Form 3160-3 UNITED STATISM. Oil Cons. Dividist. 2 OMB NO. 1004-0136 (July 1992) Expires: February 28, 1995 DEPARTMENT OF THE U Grand Avenue BUREAU OF LAND MANAGEMENT NM-110332 APPLICATION FOR PERMIT TO DETILE OF DELPER 8210 6. IF INDIAN, ALLOTTER OR TRIBE NAME 1a. TYPE OF WORK 7. UNIT AGREEMENT NAME DRILL X DEEPEN b. TIPE OF WELL WELL SINGLE X MULTIPLE ZONE 8. FARM OR LEASE NAME WELL NO WEST INDIAN 111 2. NAME OF OPERATOR PURE RESOURCES, L.P. (432-498-2655) Ken Krawietz FEDERAL # 2 9. API WELL NO SUBJECT TO LIKE 30 -015-3 3. ADDRESS AND TELEPHONE NO. 500 WEST ILLINOIS AVE. MIDLAND, TEXAS 79701 APPROVAL BY STATE 10. FIELD AND POOL, OR WILDCAT 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface INDIAN BASIN-MORROW WEST 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA 2150' FSL & 1185' FEL SECTION 11 T21S-R22E EDDY CO. NM At proposed prod. zone 660' FNL & 660' FEL SECTION 11 T21S-R22E SECTION 11 T21S-R22E 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE. 12. COUNTY OR PARISH | 13. STATE Approximately 35 miles Northwest of Carlsbad New Mexico EDDY CO. NEW MEXICO 13. DISTANCE FROM PROPUSED*
LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drig, unit line, if any) 16. NO. OF ACRES IN LEASE 17. NO. OF ACRES ASSIGNED TO THIS WELL 660' 640 320 18. DISTANCE FROM PROPOSED LOCATION® PROPOSED PEPTH 20. ROTARY OR CABLE TOOLS TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. TVD 2500 9̃8̃9̃3' ROTARY 21. ELEVATIONS (Show whether DF, RT, GR, etc.) 22. APPROX. DATE WORK WILL START* WHEN APPROVED 4207' GR. 23. PROPOSED CASING AND CEMENTING PROGRAM SIZE OF HOLE GRADE, SIZE OF CASING WEIGHT PER FOOT SETTING DEPTH QUANTITY OF CEMENT 13 3/8" 175" 350' H - 4048 350 Sx. Circulate cement. 1700' 8 5/8" WITNESS 125" J-55 32 750 Sx. 5½" 7 7/8" L-80 17 9893-MD,9250-TVD 600 Sx1. Drill 17½" hole to 350'. Run and set 350' of 13 3/8" 48# H-40 ST&C casing. Cement with 350 Sx. of Class "C" cement + 2% CaCl, + 1/4# Flocele/Sx. circulate cement to surface. 2. Drill $12\frac{1}{4}$ " hole to 1700'. Run and set 1700' of 8 5/8" 32# J-55 ST&C casing. Cement with 750 Sx. of Class "C" cement + additives, circulate cement to surface. 3. Drill 7 7/8" hole to 2500'. Start directional hole at this point, drill to a TVD of 9250', MD 9883'. Run and set 9883' of $5\frac{1}{2}$ " 17# L-80 LT&C casing. Cement with 600 Sx. of Class "H" Premium Plus cement + additives, estimate top of cement 5000' TVD from surface. APPROVAL SUBJECT TO CARLSBAD CONTROLLED WATER BASIN GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED
IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or ertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any. deepen directionally, give 24. RECEIVED 02/01/05 DATE SIGNED MAR 1 2 7005 space for Federal or State office use)

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the

*See Instructions On Reverse Side

CONDITIONS OF APPROVAL, IF ANY:

/s/ Tony J. Herrell

APPROVAL DATE .

FIELD MANAGER

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

OCD-MITTENA

MAR 1 0 2005

APPRÖVAL FOR 1 YEAR

State of New Mexico

DISTRICT I 1625 N. PRENCH DR., HOBBS, NM 68240

Energy, Minerals and Natural Resources Department

Form C-102 Revised JUNE 10, 2003

4207

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

DISTRICT II 1301 W. GRAND AVENUE, ARTESIA, NM 88210

150628

DISTRICT III

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT ☐ AMENDED REPORT 1220 S. ST. FRANCIS DR., SANTA PE, NM 87505 Pool Code API Number Pool Name 79020 INDIAN BASIN-MORROW WEST Property Code Property Name Well Number WEST INDIAN "11" FEDERAL 2 Operator Name Elevation OGRID: No.

