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

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-101
May 27, 2004

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	[2] OGRID Number
Momentum Energy Box 3398 Midland, TX 79702	227069
	[3] API Number 30 - 025 - 37807

[5] Property Code	[5] Property Name	[6] Well No.
35595	Joe Pevehouse	1

[9] Proposed Pool 1	[10] Proposed Pool 2
Wildcat Devonian	

[7] Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	8	24S	36E		660'	South	900'	East	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	[12] Well Type Code	[13] Cable/Rotary	[14] Lease Type Code	[15] Ground Level Elevation
N	O	R	P	3386'
[16] Multiple	**[17] Proposed Depth**	**[18] Formation**	**[19] Contractor**	**[20] Spud Date**
N	14,000	Devonian	TBD	June 1, 2006

Depth to Groundwater	Distance from nearest fresh water well	Distance from nearest surface water
+ 100'	2.9 miles	+ 1000'

Pit: Liner: Synthetic [X] 12 mils thick Clay ☐ Pit Volume: 10,000 bbls Drilling Method:

Closed-Loop System ☐ Fresh Water [X] Brine [X] Diesel/Oil-based ☐ Gas/Air ☐

[21] Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 ½"	13 3/8"	48	700'	950	Surface
12 ¼"	9 5/8"	40	5600'	2000	Surface
8 ¾"	7"	26	9400'	750	5000'
6 1/8"	4 ½"	13.5	9000 – 14,000'	600	9000'

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.

Momentum Energy Corp respectfully requests approval to drill the Joe Pevehouse #1 well according to the following:

1. Drill 17 – ½" hole to 300'. Run & set 300' of 13 3/8", 48#, csg & cmt w/950 sxs. Circ cement to surface.
2. Drill 12 – ¼" hole to 5600'. Run & set 5600' of 9 5/8", 40#, csg & cmt w/2000 sxs. Circ cement to surface.
3. Drill 8 – ¾" hole to 9400'. Run & set 9400' of 7", 26#, csg & cmt w/750 sxs. TOC @ 5000'
4. Drill 6 – ½" hole to 14,000'. Run & set 5000' of 4 ½", , 13.5#, csg & cmt w/600 sxs. TOC @ 9000'

Permit Expires 1 Year From Approval Date Unless Drilling Underway

[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 [X] a general permit ☐, or an (attached) alternative OCD-approved plan ☐.**

Printed name: W.E. (Ellis) Gray Jr.

Title: Agent

E-mail Address: ellis@graysurfacespecialties.com

Date:4-11-2006 Phone: 432-685-9158

OIL CONSERVATION DIVISION

Approved by:

Title: PETROLEUM ENGINEER

Approval Date: APR 17 2006 Expiration Date:

Conditions of Approval Attached ☐

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals, and Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-102
Revised August 15, 2000
Submit to Appropriate District Office
State Lease - 4 copies
Fee Lease - 3 copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number	2 Pool Code	3 Pool Name	
30-025-37807	—	Wildcat Devonian	
4 Property Code	5 Property Name		6 Well Number
35595	JOE PEVEHOUSE		1
7 OGRID No.	8 Operator Name		9 Elevation
227069	MOMENTUM ENERGY, L.L.C.		3386'

