

State of New Mexico
Energy, Minerals & Natural Resources

Form C-101
May 27, 2004

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

Oil Conservation Division
1220 S. 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 PETROHAWK OPERATING COMPANY 1100 LOUISIANA, STE. 4400, HOUSTON, TX 77002		² OGRID Number 194849 ✓
		³ API Number 30- 025-09381 ✓
⁴ Property Code 30243 82 ✓	⁵ Property Name STATE A A/C 1 ✓	⁶ Well No. 001 ✓
⁹ Proposed Pool 1 JALMAT;TANSILL-YATES-7RIVERS (GAS) #79240		¹⁰ Proposed Pool 2

⁷ Surface Location

UL or lot no. N	Section 22	Township 23S	Range 36E	Lot. Idn	Feet from the 330	North/South Line SOUTH	Feet from the 2310	East/West line WEST	County LEA
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⁸ Proposed Bottom Hole Location If Different From Surface

UL or lot no. SAME	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
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Additional Well Location

¹¹ Work Type Code E	¹² Well Type Code G	¹³ Cable/Rotary	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3413'
¹⁶ Multiple NO	¹⁷ Proposed Depth 5095' TD	¹⁸ Formation YATES/7RIVERS	¹⁹ Contractor To be Determined	²⁰ Spud Date 9/5/06 RE-ENTRY
Depth to ground water		Distance from nearest fresh water well 1000' +		Distance from nearest surface water 1000' +
Pit: Liner: Synthetic <input type="checkbox"/> _____ mils thick Clay <input type="checkbox"/> Pit Volume _____ bbls Drilling Method: Rotary Closed-Loop System <input checked="" type="checkbox"/> <i>Per NG</i> Fresh Water <input type="checkbox"/> Brine <input 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
	12-1/2"	50#	314'	313	SURFACE
	8-5/8"	28#	2951'	595	SURFACE
	7"	24#	4234'	450	

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.

Please see Attached Data for Re-Entry
Well Location & Acreage Dedication Plat (C-102)
Proposed Well Plan
Current & Proposed Wellbore Schematic
NSL-5432 (SD)

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

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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 ☐.
Signature: *Nancy K. Gatti*

Printed name: Nancy K. Gatti

Title: Regulatory Manager

E-mail Address: ngatti@petrohawk.com

Date: 08/29/06

Phone: 832-369-2126

OIL CONSERVATION DIVISION

Approved by:

Chris Williams

Title: OC DISTRICT SUPERVISOR/GENERAL MANAGER

Approval Date: SEP 11 2006

Expiration Date:

Conditions of Approval:

Attached ☐

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State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
1220 South St. Frances Dr.
Santa Fe, NM 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-09381	Pool Code 79240	Pool Name JALMAT; TANSILL-YATES-7 RIVERS (GAS)
Property Code 33493 302432	Property Name STATE A A/C1	Well Number 001
OGRID No. 148381 194849	Operator Name PETROHAWK OPERATING COMPANY	Elevation 3413'

