

District I
1625 N. French Dr., Hobbs, NM 88240

District II
1301 W. Grand Avenue, Artesia, NM 88201

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

Submit to appropriate District Office

☐ AMENDED REPORT

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

RECEIVED

MAR 13 2008

HOBBS OCD

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

Operator Name and Address Pecos Operating Company 400 W. Illinois Ave, Suite 1210 Midland, TX 79701		² OGRID Number 246798
		³ API Number 30 -025-33385
¹ Property Code 303318	⁵ Property Name Gallagher State	⁶ Well No. 2
⁹ Proposed Pool 1 Big Dog Strawn South		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
F/6	2	16S	35E	6	2646	North	2299	West	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 A	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3992
¹⁶ Multiple N	¹⁷ Proposed Depth 11,600	¹⁸ Formation Strawn	¹⁹ Contractor	²⁰ Spud Date 5/1/08
Depth to Groundwater N/A		Distance from nearest fresh water well N/A		Distance from nearest surface water N/A
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"	12 3/4"	35#	395'	475	circulated
11"	8 5/8"	32#	4760'	650	2000'
7 7/8"	5 1/2"	17#	11 797'	500	9135'

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.

**Currently producing Townsend Permo-Upper Penn zone 10,322' to 11,017'. Current PBTD - 11,531.
Plan to drill out cement to 11,600', and perforate Strawn zone 11,538' to 11,580' and downhole commingle.**

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

Add

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:

Steven Gray

Printed name: Steven Gray

Title: Manager

E-mail Address: stevegray@pecoscompanies.com

Date: 3-10-08

Phone: 432-620-8480

OIL CONSERVATION DIVISION

Approved by:

Chris Williams

Title: **OC DISTRICT SUPERVISOR/GENERAL MANAGER**

Approval Date:

MAR 18 2008

Expiration Date:

Oil Conservation Division

Conditions of approval: Approval for drilling/workover ONLY--- CANNOT produce Downhole Commingled until DHC is approved in Santa Fe.

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

RECEIVED

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 October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-33385	² Pool Code 59847/96690	³ Pool Name Townsend Permo Upper Penn
⁴ Property Code 303318	⁵ Property Name Gallagher State	⁶ Well Number 2
⁷ OGRID No. 246798	⁸ Operator Name Pecos Operating Company	⁹ Elevation 3992

¹⁰ Surface Location

UL or lot no. F/6	Section 2	Township 16S	Range 35E	Lot Idn 6	Feet from the 2646	North/South line North	Feet from the 2299	East/West line West	County
----------------------	--------------	-----------------	--------------	--------------	-----------------------	---------------------------	-----------------------	------------------------	--------

¹¹ 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
---------------	---------	----------	-------	---------	---------------	------------------	---------------	----------------	--------

¹² Dedicated Acres 80	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.

<div>16</div>	<div>¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that 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 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 owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division</i> <div>Signature: <i>Steven Gray</i> Date: March 10, 2008</div><div>Steven Gray Printed Name</div></div>
	<div>¹⁸ SURVEYOR CERTIFICATION <i>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</i> Refer to Original Plat Date of Survey Signature and Seal of Professional Surveyor Certificate Number</div>

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Artesia, NM 87410

DISTRICT IV
P.O. Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-33385	Pool Code 59847	Pool Name TOWNSEND PERMO UPPER PENN
Property Code 18838	Property Name GALLAGHER STATE	Well Number 2
OGRID No. 000671	Operator Name AMERIND OIL COMPANY LIMITED PARTNERSHIP	Elevation 3992

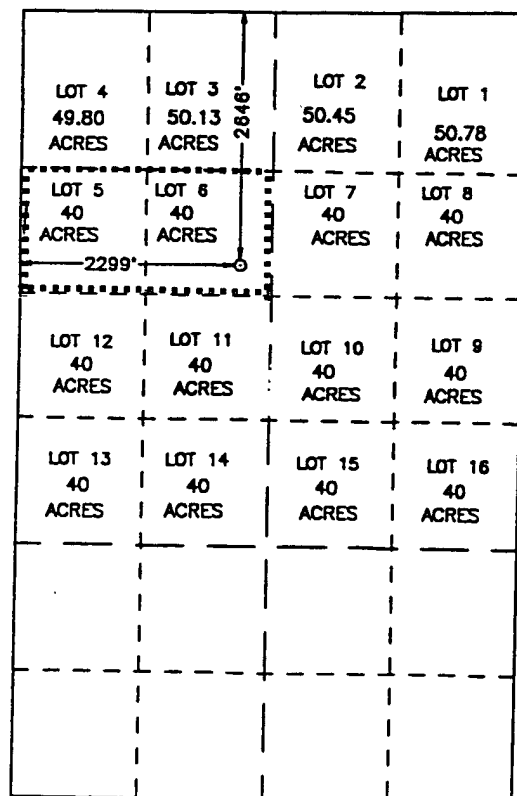
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F/6	2	16 S	35 E	6	2646	NORTH	2299	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
F/6	2	16 S	35 E	6	2646	NORTH	2299	WEST	LEA
Dedicated Acres 80	Joint or Infill	Consolidation Code	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



SCALE: 1"=2000'

OPERATOR CERTIFICATION

I hereby certify the the information
contained herein is true and complete to the
best of my knowledge and belief.

Robert C. Leibrock

Signature

ROBERT C. LEIBROCK

Printed Name

GENERAL PARTNER

Title

MAY 5, 2000

Date

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.

APRIL 10, 1996

Date Surveyed J. EIDSON JLP

Signature & Seal of
Professional Surveyor

J. Eidson
3239
34-11-96

No. Num. 96-11-0438

Certification No. 076
J. EIDSON, 3239