		OCD Hobbs	5		
		HOBBS O	ĊĎ	1	
Form 3160 -3 (August 2007)				OMB No	APPROVED 0. 1004-0137
UNITED STA		DEC 06	2011	5. Lease Serial No.	uly 31, 2010
DEPARTMENT OF TH BUREAU OF LAND M			1	NMNM-012612	
APPLICATION FOR PERMIT		REENTERCEIV	ED	6. If Indian, Allotee	or Tribe Name
la. Type of work: DRILL REE	ENTER			7. If Unit or CA Agree COOPER JAL NMI	
	ATER			8. Lease Name and	
lb. Type of Well: Oil Well Gas Well ✓ Other II		gle Zone 🖌 Multip	le Zone	COOPER JAL UNI 9. API Well No.	T 108
2. Name of Operator RESACA OPERATING COMPANY	< 22°	2840		30-025-11142	
3a. Address 1331 LAMAR, SUITE 1450		(ınchude area code)		10. Field and Pool, or	Exploratory
HOUSTON, TX 77010-3039	713 650-12	46	3826	ALMAT;TY7R(O)	& LANGLIE M7RQ
4. Location of Well (Report location clearly and in accordance with	th any State requireme	nts *)		11. Sec., T. R. M. or B	-
At surface 2001' FSL & 676' FWL				Lot 3 (= NWSW) 1	8-24S-37E NMPM
At proposed prod. zone SAME				12. County or Parish	13. State
 14 Distance in miles and direction from nearest town or post office* 7 AIR MILES NORTH OF JAL, NM 	•			LEA	NM
15 Distance from proposed* location to nearest property or lease line, ft (Also to nearest drig, unit line, if any)	16. No. of ac 312.45	res in lease	17. Spacin N/A	g Unit dedicated to this	well
 Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 854' (Cooper Jal 503) 	* 05 dl (Opposed De		20. BLM/I NM B00	1/BIA Bond No. on file 005247	
21. Elevations (Show whether DF, KDB, RT, GL, etc.)		ate date work will star	t*	23. Estimated duratio	n
3,306.6' UNGRADED	07/31/2011			1 WEEK	
	24. Attacl				,
The following, completed in accordance with the requirements of Or	nshore Oil and Gas C	,			
 Well plat certified by a registered surveyor. A Drilling Plan. 		 Bond to cover the Item 20 above). 	e operatio	ns unless covered by an	existing bond on file
 A Surface Use Plan (if the location is on National Forest Sys SUPO must be filed with the appropriate Forest Service Office) 		 Operator certific Such other site s BLM. 		ormation and/or plans as	s may be required by th
25. Signature		Printed/Typed)			Date
Title The der	BRIAN	WOOD (505	466-8120	וו	07/23/2011
CONSULTANT		(FAX 505	466-968	2)	
Approved by (Signature)	Name (Printed/Typed)			DEC - 2 20
/s/ Don Peterson	Office				
FIELD MANAGER		CARLSBAD	FIELD C	FFICE	
Application approval does not warrant or certify that the applicant conduct operations thereon. Conditions of approval, if any, are attached.		ble title to those right ROVAL FOR		-	entitle the applicant to
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it States any false, fictitious or fraudulent statements or representation	s as to any matter wi	thin its jurisdiction.	rillfully to m	nake to any department o	or agency of the United
(Continued on page 2)	4-889	3		*(Inst	ructions on page
Capitan Controlled Water Basin				ct to General Requ	urements

SEE ATTACHED FOR CONDITIONS OF APPROVAL

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District I 1625 N French Dr., Hobb: District II 1301 W Grand Avenue, Ar District III 1000 Rio Brozos Rd., Azte District N 1220 S. St. Francis Dr., S	tesia, NM 88211 c. NM 87410	7505	erals & Na OIL CONSE 1220 South Santa f	otural RVATI(h St. Fe, NN	Francis D 1 87505	^{5 D} eposting N ^{Ir.} DEC 0 6 CATIONEPEAN	2011	Sto Fe	l Octobe riate Dis te Lease	– 4 Copies – 3 Copies
API Num 30-025-1		Poo	ol Code 1820			AT;TAN-Y	Pool Name	RVRS	(OIL)	
Properly Code	01442	ξ		Property N	lame L UNIT				W	ell Number 108
0CRID No 263848				perator N	lome	····				Elevation 306.6'
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	Township	Ror	ge		Feet from the	North/South line		Eost/Wes		County
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UL or lot no Section	Township	BOLLOM				t From Sur North/South line		East/Wes	l line	County
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July 14, 2011

Bureau of Land Management Carlsbad Field Office 620 E. Greene Street Carlsbad, New Mexico 88220 HOBBS OCD DEC 0 6 2011 RECEIVED

Gentlemen:

Please be informed that Brian Wood with Permits West, Inc. is an Agent employed by Resaca Exploitation, Inc. and Resaca Operating Company. Resaca Operating Company is a subsidiary of Resaca Exploitation, Inc. Mr. Wood is authorized to prepare and submit APD's, Right of Way applications and other BLM required forms.