10 Surface Location

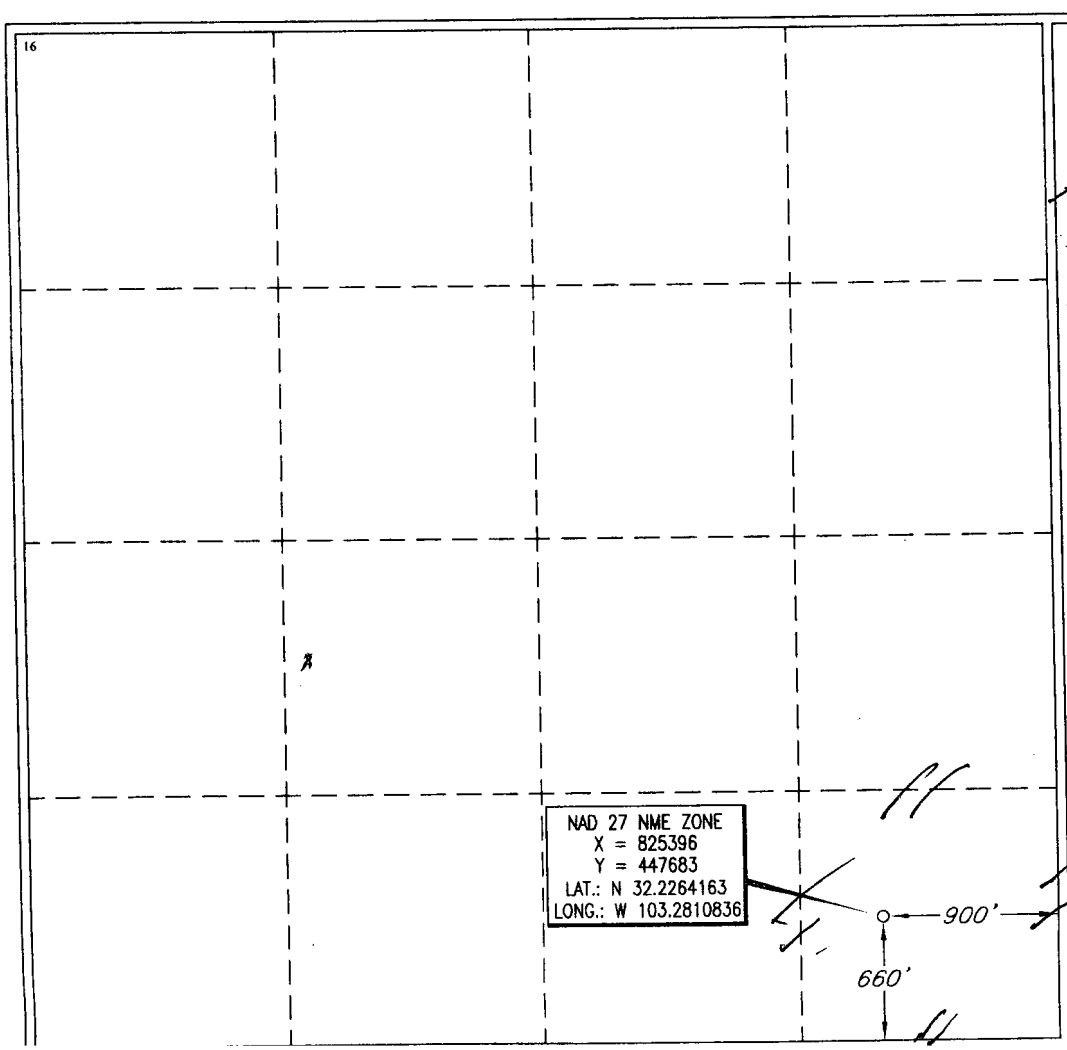
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	8	24 SOUTH	36 EAST, N.M.P.M.		660'	SOUTH	900'	EAST	LEA

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	13 Joint or Infill	14 Consolidation Code	15 Order No.
40			

NO ALLOWABLE WELL 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.

Signature

W.E. (Ellis) Gray Jr.
Printed Name

Agent for Momentum Energy
Title

4/4/06
Date

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.

