

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 ELK OIL COMPANY POST OFFICE BOX 310 ROSWELL, NEW MEXICO 88202-0310		² OGRID Number 7147
³ Property Code 003974		⁴ Property Name NORTHEAST KEMNITZ
⁵ Proposed Pool 1 KEMNITZ MORROW (GAS 79440)		⁶ Well No. 1
⁷ Proposed Pool 2 <i>Wildcat Strawn</i>		⁸ API Number 30 - 025-01911

⁷ Surface Location									
UL or lot no M.	Section 15	Township 16S	Range 34E	Lot Idn	Feet from the 660	North/South line SOUTH	Feet from the 660	East/West line WEST	County 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 P	¹² Well Type Code G	¹³ Cable/Rotary N/A	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 4112' GR
¹⁶ Multiple NO	¹⁷ Proposed Depth N/A	¹⁸ Formation STRAWN	¹⁹ Contractor N/A	²⁰ Spud Date N/A
Depth to Groundwater		Distance from nearest fresh water well		Distance from nearest surface water NONE
Pit: Liner: Synthetic <input type="checkbox"/> _____mils thick Clay <input type="checkbox"/> Pit Volume: _____bbls Drilling Method: Closed-Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input 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
N/A					

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.

THE PRESENT PRODUCTIVE ZONE, KEMNITZ MORROW, HAS BECOME UNECONOMICAL TO PRODUCE. PLAN TO PLUG BACK TO 11,950' TO TEST THE STRAWN FORMATION.

(1) RIG UP PULLING UNIT. RELEASE PACKER AT 12,800', SET CIBP WITH 35 FEET OF CEMENT ON TOP.

(2) PERFORATE FROM 11,950' - 11,982'.

(3) ACIDIZE AND TEST. IF PRODUCTIVE PLACE BACK ON PRODUCTION.

Permit Expires 1 Year From Approval
Date Unless Drilling Underway
Plugback

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 ☐.

Printed name: ELK OIL COMPANY, JOSEPH J. KELLY, PRESIDENT

Title: *[Signature]*

E-mail Address: *elkoil@pvti.net*

Date: 11/14/2005

Phone: (505)623-3190

OIL CONSERVATION DIVISION

Approved by:

[Signature]
PETROLEUM ENGINEER

Title: PETROLEUM ENGINEER

Approval Date: NOV 16 2005 Expiration Date:

Conditions of Approval Attached: NOV 16 2005

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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 October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-01911	² Pool Code 79448	³ Pool Name KEMNITZ-MORROW (GAS) <i>wildcat Strawn</i>
⁴ Property Code 003974	⁵ Property Name NORTHEAST KEMNITZ	⁶ Well Number 1
⁷ OGRID No. 7147	⁸ Operator Name ELK OIL COMPANY	⁹ Elevation 4112' GR

¹⁰ Surface Location

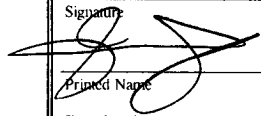
UL or lot no. M	Section 15	Township 16S	Range 34E	Lot Idn	Feet from the 660	North/South line SOUTH	Feet from the 660	East/West line WEST	County LEA
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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.

¹⁶				¹⁷ OPERATOR CERTIFICATION <i>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.</i> Signature:  Date: 11/14/05 Printed Name: ELK OIL COMPANY, JOSEPH J. KELLY, PRESIDENT
	SEE ORIGINAL SURVEY DATED FEBRUARY, 1961 MIDWEST OIL CORPORATION SUNRAY STATE #1			
				¹⁸ SURVEYOR CERTIFICATION <i>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.</i> Date of Survey Signature and Seal of Professional Surveyor: Certificate Number
660' - 0				