

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
May 27,

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

Submit to appropriate District C

☐ AMENDED REP

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

¹ Operator Name and Address Hanson Operating Company, Inc. P. O. Box 1515 Roswell, NM 88202-1515		² OGRID Number 9974
		³ API Number 30 - 025-28490
⁴ Property Code 4979	⁵ Property Name Max Gutman	⁶ Well No #8
⁹ Proposed Pool 1 Brunson San Andres East		¹⁰ Proposed Pool 2

⁷ Surface Location

UL or lot n	Section	Township	Range	Lot Idn	Feet from the	North/South ln	Feet from the	East/West ln	County
E	19	22S	38E		1980'	North	560'	West	Lea

⁸ Proposed Bottom Hole Location If Different From Surface

UL or lot n	Section	Township	Range	Lot Idn	Feet from the	North/South ln	Feet from the	East/West ln	County

Additional Well Information

¹¹ Work Type Code A	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 3330' GL
¹⁶ Multiple N	¹⁷ Proposed Depth 5000'	¹⁸ Formation San Andres	¹⁹ Contractor	²⁰ Spud Date 3/10/2008
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 type="checkbox"/> 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
17 1/2"	13 3/8"	42#	350'	375	Surface
12 1/4"	8 5/8"	24#	2468'	1300	Surface
7 7/8"	5 1/2"	20# & 17#	7513'	1455	Surface

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.

Propose to abandon the Paddock formation, and complete and test the San Andres formation as follows:

1. MIRU pulling unit. Pull rods. Install BOP. Pull out of hole with tubing.
2. Set CIBP at 5000' with 35' cement cap to isolate the Paddock perforations at 5082' - 5144'.
3. Perforate San Andres formation at 4680' - 4800' with 30 holes.
4. Acidize with 5,000 gallons 20% acid.
6. Flow back, swab and evaluate.
7. Place on production.

**Permit Expires 2 Years From Approval
Date Unless Drilling Underway**

Plugback

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 <input checked="" type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .		OIL CONSERVATION DIVISION	
Signature: <i>Carol J. Smith</i>		Approved by: <i>Chie Williams</i>	
Printed name: Carol J. Smith		Title: OC DISTRICT SUPERVISOR/GENERAL MANAGER	
Title: Production Analyst		Approval Date: MAR 10 2008 Expiration Date:	
E-mail Address: hanson@dfn.com			
Date: 2/29/2008	Phone: 505-622-7330	Conditions of Approval Attached <input type="checkbox"/>	

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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
Revised October 12
Submit to Appropriate District
State Lease - 4 ()
Fee Lease - 3 ()

☐ AMENDED RE

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-28490	² Pool Code 49210 8D5D	³ Pool Name San Andres East Brunson
⁴ Property Code 4979	⁵ Property Name Max Gutman	
⁷ OGRID No. 009974	⁸ Operator Name Hanson Operating Company, Inc.	
		⁶ Well Number #8
		⁹ Elevation 3330' GL

¹⁰ Surface Location

UL or lot no E	Section 19	Township 22 South	Range 38 East	Lot Id	Feet from the 1980	North/South line North	Feet from the 560	East/West line West	County Lea
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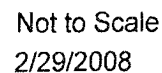
¹¹ Bottom Hole Location If Different From Surface

UL or lot no	Section	Township	Range	Lot Id	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 40					¹³ Joint or Infill		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.

