9000'. Perforate Wolfcamp zone w/ 1 SPF at 10,305 – 320' (15), 10,255 – 270' (15), 10,165 – 180' (15). Total – 45 - .42" holes.
4. TIH w/150 ft tailpipe, packer, and SN on 2-7/8" tubing to 10,320'. Circulate well and spot 500 gal 15% HCl. Pick up to 10,000', reverse 10 bbl, set packer and establish injection. Acidize with 7500 gal 15% HCl in 3 stages, Dropping 20 balls between stages.
5. Release packer and POOH. TIH w/ production equipment. SN at 10,500', TAC at 10,000'.
6. Run 2.5" x 1.5" x 24' RWBC pump on 3/4 x 7/8 x 1" rods. PWOP.

WRH
11-11-11
