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N.M. Oil Cons. DIV-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210

Form 3160-3
(September 2001)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0136
Expires January 31, 2004

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NM-0554499
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator J.C. Williamson		7. If Unit or CA Agreement, Name and No. Ross Draw
3a. Address 214 W. Texas, Suite 1250 Midland, TX 79701		8. Lease Name and Well No. Ross Draw Unit #27
3b. Phone No. (include area code) 432-682-1797		9. API Well No. 30-015-33367
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface 450' FNL, 750' FEL At proposed prod. zone same		10. Field and Pool, or Exploratory Ross Draw Delaware
14. Distance in miles and direction from nearest town or post office* 20 miles Southeast of Malaga, New Mexico		11. Sec., T. R. M. or Blk. and Survey or Area Sec 34, T-26-S, R-30-E
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) 450'	16. No. of acres in lease 102	17. Spacing Unit dedicated to this well 40
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 90'	19. Proposed Depth 4,600'	20. BLM/BIA Bond No. on file NM-2469
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 2993' GL	22. Approximate date work will start* March 26, 2004	23. Estimated duration 30 days
24. Attachments Carlsbad Controlled Water Basin		

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

- | | |
|---|--|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature <i>Barbara A. Tranum</i>	Name (Printed/Typed) BARBARA A. TRANUM	Date 2-25-04
Title AGENT		
Approved by (Signature) /s/ Joe G. Lara	Name (Printed/Typed) /s/ Joe G. Lara	Date 1 APR 2004
Title FIELD MANAGER		Office CARLSBAD FIELD OFFICE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

APPROVAL FOR 1 YEAR

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on page 2)

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

APPLICATION FOR DRILLING
J.C. WILLIAMSON
WELL ROSS DRAW #27
450' FNL & 750' FEL, Sec 34, T26S, R30E
Eddy County, New Mexico
Lease No. NM-0554499

In conjunction with Form 3160-3, Application for Permit to Drill subject well, J.C. Williamson submits the following items of pertinent information in accordance with BLM requirements:

1. SURFACE FORMATION: Quaternary Alluvium.

2. ESTIMATED TOPS OF GEOLOGIC MARKERS:

Rustler Anhydrite	800'
Lamar Shale	3460'
Ramsey Sand	3520'
Olds Sand	3570'
Top Cherry Canyon	4400'

3. ANTICIPATED POSSIBLE WATER AND HYDROCARBON BEARING ZONES:

Fresh Water Above	300'
Oil: Delaware	3520'

4. PROPOSED CASING AND CEMENTING PROGRAM:

725'

Hole for surface casing will be drilled to a depth below fresh water zone. 8-5/8" surface casing will be run to a depth of 580 feet, below all fresh water zones and will be cemented to the surface with: Lead Cement: 125 sks Qass "C" 65/35/6 with 2% CaCl, 1/4 # Cello flake mix - @ 12.4#/gal, 1.97 cu.ft/sk, 10.9 gal/sk, Tail Cement: 185 sk Class "C" with 2% CaCl, 1/4# Cello flake-mix @ 14.8#/gal, 1.32 cu.ft/sk, 6.3/gal/sk to surface. Displace cement with fresh water to the float collar. Top out with pea gravel and cement of 1" as necessary.

4-1/2" casing will be run to total depth and will be cemented at a total depth if significant shows are encountered in the Brushy Canyon formation. The second stage of the cement procedure should tie the 4-1/2" casing back into the 8-5/8" surface casing, which is well above all productive zones.

5. PRESSURE CONTROL EQUIPMENT:

Install 8-5/8" X 5 Y2", 3000 psi WP casinghead and adapter flange for BOPE and NU BOPE, a minimum compliance H2S Safety package should be in operation prior to drilling out the shoe. Pressure control equipment will consist of a 3000# hydraulically controlled blow out preventor and a 3000# choke manifold.

6. CIRCULATING MEDIUM:

725

The circulating medium will be fresh water down to 550 feet and brine water in the rest of the hole, once the water saturates itself naturally with salt.

