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

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

HOBBS OCD
APR 30 2018
RECEIVED

Form C-101
Revised July 18, 2013

☐AMENDED REPORT

MIN P
SURF P

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

1. Operator Name and Address	2. OGRID Number
SPECIAL ENERGY CORPORATION PO DRAWER 369 STILLWATER, OK 74076	138008
	3. API Number 30-025- 44770

4. Property Code	5. Property Name	6. Well No.
321423	SARAH	1-H

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
A	32	12-S	38-E		480	NORTH	1120	EAST	LEA

8. Proposed Bottom Hole Location

UL – Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
A	29	12-S	38-E		100	NORTH	1300	EAST	LEA

9. Pool Information

Pool Name	Pool Code
GLADIOLA;SAN ANDRES	27810

Additional Well Information

11. Work Type	12. Well Type	13. Cable/Rotary	14. Lease Type	15. Ground Level Elevation
NEW WELL	OIL	ROTARY	FEE	3843'
16. Multiple	**17. Proposed Depth**	**18. Formation**	**19. Contractor**	**20. Spud Date**
N	10550'	SAN ANDRES	TO BE DETERMINED	7/1/2018

Depth to Ground water 30'	Distance from nearest fresh water well less than 1 mile	Distance to nearest surface water N/A

☒**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	2270	915	0
Prod	7.875	5.5	20	10550	1920	0

Casing/Cement Program: Additional Comments

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:	OIL CONSERVATION DIVISION
Printed name: Clark Cunningham	Approved By:
Title: Petroleum Engineer	Title:
E-mail Address: clark.cunningham@specialenergycorp.com	Approved Date: 05/11/18 Expiration Date: 05/11/20
Date: 4/27/18 Phone: 405-377-1177	Conditions of Approval Attached

See Attached Conditions of Approval

CONDITIONS OF APPROVAL

API #	Operator	Well name & Number
30-025-44770	SPECIAL ENERGY CORP	SARAH # 001H

Applicable conditions of approval marked with XXXXXX

XXXXXXX	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

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

Lost Circulation

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

Water flows

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

Stage Tool

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

Pits

XXXXXXX	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.

WELL: **Sarah #1-H**

RIG: TBD
Target Direction: 0.0 deg AZI

SHL:	480' FNL & 1120' FEL SEC.32-12S-38E Lea Co, NM
BHL:	100' FNL & 1300' FEL SEC.29-12S-38E Lea Co, NM
FTP:	100' FSL & 1300' FEL SEC.29-12S-38E Lea Co, NM
LTP:	100' FNL & 1300' FEL SEC.29-12S-38E Lea Co, NM

North/South Hard Line: 100
East/West Hard Line: 330

Description	DEPTH	INC	AZMTH	TVD	N-S	E-W	DLS/100	BUR
Tie-In								
	500			500				
	1000			1000				
	1500			1500				
	2000			2000				
Anhydrite	2280			2280				
8-5/8"	2305			2305				
	3000			3000				
Yates	3050			3050				
7 Rivers	3294			3294				
	3500			3500				
Queen	3818			3818				
	4000			4000				
San Andres	4413			4413				
	4400			4400				
KOP	4529		0	4529				
	4629	10	0	4628	9	-10	10	10
	4729	20	0	4725	35	-20	10	10
	4829	30	0	4815	77	-30	10	10
	4929	40	0	4897	134	-40	10	10
P-1	4933.9	40.49	0	4901	137	-50	10	10
Pump T	4979	45	0	4934	168	-60	10	10
Pump T	5079	45	0	5005	239	-70		
Pump T	5129	45	0	5040	274	-80		
	5179	50	0	5074	311	-90	10	10
	5279	60	0	5131	393	-100	10	10
P-3	5373.7	69.47	0	5172	478	-110	10	10
	5379	70	0	5173	483	-120	10	10
	5479	80	0	5199	580	-130	10	10
EOC	5587.6	90.88	0	5208	688	-140	10	10
	5670	90.88	0	5207	770	-150		
	6070	90.88	0	5201	1170	-160		
Target 2	6480.2	90.88	0	5194	1580	-170		
	6570	90.05	0	5194	1670	-180		
	7070	90.05	0	5193	2170	-180		
	7570	90.05	0	5193	2670	-180		
	8070	90.05	0	5192	3170	-180		
Target 3	8250.4	90.15	0	5192	3350	-180		
	9070	90.15	0	5190	4170	-180		
	9570	90.15	0	5188	4669	-180		
	9696	90.15	0	5187	4795	-180		
	9750	90	0	5187	4849	-180		
	9800	90	0	5187	4899	-180		
	9900	90	0	5187	4999	-180		
	10100	90	0	5187	5199	-180		
	10200	90	0	5187	5299	-180		
	10300	90	0	5187	5399	-180		
	10400	90	0	5187	5499	-180		
	10500	90	0	5187	5599	-180		
Prop TD	10550	90	0	5187	5649	-180		