

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

Form 3160-3
(August 1999)

RECEIVED

OCT 05 2005

OCU-ARTESIA

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input type="checkbox"/> DRILL <input checked="" type="checkbox"/> REENTER		5. Lease Serial No. LC 028755(A)
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator JOE L. TARVER 37594		7. If Unit or CA Agreement, Name and No.
3a. Address 2807 - 74th St., Ste. 1, Lubbock, TX 79423		8. Lease Name and Well No. Russell "C" 7 35166
3b. Phone No. (include area code) (806) 795-2042		9. API Well No. 30-015-00641
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface Lot #O, Sec. 35, T-17-S, R-27-E, 395' FSL & 1622' FEL, Eddy Co., NM At proposed prod. zone Same as Surface		10. Field and Pool, or Exploratory Empire Yates - 7 Rivers
11. Sec., T., R., M., or Blk. and Survey or Area Section 35, T-17-S, R-27-E		12. County or Parish Eddy
13. State NM		14. Distance in miles and direction from nearest town or post office* 9 miles East of Artesia, NM
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 313'	16. No. of Acres in lease 80	17. Spacing Unit dedicated to this well 10 acres
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 660'	19. Proposed Depth 550'	20. BLM/BIA Bond No. on file Bond approved Call Tony Ferrero, Santa Fe
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3615 GL	22. Approximate date work will start* October 2005	23. Estimated duration 7 days

24. Attachments

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>Joe L. Tarver</i>	Name (Printed/Typed) Joe L. Tarver	Date 09/01/05
Title Owner/Operator		
Approved by (Signature) /s/ Joe G. Lara	Name (Printed/Typed) /s/ Joe G. Lara	Date OCT 04 2005
Title FIELD MANAGER	Office CARLSBAD FIELD OFFICE	

Application approval does not warrant or certify the 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 reverse)

NSL - 5283

Roswell Controlled Water Basin

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

St. Artesia, NM 88210

III

Brazos Rd., Aztec, NM 87410

ACT IV

South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

X AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 3001500641	Pool Code 22230	Pool Name EMPIRE; YATES 7 Rivers
Property Code	Property Name RUSSELL "C"	Well Number 7
OGRID No. 37594	Operator Name JOE TARVER	Elevation 3615

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	35	17S	27E		395	SOUTH	1622	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 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

OPERATOR CERTIFICATION

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

Signature

Printed Name

Date

RECEIVED

OCT 12 2005

OCD-ARTESIA

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.

8/29/2005

Date Surveyed

Signature & Seal of
 Professional Surveyor

Certificate No. Herschel Jones RLS 3640

HERSCHEL JONES
 NEW MEXICO
 REGISTERED PROFESSIONAL SURVEYOR
 RUSSELL C. JONES
 GENERAL SURVEYING COMPANY

N.32°47'04.2"
 W.104°14'45.9"

3609 3623

1622'

3607 3617

0 330' 660' 990' 1650' 1980' 2310' 2310' 1980' 1650' 990' 660' 330' 0'

DISTRICT II
811 South First, Artesia, NM 88210

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

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

Energy, Minerals and Natural Resources Department

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

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 2223c	Pool Name
Property Code	Property Name RUSSELL "C"	Well Number 7
OGRID No.	Operator Name JOE TARVER	Elevation 3615

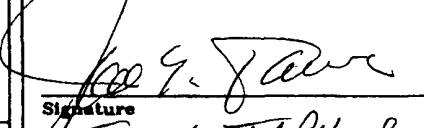

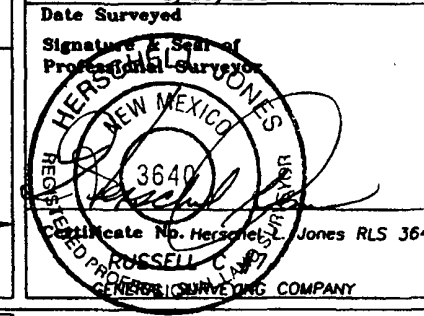
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	35	17S	27E		395	SOUTH	1622	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 4c	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.  Signature JOE L. TARVER Printed Name Owner Title 8/14/2005 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 supervision, and that the same is true and correct to the best of my belief. 8/29/2005 Date Surveyed  Signature & Seal of Professional Surveyor  Certificate No. Herschel Jones RLS 3640 RUSSELL C. JONES GENERAL SURVEYING COMPANY	
<p>N.32°47'04.2" W.104°14'45.9"</p> <p>3609 3623</p> <p>1622'</p> <p>3607 3617</p>					

