

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-101
June 16, 2008

Submit to appropriate District Office

☐ AMENDED REPORT

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

Operator Name and Address Grand Banks Energy Company 10 Desta Drive, Ste 300-E, Midland, Texas 79705		1 OGRID Number 155471
3 Property Code 019372		3 API Number 30 - 025-32164
5 Property Name Anderson Ranch Unit		6 Well No. 21
9 Proposed Pool 1 Anderson Ranch, McKee (Gas)		10 Proposed Pool 2

7 Surface Location									
UL or lot no. L/T	Section 1	Township 16S	Range 32E	Lot Idn	Feet from the 1700	North/South line South	Feet from the 850	East/West line West	County 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

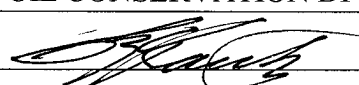
Additional Well Information				
11 Work Type Code E	12 Well Type Code G	13 Cable/Rotary	14 Lease Type Code S	15 Ground Level Elevation 4295
16 Multiple N	17 Proposed Depth 14580 orig TD	18 Formation McKee	19 Contractor TBD	20 Spud Date 8/15/2008

21 Proposed Casing and Cement Program					
Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17.50	13.375	54.5	532	1665	Circ to surf
12.25	9.625	40	4211	1450	Circ to surf
8.75	7	29	13912	1860	7000 by TS

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.

Re-enter and drill out all cement plugs back down to original TD. Run/cement 4.50" casing to 14580'. Perforate McKee sand, acidized and fracture stimulate zone. Test well through test equipment. SI for BHP survey. A deep-series well servicing unit w/ 5000 psi BOP equipment will be used during the operation. A closed-loop steel workover pit will be used to contain all well fluids throughout the job.

Permit Expires 2 Years From Approval
Date Unless Drilling Underway
Re-Entry

23 I hereby certify that the information given above is true and complete to the best of my knowledge and belief.		OIL CONSERVATION DIVISION	
Printed name: Terry M. Duffey		Approved by: 	
Title: Agent		Title: PETROLEUM ENGINEER	
E-mail Address: Will not disclose		Approval Date: AUG 21 2008	
Date: August 12, 2008		Expiration Date:	
Phone: 432-686-9790		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 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 30-025-32164	² Pool Code Wildcat	³ Pool Name Proposed: Anderson Ranch, McKee (Gas)
⁴ Property Code 019372	⁵ Property Name Anderson Ranch Unit	⁶ Well Number 21
⁷ OGRID No. 155471	⁸ Operator Name Grand Banks Energy Company	⁹ Elevation 4295

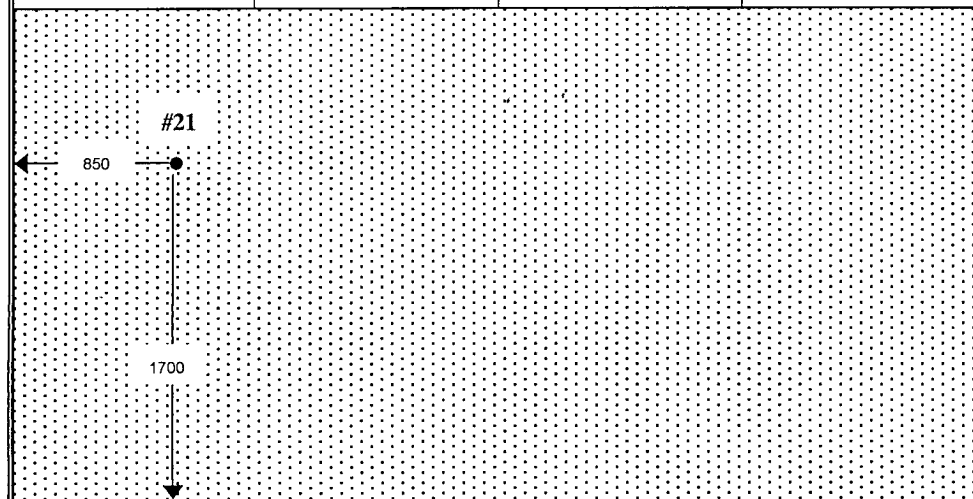
¹⁰ Surface Location

UL or lot no. T	Section 1	Township 16S	Range 32S	Lot Idn	Feet from the 1700	North/South line South	Feet from the 850	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 Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 320	¹³ Joint or Infill N	¹⁴ Consolidation Code U	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	<div></div>	<p>¹⁷ OPERATOR CERTIFICATION</p> <p><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></p> <p>Signature _____ Date 8-12-08</p> <p>Printed Name Terry M. Duffey (Agent)</p> <p>¹⁸ SURVEYOR CERTIFICATION</p> <p><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></p> <p>6-18-1993</p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor _____</p> <p>Gary L. Jones - #7977</p> <p>Certificate Number _____</p>
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