Surface Location

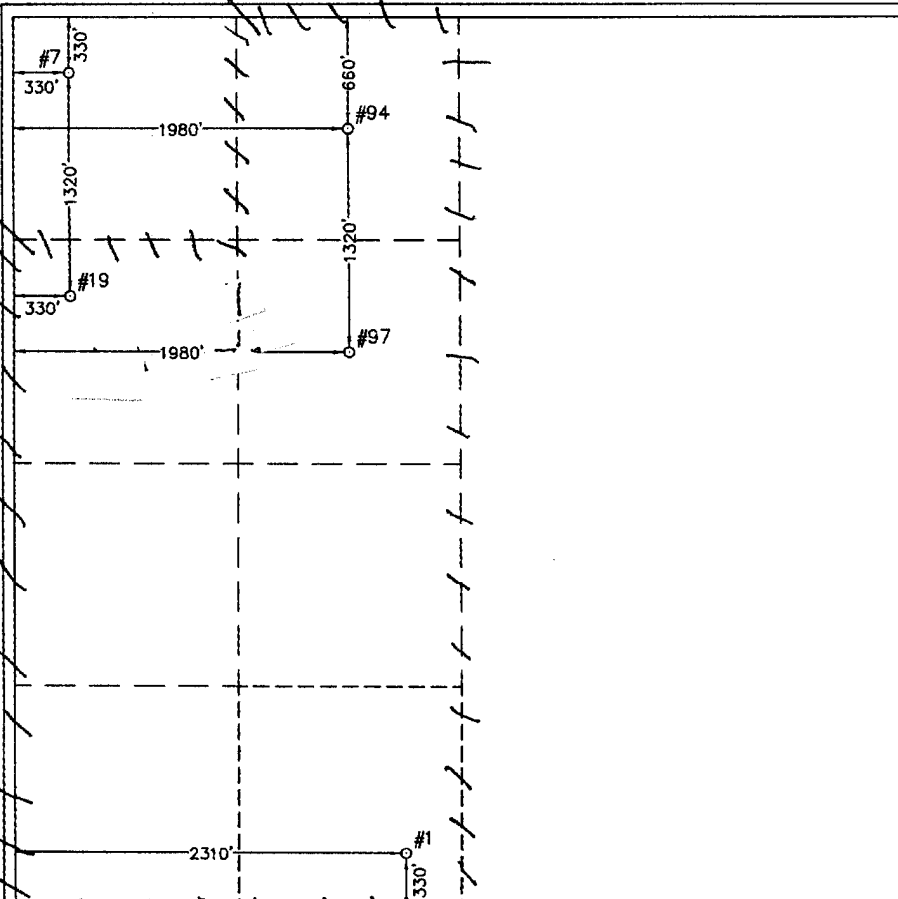
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	22	23 S	36 E		330	SOUTH	2310	WEST	LEA

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
SAME									

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
280	INFILL		NSL-5432 (SD) Re-instating PART DO #R-9013

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

	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Nancy K. Gatti</i> 9-6-06 Signature Date Nancy K. Gatti Printed Name</p> <p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>Date of Survey Signature & Seal of Professional Surveyor</p> <p>Certificate No.</p>
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Petrohawk Energy Corporation
Jalmat Field
Lea County, New Mexico

Project: Add-pay in the Seven Rivers and Yates

Well: State A A/C-1 #1

Procedure:

1. Test pulling unit anchors if they have not been tested within 2 years
2. MIRU PU
3. Install BOP, RU rev unit, PU 6 1/4" bit, DC's on 2 3/8" tbg.
4. Drill out surface plug from 0' to 370'
5. Pressure up on casing to check for additional leaks
6. RIH to CIBP @ 3115' and circulate hole clean.
7. Continue in hole to CIBP @ 3115' with 35' of cement on top, drill out cement and CIBP, anticipate loss of circulation below CIBP, push CIBP to PBTD at 3620', POOH
(Note: The CIBP @ 3115' is in the perforations, circulation may be lost while drilling cement and CIBP, if the cement can be drilled then the CIBP may be knocked out with a sandline drill, if not an air package may be necessary)
8. PU 7" CICR on 2 3/8" tbg and RIH, set CR @ 3300'+/-
9. RU cement company squeeze Seven Rivers perforations, sting out of CICR and bull head squeeze the Yates Perforations
10. WOC overnight
11. PU 6 1/4" bit & DC's RIH, drill out CICR @ 3300' and cement, continue in hole to PBTD @ 3620', Circ hole clean
12. POOH and lay down DC's and bit
13. PU 4 1/2" X 7" liner shoe, one joint 4 1/2" liner, 4 1/2" float collar, and remainder of 4 1/2" liner
14. Set liner on PBTD @ 3620', RU cementing company, cement liner in place
15. WOC 12 hrs minimum
16. RIH with 3 3/4" bit, DC's on 2 3/8" tbg and clean out liner to float collar shoe, circulate hole clean
17. POOH and lay down, DC's and bit
18. Run cased hole logs
19. Add additional pay in the 7 Rivers and Yates(Perfs will be picked after well is drilled out and logged)
20. Acidize perfs with 2500 gals 7 1/2% NEFE HCl with PPI tool
21. Fracture stimulate 7 Rivers and Yates perforations down 4 1/2" casing
22. Force close fracture and begin flow back
23. RIH on 2 3/8" production tbg, PU MA and TAC if pumping application set TAC above RIH with pump w/GA and rods
24. Pump test well

