

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 Horseshoe Operating Inc.		<sup>2</sup> OGRID Number 225243
<sup>3</sup> Property Code 301971	<sup>4</sup> Property Name New Mexico "G" -21 State	<sup>5</sup> APL Number 30 - 025 - 37647
<sup>9</sup> Proposed Pool Eumont Yates 7 Rivers Queen Oil		<sup>10</sup> Proposed Pool 2 39

**<sup>7</sup> Surface Location**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	23	21S	36E		990	South	2310	West	Lea

**<sup>8</sup> 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
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**Additional Well Information**

<sup>11</sup> Work Type Code N	<sup>12</sup> Well Type Code O	<sup>13</sup> Cable/Rotary	<sup>14</sup> Lease Type Code S	<sup>15</sup> Ground Level Elevation 3557
<sup>16</sup> Multiple No	<sup>17</sup> Proposed Depth 3850	<sup>18</sup> Formation Queen	<sup>19</sup> Contractor United Drilg	<sup>20</sup> Spud Date 2/01/06
Depth to Groundwater 200' - 300' 150'		Distance from nearest fresh water well 3/4 Mile		Distance from nearest surface water 1 mile
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12-20 mils thick Clay <input type="checkbox"/> Pit Volume: 300 bbls Drilling Method: Closed-Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input checked="" type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

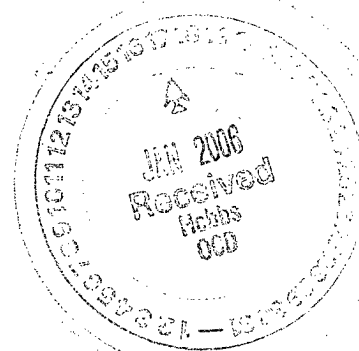
**<sup>21</sup> Proposed Casing and Cement Program**

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
11"	8-5/8"	24#	350'	200	Surface
7-7/8"	5-1/2"	14#	3850'	1425	Surface

<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.

Drill well to approximately 3850' +/-  
Complete Queen formation from 3516 +/- - 3728 +/-  
Treat well w/1500 gal 15% acid, 100,000# 16/20 sand w/70 Quality Foam Frac

Permit Expires 1 Year From Approval  
Date Unless Drilling Underway



<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: Debbie Franklin *Debbie Franklin*

Title: Production Assistant

E-mail Address: dfranklin@horseshoeinc.com

Date: 1-13-06

Phone: 432-683-1448

**OIL CONSERVATION DIVISION**

Approved by:

*Chris Williams*

Title:

JAN 20 2006

Approval Date:

Expiration Date:

OCD DISTRICT SUPERVISOR/GENERAL MANAGER

# State of New Mexico

## DISTRICT I

1625 N. FRENCH DR., HOBBS, NM 88240

Energy, Minerals and Natural Resources Department

Form C-102

Revised JUNE 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

## DISTRICT II

1301 W. GRAND AVENUE, ARTESIA, NM 88210

## OIL CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR.

Santa Fe, New Mexico 87505

## DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

## DISTRICT IV

1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

## WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number <b>30-025-37647</b>	Pool Code <b>22800</b>	Pool Name <b>Eumont Yates 7 Rivers Queen Oil</b>
Property Code <b>301971</b>	Property Name <b>NEW MEXICO G<sup>ST</sup> STATE</b>	Well Number <b>39</b>
OGRID No. <b>225243</b>	Operator Name <b>HORSESHOE OPERATING, INC.</b>	Elevation <b>3557'</b>

### Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	23	21-S	36-E		990	SOUTH	2310	WEST	LEA