 \checkmark Permits West, Inc.'s address is as follows:

37 Verano Loop Santa Fe, New Mexico 87508

505-466-8120 Office 505-466-9682 Fax 505-699-2276 Cell

Should you have any questions or require any additional information, please contact Dennis Hammond at 713-753-1281 or e-mail <u>hammond@resacaexploitation.com</u>.

Sincerely,

Dennis Hammond President Resaca Exploitation, Inc.

Bureau of Land Management RECEIVED

JUL 27 2011

Carlsbad Field Office Carlsbad, NM

1331 Lamar, Suite #1450 Houston, Texas 77010-3039 main: 713.650.1246 fax: 713.655.1711 www.resacaexploitation.com

REVISED RE-ENTRY PROGNOSIS

HOBBS OCD

Resaca Operating Co. Cooper Jal Unit #108 API No. 30-025-11142 1,980' FSL, 660' FWL Section 18, T-24S, R-37E Lea Co., New Mexico

DEC 0 6 2011

DESCRIPTION OF OPERATION

Resaca proposes to re-enter and deepen subject well which was drilled in 1950 and plugged in 2000 as part of an effort to re-develop certain acreage within the Cooper Jal Unit, an existing Secondary Recovery project. The Unitized Interval includes both the Jalmat and the Langlie Mattix pools. Subject well will be commingled as to these intervals and utilized as an injection well. Injection and commingling authority will be obtained prior to injection.

1) SURFACE DESCRIPTION

The surface is a mildly undulating dunal plain consisting of Quaternary alluvium sediments. Vegetation is sparse, and includes snakeweed, shinoak, yucca cactus, assorted grasses and, on a more limited basis, other flora. The ground elevation at the wellsite is 3,296' above sea level.

2) FORMATION TOPS

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	Estimated			
	Top - MD		Fluid	
Formation	(ft)	Lithology	Content	
Alluvium	0	Sand, Caliche	Fresh Water	
Ogalalla	150	Red Beds	None	
Rustler	1,185	Anhydrite	None	}
Salado	1,290	Salt	None	ſ
Tansill	2,873	Anhydrite, Dolomite	None	
Yates	2,973	Sandstone, Dolomite	Oil	
Seven Rivers	3,206	Sandstone, Dolomite	Oil	
Queen	3,607	Sandstone, Dolomite	Oil	

The surface casing previously set and cemented in this well isolates and thereby protects the fresh water interval. The production casing previously set and cemented in this well isolates various productive intervals. It is not anticipated that any additional casing or remedial cementing will be required. The deepened portion of the well will extend the existing open-hole interval.

The Jalmat Pool is defined, in this area, as the interval from the top of the Tansill formation to a point 250' above the base of the Seven Rivers formation, thereby including all of the Yates formation. The top of the Tansill formation is at a depth of 2,873' in subject well.

The Langlie Mattix Pool is defined as the interval from 100' above the base of the Seven Rivers formation to the base of the Queen formation. The base of the Queen formation is estimated from offset well logs to be below the proposed total depth of subject well.

3) WELL CONTROL EQUIPMENT

A 2M system (as defined by BLM Onshore Oil and Gas Order No. 2), including a 3,000 PSI dual ram BOP dressed with 2-3/8" pipe rams and blind rams and choke manifold will be utilized throughout the proposed operations. The configuration and components of the BOP stack are set forth on Exhibit A, attached hereto. The configuration and components of the choke manifold are set forth on Exhibit B, attached hereto. The serial number and a copy of the test certificate for the rubber hose which will connect the BOP stack to the choke manifold will be provided by sundry notice prior to commencement of operations. Flex line request will be approved. when sundry submitted.

All blowout prevention equipment will meet the minimum standards outlined in BLM Onshore Oil and Gas Order 2. A schematic indicating the routing to the choke manifold and the closed loop system is attached hereto as Exhibit C. A safety valve and crossovers to facilitate make-up to each workstring component will be kept on or near the rig floor.

