

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER



FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NM 0554497
1b. Type of Well: <input 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 #25
3a. Address 214 WEST TEXAS, SUITE 1250 MIDLAND, TEXAS 79701		8. Lease Name and Well No. ROSS DRAW #25 11808
3b. Phone (do not include area code) (432) 682-1797		9. API Well No. 30-05-3549.6
4. Location of Well (Report location clearly and in accordance with the State requirements*) At surface 2336' FSL, 1831' FWL 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 34 miles Southeast of Carlsbad, New Mexico		11. Sec., T., R., M., or Bk. and Survey or Area SEC 26, T-26S, R-30E
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) 2336' FSL	16. No. of acres in lease 80	17. Spacing Unit dedicated to this well 40
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1831' FWL	19. Proposed Depth 7400'	20. BLM/BIA Bond No. on file NM 2469
21. Elevations (Show whether DF, KDB, RT, GL, etc) 3221' GL	22. Approximate date work will start*	23. Estimated duration 30 days

UNORTHODOX
LOCATION

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

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

25. Signature <i>Margaret W. Hillin</i>	Name (Printed Type) Margaret W. Hillin	Date 07/11/06
Title Agent (432) 682-1797		

Approved by (Signature) <i>/s/ James Stovall</i>	Name (Printed Type) /s/ James Stovall	Date AUG 15 2006
Title ACTING 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)

NSL-

If earthen pits are used in association with the drilling of this well, an OCD pit permit must be obtained prior to pit construction.

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED

CARLSBAD CONTROLLED WATER BASIN

Witness Surface Casing

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

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

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

'API Number 30-01535496		'Pool Code 52790		'Pool Name Ross Draw; Delaware	
'Property Code		'Property Name Ross Draw Unit			'Well Number 25
'OGRID No. 11158		'Operator Name J. C. Williamson			'Elevation 3221

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	26	26S	30E		2336	South	1831	West	Eddy

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
'Dedicated Acres 40		'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.

¹⁶ 					¹⁷ OPERATOR CERTIFICATION <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 in a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i> Dee Ann Carlisle 3-27-07 Signature Date Dee Ann Carlisle Printed Name Agent	
					¹⁸ SURVEYOR CERTIFICATION <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> Refer to Original Plat Date of Survey Signature and Seal of Professional Surveyor:	
					Certificate Number	

APPLICATION FOR DRILLING
J.C. WILLIAMSON
WELL ROSS DRAW #25
2336' FSL, 1831' FWL, Sec 26, 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'
Top of Brushy Draw	5680'

3. ANTICIPATED POSSIBLE WATER AND HYDROCARBON BEARING ZONES:

Fresh Water Above	300'
Oil: Delaware	3520'

4. PROPOSED CASING AND CEMENTING PROGRAM:

WITNESS

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 725 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.

5-1/2" 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 5-1/2" 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:

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 or about August 12, 2006

SURFACE USE AND OPERATIONS PLAN

J.C. WILLIAMSON
WELL ROSS DRAW #25
2336' FSL, 1831' FWL, Sec 26, 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 #2.
- B. If the proposed well is completed for production, the tank battery for this well will be the battery constructed for the Ross Draw #2, 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 #2 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 SW/4 SW/4 of Sec. 26, T-26-S, R-30-E, Eddy County, New Mexico.

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. These pits have been dug.
- 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 the major rig components. Pits have been dug.
- B. Only minor leveling of the well site will be required, no significant cut and 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 six 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 mile 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:

TOM M. RAGSDALE
SIANA OPERATING, LLC
P. O. BOX 10303
MIDLAND, TEXAS 79702
Office Phone: (432) 687.6600

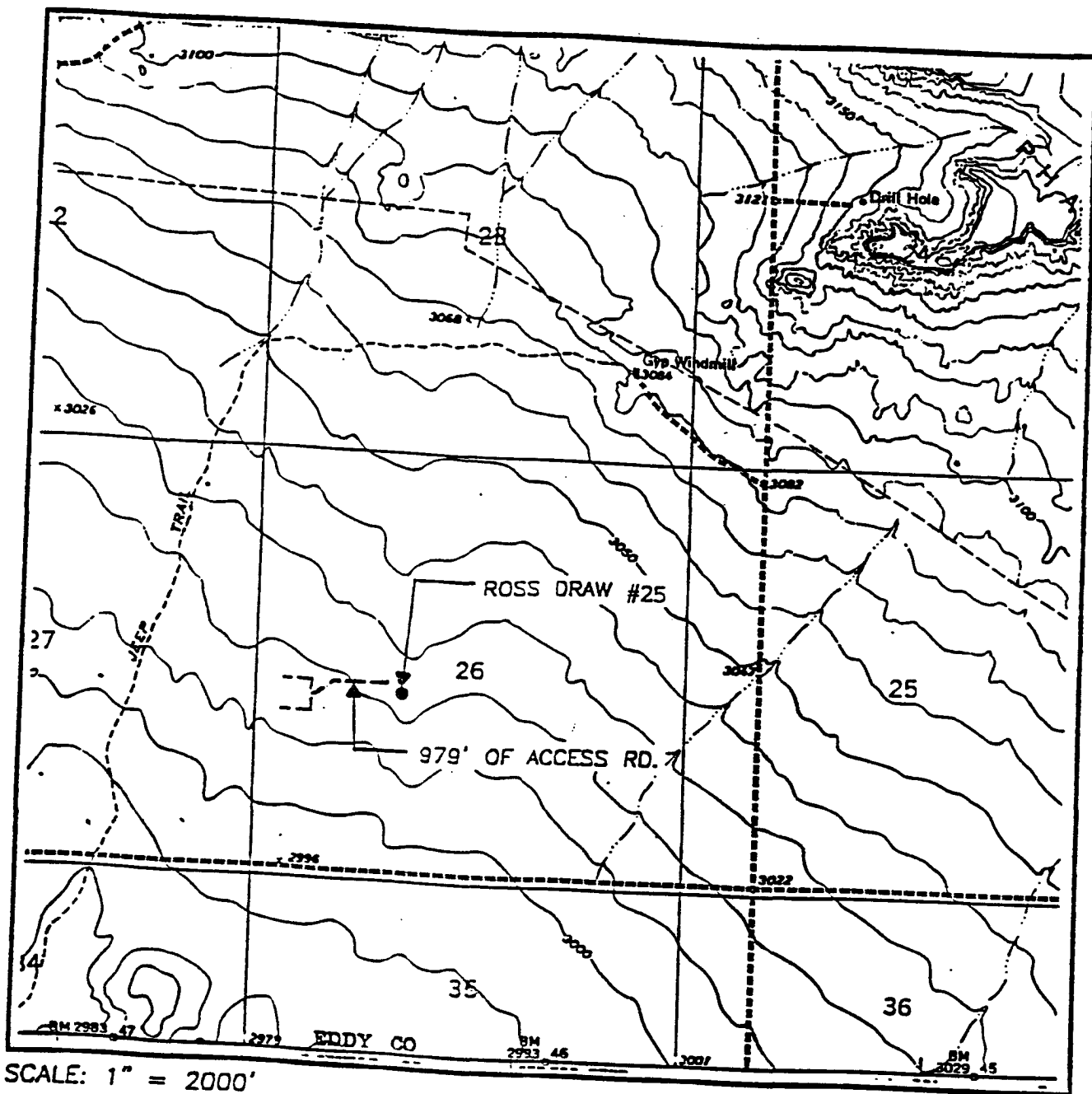
13. CERTIFICATION:

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: 07/12/06

BY: Margaret W. Hillin - AGENT
MARGARET W. HILLIN
J. C. WILLIAMSON,
OPERATOR

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
PHANTOM BANKS - 10'

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

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 2336' FSL & 1831' FWL

ELEVATION 3221

OPERATOR J.C. WILLIAMSON

LEASE ROSS DRAW

U.S.G.S. TOPOGRAPHIC MAP

PHANTOM BANKS, N.M.