JANUARY 19, 2006
Date of Survey

Signature and Seal of Professional Surveyor

V. LYNN BEZNER NEW MEXICO 7920 REGISTERED LAND SURVEYOR

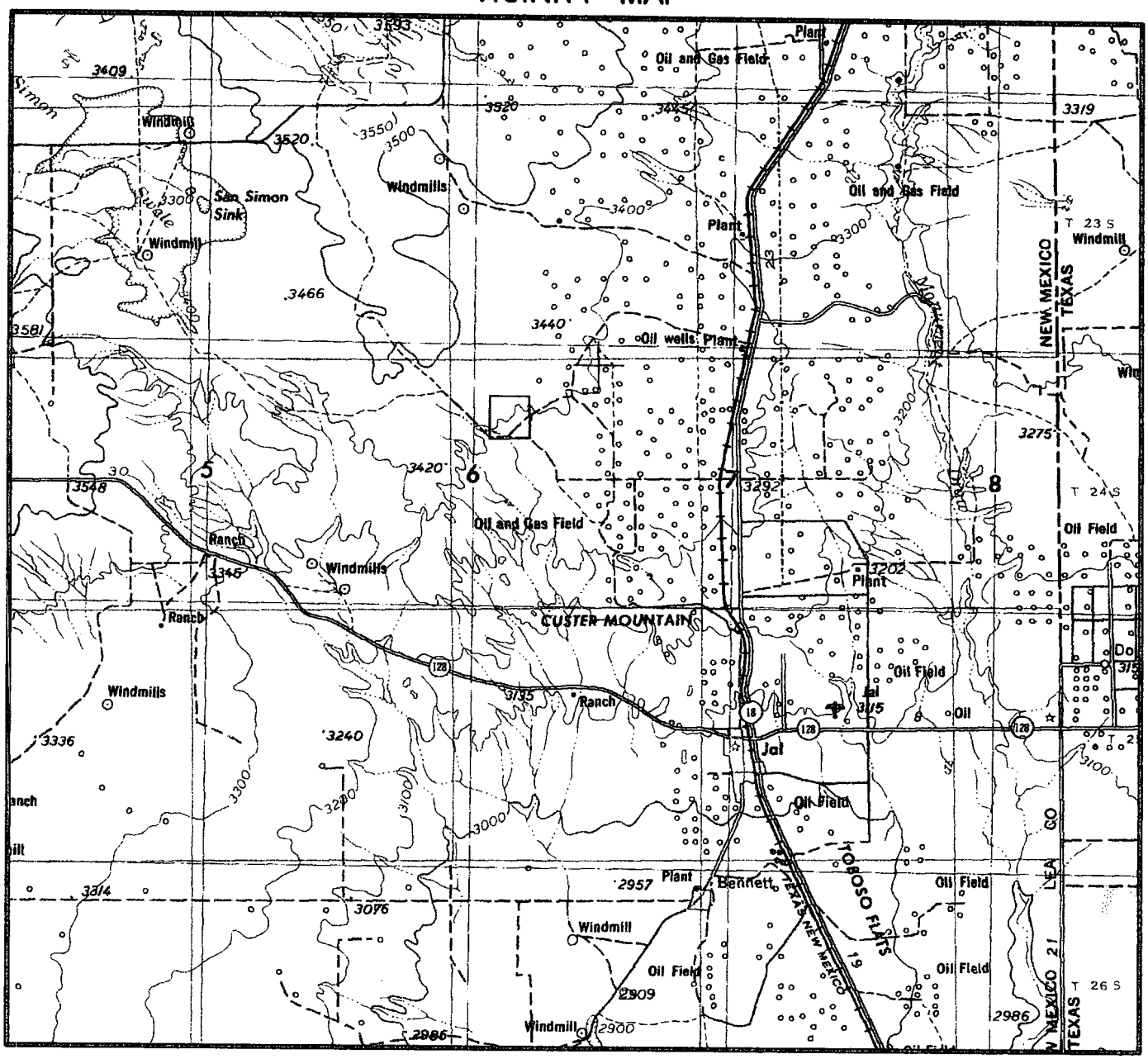
1-24-06

Certificate Number

V. L. BEZNER R.P.S. #7920

JOB # 109956 / 21 NE / J.W.W.