### Bottom Hole Location If Different From Surface

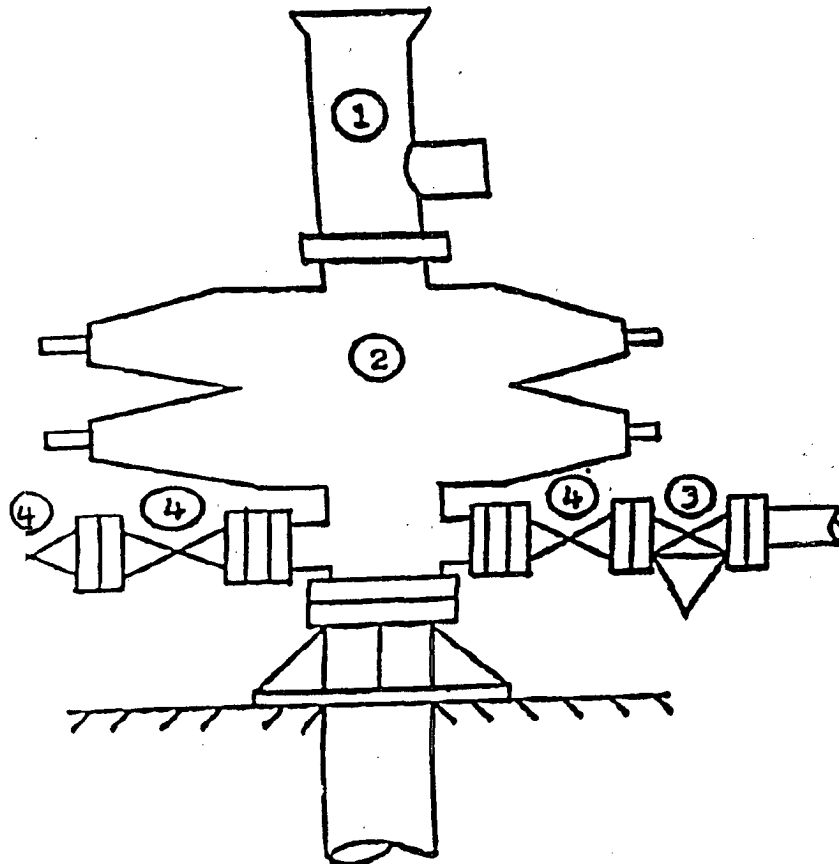
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres <b>40</b>	Joint or Infill	Consolidation Code	Order No.						

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

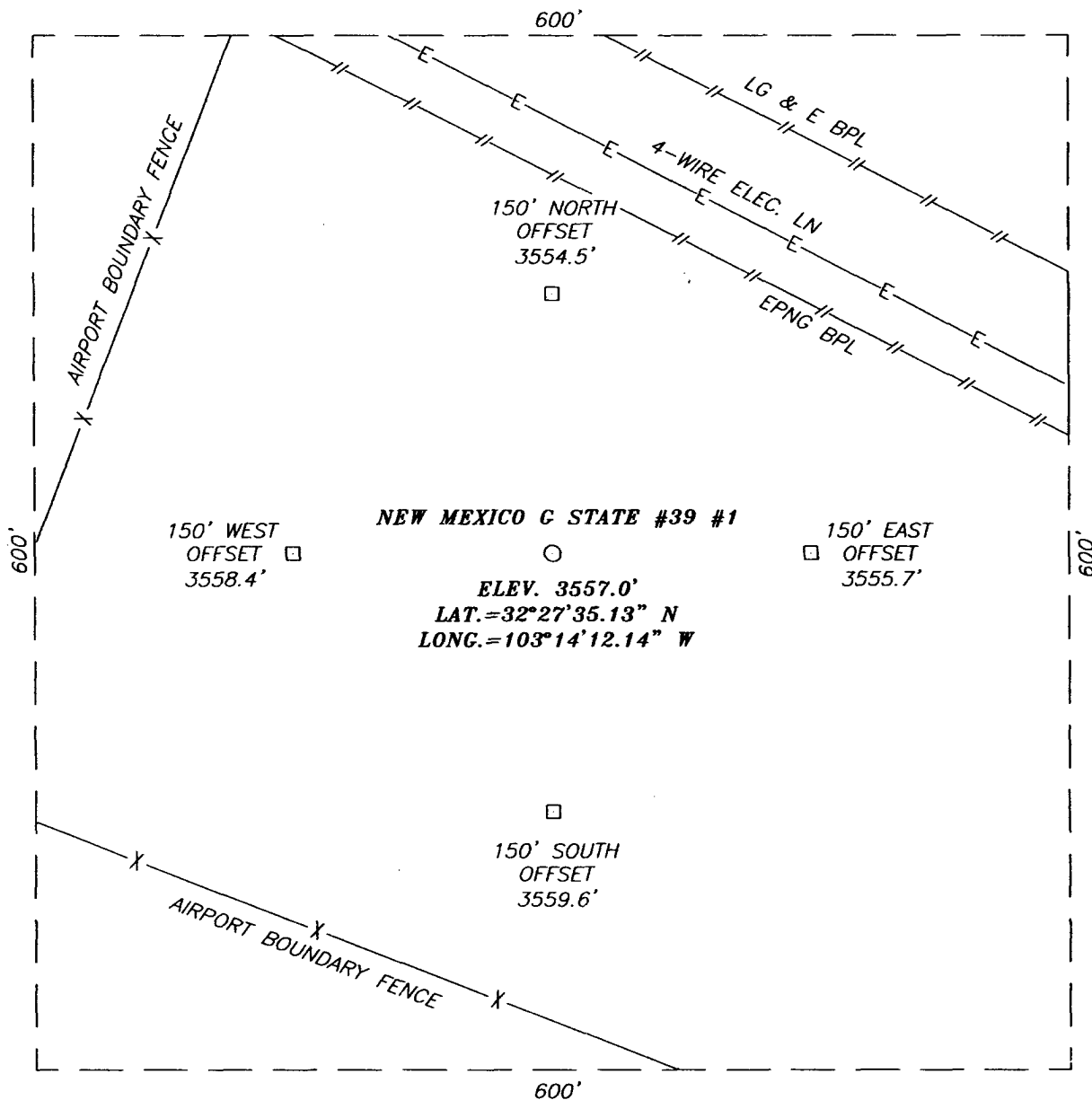
<p>GEODETIC COORDINATES NAD 27 NME</p> <p>Y=532710.9 N X=838250.4 E</p> <p>LAT.=32°27'35.13" N LONG.=103°14'12.14" W</p>	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Debbie Franklin</i> Signature</p> <p><b>Debbie Franklin</b> Printed Name</p> <p><b>Production Assistant</b> Title</p> <p><b>1-11-06</b> Date</p>	
	<p><b>SURVEYOR CERTIFICATION</b></p> <p>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.</p> <p><b>FEBRUARY 27, 2004</b></p> <p>Date Surveyed REV: 1/09/06 JR</p> <p>Signature &amp; Seal of Professional Surveyor</p> <p><i>GARY E. ELLISON</i> 1/10/06</p> <p>06.13.0050</p> <p>Certificate No. GARY ELLISON 12641</p>	
	<p>2310'</p> <p>990'</p>	
	<p>NEW MEXICO</p> <p>PROFESSIONAL SURVEYOR</p>	

