

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 EverQuest Energy Corporation 10 Desta Drive, Ste 300-E, Midland, Texas 79705		² OGRID Number 212929
		³ API Number 30 - 025-34905
³ Property Code 35462	⁵ Property Name Schooner B State	⁶ Well No. 1
⁹ Proposed Pool 1 Wildcat San Andres		¹⁰ Proposed Pool 2

7 Surface Location

UL or lot no. G	Section 17	Township 16S	Range 32E	Lot Idn	Feet from the 1980	North/South line North	Feet from the 1980	East/West line East	County Lea
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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
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Additional Well Information

¹¹ Work Type Code E	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 4350
¹⁶ Multiple N	¹⁷ Proposed Depth 4500	¹⁸ Formation San Andres	¹⁹ Contractor	²⁰ Spud Date 3/15/2006
Depth to Groundwater		Distance from nearest fresh water well		Distance from nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> _____ mils thick Clay <input type="checkbox"/> Pit Volume: _____ bbls Drilling Method: 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"/>				

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
14.75	11.75	42	576	350	Circ to surf
11.00	8.625	32	4500	1220	Circ 190 sx to surf

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.

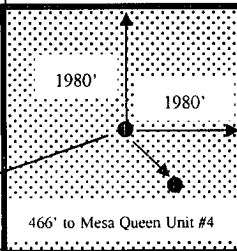

This well was drilled to 13,000' by Texaco in May 2000 as the Tex-Mack 17 #1. The well was deemed a dry hole and plugged and abandoned in January 2001. No casing was pulled. The necessary abandonment cement plugs were set in the wellbore.


The well will be re-entered and the potential in zones above 4500' will be production tested. A well servicing rig and reverse unit will be used for the operation. Standard 3000 PSI blowout equipment will be utilized during the operation. A closed-loop steel pit fluid containment system will be used.

Permit Expires 1 Year From Approval
Date Unless Drilling Underway
Re-Entry

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 <input type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> . No pits will be used.		OIL CONSERVATION DIVISION	
Printed name: Terry M. Duffey <i>TMDuffey</i>		Approved by: <i>[Signature]</i> PETROLEUM ENGINEER	
Title: President		Title:	
E-mail Address:		Approval Date: MAR 01 2006 Expiration Date:	
Date: February 20, 2006	Phone: 432-686-9790	Conditions of Approval Attached <input type="checkbox"/>	

Form C-102
Revised June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies
☐ AMENDED REPORT

<p>16</p>				<p>17 OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p></p> <p>Signature</p> <p>Terry M. Duffey</p> <p>Printed Name</p> <p>President</p> <p>Title and E-mail Address</p> <p>February 20, 2006</p> <p>Date</p>
				<p>18 SURVEYOR CERTIFICATION</p> <p><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></p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p><u>Original survey filed with OCD in January 2000</u></p> <p>Certificate Number</p> <p>7254 John S. Piper</p>

 The sender of this message has requested a read receipt. [Click here to send a receipt.](#)

Mull, Donna, EMNRD

From: Phillips, Dorothy, EMNRD
To: Mull, Donna, EMNRD
Cc:
Subject: RE: Financial Assurance Requirement
Attachments:

Sent: Wed 3/1/2006 9:08 AM

Donna, Paladin has 9 Inactive wells and it owns 61 wells and they are allowed to have only 2 inactive wells - I am asking Gail about this one also.

Pogo has 719 wells and are allowed 7 wells and they have 15 inactive and are purchasing 23 inactive from Arch but they do not appear on Jane's list. I have asked Gail about Pogo to see if she has contacted them. The system has been updated so that whenever an operator tries to do an operator change if they are out of compliance with Rule 40 a Warning appears that they are out of compliance and to contact me. I refer them either to Gail or Daniel. They let me know when to proceed with the operator change. However, Pogo submitted the name change before this was in place. Will let you know what Gail says. All the rest are okay.

From: Mull, Donna, EMNRD
Sent: Wednesday, March 01, 2006 7:42 AM
To: Phillips, Dorothy, EMNRD
Subject: Financial Assurance Requirement

Dorothy, These Operators have Intent to drill in District 1 for approval:

Trilogy Operating Inc, (21602)
Range Operating New Mexico Inc. (227588)
Marbob Energy Corp. (14049)
Paladin Energy Corp. (164070)
Energen Resources Corp (162928)
Marathon Oil Co. (14021)
BTA Oil Producers (3002)
Northstar Operating Co. (152527)
EverQuest Energy Corp (212929)
Yates Petroleum Corp (35575)
Arch Petroleum Inc, (962)
Chevron USA Inc (4323)
Pogo Producing Co. (17891)

Please check if the Financial Assurance Requirements are OK for these operators to drill. Thanks Donna