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

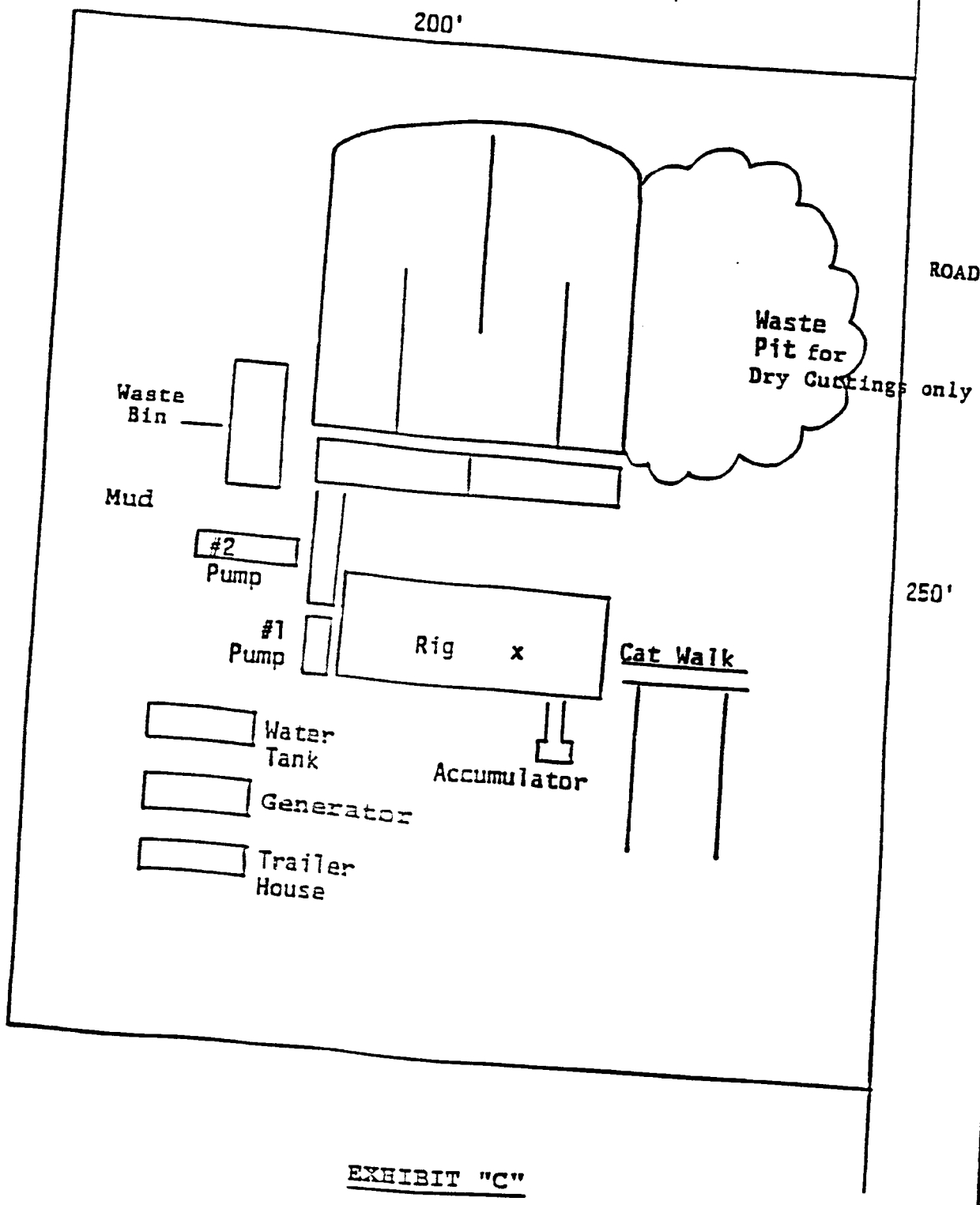
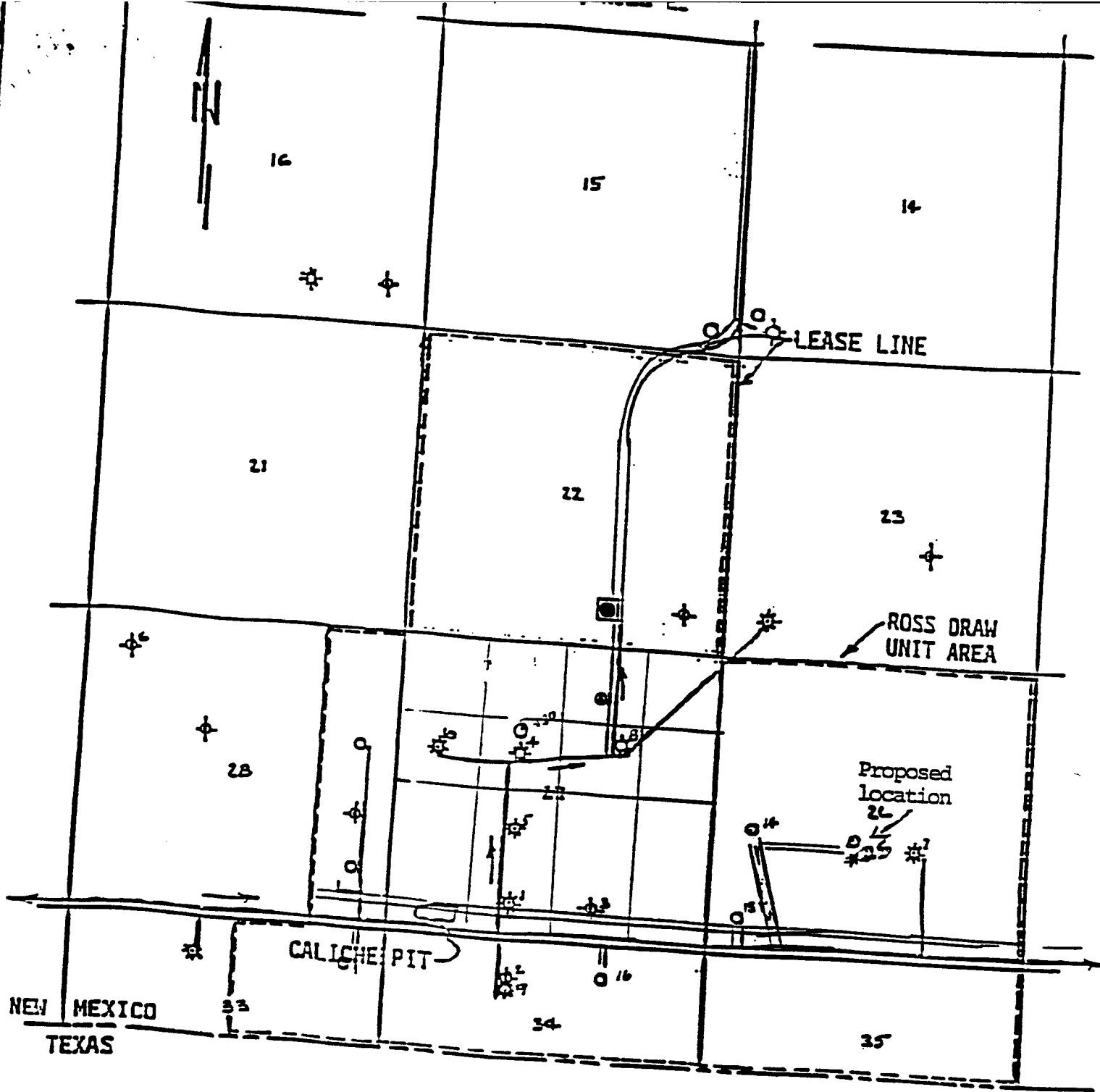


