State of New Mexico

DISTRICT I 1625 N. FRENCH DR., HOBBS, NM 88240

Energy, Minerals and Natural Resources Department

DISTRICT II

1301 W. GRAND AVENUE, ARTESIA, NW 88210

OIL CONSERVATION DIVISION 1220 SOUTH ST. FRANCIS DR. Santa Fe, New Mexico 87505

Form C-102 Revised JUNE 10, 2003 Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

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

DISTRICT IV WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name	ool Name	
	74320	CATCLAW DRAW-MORROW (PRORA	TED GAS)	
Property Code		Property Name	Well Number	
4876	CATCLAV	19		
OGRID No.		Operator Name	Elevation	
150628	PURE F	RESOURCES, L.P.	3368'	

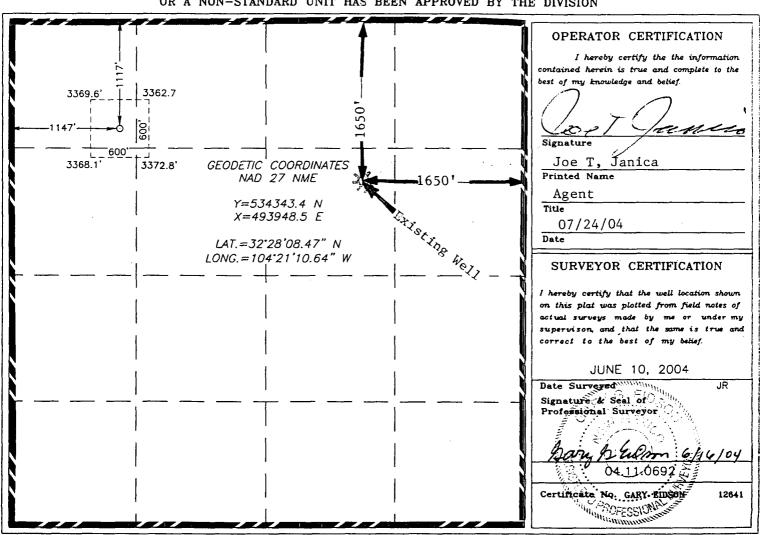
Surface Location

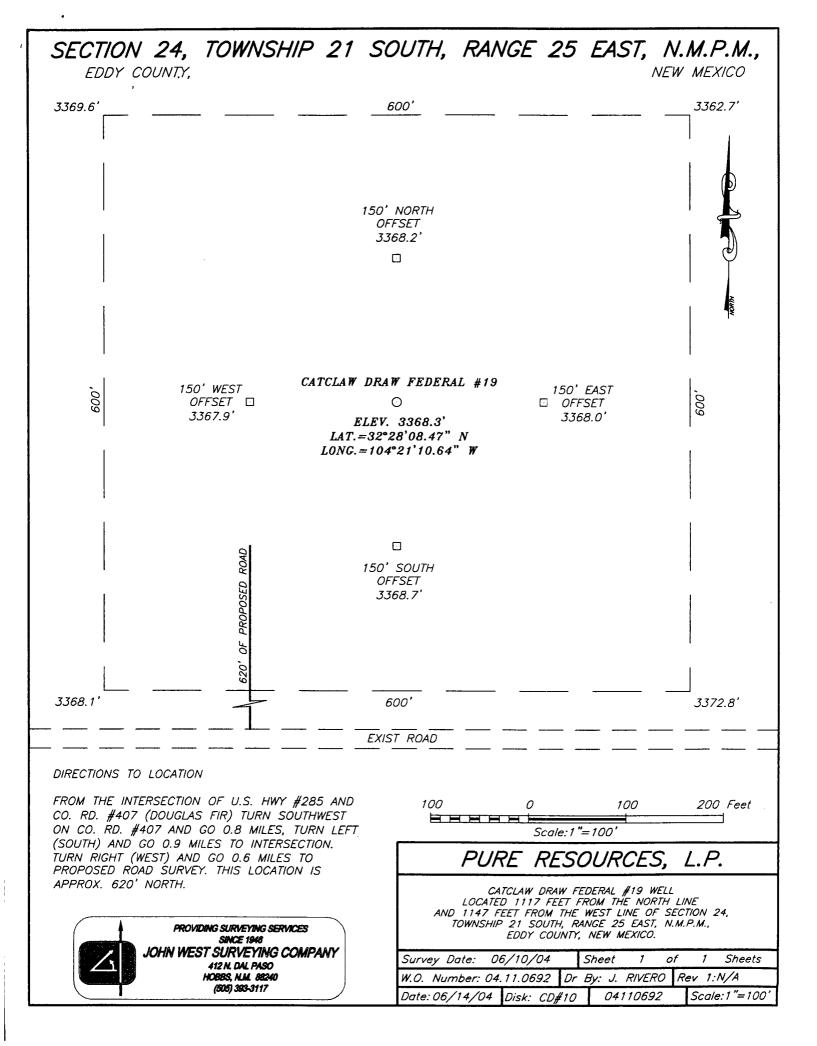
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	24	21-S	25-E		1117'	NORTH	1147'	WEST	EDDY

