

District 1
1625 N. French Dr., Hobbs, NM 88240
Phone: (505) 393-6161 Fax: (505) 393-0220

Form C-101
Permit 69978

State of New Mexico
Energy, Minerals and Natural Resources

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

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

1. Operator Name and Address SOUTHERN UNION GAS SERVICES, LTD 301 COMMERCE SUITE 700 FT WORTH, TN 76102		2. OGRID Number 241472
		3. API Number 30-025-38823
4. Property Code 37069	5. Property Name JAL 3 AGI	6. Well No 001

7. Surface Location

UL - Lot E	Section 33	Township 24S	Range 37E	Lot Idn	Feet From 1570	N/S Line N	Feet From 1050	E/W Line W	County LEA
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8. Pool Information

san andres wildcat	AGI; SAN ANDRES	97674
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Additional Well Information

9. Work Type New Well	10. Well Type GAS	11. Cable/Rotary	12. Lease Type Private	13. Ground Level Elevation 3268
14. Multiple Y	15. Proposed Depth	16. Formation San Andres Formation	17. Contractor	18. Spud Date 3/15/2008
Depth to Ground water 90		Distance from nearest fresh water well		Distance to nearest surface water
Pit Liner: Synthetic <input type="checkbox"/> miles thick Clay <input type="checkbox"/> Pit Volume: bbls Drilling Method: Closed Loop System <input checked="" type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	9.625	40	1050	600	
Prod	9.25	7	26	5300	1400	

Casing/Cement Program: Additional Comments

all casing strings will be cemented to surface
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Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	5000	10000	Shaeffer

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 OGD-approved plan ☒

Printed Name: ALBERTO A GUTIERREZ

Title: Geolex, Inc - Consultant to SUGS

Email Address: aag@geolex.com

Date: 2/26/08

Phone: 505 842 8000

OIL CONSERVATION DIVISION

Approved By: Chris Williams

Title: OGD DISTRICT SUPERVISOR / GENERAL MANAGER

Approved Date:

Expiration Date:

MAR 25 2008

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

DISTRICT II
811 South First, Artesia, NM 88210

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

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1989

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-3882	Pool Code 97674	Pool Name AGI; SAN ANTONIO
Property Code 37069	Property Name JAL 3 AGI	Well Number 1
OGRID No. 241472	Operator Name SOUTHERN UNION GAS SERVICES	Elevation 3268'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	33	24 S	37 E		1550	NORTH	1000	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
Dedicated Acres	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

	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief</p> <p><i>[Signature]</i> Signature ROSS BOYD Printed Name Asset Optimization Engineer Title 02-19-2008 Date</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>FEBRUARY 15, 2008 Date Surveyed <i>[Signature]</i> Signature & Seal of Professional Surveyor 3959 Certificate No. WILSON B. WATSON JR. P.L.S. #3959 WATSON & ASSOC., MIDLAND.</p>	

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-144
June 1, 2004

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

For drilling and production facilities, submit to
appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe
office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☐ No ☐

Type of action: Registration of a pit or below-grade tank ☐ Closure of a pit or below-grade tank ☐

Operator: Southern Union Gas Services, Ltd.

Telephone: 505-842-8000

e-mail address: aag@geolex.com

Address 301 Commerce Street Suite 700, Ft. Worth, TX 76102

Facility or well name. JAL 3 AGI #1

API #. not yet assigned

U/L or Qtr/Qtr E

Sec 33

T 24S

R 37 E

County: LEA

Latitude 32°10'36.08" N

Longitude 103°10'23.92" W NAD. 1927 ☐ 1983 X

Surface Owner. Federal ☐ State ☐ Private X Indian ☐

Pit

Type: Drilling ☐ Production ☐ Disposal ☐

Workover ☐ Emergency ☐

N/A

Lined ☐ Unlined ☐

Liner type. Synthetic ☐ Thickness ____ mil Clay ☐

Pit Volume ____ bbl

Below-grade tank

Volume: ____ bbl Type of fluid: ____

Construction material: ____

N/A -system is Closed loop and will be above grade

Double-walled, with leak detection? Yes ☐ If not, explain why not.

See above and comment section below.

Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)

Less than 50 feet

(20 points)

50 feet or more, but less than 100 feet

(10 points)

100 feet or more

(0 points)

Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)

Yes

(20 points)

No

(0 points)

Distance to surface water. (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)

Less than 200 feet

(20 points)

200 feet or more, but less than 1000 feet

(10 points)

1000 feet or more

(0 points)

Ranking Score (Total Points)

10

If this is a pit closure: (1) Attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: (check the onsite box if you are burying in place) onsite ☐ offsite ☐ If offsite, name of facility _____. (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface _____ ft and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

Additional Comments.

This is going to be a closed loop drilling system with all portable mud pits and cuttings handling above grade and with no intentional releases to the surface. All cuttings and residual mud will be removed to a licensed disposal site after drilling is completed

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines X a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Date: 2/26/08

Printed Name/Title Alberto A. Gutierrez RG/Geolex, Inc.- Consultant to SUGS

Signature

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval:

Printed Name/Title CHRIS WILLIAMS / DIST. SUPV

Signature

Date:

3/24/08