EXHIBIT "C"

J. C. WILLIAMSON
ROSS DRAW UNIT #25
2336' FSL, 1831' FWL
SEC. 26, T-26S-R30E
EDDY COUNTY, NEW MEXICO



LEGEND:

- * Gas Well
- ⊕ Plugged Well
- Proposed Well
- Existing Caliche Road
- ==== Proposed New Road

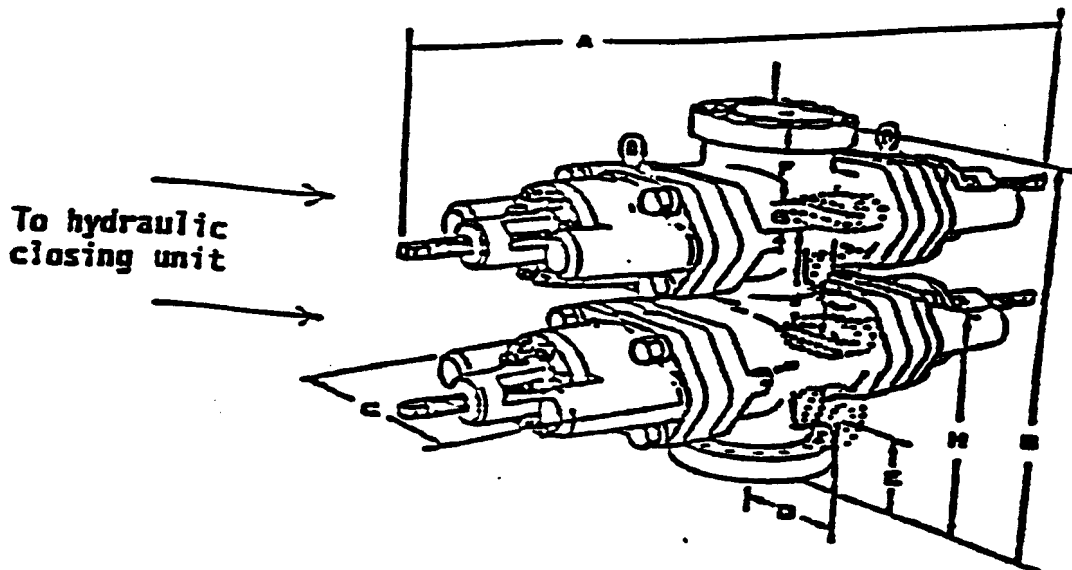
EXHIBIT "B"

J. C. WILLIAMSON
 2336' WELL #25 ROSS DRAW UNIT
 FSL & 1831' FWL SEC. 26, T-26S-R-30
 EDDY COUNTY, N.M. SCALE: 2" = 1 MI

EXHIBIT "E"

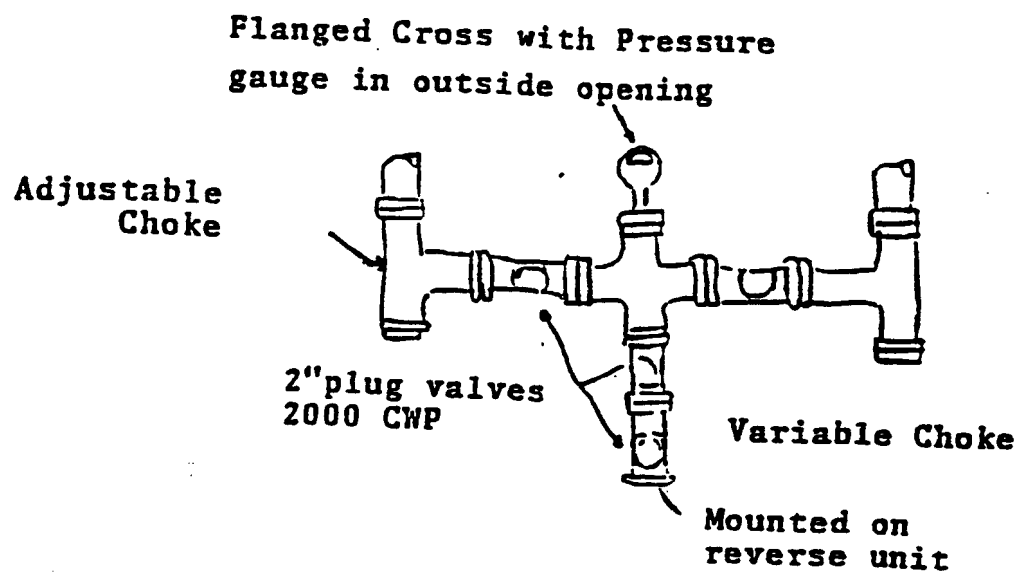
BOP DIAGRAM

After 8-5/8" surface casing has been set and cement circulated to the surface, a double ram BOP, as shown below will be put on the hole. This blowout preventer will be connected to a hydraulically controlled closing unit. The pressure rating on this BOP is 3000#, and will have blank and 5-1/2" pipe rams.