Bottom Hole Location If Different From Surface

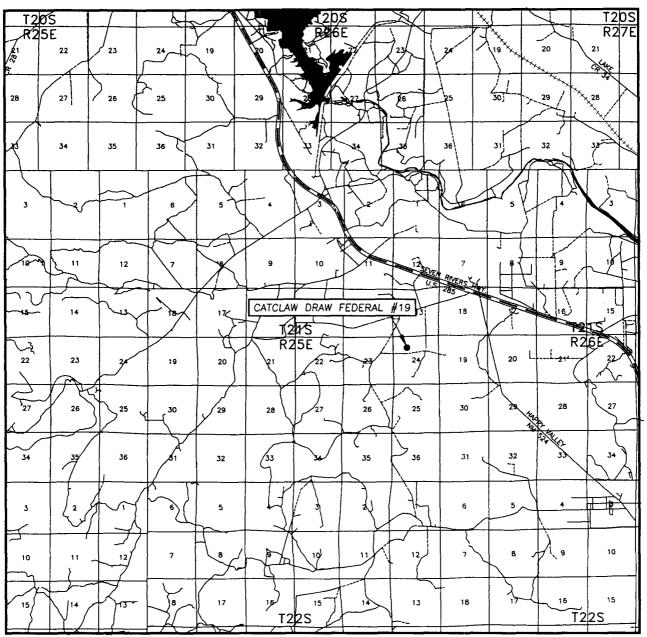
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres	Joint o	r Infill Co	nsolidation (Code Or	der No.				
640									

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



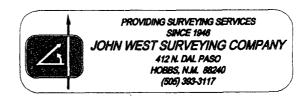


VICINITY MAP



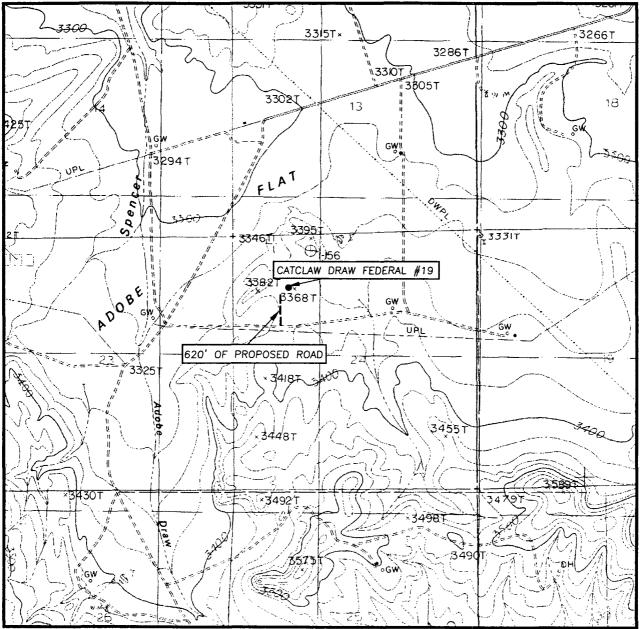
SCALE: 1" = 2 MILES

SEC. <u>24</u> IWI	P. <u>21-S</u> RGE. <u>25-E</u>
SURVEY	N.M.P.M.
COUNTY	EDDY
DESCRIPTION_1	117' FNL & 1147' FWL
ELEVATION	3368'
OPERATOR	PURE RESOURCES, L.P.
LEASE CATC	LAW DRAW FEDERAL





LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: CARLSBAD WEST, N.M. - 20'



PROVIDING SURVEYING SERVICES SINCE 1948 JOHN WEST SURVEYING COMPANY 412 N. DAL PASO HOBBS, N.M. 88240 (505) 383-3117

APPLICATION TO DRILL

PURE RESOURCES, L.P. CATCLAW DRAW UNIT # 19 UNIT "D" SECTION 24 T21S-R25E EDDY CO. NM

In response to questions asked under Section II of Bulletin NTL-6 the following information on the above well is provided for your consideration.

- 1. Location: 1117' FNL & 1147' FWL SECTION 24 T21S-R25E EDDY CO. NM
- 2. Elevation above Sea Level: 3368
- 3. Geologic name of surface formation: Quaternery Aeolian Deposits.
- 4. <u>Drilling tools and associated equipment:</u> Conventional rotary drilling rig using drilling mud as a circulating medium for solids removal from hole.
- 5. Proposed drilling depth: 10,600'
- 6. Estimated tops of geological markers:

Delaware	1591'	Strawn	9166'
Bone Spring	3966'	Atoka	9586 '
Wolfcamp	7691'	Morrow	9966'
Penn	8626'	Barnett	10491'