0 330' 660' 990' 1650' 1980' 2310' 2310' 1980' 1650' 990' 660' 330' 0'

Drilling Plan
Russell C - 7

Prepare top of 8" Casing now in place - with threaded collar.

Install Braden Head

Install diverter (air and gas drilling pressure diverter). (Note) The known history of pressure at this shallow depth (550' or less) is minimal. Even the virgin pressure of 220Lbs. has long since dissipated

Move in rig and set up for re-entry.

The casing now in the well is set from surface to 432' below the surface

Drill out plugging cement from 8" casing with 7- 7/8" Bit with air.

Drill through all parts of the empire Yates - 7 rivers formation (TD is expected at less than 550' below the surface)

This will be an open hole completion from 432' to TD

Acidize with 2,000 gals 15% Hydrochloric acid with appropriate additives, i.e.,
A-179 Iron control Aid, A-264 Corrosion Inhibitor, f-103 Surfactant, L-63 Iron
Control agent, w-53 Non-Emulsifier

Clean out residue to pits

Install tubing, bottom hole pump and rods

Connect pump jack for production

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

Joe L. Tarver
Russell C-7
395 FSL – 1622 FEL T175 – R27E

LC 028755

This plan is submitted with the Application for Permit to Drill the above described well. The purpose of the plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of necessary surface disturbance involved, and the procedures to be followed in rehabilitating the surface after completion of the operation so that a complete appraisal can be made of the environmental effects associated with the operation.

1. EXISTING ROADS:

- A. Exhibit "A" is a portion of a road map showing the location of the proposed well as staked. The well is approximately 8 miles east of Artesia, New Mexico.
- B. Directions: From Artesia go east on Highway 82, 9 miles turn right on County Road 204. Go ½ mile turn right to County Road 225. Go 1 mile to 1st black top road to left. Go 30 ft. to dirt road on right of black top. Take dirt lease road 1,000 feet to Russell C-7 on left of road.

2. PLANNED ACCESS ROAD:

- A. There is an existing road from the west to the well site.
- B. No additional cutting or construction is necessary.
- C. Culverts: none necessary
- D. Cuts and Fills: none necessary
- E. Gates, Cattleguards: none
- F. Right-of-Way: Existing Right-of-Way. Federal will be utilized.

3. LOCATION OF EXISTING WELLS:

- A. Existing wells are indicated on EXHIBIT B.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

- A. If the well is productive, production, storage and measurement facilities will be constructed on the well pad.