PURE RESOURCES, L.P. Surface Location

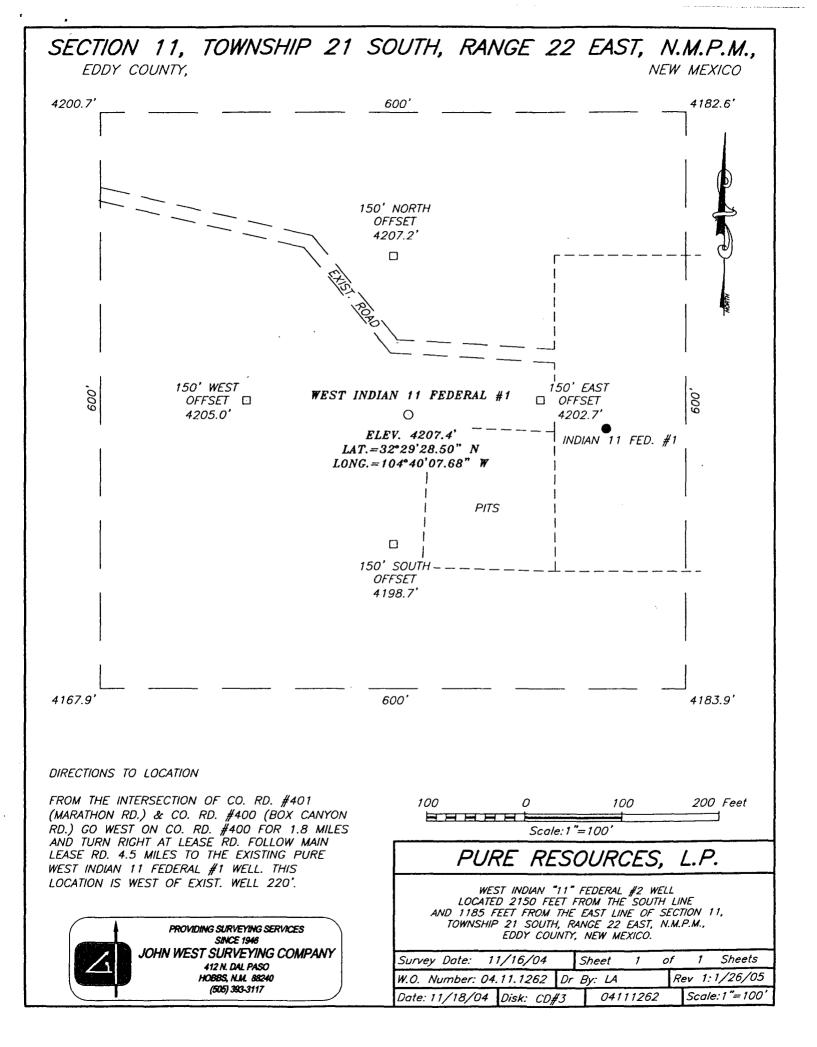
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
l	11	21-S	22-E		2150	SOUTH	1185	EAST	EDDY

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
Α	11	21-S	22-E		660	NORTH	660	EAST	EDDY
Dedicated Acre	s Joint o	r Infill Co	nsolidation	Code Or	der No.	<u> </u>			
320				1					

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED

 OR A NON-STANDARD UNIT HAS BEEN APPROVED BY TH	E DIVISION
GEODETIC COORDINATES NAD 27 NME BOTTOM HOLE LOCATION Y=545054.5 N X=397099.0 E GEODETIC COORDINATES NAD 27 NME SURFACE HOLE LOCATION Y=542592.5 N X=396564.8 E	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my inoculedge and belief. Signature Joe T. Japica Printed Name Agent Title 02/01/05 Date 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 supervison and that the same is true and correct to the best of my belief.
LAT.=32*29'28.50" N LONG.=104*40'07.68" W	NOVEMBER 16, 2004 Date Surveyed LA REV: 1/26/05 Signature & Seal of Professional Surveyor 1/26/05 Authority 1/26/05 Certificate No GARY RIDSON: 12641