### Blowout Preventer Schematic

- ① Ball Nipple Fill Up & Flow Line
- ② 10" – 900 Series Cameron Double-Hydraulic BOP
- ③ 2" – 3000# Hydraulic Gates
- ④ 2" – 3000# Manual Gates

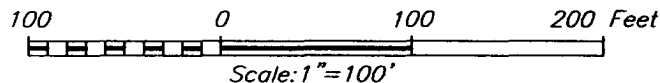


**SECTION 23, TOWNSHIP 21 SOUTH, RANGE 36 EAST, N.M.P.M.,**  
 LEA COUNTY, NEW MEXICO



**DIRECTIONS TO LOCATION**

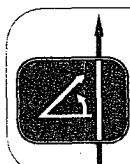
FROM THE INTERSECTION OF ST. HWY. #176 AND  
 LOOP #18 (MAIN ST. IN EUNICE) GO WEST ON ST.  
 HWY. #176 FOR APPROX. 4.3 MILES. THIS  
 LOCATION IS APPROX. 500' NORTH.



**HORSESHOE OPERATING, INC.**

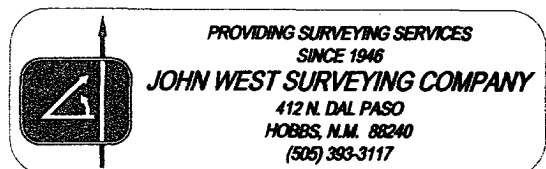
NEW MEXICO G STATE #39 WELL  
 LOCATED 990 FEET FROM THE SOUTH LINE  
 AND 2310 FEET FROM THE WEST LINE OF SECTION 23,  
 TOWNSHIP 21 SOUTH, RANGE 36 EAST, N.M.P.M.,  
 LEA COUNTY, NEW MEXICO.

Survey Date: 02/25/04	Sheet 1 of 1 Sheets
W.O. Number: 06.13.0050	Dr By: J.R.
Date: 02/27/04	Disk: CD#6
06130050	Scale: 1"=100'