The blowout preventers and choke manifold will be tested in accordance with the provisions of BLM Onshore Oil and Gas Order 2 upon installation. Pipe rams will be function tested once each 24-hour period, and blind rams will be function tested each time the workstring is out of the hole.

4) WELL CONSTRUCTION

Surface and production casing were set and cemented when the well was drilled in 1950. A 3,000 psi socket weld wellhead will be installed on the 9-5/8" surface casing, and a 3,000 psi socket weld tubing head will be installed on the 7" production casing.

Existing casing is as follows:

Hole	Setting	Outer			
Size	Depth	Diameter	Weight		
(in)	(ft)	(in)	(ppf)	Grade	Threads
12.250	304	9.625	32	Unknown	Unknown
8. 750	3,411	7.000	20	Unknown	Unknown

A casing design audit has been conducted as follows:

- Maximum collapse loading was assumed to occur at the bottom of each casing string. An external pressure equivalent to that which would be exerted by a column of 10 ppg brine water (0.520 psi/ft), and an internal pressure of 0 psi were assumed.
- Maximum burst loading was assumed to occur at the top of each casing string. An internal pressure equivalent to that which would be exerted at setting depth by a column of 10 ppg brine water (0.520 psi/ft), and an external pressure of 0 psi were assumed.

- Tensile loading was not evaluated as both casing strings have been run and are cemented in place.
- To the extent the casing grade is unknown, the lowest applicable API grade was assumed.

Based upon these evaluation criteria, the surface casing was determined to have a collapse safety factor of 8.86 and a burst safety factor of 14.37, and the production casing was determined to have a collapse safety factor of 1.12 and a burst safety factor of 1.53.

The surface casing was cemented with 150 sacks of cement of unknown composition and yield. Available well records do not document circulation of the cement to surface; however, the calculated cement top, based on an assumed yield of 1.18 ft³/sk (neat Class A) and hole enlargement factor of 20 percent, is at the surface.

The production casing was cemented in two stages. For the first stage, 200 sacks of cement of unknown composition and yield were pumped. Available well records do not document the top of cement; however, the calculated cement top, based on an assumed yield of 1.18 ft³/sk (neat Class A) and hole enlargement factor of 20 percent, is at 2,155'. A DV tool was set at 1,225', and for the second stage, 200 sacks of cement of unknown composition and yield were pumped. Available well records do not document circulation of the cement to surface; however, the calculated cement top, based on an assumed yield of 1.18 ft³/sk (neat Class A) and hole enlargement factor of 20 percent, is at Class A) and hole enlargement factor of 20 percent, is at the surface. It is noted that the actual cement top is obviously below 360', as during plugging operations, the production casing was perforated at 360', and cement was circulated to the surface through the annulus.

5) WORKING FLUID

Working fluid will be fresh water with 2% KCl, with a density of 8.4 ppg. Gelled sweeps and lost circulation material will be utilized as necessary. Working volume will be approximately 500 barrels. Given the low anticipated bottom-hole pressure, use of weighting materials is not anticipated, and no circulating system monitoring equipment will be utilized.

6) LOGGING, CORING AND TESTING

No mud-logging, coring, or testing are anticipated. The Unitized Interval will be logged in whole or part. Specific logs to be run have not yet been determined.

7) ANTICIPATED PRESSURES AND DRILLING HAZARDS

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All formations above the Unitized Interval are cased off. The previous producing intervals, as well as the interval through which the well will be deepened, are believed to be partially pressure depleted due to production from the Unit and surrounding wells.

Based on a static fluid level survey conducted in April 2007 in an offset well (the Cooper Jal #503), reservoir pressure was 452 psi at a depth of 3,363'. Since that time, injection rates have been increased, and reservoir pressure is likely to have risen; however, it is anticipated that the working fluid will create an overbalanced condition, and lost circulation may occur.

Hydrogen Sulfide may be present in the Yates and Seven Rivers. H_2S equipment will be operational prior to drilling out any cement plugs, and all operations will be conducted in accordance with BLM Onshore Oil and Gas Order 6. An H_2S plan is attached.

GENERAL PROCEDURE

- 1) Remove dry hole marker. Dress casing as necessary. Install 3,000 psi socket weld wellhead on 9-5/8" casing. Install 3,000 psi socket weld tubing head on 7" casing. Install 3,000 psi drilling flange.
- 2) MIRU pulling unit and reverse unit. Closed loop system to be utilized. Install H₂S equipment.