7. Possible mineral bearing formations:

Wolfcamp	Gas	Atoka	Gas
Strawn	Gas	Morrow	Gas

8. Casing program:

Hole size	Interval	OD of casing	Weight	Thread	Collar	Grade
25"	0-40'	20"	NA	NA	NA	Conductor
17½"	0-350	13 3/8"	48	8-R	ST&C	H-40
12½"	0-1750'	9 5/8"	36	8-R	ST&C	J - 55
8 3/4"	0-10,600'	5½"	17	8-R	LT&C	N-80

APPLICATION TO DRILL

PURE RESOURCES, L.P. CATCLAW DRAW UNIT # 19 UNIT "D" SECTION 24 T21S-R25E EDDY CO. NM

9. CEMENTING & CASING SETTING DEPTH:

20"	Conductor	Set 40 ' of 20 '' conductor and cement to surface with Redi-mix.
13 3/8"	Surface	Set 350' of 13 $3/8$ " $48\#$ H-40 ST&C casing. Cement with 350 Sx. of Class "C" cement + additives, circulate cement to surface.
9 5/8"	Intermediate	Set 1750' of 9 5/8" $36\#$ J-55 ST&C casing. Cement with 500 Sx. of 35/65 POZ $+\frac{1}{2}\#$ Flocele/Sx. $+$ 6% Bentonite, tail in with 200 Sx. of Class "C" cement $+$ 2% CaCl, circulate cement to surface.
515"	Production	Set 10,600' of $5\frac{1}{2}$ " 17# P-110 LT&C casing. Cement with 1500 Sx. of 50/50/10 Class "H" POZ + additives, tail in with 500 Sx. of Class "H" $50/50/10$ + additives, estimate top of cement 2300' from surface.

10. PRESSURE CONTROL EQUIPMENT: Exhibit "E" shows a Series 1500 5000 PSI working pressure B.O.P. consisting of a annular bag type preventor with middle blind rams, and bottom pipe rams. This B.O.P. will be nippled up on the 13 3/8" casing and tested to API specifications. The B.O.P. will be operated at least once each 24 hour period, and blind rams will be worked when drill pipe is out of hole. Exhibit "E-1" shows a hydraucally operated closing unit with a 3" 5000 PSI choke manifold with dual adjustable chokes. No abnormal pressures are expected in this well as knowledge of pressures present in this area is well known.

11. PROPOSED MUD CIRCULATING SYSTEM"

	4	e e e e		
DEPTH	MUD WT.	VISC.	FLUID LOSS	TYPE MUD SYSTEM
: 40–350'	8.4-8.7	29-34	NC	Fresh water add paper to control seepage. 163
350-1750'	8.4-8.8	28-32	NC	Fresh water use paper to control seepage and use high viscosity sweeps to clean hole.
1750-10,000'	8.4-9.0	28-40		Same as above.
10,000-10,600	8.8-9.2	32-38	6-8 cc or less	Cut brine use a Dris-pac system to control water loss & use high viscosity

Sufficiant mud materials will be kept on location at all times in order to combat lost circulation or unexpected kicks. In order to run DST's, logs, and casing viscosity and water loss may have to be adjusted to meet these needs.

APPLICATION TO DRILL

PURE RESOURCES, L.P. CATCLAW DRAW UNIT # 19 UNIT "D" SECTION 24 T21S-R25E EDDY CO. NM

12. LOGGING, CORING, AND TESTING PROGRAM:

- A. Open hole logs: Run Dual Induction logs, CNL, LDT, Gamma Ray, Caliper from TD bsck to 1750'. or 9 5/8" casing shoe.
- B. Run Gamma Ray, CNL from 9 5/8" casing shoe back to surface.
- C. No cores or DST's are planned at this time.

13. POTENTIAL HAZARDS:

No abnormal pressures or temperatures are expected. There is no known presence of ${\rm H}^2{\rm S}$ in this area. If ${\rm H}^2{\rm S}$ is encountered the operator will comply with the provisions of Onshore Oil and Gas Order No. 6. No lost circulation is expected to occur. All personnel will be familiar with all aspects of safe operation of equipment being used to drill this well. Estimated BHP 6500 PSI, and Estimated BHT 190°.

14. ANTICIPATED STARTING DATE AND DURATION OF OPERATION:

Road and location construction will begin after the BLM has approved the APD. Anticipated spud date will be as soon after BLM approval and as soon as a rig will be available. Move in operation and drilling is expected to take 27 days. If production casing is run then an additional 30 days will be needed to complete well and construct surface facilities and/or lay flowlines in order to place well on production.

15. OTHER FACETS OF OPERATIONS:

After running casing, cased hole Gamma Ray, Neutron Collar logs will be run from TD back to all possible productive zones. The MORROW formation will be perforated and stimulated in order to establish production. The well will be swab tested and potentialed as a gas well.

HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

- 1. All Company and Contract personnel admitted on location must be trained by a qualified H₂S safety instructor to the following:
 - A. Characteristics of H₂S
 - B. Physical effects and hazzards
 - C. Proper use of safety equipment and life support systems.
 - D. Principle and operation of ${\rm H}_2{\rm S}$ detectors, warning system and briefing areas.
 - E. Evacuation procedure, routes and first aid.
 - F. Proper use of 30 minute pressure demand air pack.
- 2. H₂S Detection and Alarm Systems
 - A. H₂S detectors and audio alarm system to be located at bell nipple, end of blooie line (mud pit) and on derrick floor or doghouse.
- 3. Windsock and/or wind streamers
 - A. Windsock at mudpit area should be high enough to be visible.
 - B. Windsock at briefing area should be high enough to be visible.
 - C. There should be a windsock at entrance to location.
- 4. Condition Flags and Signs
 - A. Warning sign on access road to location.
 - B. Flags to be displayed on sign at entrance to location. Green flag, normal safe condition. Yellow flag indicates potential pressure and danger. Red flag, danger, H2S present in dangerous concentration. Only emergency personnel admitted to location.
- 5. Well control equipment
 - A. See exhibit "E" & "E-1"
- 6. Communication
 - A. While working under masks chalkboards will be used for communication.
 - B. Hand signals will be used where chalk board is inappropriate.
 - C. Two way radio will be used to communicate off location in case of emergency help is required. In most cases cellular telephoned will be available at most drilling foreman's trailer or living quarters.
- 7. Drillstem Testing
 - A. Exhausts will be watered.
 - B. Flare line will be equipped with an electric ignitor or a propane pilot light in case gas reaches the surface.
 - C. If the location is near to a dwelling a closed DST will be performed.

- 8. Drilling contractor supervisor will be required to be familiar with the effects H2S has on tubular goods and other mechanical equipment.
- 9. If H_2S is encountered, mud system will be altered if necessary to maintain control of formation. A mud gas seperator will be brought into service along with H_2S scavengers if necessary.

PURE RESOURCES, L.P.
CATCLAW DRAW UNIT # 19
UNIT "D" SECTION 24
T21S-R25E EDDY CO. NM

- 1. EXISTING ROADS & PROPOSED ROADS: Area maps; Exhibit "B" is a reproduction of a County General Hi-way Map. Exhibit "C" is a reproduction of a USGS Topographic Map, showing existing and proposed roads. All existing roads will be maintained in a condition equal to or better than current conditions. Any new roads will be constructed to BLM specifications.
 - A. Exhibit "A" shows the proposed well site as staked.
 - B. From Carlsbad New Mexico take U.S. Hi-way 285 NORTH for approximately 9 miles to CR # 407 (Douglas Fir Road), turn Left go 1.6 miles bear Left go .9 miles turn Left go .5 miles turn Left (North) go 600±' to location.
 - C. Exhibit "C" will show route of Flowline to gas sales line.
- 2. PLANNED ACCESS ROADS: Approximately 600' of new road will be consturcted.
 - A. The access roads will be crowned and ditched to a 12' wide travel surface with a 40' Right-of-Way.
 - B, Gradient of all roads will be less than 5.00%.
 - C. If turn-outs are necessary they will be constructed.
 - D. If needed roads will be surfaced with a mimimum of 4" of caliche. This material will be obtained from a local source.
 - E. Center-line for new roads will be flagged. Earth-work will be will be done as field conditions require.
 - F. Culverts will be placed in the access road if they are necessary. The roads will be constructed to utilaze low water crossings for drainage as required by topography.
- 3. LOCATIONS OF EXISTING WELLS IN A ONE MILE RADIUS. EXHIBIT "A-1"
 - A. Water wells One 1.5 miles Northwest of location.
 - B. Disposal wells None known
 - C. Drilling wells None known
 - D. Producing wells As shown on Exhibit "A-1"
 - E. Abandoned wells As shown on Exhibit "A-1"

PURE RESOURCES, L.P.
CATCLAW DRAW UNIT # 19
UNIT "D" SECTION 24
T21S-R25E EDDY CO. NM

4. If on completion this well is a producer the operator will lay pipelines and construct powerlines along existing road R-O-W's or other existing R-O-W's. Possible routes of pipelines, flowlines and powerlines are shown on Exhibit "C".

5. LOCATION AND TYPE OF WATER SUPPLY:

Water will be purchased locally from a commercial source and trucked over the access roads or piped to location in flexible lines laid on top of the ground.

6. SOURCE OF CONSTRUCTION MATERIAL:

If possible construction material will be obtained from the excavation of drill site, if additional material is needed it will be obtained from a local source and transported over the access roads as shown on Exhibit "C".

7. METHODS OF HANDLING WASTE MATERIAL:

- A. Drill cuttings will be disposed of in the reserve pits.
- B. All trash, junk and other waste material will be contained in trash cages or trash bins to prevent scattering. When the job is completed all contents will be removed and disposed of in a approved sanitary land fill.
- C. Salts remaining after completion of well will be picked up by the supplier, including broken sacks.
- D. Waste water from living quaters will be drained into holes with a minium of 10'. These holes will be covered during drilling and will be back filled when the well is completed. A Porto-John will be provided for the rig crews. This equipment will be properly maintained during the drilling and completion operations and will be removed when all operations are complete.
- E. Remaining drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry enough to be broken out for furthed drying. If the drilling fluids do not evaporate in a reasonable time they will be hauled off by transports to a state approve disposal site. Later pips will be broken out to speed drying. Water produced during completion will be put in reserve pits. Oil and condensate produced will be put in storage tanks and sold.