APPLICATION TO DRILL

PURE RESOURCES, L.P.
WEST INDIAN "11" FEDERAL # 2
BHL UNIT "A" SECTION 11
T21S-R22E 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: Surface location 1185' FEL & 2150' FSL SEC. 11 T21S-R22E

 Bottom hole location 660' FNL & '660' FEL SEC. 11 T21S-R22E
- 2. Elevation above Sea Level: 4207' GR.
- 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: MD 9883; TVD 9250'
- 6. Estimated tops of geological markers:

Abo Shale	2250'	Atoka	8430'
Wolfcamp	4675'	Morrow	8630'
Cisco	6550'	Chester	9100'
Strawn	8310'		

7. Possible mineral bearing formations:

Cisco	Gas	Atoka	Gas
Strawn	Gas	Morrow .	Gas

8. Casing program:

Hole size	Interval	OD of casing	Weight	Thread	Collar	Grade
17½"	0-350'	13 3/8"	48#	8-R	ST&C	H-40
12½"	0-1700'	8 5/8"	32#	8-R	ST&C	J - 55
5½''	0-9883' MD	5 ¹ 2''	17	8-R	LT&C	L-80

APPLICATION TO DRILL

PURE RESOURCES, L.P.
WEST INDIAN "11" FEDERAL # 2
BHL UNIT "A" SECTION 11
T21S-R22E EDDY CO. NM

9. CEMENTING & SETTING DEPTH:

13 3/8"	Surface	Set 350' of 13 3/8" 48# H-40 ST&C casing. Cement with 350 Sx. of Class "C" cement + 2% CaCl, + $\frac{1}{4}$ # Flocele/Sx. Circulate cement to surface.
8 5/8"	Intermediate	Set 1700' of 8 5/8" 32# J-55 ST&C casing. Cement with 750 Sx. of Class "C" cement + additives, circulate cement to surface.
5½"	Production	Set 9883' of $5\frac{1}{2}$ " 17# L-80 LT&C casing. Cement with 600 Sx. of Class "H" cement + additives, estimate top of cement 5000' (TVD) from surface.

PRESSURE CONTROL EQUIPMENT: Exhibit "E" shows a 900 Series 3000 PSI working pressure B.O.P. consisting of an annular bag type preventor, middle blind rams, and bottom pipe rams. The B.O.P. will be nippled up on the casing and tested to API specifications. The B.O.P. will be operated at least once in each 24 hour period and the blind rams will be operated when the drill pipe is out of hole on trips. Full opening stabbing valve and upper kelly cock will will be utilized. Exhibit "E-1" shows a hydraulically operated closing unit and a 2" 3000 PSI choke manifold with dual adjustable chokes. No abnormal pressures or temperatures are expected in this well.

11. PROPOSED MUD CIRCULATING SYSTEM:

DEPTH	MUD WT.	VISC.	FLUID LOSS	TYPE SYSTEM
		.*		
0-350'	AIR	AIR	AIR	Drill with air.
350-1700'	AIR	AIR	AIR	Drill With Air
1700-7000'	9.8-10.0	29–36	NC	Cut Brine use paper to control seepage and high viscosity sweeps to clean hole.
7000-9885±'	9.8-10.1	34–38	8-10 cc or less	Cut Brine water use a XCD Polymer to control water loss and high viscosity sweeps to clean hole.

Sufficient 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, open hole logs, & casing the viscosity and/or water loss may have to be adjusted to meet these needs.

APPLICATION TO DRILL

PURE RESOURCES, L.P.
WEST INDIAN "11" FEDERAL # 2
BHL UNIT "A" SECTION 11
T21S-R22E EDDY CO. NM

12. LOGGING, CORING, AND TESTING PROGRAM:

- A. Open hole logs: Dual Laterolog, SNP, LDT, Gamma Ray, Caliper from TD back to the 8 5/8" casing shoe.
- B. Cased hole log: Gamma Ray, Neutron from 8 5/8" casing shoe to surface.
- C. Mud logger on hole when Geologist deems best to detect shows.
- D. DST's and cores as formation evaluation dictates.