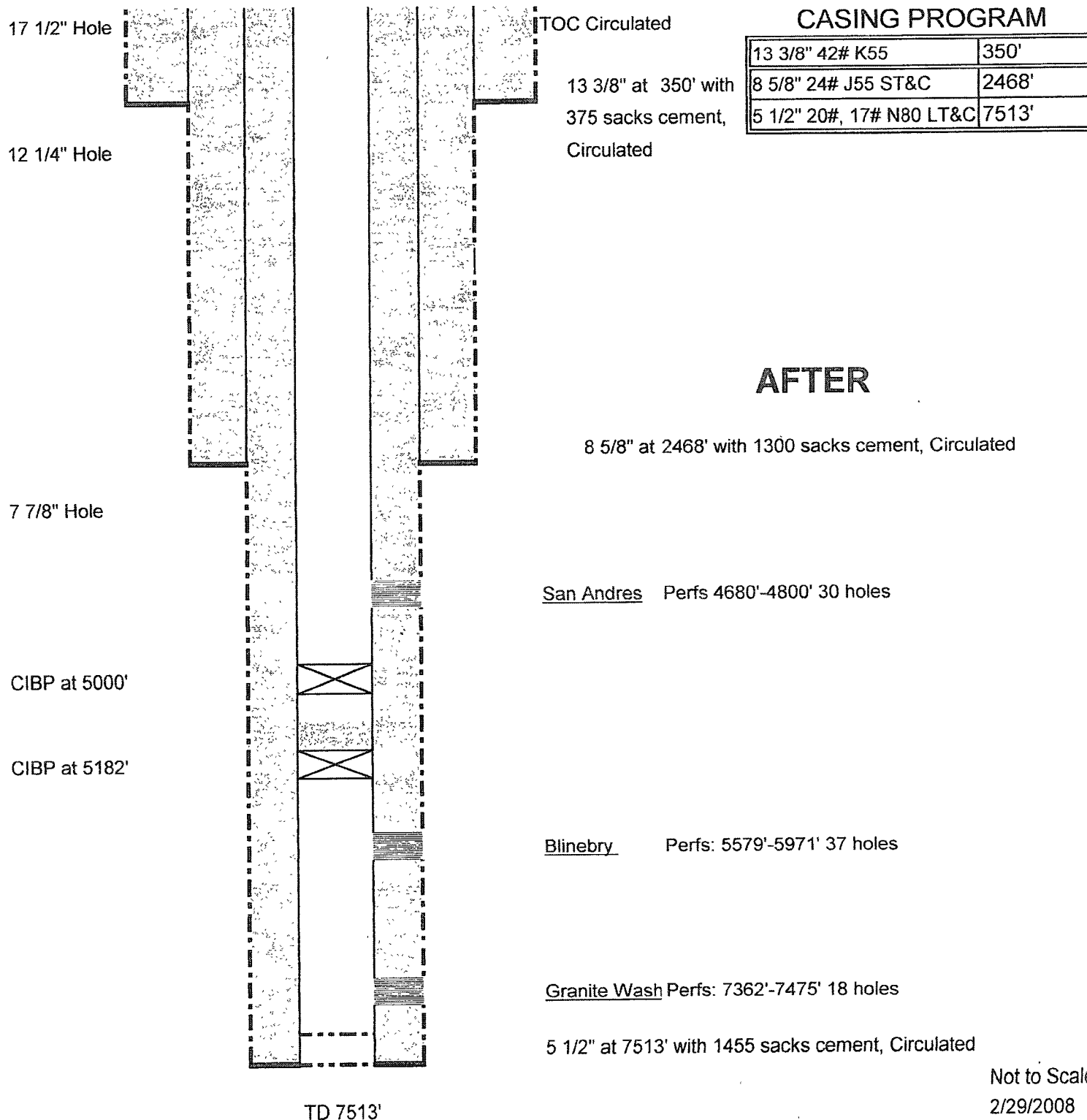
¹⁶ 	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to of my knowledge and belief, and that this organization either owns a working or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. <i>Carol J. Smith</i> 2/29/2008 Signature Date Carol J. Smith Printed Name			
	¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat plotted from field notes of actual surveys made by me or my supervision, and that the same is true and correct to best of my belief. October 12, 1983 Date of Survey Signature and Seal of Professional Surveyor: Refer to Original Plat 676 Certificate Number			

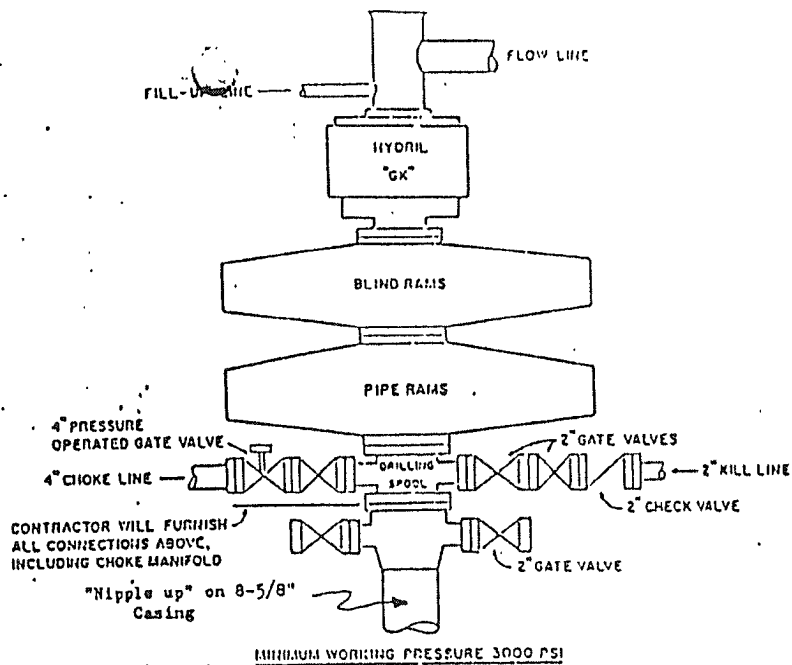
WELL NAME	Max Gutman #8	FIELD	Paddock
LOCATION	1980' FNL & 560' FWL, E-Section 19-22S-38E, Lea County, NM		
GL	3330'	ZERO	KB 3343'
SPUD DATE	12/1/1983	COMPLETION DATE	1/7/1984
COMMENTS:	API #30-025-28490		



