

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 Property Code 35603		³ API Number 30 - 025-25713	
⁴ Property Name Clipper A State		⁶ Well No. 1	
⁹ Proposed Pool 1 Wildcat San Andres		¹⁰ Proposed Pool 2	

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
A	16	16S	32E		330	North	1150	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 E	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 4332
¹⁶ Multiple N	¹⁷ Proposed Depth 4500	¹⁸ Formation San Andres	¹⁹ Contractor	²⁰ Spud Date 5-1-06
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	Estimated TOC
17.50	12.75 (existing)	33.3	533	458
12.25	8.625 (existing)	24-32	4220	936
8.625" (cased)	5.50 (new)	15.5	4000	500

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 10,100' by H.L. Brown in 1977 as the ARCO State #1. The well was deemed a dry hole and plugged and abandoned in March 1978. No casing was pulled. The necessary cement plugs were set in the wellbore.

The well be re-entered and the potential zones above 4500' will be production tested. 5.50" casing will be run inside the existing 8.625" casing and cemented to surface to insure mechanical integrity for anticipated well stimulation work. A well servicing rig and reverse unit will be used for the operation. Standard 3000 PSI blowout equipment will be utilized during the operation.

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 ☒, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Printed name: Terry M. Duffey

Title: President

E-mail Address:

Date: 4/17/2006

Phone: 432-686-9790

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Expiration Date:

Conditions of Approval Agreed ☐

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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 June 10, 2003
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 - 25713		² Pool Code /		³ Pool Name Wildcat San Andres	
⁴ Property Code 35603		⁵ Property Name Clipper A State			⁶ Well Number 1
⁷ OGRID No. 212929		⁸ Operator Name EverQuest Energy Corporation			⁹ Elevation 4332'

¹⁰ Surface Location									
UL or lot no. A	Section 16	Township 16S	Range 32E	Lot Idn	Feet from the 330	North/South line North	Feet from the 1150	East/West line East	County Lea

¹¹ Bottom Hole Location If Different From Surface									
UL or lot no. Same as surf	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 40.00		¹³ Joint or Infill N		¹⁴ Consolidation Code		¹⁵ 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

¹⁶ 	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature Terry M. Duffey Printed Name President Title and E-mail Address Date April 17, 2006	
	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. Date of Survey Signature and Seal of Professional Surveyor: Original Survey previously accepted by OCD in 1977 Certificate Number	

 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 4/19/2006 8:37 AM

All have blanket bonds and do not appear on Jane's list.

From: Mull, Donna, EMNRD
Sent: Wednesday, April 19, 2006 8:36 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?

Chesapeake Operating Inc (147179)
EOG Resources Inc (7377)
EverQuest Energy Corp (212929)
Yates Petroleum Corp (25575)
Marathon Oil Co (14021)
Melrose Operating Co (184860)
Patterson Petroleum LP (141928)
COG Operating LLC (229137)
Range Operating New Mexico (227588)
Capataz Operating Inc (3659)

Please let me know. thanks Donna

<https://webmail.state.nm.us/exchange/dmull/Inbox/RE:%20Financial%20Assurance%20Requirement.EM...> 4/19/2006