7. AUXILARY EQUIPMENT:

Pick up 7 7/8" bit (HRS30C), National 6 1/2", 7/8 M/L 2.8 stage mud motor with stabilizer sleeve, stabilization (3pt RR), shock sub and drill collars. Prior to drilling out cement out cement, test casing, BOP and choke manifold to 1000 psi for 10 minutes with rig pumps (requires chart recorder).

8. TESTING, LOGGING AND CORING PROGRAM:

Formation testing will be made by a mud logger at 3000'. No drill stem test or coring are planned. It is planned that an open hole logs will be run when total depth is reached.

9. ABORMAL PRESSURES, TEMPERATURES OR HYDROGEN SULFIDE GAS:

None are anticipated based on wells drilled in the area.

10. ANTICIPATED STARTING DATE:

It had been planned that operations will commence on March 26, 2004, or as soon as the application is approved.

SURFACE USE AND OPERATIONS PLAN

J.C. WILLIAMSON
WELL ROSS DRAW #27
450' FNL & 750' FEL, Sec 34, T26S, R30E
Eddy County, New Mexico
Lease No. NM-0554499

1. EXISTING ROADS:

Exhibit "A" is a portion of a road map showing the location of the proposed well. Access to the location will be gained by using an existing road which comes out of the Jal-Orla cut of Highway (Hwy. 652).

2. PLANNED ACCESS ROAD:

- A. SURFACING MATERIAL: Some surfacing material may be needed for the prepared location, if necessary, 4" caliche, watered and compacted will be used. Surfacing materials where needed will be removed from an approved caliche pit, located one mile to the southwest of the location.
- B. MAXIMUM GRADE: Two Percent.
- C. TURNOUTS: None required.
- D. CULVERTS: None required.
- E. CUTS AND FILLS: None necessary. Only clearing and minor leveling will be required.
- F. GATES AND CATTLE GUARDS: None required. No fences will need to be cut in conjunction with drilling operations.

3. LOCATION OF EXISTING WELLS:

- A. Existing wells in the area are shown on Exhibit "B".

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

- A. There are existing facilities owned and operated by J.C. Williamson that will be utilized by this lease, and these are the battery and treating facilities put on the lease in association with the Ross Draw #26.
- B. If the proposed well is completed for production, the tank battery for this well will be the battery constructed for the Ross Draw #26, and this will be connected to the existing battery by a steel surface flowline, crossing the lease, leading along existing roads to the Ross Draw #26 battery.

5. LOCATION AND TYPE OF WATER SUPPLY:

- A. Fresh water necessary for drilling will be purchased and hauled to the well site over existing and proposed roads. Produced brine water will be hauled to the location for make up water on the 7-7/8" portions of the hole or pumped to the location by surface flowline (3" fasline).

6. SOURCE OF CONSTRUCTION MATERIALS:

The construction materials that may be needed can be obtained from an approved pit located in SE/4 SE/4 of Sec. 15, T-26-S, R-30-E, Eddy County, New Mexico. We will be using the same drilling pad as the #16 Ross Draw.

7. METHODS OF HANDLING WASTE DISPOSAL:

- A. Drill cuttings will be disposed of in the drilling pit, using existing pits on site.
- B. Drilling fluid will be allowed to evaporate in the drilling pit until the pit is dry.
- C. All pits will be fenced with normal fencing materials to prevent livestock from Entering the area.
- D. Water produced during testing of this well will be disposed of in the drilling pit.
- E. Oil produced during test will be stored in test tanks until sold.
- F. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- G. Trash, waste paper, garbage and junk will be contained in trash bins to prevent scattering by the wind and will be removed for deposit in an approved sanitary land fill within 30 days after finishing drilling and/or completion operations.

8. ANCILLARY FACILITIES:

- A. None required.

9. WELL SITE LAYOUT:

- A. Exhibit "D" shows the relative location and dimensions of the well pad, mud pit, trash pit, and the location of major rig components for the #16 well with the #27 being the same but just 120' south and 90' west.
- B. Using the same drill pad 400' x 400'.
- C. No Cut or fill will be necessary.

10. PLANS FOR RESTORATION OF THE SURFACE:

- A. After completion of drilling and/or completion operations, all equipment and other material not needed for operations will be removed as soon as possible. Pits will be filled and the location cleaned of all trash and junk to leave the well site in as an aesthetically pleasing condition as possible.
- B. Any unguarded pits containing fluids will be fenced until they are filled.
- C. After abandonment, all equipment, trash and junk will be removed or buried and the location cleaned. Any special rehabilitation and/or special vegetation requirements of the surface management agency will be complied with and accomplished as expeditiously as possible.