VICINITY MAP



SECTION 8 TWP 24-S RGE 34-E

SURVEY NEW MEXICO PRINCIPAL MERIDIAN

COUNTY LEA STATE NM

DESCRIPTION 660' FSL & 900' FEL

OPERATOR **MOMENTUM ENERGY CORP.**

LEASE JOE PEVEHOUSE #1

DISTANCE & DIRECTION FROM JCT. OF S.H. 18 & S.H. 128 @ JAL, GO NORTH ON HWY. 18 6.1 MILES, THENCE WEST ON CO. RD. J7 3.0 MILES, THENCE NORTH ON LEASE ROAD 1.0 MILES, CONTINUING NORTHWEST 1.0 MILES, THENCE SOUTHWEST ON TRAIL ROAD 1.9 MILES, THENCE EAST 0.4 MILES, TO A POINT ±600' SOUTH OF THE LOCATION.

-N-

TOPOGRAPHIC LAND SURVEYORS

Surveying & Mapping for the Oil & Gas Industry

This location has been very carefully staked on the ground according to the best official survey records, maps, and other data available to us.

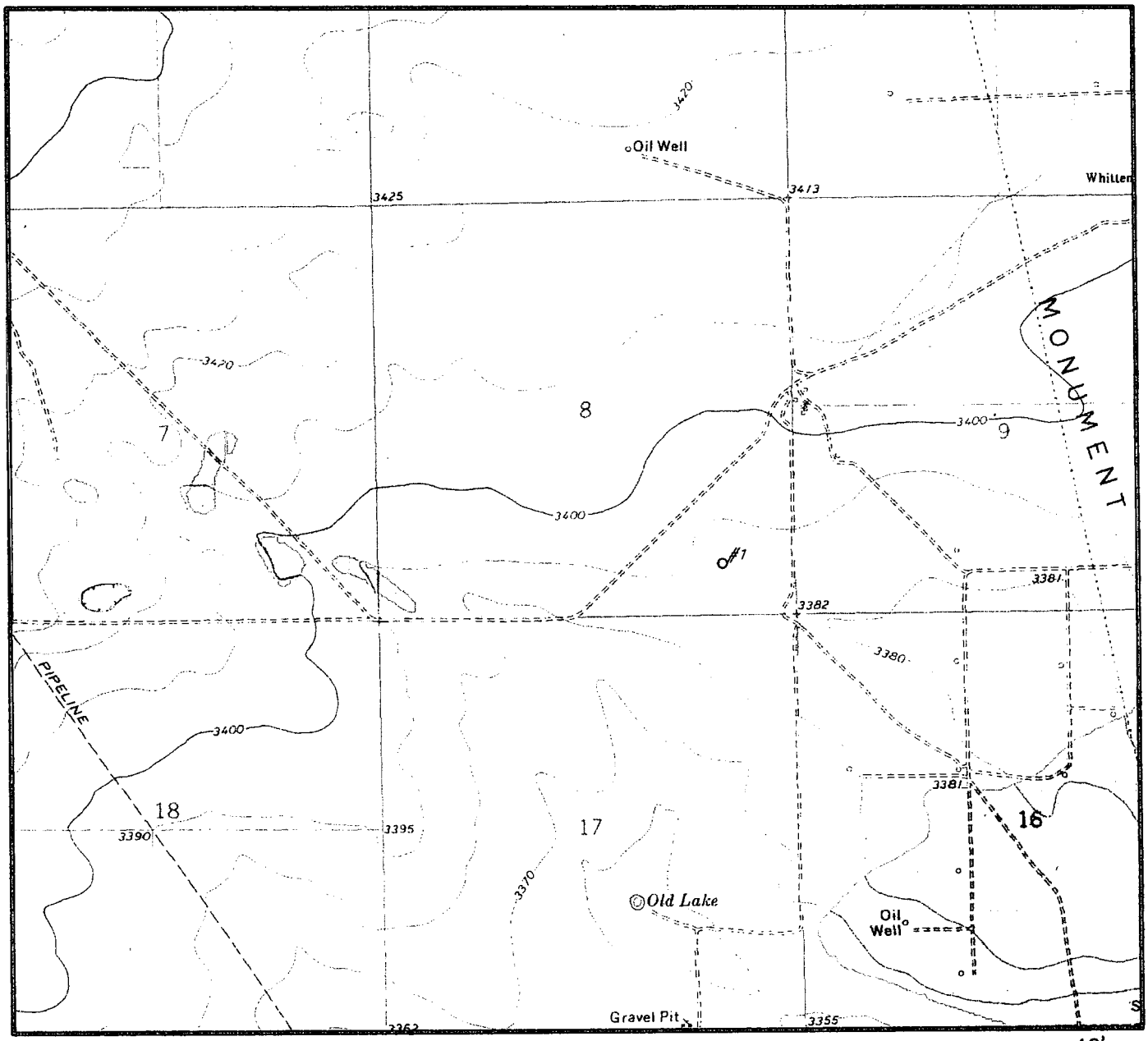
Review this plat and notify us immediately of any possible discrepancy.