8. ANCILLARY FACILITIES:

A. No camps or air strips will be constructed on location.

PURE RESOURCES, L.P.
CATCLAW DRAW UNIT # 19
UNIT "D" SECTION 24
T21S-R25E EDDY CO. NM

9. WELL SITE LAYOUT

- A. Exhibit "D" shows the proposed well site layout.
- B. This exhibit indicated proposed location of reserve and sump pits and living facilities.
- C. Mud pits in the active circulating system will be steel pits & the reserve pit is proposed to be unlined unless subsurface condition encountered during pit construction indicate that lining is needed for lateral containment of fluids.
- D. If needed, the reserve pit is to be lined with polyethelene. The pit liner will be 6 mils thick. Pit liner will extend a minimum 2'00" over the reserve pits dikes where the liner will be anchored down.
- E. The reserve pit will be fenced on three sides with four strands of barbed wire during drilling and completion phases. The fourth side will be fenced after all drilling operations have ceased. If the well is a producer, the reserve pit fence will be torn down. The reserve pit and those areas of the location not essential to production facilities will be reclaimed and seeded per BLM requirements.

10. PLANS FOR RESTORATION OF SURFACE

Rehabilitation of the location and reserve pit will start in a timely manner after all drilling operations cease. The type of reclamation will depend on whether the well is a producer or a dry hole.

However, in either event, the reserve pit will be allowed to dry properly, and fluid removed and disposed of in accordance with Article 7.B as previously noted. The pit area will then be leveled and contoured to conform to the original and surrounding area. Drainage systems, if any, will be reshaped to the original configuration with provisions made to alleviate erosion. These may need to be modified in certain circumstances to prevent inundation of the location's pad and surface facilities. After the area has been shaped and contoured, topsoil from the spoil pile will be placed over the disturbed area to the extent possible. Revegetation procedures will comply with BLM standards.

If the well is a dry hole, the pad and road area will be contoured to match the existing terrain. Topsoil will be spread to the extent possible. Revegetation will comply with BLM standards.

Should the well be a producer, the previously noted procedures will apply to those areas which are not required for production facilities.

PURE RESOURCES, L.P. CATCLAW DRAW UNIT # 19 UNIT "D" SECTION 24 T21S-R25E EDDY CO. NM

11. OTHER INFORMATION:

- A. Topography consists of shallow valley drainages, that drains into Adobe Flat then Easterly into Hackberry Draw. Vegetation consists of Gamma Rrass, Bunch Grass, Snakeweed, Barrel. Cactus, Scattered Mesquite and Creosote.
- 3. The surface is owned by Lonnie & Paula Evans 35 Queens Highway, Carlsbad, New Mexico 88220. Phone 505-457-2368. The minerals are owned by The U.S Department of Interior and is administered by The Bureau of Land Management.
- C. An archaeological survey has been completed and is on file with the Carlsbad Bureau Of Land Management Field Office.
- D. There are no domestic dwellings located within one mile of the location.

12. OPERATORS REPRESENTIVE:

Before construction:

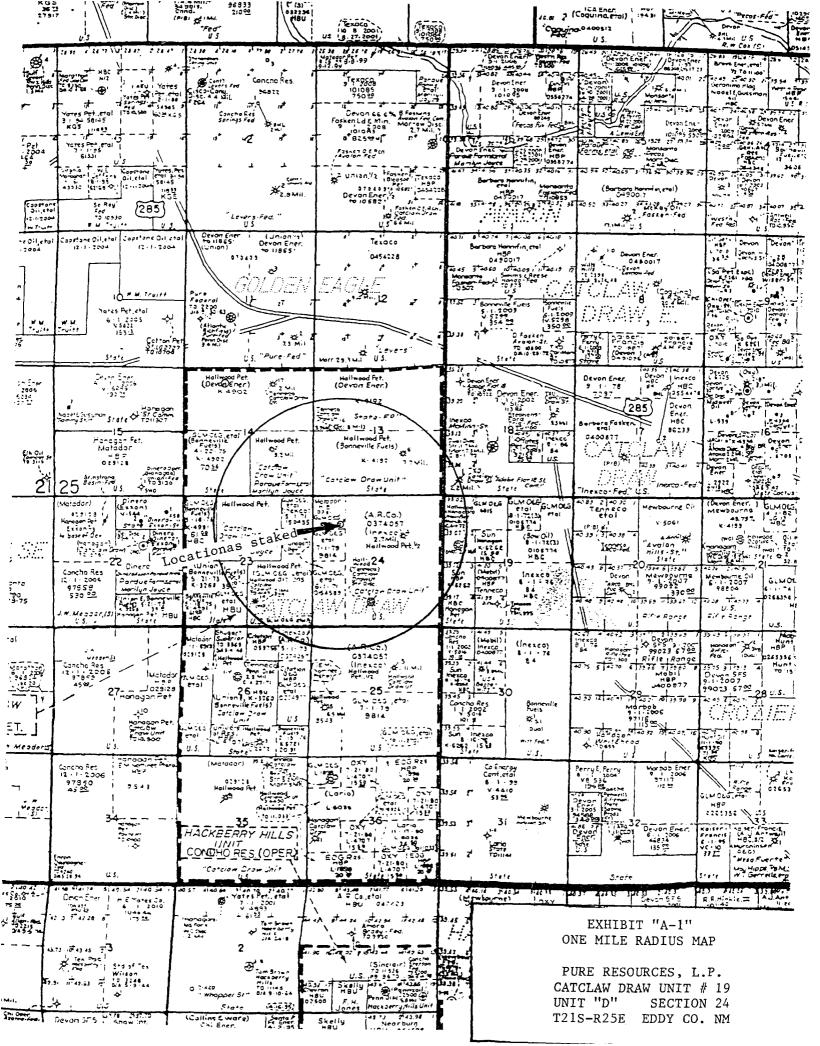
TIERRA EXPLORATION, INC. P.O. BOX 2188 HOBBS, NEW MEXICO 88241 JOE T. JANICA OFFICE PHONE 505-391-8503

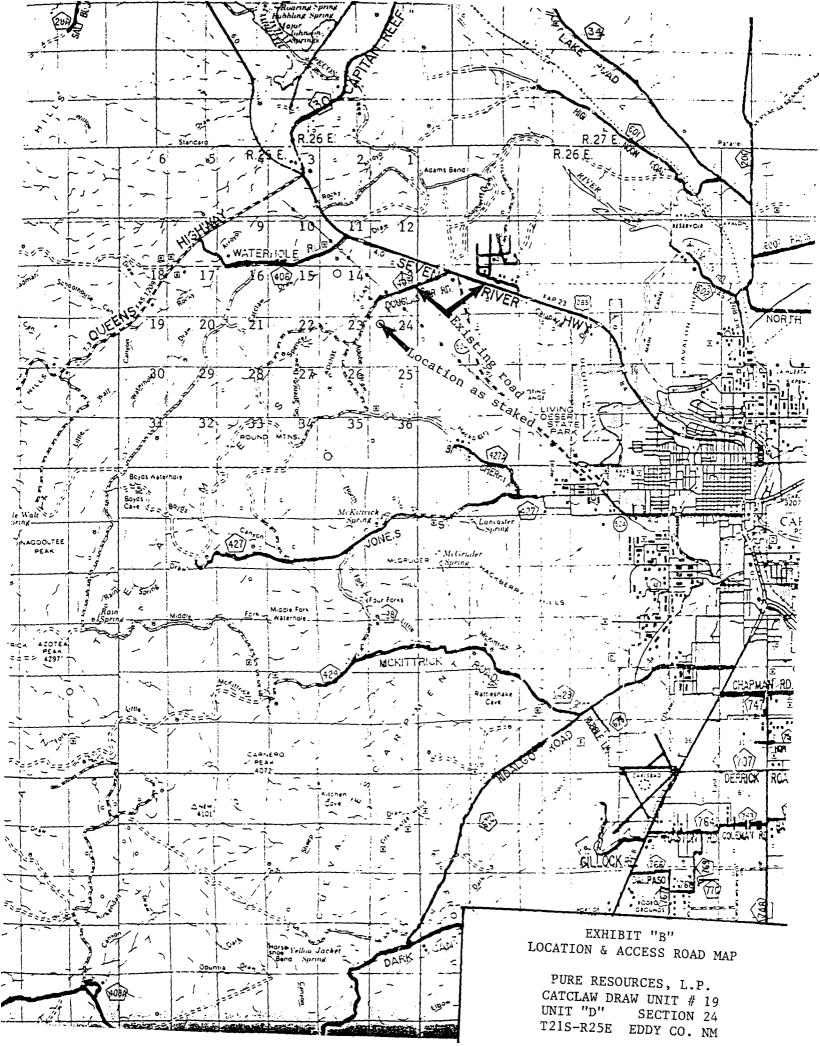
During and after construction:

