

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

REC-103

MAR 10 2009

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

HOBBS

Santa Fe, NM 87505

WELL API NO.

30-025-38596

5. Indicate Type of Lease

STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name
Jones

8. Well Number 001

9. OGRID Number 017733

10. Pool name or Wildcat
Brunson Drinkard Abo - South

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☒ Gas Well ☐ Other ☐

2. Name of Operator Pierce Production Company, LLC

3. Address of Operator
P. O. Box 2079; Midland, Texas 79702-2079

4. Well Location

Unit Letter L : 1980 feet from the South line and 330 feet from the West line
Section 6 Township 22S Range 38E NMPM County Lea11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3356' GR

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐OTHER: ☐OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

As per rule 303 C (3) (b), Pierce Production Company requests permission to add additional perforations in the Drinkard formation 6,390' - 6540'; Tubb formation 6,288' - 6367'; Blinbry formation 5,702' - 5,872' and Paddock formation 5,286' - 5300'.

<602407

<066607

<492107

Each zone will be independently tested for accurate production results to ensure each formations production is accurately reflected in the final percentages for production allocation.

After all zones have been independently tested, bridge plugs isolating each zone will be removed and the formations commingled downhole.

Mineral ownership is the same in each producing interval thereby protecting correlative rights and preventing waste.

Spud Date: 10/29/2007

Rig Release Date: 12/20/2007

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

SIGNATURE

Bill Pierce

TITLE Vice President

DATE 02/10/2009

Type or print name Bill Pierce

E-mail address: bill@dpps.us

PHONE: (432)570-6009

For State Use Only

APPROVED BY:

[Signature]

TITLE

PETROLEUM ENGINEER

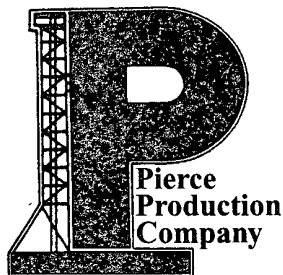
DATE

MAR 23 2009

Conditions of Approval (if any):

Conditions of Approval. Approval to drill & test all new zones separate, but cannot produce Downhole commingle until DHC is approved in Hobbs District office according to R-11363.

P.O. Box 2079
Midland, Texas 79702-2079



Office: 432/570-6009
Facsimile: 432/686-8469

RECEIVED

MAR 23 2009
HOBBSD

March 19, 2009

Attention: Cindy
New Mexico Energy, Minerals and Natural Resources Department
Oil Conservation Division
1625 N. French Drive
Hobbs, New Mexico 88240

RE: Additional Comments under item 13 of Form C-103

Dear Cindy,

These additional comments are to be attached to the currently pending C-103 for the Jones #1 well; API #: 30-025-38596.

The actual commercial value of such commingled production will not be less than the sum of the values of the production from each common source of supply.

The commingling will not jeopardize the efficiency of present or future secondary recovery operations in any of the pools to be commingled.

The commingling will not result in the permanent loss of reserves due to cross-flow in the wellbore.

The commingling will not reduce the value of the total remaining production and correlative rights will not be violated.

Yours truly,

Bill Pierce
Vice President – Engineering

PIERCE PRODUCTION COMPANY LLC

Jones #1
Unit Letter "L"
1,980' FSL & 330' FWL
Sec. 6 - T22S - R38E
Lea County, New Mexico
API #: 30-025-38596

Elevation GR: 3,356'

Existing Wellbore

Elevation KB: 3,373' (17')

Surf. Csg. cmtd. w/285 sks. Class "C"
Lite Poz + 200 sks. Class "C"
Circulated 98 sks. to surface.

9 5/8", 36#, J-55, 8rd LTC Surf. Csg.
Set @ 1,342'

Second Stage cmtd. w/1,375 sks.
Class "C" 50-50 Poz + 200 sks.
Class "C". Circ. 210 sks. to surface

Multiple Stage Cementing Tool
Set @ 3,838'

First Stage cmtd. w/1,220 sks. Class "H"
Circulated 10 sks. from DV Tool

Upper Abo Perfs 6,874' - 6,884'

Lower Abo Perfs 7,126' - 7,150'

5 1/2", 20#, 8rd, LTC, N80 Prod. Csg.
Set @ TD of 7,850'

PIERCE PRODUCTION COMPANY LLC
Jones #1
Unit Letter "L"
1,980' FSL & 330' FWL
Sec. 6 - T22S - R38E
Lea County, New Mexico
API #: 30-025-38596

Elevation GR: 3,356'

Proposed Wellbore

Elevation KB: 3,373' (17')

Ex

Surf. Csg. cmtd. w/285 sks. Class "C"
Lite Poz + 200 sks. Class "C"
Circulated 98 sks. to surface:

9 5/8", 36#, J-55, 8rd LTC Surf. Csg.
Set @ 1,342'

Second Stage cmtd. w/1,375 sks.
Class "C" 50-50 Poz + 200 sks.
Class "C", Circ. 210 sks. to surface

Multiple Stage Cementing Tool
Set @ 3,838'

Proposed Paddock Perfs: 5,270' - 5,290'

Proposed Blinebry Perfs: 5,702' - 5,872'

Proposed Tubb Perfs: 6,288' - 6,367'

Proposed Drinkard Perfs: 6,390' - 6,450'

Upper Abo Perfs 6,874' - 6,884'

Lower Abo Perfs 7,126' - 7,150'

First Stage cmtd. w/1,220 sks. Class "H"
Circulated 10 sks. from DV Tool

5 1/2", 20#, 8rd, LTC, N80 Prod. Csg.
Set @ TD of 7,850'