3) N/U and test 2M BOP system as depicted on Exhibits A and B.

4) P/U 6-1/4" bit on 2-3/8" workstring (BHA design to be determined), and drill out:

- a. Cement plug surface 62' +/-
- → b. Cement plug 170' 360' +/- (previously tagged)
 - c. Cement plug 1,050' 1,150' +/- (not previously tagged)
 - d. Cement plug 2,700' 2,918' (not previously tagged)
- e. CIBP @ 2,918'
- f. Cement plug 3,265' 3,350' (previously tagged)
- g. CIBP @ 3,350'.
- 5) Clean out well to 3,640' (current TD). Drill new hole to 3,750'. Circulate well clean and POOH and L/D 6-1/4" bit.
- 6) Log per supplemental procedure.
- 7) P/U 7" tension packer and RIH to 2,950'. Set packer @ 2,950' and test casing to 500 psi. If leaks occur, isolate and repair per supplemental procedure. POOH and L/D packer and workstring.
- 8) Perforate 2 spf (120 degree phasing) as follows:

a. 3,382' - 3,384'
b. 3,372' - 3,374'
c. 3,323' - 3,325'
d. 3,242' - 3,250'
e. 3,175' - 3,179'
f. 3,160' - 3,162'
g. 3,121' - 3,133'
h. 3,086' - 3,100'.

Send and the

9) Acidize well and flow back per supplemental procedure.

10) P/U 7" tension packer and RIH w/ 2-3/8" lined tubing. Set packer @ 2,950'. Land tubing.

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- 11) N/D BOPs. N/U injection head.
- 12) Test casing to 500 psi. -
- 13) RDMO pulling unit and other equipment.

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Well File Search - Select API Number to View

Please select the API Number you wish/to view from the list below by clicking the radio button next to the API Number. Then click the "Continue" button to see the thumbnails for the API you selected. The search results are broken out by groups of 25 on each page. Switching pages can be done by clicking the "Next 25" or "Previous 25" links

2 Records:Found

API Number ULSTR Footages 3002511142 Well Name & Number: COOPER JAL UNIT No. 108 Operator: TEXACO EXPLORATION & PRODUCTION INC

3002538330
 Well Name & Number: COOPER JAL UNIT No. 503
 Operator: RESACA OPERATING COMPANY

2.Records Found

Continue Go Back



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Carlsbad Field Office Carlsbad, NM

REVISED EXHIBIT A:

2M BOP STACK CONFIGURATION - CJU #108

- A. 9 ⁵/₈" SW x 11 ³/₄" 3000 PSI WP Casing Mandrel w/ Threaded Outlets
- B. $2\frac{1}{16}$ " 3000 PSI WP Ball Valve
- C. 2" Schedule 80 Nipple
- D. 7" SW x 8 ⁵/₈" 3000 PSI WP Tubing Head w/ Threaded Outlets
- E. 2" 2500 PSI WP Rubber Hose See Con
- F. $8\frac{5}{8}$ " x 7 $\frac{1}{16}$ " 3000 PSI WP Drilling Flange
- G. 7 1/16" 3000 PSI WP Type "U" Double Ram Type BOP w/ Blind Rams & 2 3/8" Pipe Rams
- H. Bell Nipple

Sel 107A X

I. Fill-Up Line



REVISED EXHIBIT B:

2M CHOKE MANIFOLD CONFIGURATION

- A. 2" 2500 PSI WP Rubber Hose
- B. 2 1/16" 3000 PSI WP Cross
- C. $2\frac{1}{16}$ " 3000 PSI WP Ball Valve
- D. 2¹/₁₆" 3000 PSI WP Manual Choke
- E. 2" Schedule 80 Line Pipe



Note: All connections are hammer unions.





CURRENT WELLBORE SCHEMATIC

Operator	Resaca Operating Co
Well Name	Cooper Jal #108
Well Location	
Calls	1980' FSL, 660' FWL
Unit	L
Section	18
Township	24\$
Range	37E



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PROPOSED WELLBORE SCHEMATIC

Resaca Operating Co Cooper Jal #108

1980' FSL, 660' FWL

L	
18	
245	
37E	



perf sqz holes @ 360' sqz 50 sx cmt; circulated to surface



11. Generator (only for use with centrifuge)

*Not drawn to scale: Closed loop system requires at least 30 feet beyond mud tanks. Ideally 60 feet would be available





Above: Centrifugal Closed Loop System