11. OTHER INFORMATION:

- A. Topography: The land surface is relatively level. Regional slope is to the southwest.
- B. Soil: The top soil at the well site is a gravelly, loamy sand.
- C. Flora and Fauna: The vegetative cover is sparse and consists of mesquite, grease wood, yucca, weeds and range grasses, wildlife in the area is that typical of semi-arid desert land and includes coyotes, rabbits, rodents, reptiles, dove and quail.
- D. Ponds and streams: The Pecos River is approximately seven and one-half miles west of the proposed well site. Red Bluff Reservoir is approximately four and one-half miles Southwest of the well site.
- E. Residence and other structures: There are no occupied dwellings within two miles of proposed well site. There is a windmill approximately 1-1/2 miles to the north of the location.
- F. Archaeological, Historical and other Cultural Sites: None observed in the area.
- G. Land Use: Cattle grazing and hunting in season.
- H. Surface Ownership: Federal.

12. OPERATOR'S REPRESENTATIVE:

Representative responsible for assuring compliance with the approved Surface Use Plan is as follows:

James Blair
B&W Southern Petroleum
4131 N. Central Expressway, Suite 850
Dallas, Texas 75204
Office Phone: (214) 522-9200
Cell Phone: (214) 395-7245

13. CERTIFICATION:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in the plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by J.C. Williamson and its contractors and subcontractors in conformity with this plan and the term and conditions under which it is approved.

DATE: 7-25-04

BY: James Blair
JAMES BLAIR
J.C. WILLIAMSON, OPERATOR

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719DISTRICT III
1000 Rio Brazos Rd., Artec, NM 87410DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

OIL CONSERVATION DIVISION

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code		Pool Name	
Property Code		Property Name ROSS DRAW			Well Number 27
OGRID No.		Operator Name J.C. WILLIAMSON			Elevation 2993'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	34	26-S	30-E		450	NORTH	750	EAST	EDDY

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.

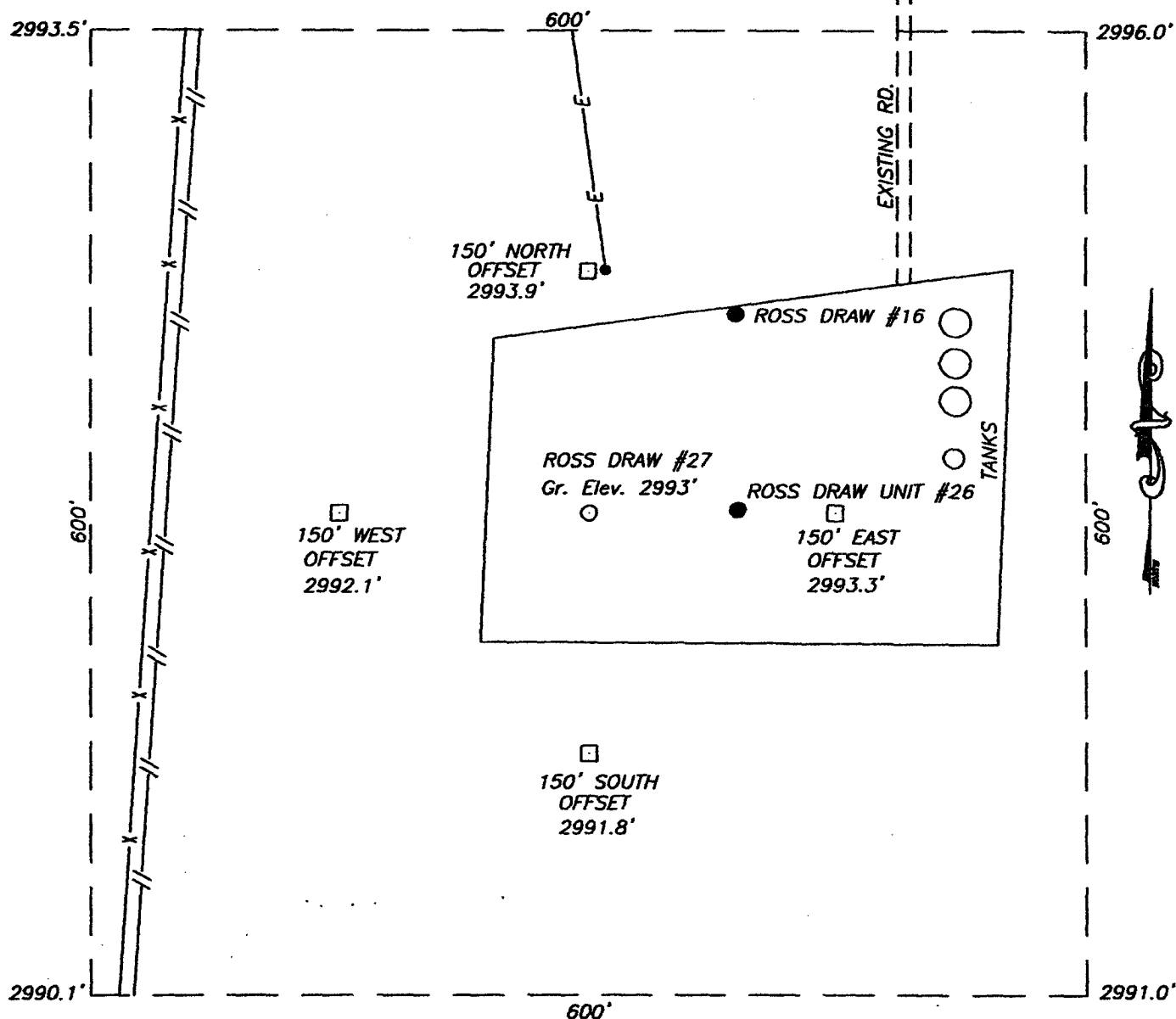
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

				OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. <u>Barbara A. Tranter</u> Signature <u>BARBARA A. TRANTER</u> Printed Name <u>AGENT</u> Title <u>2/25/04</u> Date	
LOT 4 LOT 3 LOT 2 LOT 1 NEW MEXICO				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. February 17, 2004 Date Surveyed AWB Signature & Seal of Professional Surveyor <u>Gary Edson</u> 2/24/04 Certificate No. GARY EDSON 12841	
TEXAS					

SECTION 34, TOWNSHIP 26 SOUTH, RANGE 30 EAST, N.M.P.M.,

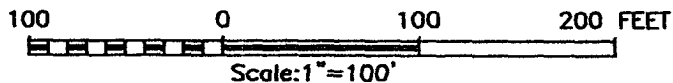
EDDY COUNTY,

NEW MEXICO.



DIRECTIONS TO LOCATION:

FROM THE INTERSECTION OF US HWY 128 AND LEA COUNTY ROAD #C-1. GO SOUTH ON C-1 FOR 15.5 MILES TO A GOOD CALICHE ROAD ON THE RIGHT, TURN RIGHT (WEST) AND GO 8.8 MILES TO THE ROSS DRAW #26 WELL PAD. THIS LOCATION IS WEST 91'.



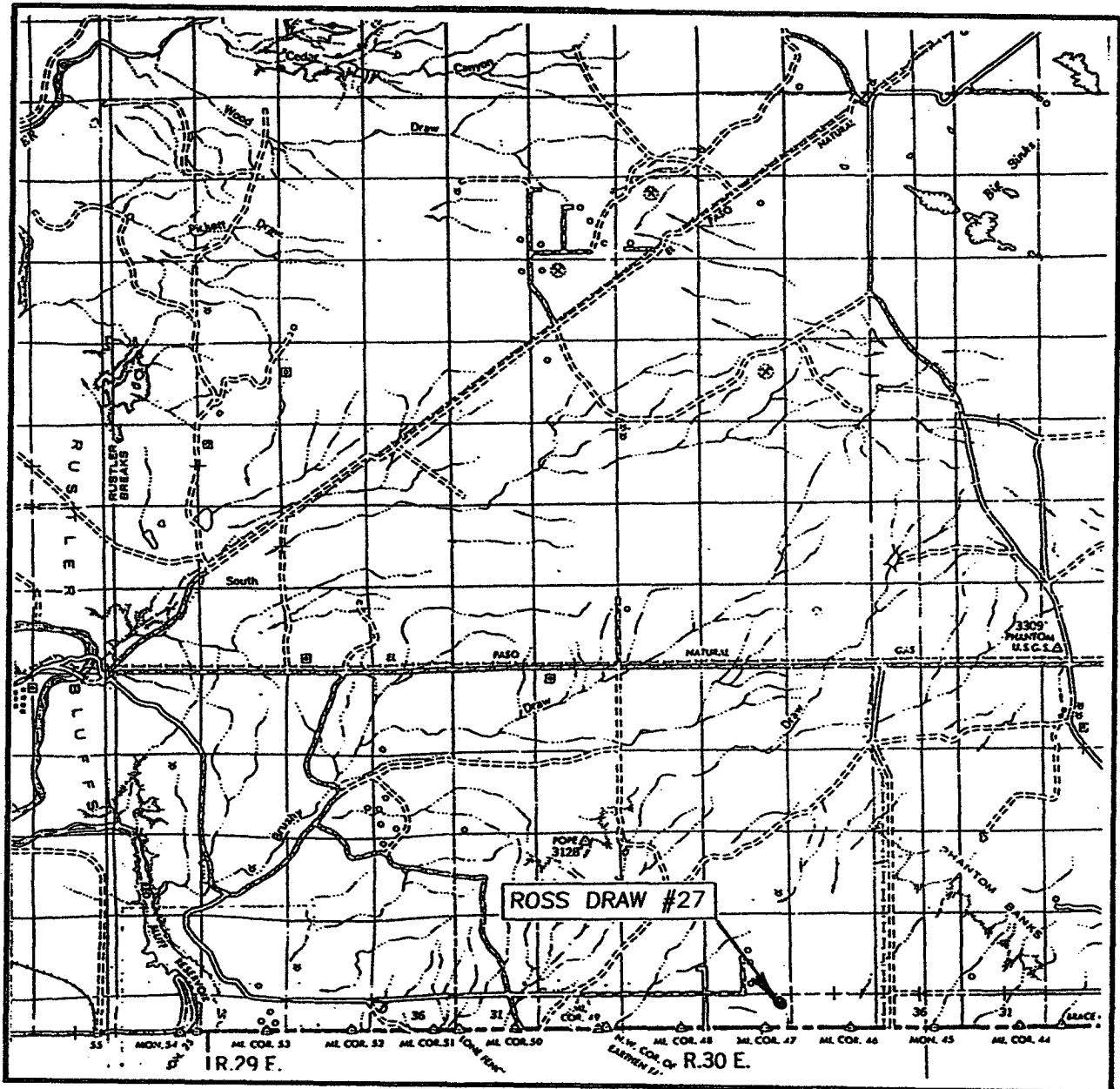
J.C. WILLIAMSON

THE ROSS DRAW #27 LOCATED
450' FROM THE NORTH LINE AND 750' FROM THE EAST LINE
OF SECTION 34, TOWNSHIP 26 SOUTH, RANGE 30 EAST,
EDDY COUNTY, NEW MEXICO

Survey Date: 02/17/04	Sheet 1 of 1 Sheets
W.O. Number: 04.11.0174	DRAWN BY: A.W.B
Date: 02/23/04	DISK: CD#10
04.11.0174	Scale: 1"=100'

JOHN WEST SURVEYING COMPANY
412 N. DAL PASO - HOBBS, NEW MEXICO - 505-393-3117

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 34 TWP. 26-S RGE. 30-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 450' FNL & 750' FEL

ELEVATION 2993'

OPERATOR J.C. WILLIAMSON

LEASE ROSS DRAW, N.M.

JOHN WEST SURVEYING
HOBBS, NEW MEXICO
(505) 393-3117



CONTOUR INTERVAL: 10'
PHANTOM BANKS, N.M.

U.S.G.S. TOPOGRAPHIC MAP
PHANTOM BANKS, N.M.