1307 N. HOBART
PAMPA, TX. 79065
(800) 658-6382

6709 N. CLASSEN BLVD.
OKLAHOMA CITY, OK. 73116
(800) 654-3219

2903 N. BIG SPRING
MIDLAND, TX. 79705
(800) 767-1653

LOCATION & ELEVATION VERIFICATION MAP



SCALE : 1" = 2000'

CONTOUR INTERVAL 10'

SECTION 8 TWP 24-S RGE 34-E

SURVEY NEW MEXICO PRINCIPAL MERIDIAN

COUNTY LEA STATE NM

DESCRIPTION 660' FSL & 900' FEL

ELEVATION 3386'

OPERATOR **MOMENTUM ENERGY CORP.**

LEASE JOE PEVEHOUSE #1

U.S.G.S. TOPOGRAPHIC MAP

JAL, NEW MEXICO

SCALED LAT. LAT.: N 32.2264163

LONG. LONG.: W 103.2810836

-N-

TOPOGRAPHIC LAND SURVEYORS

Surveying & Mapping for the Oil & Gas Industry

2903 N. BIG SPRING
MIDLAND, TX. 79705
(800) 767-1653

Joe Pevehouse # 1

Pressure Control Equipment

The blowout preventer equipment (BOPE) shown in Exhibits "D", "E" and "F" will be utilized for the 12 ¼", 8 ¾" and 6 1/8" hole sections as follows:

- 2000 PSI WP rating for the 12 ¼" section as shown in Exhibit "D", Fig. 2.C.1

  The 2M BOPE assembly will consist of a 13 5/8" annular preventer nippled up on the surface casing.

- 5000 PSI WP rating for the 8 ¾" and 6 1/8" sections as shown in Exhibit "E", Fig. 2.C.5.

  The 5M BOPE assembly will consist of a 5000 PSI WP double ram-type preventer (4 ½" pipe and blind rams) and a 5000 PSI WP annular preventer (API RP53 Fig. 2C.5), nippled up on the 9 5/8" intermediate casing and used continuously until setting the 4 ½" casing at total depth of 14,000'.

BOPE will be tested as follows:

- Prior to drilling out from surface casing, test all BOPE to 1000 PSI using the rig pump.
- Prior to drilling out from 9 5/8" casing, test ram type preventers and choke manifold to 5000 PSI and annular to 50 % of rated WP using independent tester and test plug.

A rotating head will be installed on top of the annular preventer after setting the 9 5/8" casing @ 5600'.

All BOP's will be hydraulically operated. Pipe rams will be operationally checked each 24 hour period. Blind rams will be operationally checked on each trip out of hole. The kill line will be a minimum of 2" and will include a remote connection. The choke line will be a minimum of 3". A complete choke manifold schematic is shown in Exhibit "F".

NOTE: Contractor choke manifold has a 5000 PSI WP rating. Hydraulic choke and remote choke line valve required for the 6 1/8" hole section only.