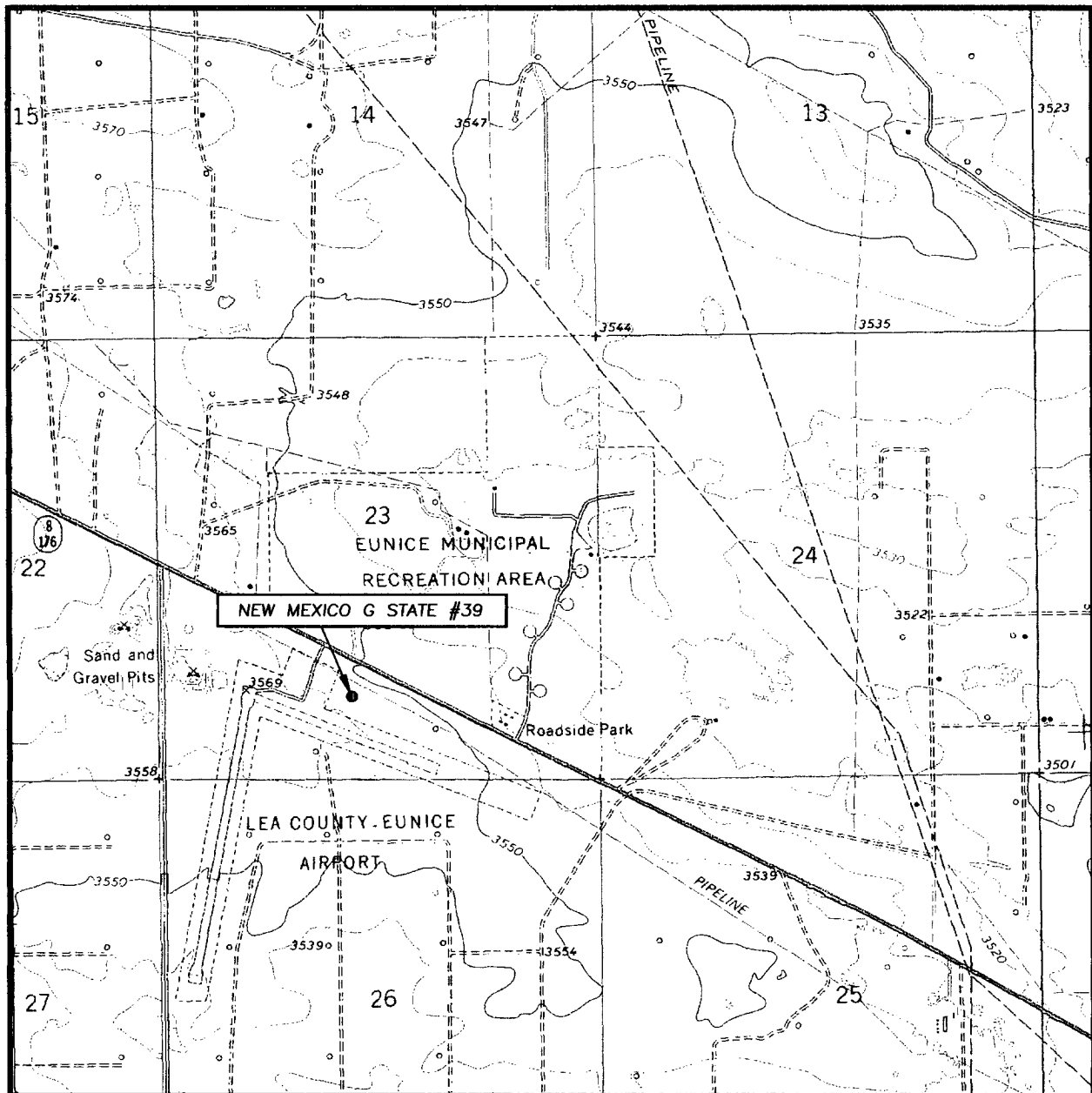


PROVIDING SURVEYING SERVICES  
 SINCE 1946  
**JOHN WEST SURVEYING COMPANY**  
 412 N. DAL PASO  
 HOBBS, N.M. 88240  
 (505) 393-3117

SEC. 30 TWP. 18-S RGE. 28-E  
SURVEY \_\_\_\_\_ N.M.P.M. \_\_\_\_\_  
COUNTY \_\_\_\_\_ EDDY \_\_\_\_\_  
DESCRIPTION 990' FSL & 2310' FWL  
ELEVATION \_\_\_\_\_ 3557' \_\_\_\_\_  
OPERATOR \_\_\_\_\_ HORSESHOE OPERATING, INC. \_\_\_\_\_  
LEASE \_\_\_\_\_ NEW MEXICO G STATE \_\_\_\_\_



# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:  
EUNICE, N.M. - 10'

SEC. 23 TWP. 21-S RGE. 36-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 990' FSL & 2310' FWL

ELEVATION 3557'

OPERATOR HORSESHOE OPERATING, INC.

LEASE NEW MEXICO G STATE

U.S.G.S. TOPOGRAPHIC MAP  
EUNICE, N.M.

