

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

HOBBS OCD
MAR 28 2018
RECEIVED

State of New Mexico

Form C-101
Revised July 18, 2013

Energy Minerals and Natural Resources

Oil Conservation Division

1220 South St. Francis Dr.

Santa Fe, NM 87505

AMENDED REPORT

MARK S
MIN S

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address SPECIAL ENERGY CORPORATION PO DRAWER 369 STILLWATER, OK 74076		2. OGRID Number 138008	
4. Property Code 321169		3. API Number 30-025- 44660	
5. Property Name CORONADO STATE		6. Well No. 1-H	

7. Surface Location

UL - Lot E	Section 28	Township 11-S	Range 38-E	Lot Idn	Feet from 2485	N/S Line NORTH	Feet From 400	E/W Line WEST	County LEA
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8. Proposed Bottom Hole Location

UL - Lot L	Section 21	Township 11-S	Range 38-E	Lot Idn	Feet from 2310	N/S Line SOUTH	Feet From 400	E/W Line WEST	County LEA
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9. Pool Information

Pool Name WC-025 G-01 S1138300; SAN ANDRES	Pool Code 98238
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Additional Well Information

11. Work Type NEW WELL	12. Well Type OIL	13. Cable/Rotary ROTARY	14. Lease Type STATE	15. Ground Level Elevation 3897'
16. Multiple N	17. Proposed Depth 9725'	18. Formation SAN ANDRES	19. Contractor TO BE DETERMINED	20. Spud Date 5/15/2018
Depth to Ground water 45'		Distance from nearest fresh water well less than 1 mile		Distance to nearest surface water NA

We will be using a closed-loop system in lieu of lined pits

21. Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surface	12.25	8.625	32	2255	890	0
Prod	7.875	5.5	20	9725	1765	0

Casing/Cement Program: Additional Comments

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22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	3000	3000	To Be Provided

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 I have complied with 19.15.14.9 (A) NMAC and/or 19.15.14.9 (B) NMAC if applicable.

Signature: *Clark Cunningham*

Printed name: Clark Cunningham

Title: Petroleum Engineer

E-mail Address: clark.cunningham@specialenergycorp.com

Date: **3/28/2018** Phone: 405-377-1177

OIL CONSERVATION DIVISION	
Approved By: <i>[Signature]</i>	
Title: Petroleum Engineer	
Approved Date: 04/09/18	Expiration Date: 04/09/20
Conditions of Approval Attached	

REQUESTED GCP 3/28/18
REC GCP 3/29/18

CONDITIONS OF APPROVAL

API #	Operator	Well name & Number
30-025-44660	SPECIAL ENERGY CORP	Coronado State # 001H

Applicable conditions of approval marked with **XXXXXX**

Administrative Orders Required

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Other wells

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Drilling

XXXXXX	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string

Casing

XXXXXX	SURFACE & PRODUCTION CASING - Cement must circulate to surface --
XXXXXX	If cement does not circulate to surface, must run temperature survey or other log to determine top of cement
XXXXXX	Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water

Lost Circulation

XXXXXX	Must notify OCD Hobbs Office if lost circulation is encountered at 575-370-3186

Water flows

XXXXXX	Must notify OCD Hobbs Office of any water flow in the Salado formation at 575-370-3186. Report depth and flow rate.

Stage Tool

XXXXXX	Must notify OCD Hobbs Office prior to running Stage Tool at 575-370-3186
XXXXXX	If using Stage Tool on Surface casing, Stage Tool must be greater than 350' and a minimum 200 feet above surface shoe.
XXXXXX	When using a Stage Tool on Intermediate or Production Casing Stage must be a minimum of 50 feet below previous casing shoe.

Pits

XXXXXX	If using a pit for drilling and completions, must have an approved pit form prior to spudding the well

Completion & Production

XXXXXXX	Will require a directional survey with the C-104
XXXXXXX	Operator shall notify appropriate District office when setting conductor pipe.
XXXXXXX	The Operator is to notify NMOCD by sundry (Form C-103) within ten (10) days of spudding a well.
XXXXXXX	It is the operator's responsibility to monitor cancellation dates of approved APDs. APD's are good for 2 years and may be extended for one year. Only one 1 year extension will be granted if submitted by C-103 before expiration date. After expiration date or after a 1 year extension must submit new APD.
XXXXXXX	If an APD expires and if site construction has occurred, site remediation is required.

Gas Capture Plan

XXXXXXX	Submit Gas Capture Plan form prior to spud