WELLBORE DIAGRAM

WELL NAME	Max Gutman #8	FIELD	Paddock
LOCATION	1980' FNL & 560' FWL, E-Section 19-22S-38E, Lea County, NM		
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MINIMUM WORKING PRESSURE 3000 PSI

CONTRACTOR TO FURNISH

1. ALL EQUIPMENT ABOVE CASING HEAD HOUSING INCLUDING CHOKE MANIFOLD.
2. INDEPENDENT AUTOMATIC ACCUMULATOR 3000 PSI WP.
3. B.O.P. CONTROLS TO BE LOCATED NEAR DRILLER'S POSITION AND AT SAFE DISTANCE FROM THE WELL.
4. SPARE SET PIPE RAMS TO FIT PIPE IN USE.

COMPANY TO FURNISH

1. WELLHEAD EQUIPMENT.
2. WEAR CUSHING, IF REQUIRED.

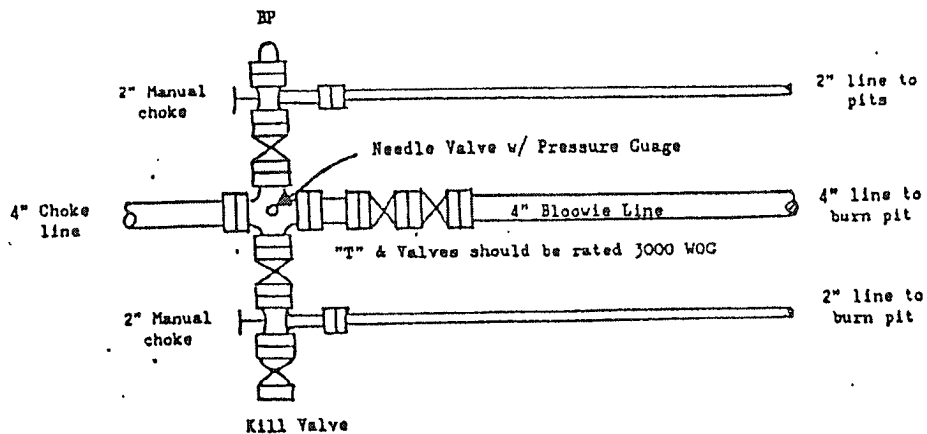
GENERAL NOTES

1. ALL VALVES, PIPING, FLANGES ETC. MUST HAVE MINIMUM WORKING PRESSURE EQUAL TO WORKING PRESSURE OF PREVENTERS. VALVES MUST BE OF THE FULL OPENING TYPE.
2. CONTROLS TO BE OF STANDARD DESIGN AND EACH MARKED SHOWING OPEN AND CLOSED POSITION.
3. CHOKE MANIFOLD AS SHOWN IN APP. 18 AND 19 REPLACEABLE PARTS AND WRENCHES TO BE CONVENIENTLY LOCATED FOR IMMEDIATE USE.
4. ALL VALVES TO BE EQUIPPED WITH HANDWHEELS.
5. CHOKE LINES MUST BE SUITABLY ANCHORED.
6. DEVIATIONS FROM THIS DRAWING MAY BE MADE ONLY WITH THE PERMISSION OF THE COMPANY.

MINIMUM BLOWOUT PREVENTER REQUIREMENTS

NORMAL PRESSURE SERVICE

CHOKE MANIFOLD SETUP



The above Manifold Hookup Design will meet minimum requirement by the Operator. Drilling Contractor to supply choke line and choke manifold. Operator to supply downstream lines from manifold assembly to pits.