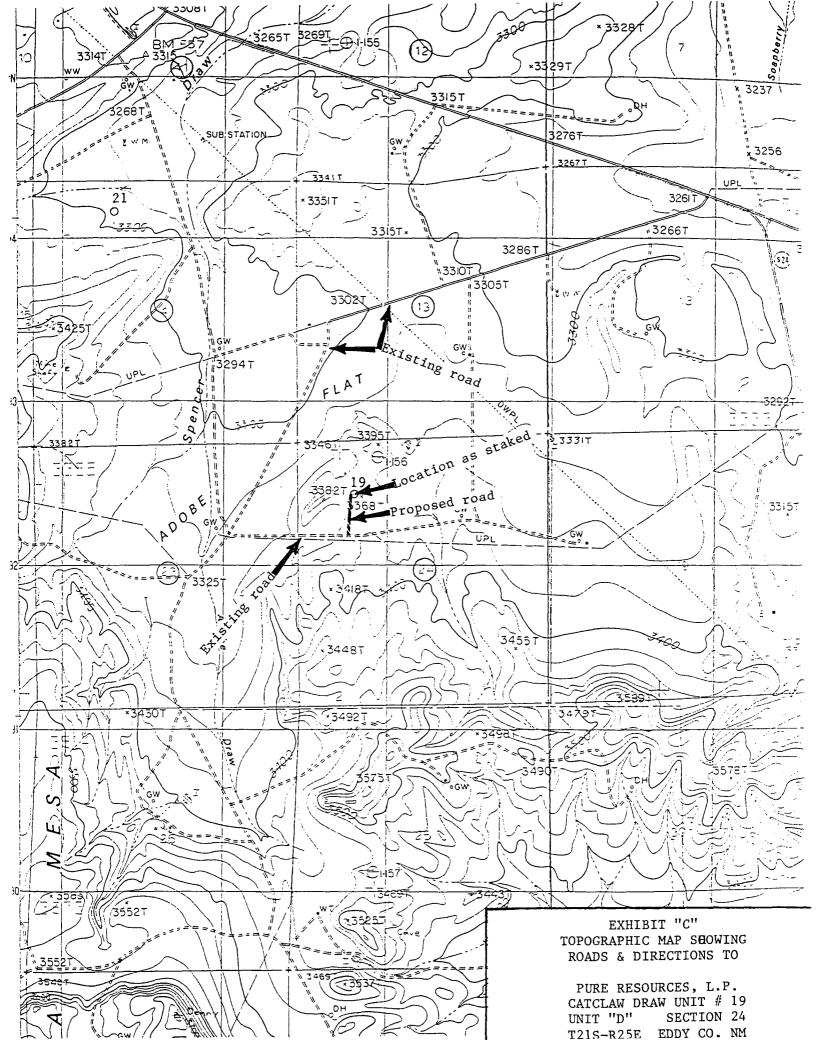
PURE RESOURCES, L.P.
500 WEST ILLINOIS
MIDLAND, TEXAS 79701
KEN KRAWIETZ
OFFICE PHONE 432-498-2655

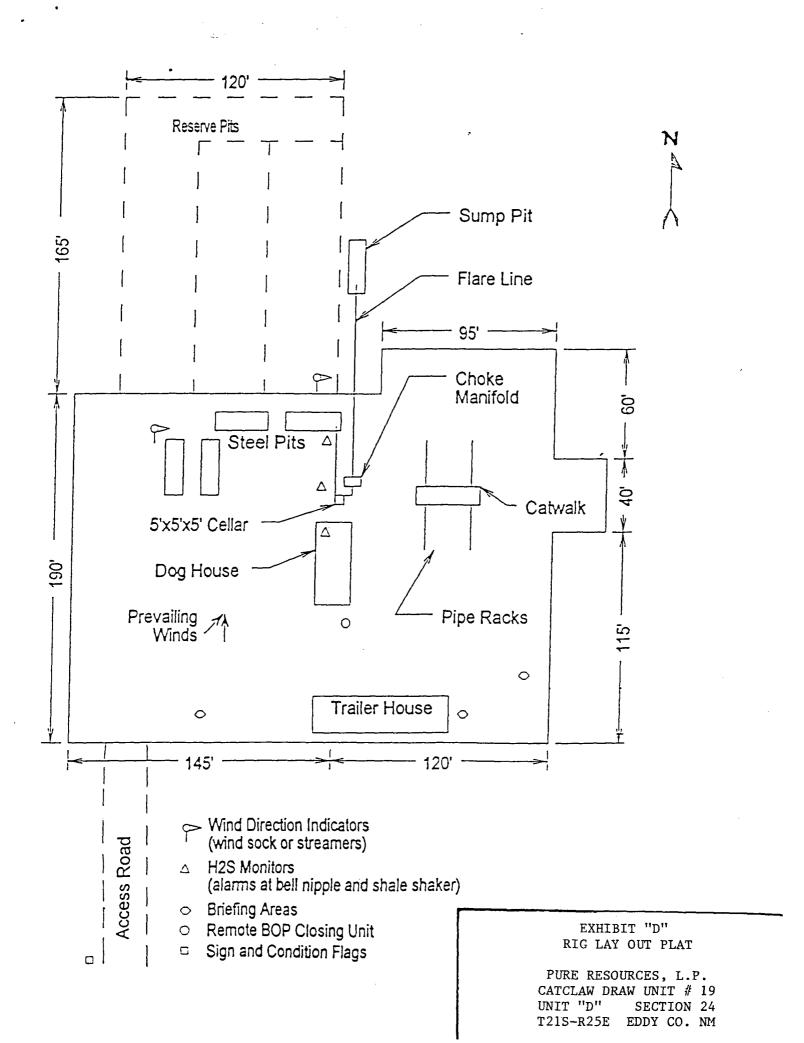
13. CERTIFICATION: I hereby certify that I or persons under my direct supervision have inspected the proposed drill site and access route, that I am familiar with the conditions which currently exist, that the statements made in this plan are to the best of my knowledge, are true and correct, and that the work associated with the operations proposed herein will be performed by PURE RESOURCES, L.P., it's contractors/subcontractors is in the conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provision of U.S.C. 1001 for the filing of a false statement.