J.C. WILLIAMSON
ROSS DRAW UNIT #25
2336' FSL, 1831' FWL
Sec 26, T-26-S, R-30-E
Eddy County, New Mexico

EXHIBIT "F"



J.C. WILLIAMSON
ROSS DRAW UNIT #25
2336' FSL, 1831' FWL
Sec 26, T-26-S, R-30-E
Eddy County, New Mexico

CONDITIONS OF APPROVAL - DRILLING

Operator's Name: J.C. Williamson
Well Name & No. Ross Draw #25
Location: 2336' FSL, 1831' FWL, Section 26, T. 26 S., R. 30 E., Eddy County, New Mexico
Lease: NM-0554499

I. DRILLING OPERATIONS REQUIREMENTS:

1. The Bureau of Land Management (BLM) is to be notified at the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (505) 361-2822 for wells in Eddy County in sufficient time for a representative to witness:

A. Well spud

B. Cementing casing: 8-5/8 inch 5-1/2 inch

C. BOP tests

2. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.

3. Submit a Sundry Notice (Form 3160-5, one original and five copies) for each casing string, describing the casing and cementing operations. Include pertinent information such as; spud date, hole size, casing (size, weight, grade and thread type), cement (type, quantity and top), water zones and problems or hazards encountered. The Sundry shall be submitted within 15 days of completion of each casing string. The reports may be combined into the same Sundry if they fall within the same 15-day time frame.

4. The API No. assigned to the well by NMOCD shall be included on the subsequent report of setting the first casing string.

II. CASING:

1. The 8-5/8 inch surface casing shall be set at approximately 725 feet or 25 feet into the top of the Rustler Anhydrite and cement circulated to the surface. If cement does not circulate to the surface the appropriate BLM office shall be notified and a temperature survey or cement bond log shall be run to verify the top of the cement. Remedial cementing shall be completed prior to drilling out that string.

2. The minimum required fill of cement behind the 5-1/2 inch production casing is to reach 500 feet above the top of the uppermost hydrocarbon productive interval.

III. PRESSURE CONTROL:

1. All BOP systems and related equipment shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2. The BOP and related equipment shall be installed and operational before drilling below the 8-5/8 inch casing shoe and shall be tested as described in Onshore Order No. 2. Any equipment failing to test satisfactorily shall be repaired or replaced.

2. Minimum working pressure of the blowout preventer and related equipment (BOPE) shall be 3000 psi.

3. The appropriate BLM office shall be notified in sufficient time for a representative to witness the tests.

- The tests shall be done by an independent service company.
- The results of the test shall be reported to the appropriate BLM office.
- Testing fluid must be water or an appropriate clear liquid suitable for sub-freezing temperatures. Use of drilling mud for testing is not permitted since it can mask small leaks.
- Testing must be done in a safe workman-like manner. Hard line connections shall be required.

7/19/2006

acs

Arrant, Bryan, EMNRD

From: Arrant, Bryan, EMNRD
Sent: Tuesday, March 27, 2007 8:50 AM
To: 'DACARLISLE@YAHOO.COM'
Cc: Brooks, David K., EMNRD; Ezeanyim, Richard, EMNRD
Subject: Ross Draw # 25/API # 30-015-35496

Dear Deeann Carlile,

In reference to the above noted application to drill and our conversation this morning, please submit the following:

- A current New Mexico Oil Conservation Division form (NMOCD) C-102.

You may state in the surveyor certification area as "Refer to Original Plat".

Also, please aware that this well is non-standard for an oil well.

Please refer to NMOCD Rule 19.15.3.104(B)(1) & (2) for more information regarding this matter.

Our web site is <http://www.emnrd.state.nm.us/ocd>

There you can access our rules and forms.

As we discussed, I cannot sign off on NMOCD form C-104 (Request For Allowable and Authorization To Transport) for this well until this matter is resolved.

Please call if you have any questions.

Yours truly,

Bryan G. Arrant
NMOCD District II Geologist
Artesia, NM
505-748-1283 ext. 103
CC: Well file

3/27/2007