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 4600 PSI, and Estimated BHT 180°.

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 48 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 <u>Morrow</u> formation will be perforated and stimulated in order to establish production. The well will be swab tested and potentialed as a gas well.

- 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 H₂S 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. WEST INDIAN "11" FEDERAL # 2 BHL UNIT "A". SECTION 11

- 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 NM take U.S. Hi-way 285 North 12± miles to State road 137 (Queens Hi-way) turn Left go 9 miles to Co Road 401 (Marathon road) bear Right follow CR 401 8.25± miles, bear Right follow main road 1.8± miles turn Right follow road North 1.75± miles to dry hole marker on the West side of road, bear Left for .8 miles bear Right follow 2 tract road .75 miles to gate on pipeline go through gate and continue on 2 tract road North to stock pens and windmill, go North past mill and turn Right and follow road approximately .8 miles to location.
 - C. If well is productive pipeline connection will be made as shown on Exhibit "F"
- 2. PLANNED ACCESS ROADS: No new or additional roads will be required.
 - 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 approximately .8 miles West 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. WEST INDIAN "11" FEDERAL # 2 BHL UNIT "A". SECTION 11

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.
WEST INDIAN "11" FEDERAL # 2
BHL UNIT "A". SECTION 11

9. WELL SITE LAYOUT:

- A. Exhibit "D" shows the proposed well site layout.
- B. This Exhibit shows the location of reserve pit, sump pits, and living facilities.
- C. Mud pits in the active circulating system will be steel pits and the reserve pits will be unlined unless subsurface conditions encontered during pit construction indicate that a plastic liner is required to contain lateral migration.
- D. If needed the reserve pits will be lined with polyethelene. The pit liner will be no less than 6 mils thick and the liner will be extended at least 3 feet over the top of the dikes and secured in place to keep edge of liner in place.
- E. The reserve pit will be fenced on three sides and fenced with four strands of barbed wire during drilling and completionphases. The 4th side will be fenced after drilling operations are complete and the drilling rig has moved out. If the well is a producer the mud pits will remain fenced in until the mud has dried up enough to break out the pits and reclaimed according to BLM requirements.

10. PLANS FOR RESTORATION OF SURFACE:

Rehabilitation of the location and reserve pits will be allowed to dry properly, fluids may be moved and disposed of in accordance with article 7-E 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 furture erosion. In case of the well completed as a producer the drilling pad will be necessary to construct production facilities. After the area has been shaped and contoured top soil from the spoil pile will be placed over the disturbed area to the extent possible so that revegetation procedures can be accomplished to comply with the BLM specifications.

If the well is a dry hole the pad and road area will be contoured to match the existing terrain. Top soil will be spread to the extent possible and revegetation will be carried out according to the BLM specifications.

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.
WEST INDIAN "11" FEDERAL # 2
BHL UNIT "A" SECTION 11

11. OTHER INFORMATION:

- A. Topography consists of Limestone hills cut by deep canyons. The location is North of Stinking Draw, surface soils in the canyons are sandy and rocky on the slopes. Vegetation consists of Acacia, Little Leaf Sumac, Lechuguilla, Yucca, Sotol, Prickley Pear, Cholla, Algerita and Creosote.
- B. Surface is owned by the U.S. Government and is administered by the Bureau of Land Management. The surface is used for grazing livestock and the production of oil and gas.
- C. An archaeological survey will be conducted on the location and access roads. This report will be filed with The Bureau of Land Management in the Carlsbad field office.

D.

12. OPERATORS REPRESENTIVES:

Before construction:

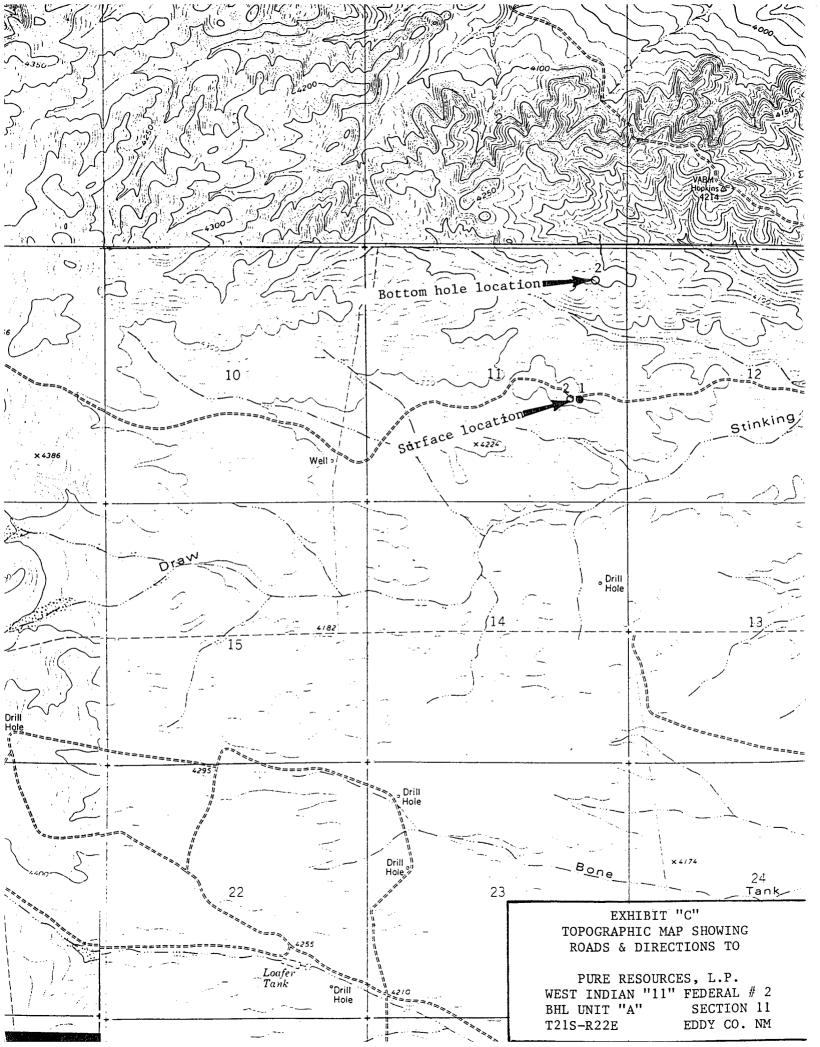
TIERRA EXPLORATION, INC P.O. BOX 2188
HOBBS, NEW MEXICO 88241
OFFICE Ph. 505-391-8503
JOE T. JANICA

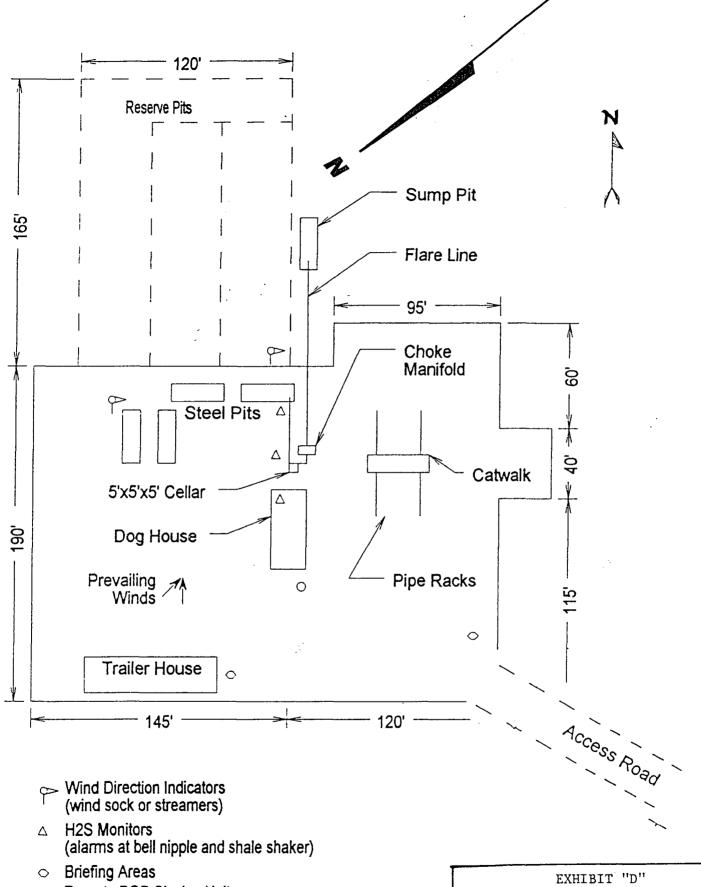
During and after construction:

PURE RESOURCES, L.P.
500 WEST ILLINOIS
MIDLAND, TEXAS 79701
J. ROBERT READY 432-498-8619
KEN KRAWIETZ 432-498-2655

13. CERTIFICATION: I hereby certify that I, or persons under my direct supervision have inspected the proposed drill site and access roads, and that I am fimiliar with the conditions which currently exist, that the statements made in this 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 PURE RESOURCES, L.P. it's contractors/subcontractors is in compformity 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 report.

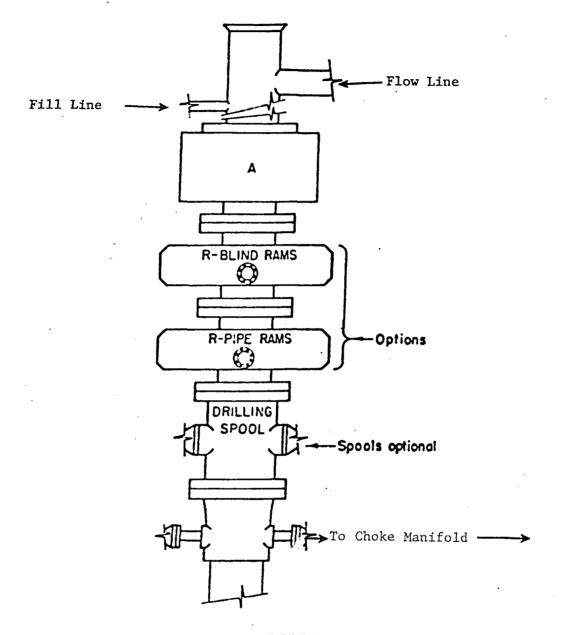
NAME (:)	001	Jan	uca
DATE /;	02/01		·
TITUZ : Ager	ıt		





Remote BOP Closing Unit
 Sign and Condition Flags

RIG LAY OUT PLAT
PURE RESOURCES, L.P.
WEST INDIAN "11" FEDERAL # 2
BHL UNIT "A" SECTION 11
T21S-R22E EDDY CO. NM



ARRANGEMENT SRRA

1500 Series 5000# Working Pressure

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

PURE RESOURCES, L.P.
WEST INDIAN "11" FEDERAL # 2
BHL UNIT "A" SECTION 11
T21S-R22E EDDY CO. NM



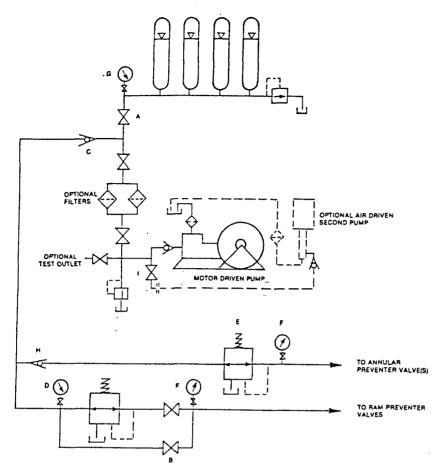


FIGURE K6-1. The schematic sketch of an accumulator system shows required and optional components.

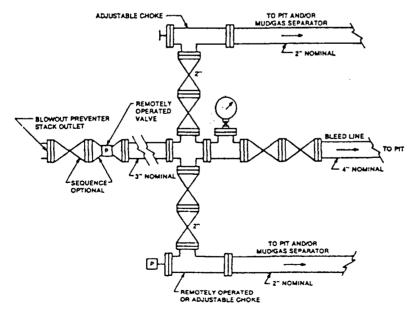


FIGURE K4-2. Typical choke manifold assembly for 5M rated working pressure service — surface installation.

EXHIBIT "E-1"
CHOKE MANIFOLD & CLOSING UNIT

PURE RESOURCES, L.P.
WEST INDIAN "11" FEDERAL # 2
BHL UNIT "A" SECTION 11
T21S-R22E EDDY CO. NM