**JOHN WEST SURVEYING
HOBBS, NEW MEXICO
(505) 393-3117**

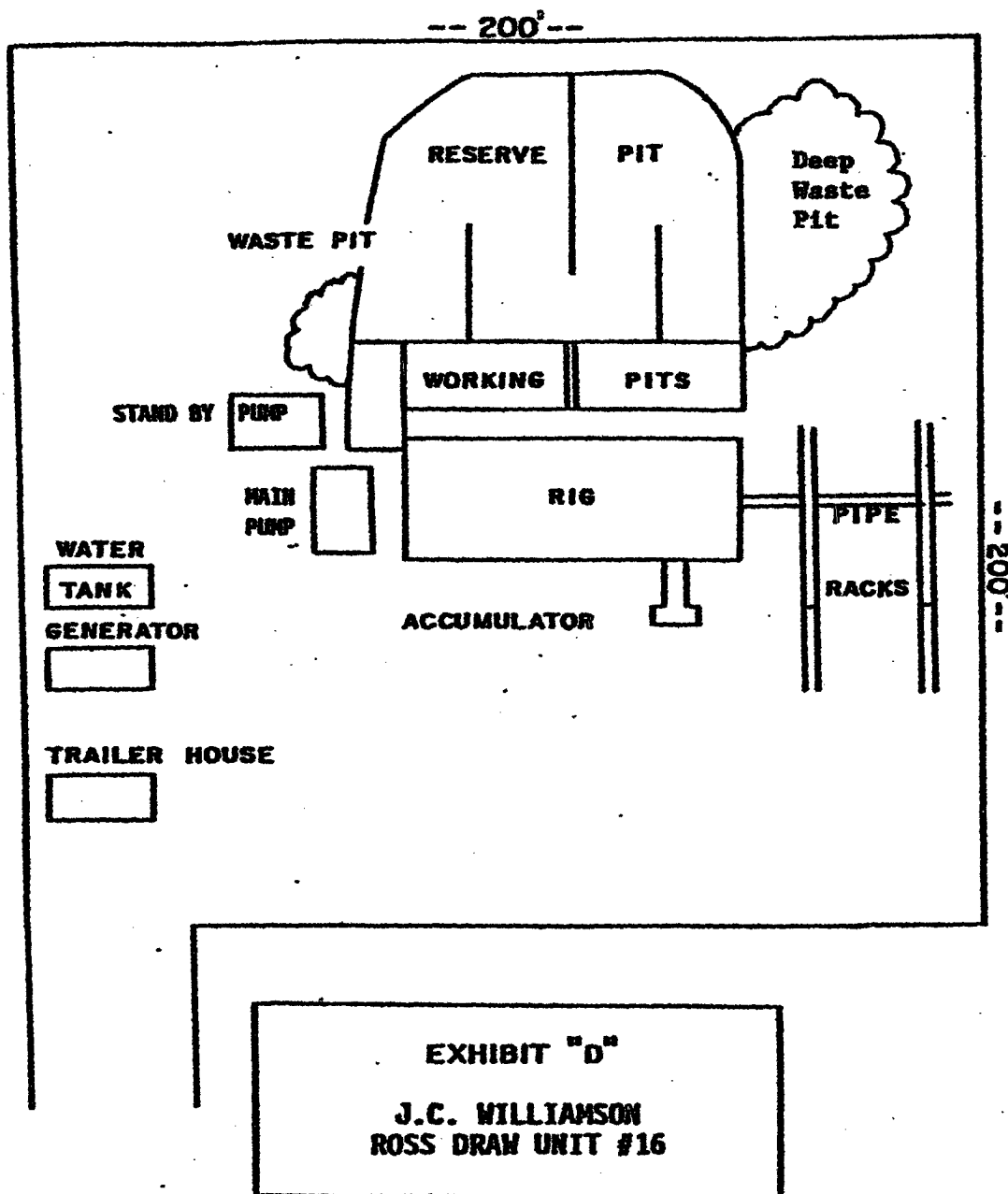
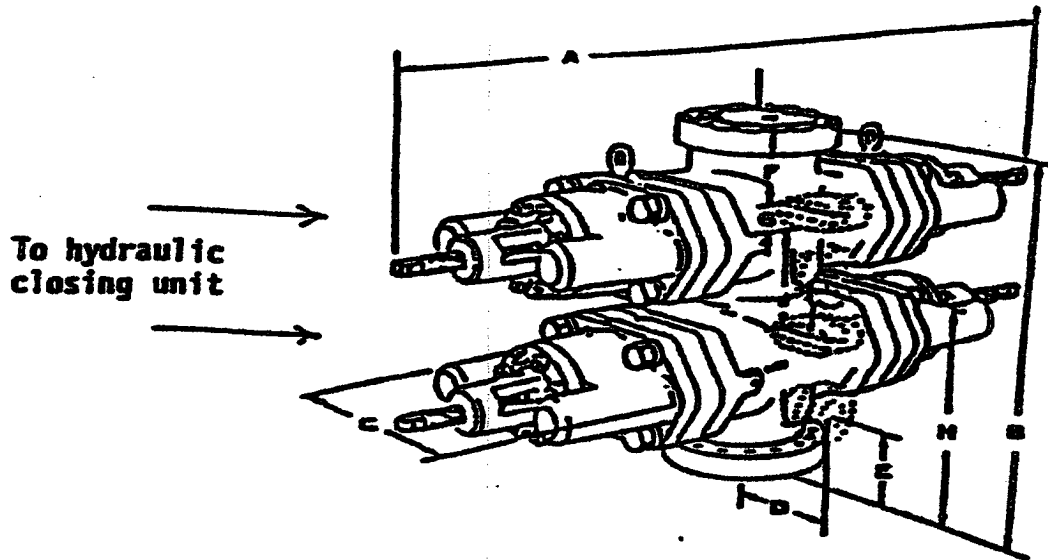