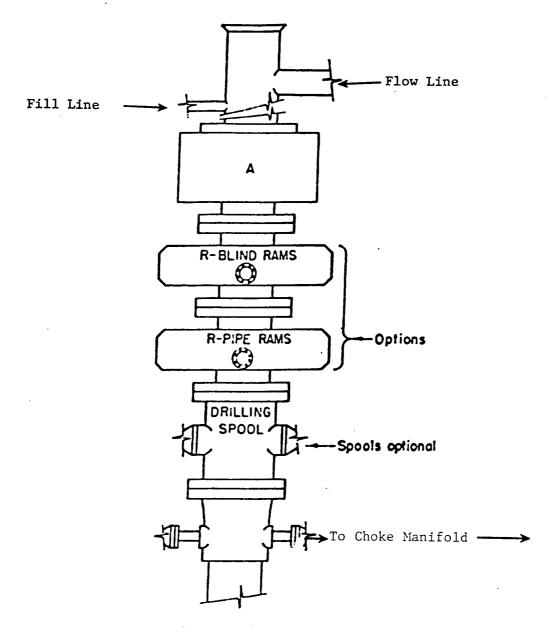
NAME	: <u>J</u>	oe T. Janio	ca C	e-T	Join	124
DATE	:	07/25/04				
TITLE	:	Agent				











ARRANGEMENT SRRA

1500 Series 5000# Working Pressure

EXHIBIT "E"
SKETCH OF B.O.P. TO BE USED ON

PURE RESOURCES, L.P.
CATCLAW DRAW UNIT # 19
UNIT "D" SECTION 24
T21S-R25E EDDY CO. NM



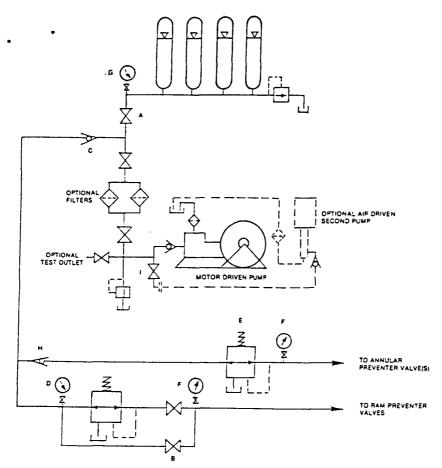


FIGURE K6-1. The schematic sketch of an accumulator system shows required and optional components.

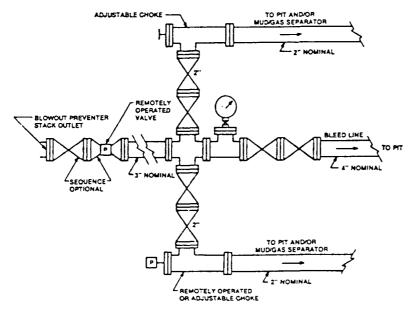


FIGURE K4-2. Typical choke manifold assembly for 5M rated working pressure service — surface installation.

EXHIBIT "E-1"
CHOKE MANIFOLD & CLOSING UNIT

PURE RESOURCES, L.P.
CATCLAW DRAW UNIT # 19
UNIT "D" SECTION 24
T21S-R25E EDDY CO. NM

P.O. Box 10152 Midland, Texas 79702 432-682-4002 432-684-4741 Fax

7007 NOV 12 PM 1 01

CARLSDAD FIELD OFFICE November 10, 2004

Ms. Linda Denniston Bureau of Land Management 620 E. Greene Carlsbad, NM 88220

RE: Surface Use Agreement - Pure Resources, L.P.
Catclaw Draw Federal #19 Well
1,117' FNL & 1,147' FWL Section 24, T-21-S, R-25-E, N.M.P.M.
Eddy County, New Mexico

Dear Ms. Denniston:

Pursuant to our recent telephone conversation, please be advised that Pure Resources, L.P. has made an agreement with the surface owner, Truitt Ranch, for the purposes of the drilling and operation of the captioned well. Should you need to confirm this, you may contact Ms. Paula Evans with Truitt Ranch at 505-457-2368.

Should you have any questions, please advise.

Yours yeary truly,

Kenneth C. Dickeson Consulting Landman

tlblm