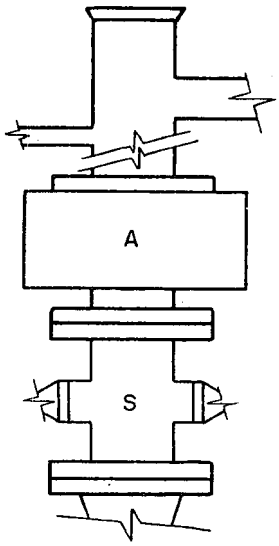


FIG. 2.C.1
ARRANGEMENT SA

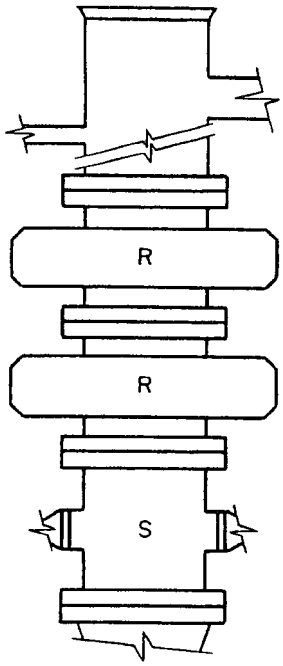


FIG. 2.C.2
ARRANGEMENT SRR
Double Ram Type Preventers, R_d, Optional.