EXHIBIT "E"

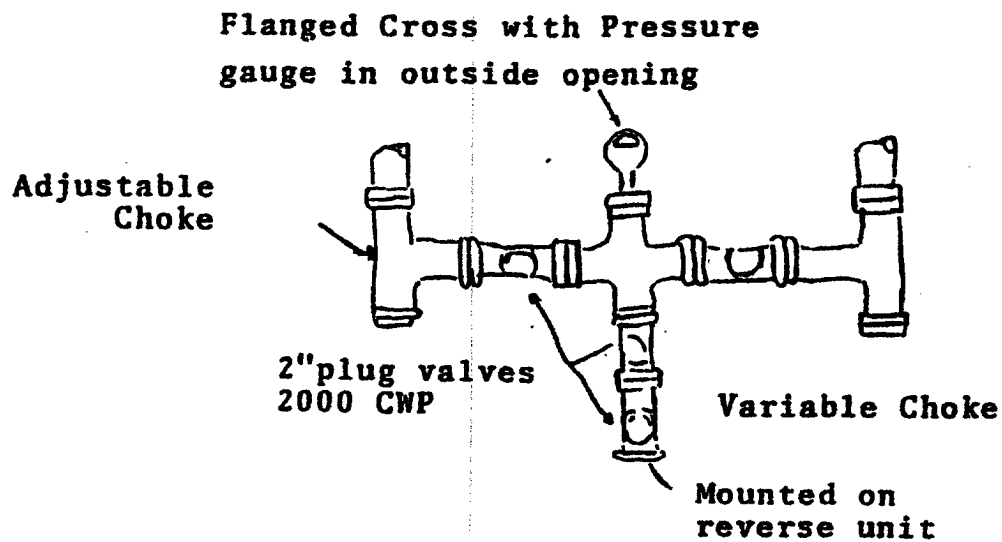
BOP DIAGRAM

After 8-5.8" surface casing has been set and cement circulated to the surface, a double ram BOP, as show below will be put on the hole. This blowout preventer will be conneted to a hydraulically controlled closing unit. The pressure rating on this BOP is 3000#, and will have blank and 4-1/2" pipe rams.



J.C. WILLIAMSON
ROSS DRAW UNIT #27
450' FNL, 750' FEL
Sec 34, T-26-S, R-30-E
Eddy County, New Mexico

EXHIBIT "F"



PLAN VIEW - CHOKE MANIFOLD

J.C. WILLIAMSON
ROSS DRAW UNIT #27
450' FNL, 750' FEL
Sec 34, T-26-S, R-30-E
Eddy County, New Mexico