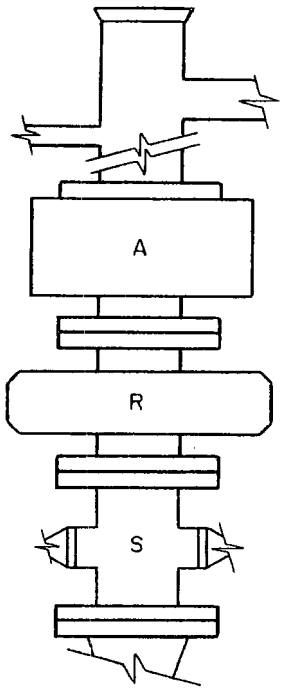


FIG. 2.C.3
ARRANGEMENT SRA

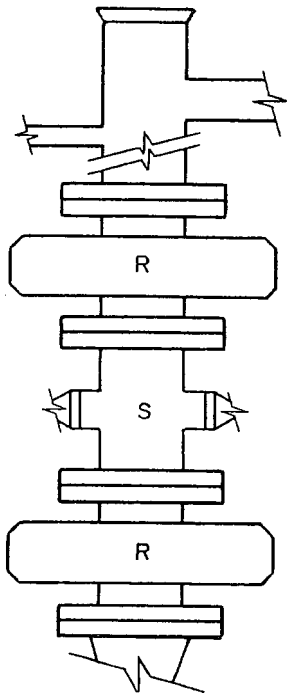


FIG. 2.C.4
ARRANGEMENT RSR

TYPICAL BLOWOUT PREVENTER ARRANGEMENTS FOR 2M RATED WORKING PRESSURE SERVICE — SURFACE INSTALLATION

FIGURE 63, CONTINUED

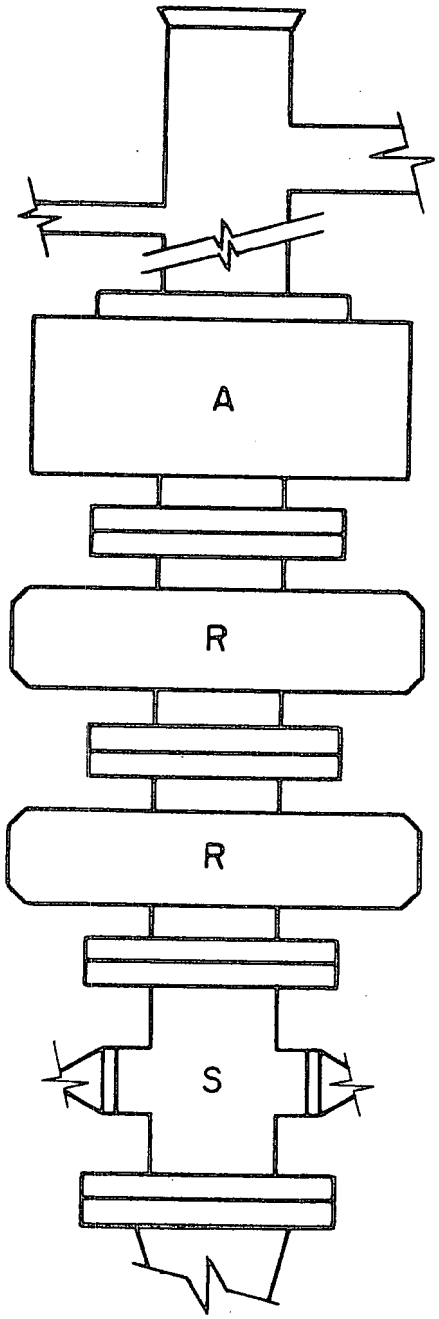


FIG. 2.C.5
ARRANGEMENT SRRA
Double Ram Type Preventers, R_d, Optional.

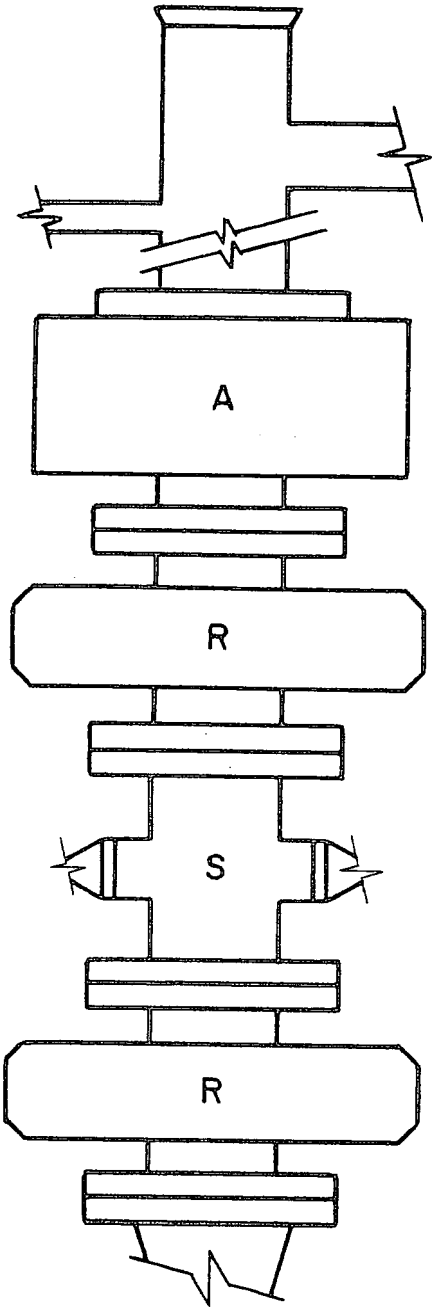


FIG. 2.C.6
ARRANGEMENT RSRA

TYPICAL BLOWOUT PREVENTER ARRANGEMENTS FOR 3M AND 5M RATED WORKING PRESSURE SERVICE— SURFACE INSTALLATION

FIGURE 63, CONTINUED

The sender of this message has requested a read receipt. Click here to send a receipt.

Mull, Donna, EMNRD

From: Phillips, Dorothy, EMNRD **Sent:** Mon 4/17/2006 8:52 AM
To: Mull, Donna, EMNRD
Cc:
Subject: RE: Financial Assurance Requirement
Attachments:

None of these appear on Jane's list and all have blanket bonds.

From: Mull, Donna, EMNRD
Sent: Monday, April 17, 2006 7:42 AM
To: Phillips, Dorothy, EMNRD
Cc: Macquesten, Gail, EMNRD; Sanchez, Daniel J., EMNRD
Subject: Financial Assurance Requirement

Dorothy,

Is the Financial Assurance Requirement for these Operators OK?

Matathon Oil Co (14021)
Momentum Energy (227069)
David H Arrington Oil & Gas (5898)
Chevron USA Inc, (4323)
Chesapeake Operating Inc (147179)
Yates Petroleum Corp (25575)
Occidental Permian LP (157984)
Pogo Producing Co (17891)
Samson Resources Co (20165)
Range Operating New Mexico Inc. (277588)

Please let me know. Thanks Donna