5. LOCATION AND TYPE OF WATER SUPPLY:
 - A. Water for drilling operations will be purchased from a commercial water hauler.
6. SOURCE OF CONSTRUCTION MATERIALS:
 - A. None necessary
7. METHODS OF HANDLING WASTE DISPOSAL:
 - A. Drill cuttings will be disposed of in the drilling pits.
 - B. Drilling fluids will be allowed to evaporate in the drilling pits until the pits are dry.
 - C. Water produced during test will be disposed of in the drilling pits. Oil produced during test will be stored in test tanks until sold.
 - D. Current laws and regulations pertaining to the disposal of human waste will be complied with.
 - E. Trash, waste paper, garbage and junk will be buried in a separate trash pit and covered with a minimum of 24 inches of soil. All waste material will be contained to prevent scattering by the wind. The trash pit will be located adjacent to the mud pit.
 - F. All trash and debris will be buried or removed the wellsite within 30 days after finishing drilling and/or completion of operations.
8. ANCILLARY FACILITIES:
 - A. None necessary
9. WELL SITE LAYOUT:
 - A. The wellsite and 400' x 400' area have been surveyed and flagged.
 - B. Dimensions and relative location of the drill pad, pit and equipment are shown on EXHIBIT C.
10. PLANS FOR RESTORATION OF THE SURFACE:
 - A. After completion of drilling and/or completion operations, all equipment and other materials not needed for operations will be removed. Pits will be filled and the location cleaned of all trash and junk to leave the wellsite in an aesthetically pleasing condition as possible.
 - B. Any unguarded pits containing fluids will be fenced until they are filled.
 - C. If the well is non-productive, the disturbed area will be rehabilitated to Federal Agency Requirements and will be accomplished as expeditiously as possible.
11. OTHER INFORMATION:
 - A. Topography: The regional terrain is a rolling alluvial plain sloping to the south. The access road is essentially level. The drillsite is essentially level.

- B. Soil: The soil at the wellsite is sandy gravel.
- C. Flora and Fauna: Flora consists of sparse range grasses. No wildlife was observed. Fauna Probably includes reptiles, rodents and various birds.
- D. Ponds or Streams: There are no ponds near the wellsite. The Pecos river is 6 miles to the west.
- E. Residences and Other Structures: There are no occupied dwellings within 3 miles.
- F. Archaeological, Historical and Other Cultural Sites: Southern New Mexico Archaeological Services of Bent, New Mexico has made a survey of the proposed new wellsite. They have recommended that construction work be approved.
- G. Land Use: The vicinity surrounding the wellsite is semi-arid rangeland, used primarily for grazing.
- H. Surface Ownership: The access road and wellsite are on Public Surface (BLM) within the lease boundary.

12. OPERATOR'S REPRESENTATIVE:

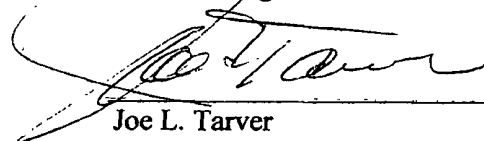
Representative responsible for assuring compliance with the approved Surface Use Plan:

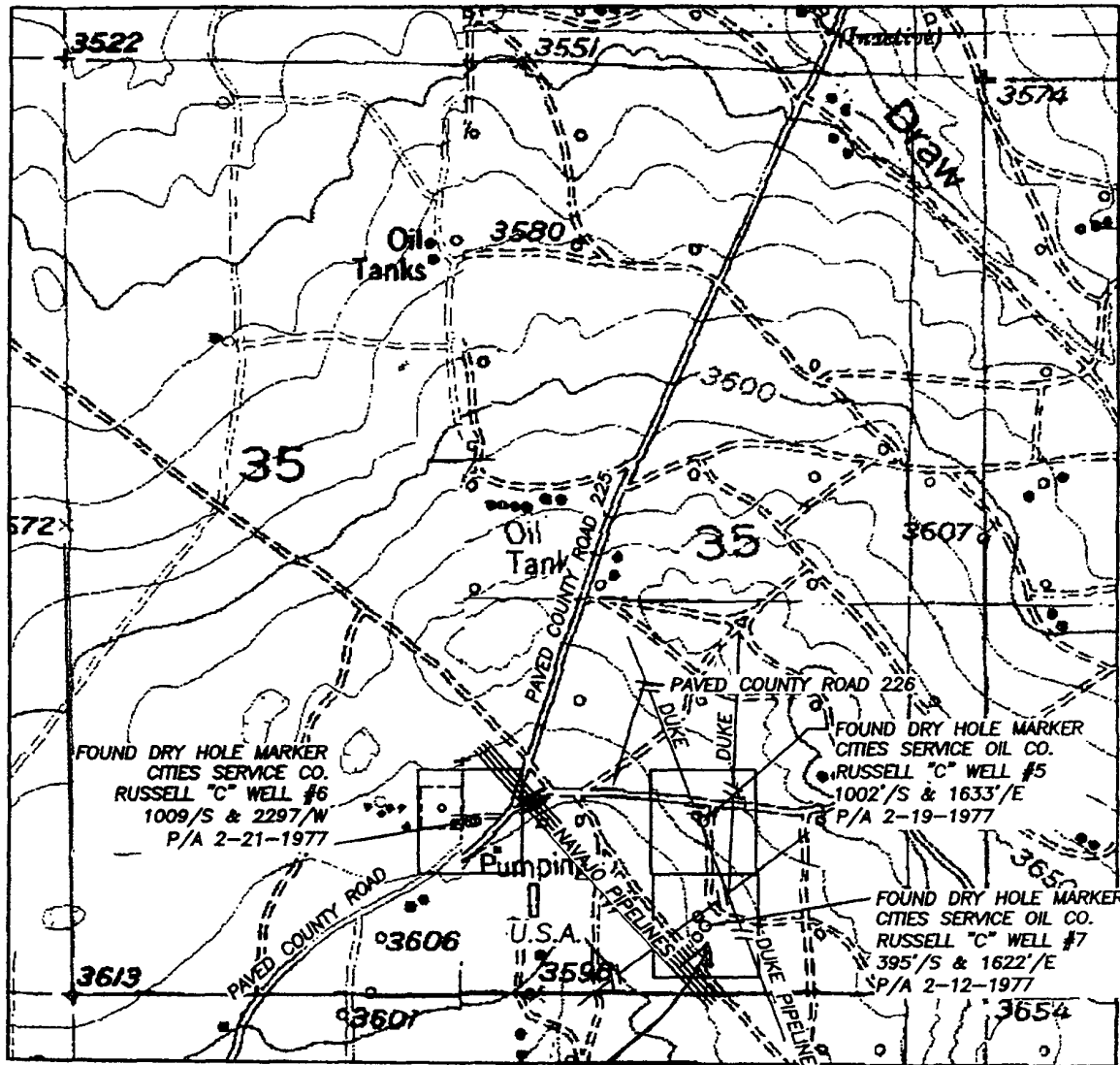
Joe L. Tarver
2807 74th Street, Ste. 1
Lubbock, TX 79423
Ph: 806-795-2042

13. CERTIFICATION:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge true and correct; that the work associated with the operations proposed herein will be performed by JOE L. TARVER and it's sub-contractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

September 01-05
Date:


Joe L. Tarver



RUSSELL - C-7
 EXISTING LEASE ROADS
 will be used.
 JOE TARVER
 LC028755

1000' 0 1000' 2000'

Scale 1" = 1000'

THE PREPARATION OF THIS PLAT AND THE PERFORMANCE OF THE SURVEY UPON WHICH IT IS BASED WERE DONE UNDER MY DIRECTION AND THE PLAT ACCURATELY DEPICTS THE RESULTS OF THE SURVEY AND MEET THE REQUIREMENTS OF THE STANDARDS FOR LAND SURVEYS IN NEW MEXICO AS ADOPTED BY THE NEW MEXICO STATE BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS AND LAND SURVEYORS.

REG. 3640
 HERSCHEL L. JONES, L.S. No. 3640

GENERAL SURVEYING COMPANY P.O. BOX 1928
 LOVINGTON, NEW MEXICO 88260





JOE TARVER RE-ENTERIES

RE-ENTRY WELLS, RUSSELL "C" WELL #5, RUSSELL "C" WELL #6 AND RUSSELL "C" WELL #7 LOCATED IN SECTION 35, TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM, EDDY COUNTY, NEW MEXICO.

Survey Date: 8/29/2005	Sheet 1 of 1 Sheets
Drawn By: Ed Blavins	W.O. Number
Date: 8/29/05	Scale 1" = 1000' RUSSELL

EXHIBIT-A

[illegible]

	Federal - Magruder
	Federal - Russell
	State
	State

LC 028755(A)
Joe Tarver

Location Platt

Rig Layout
Russell C - 7

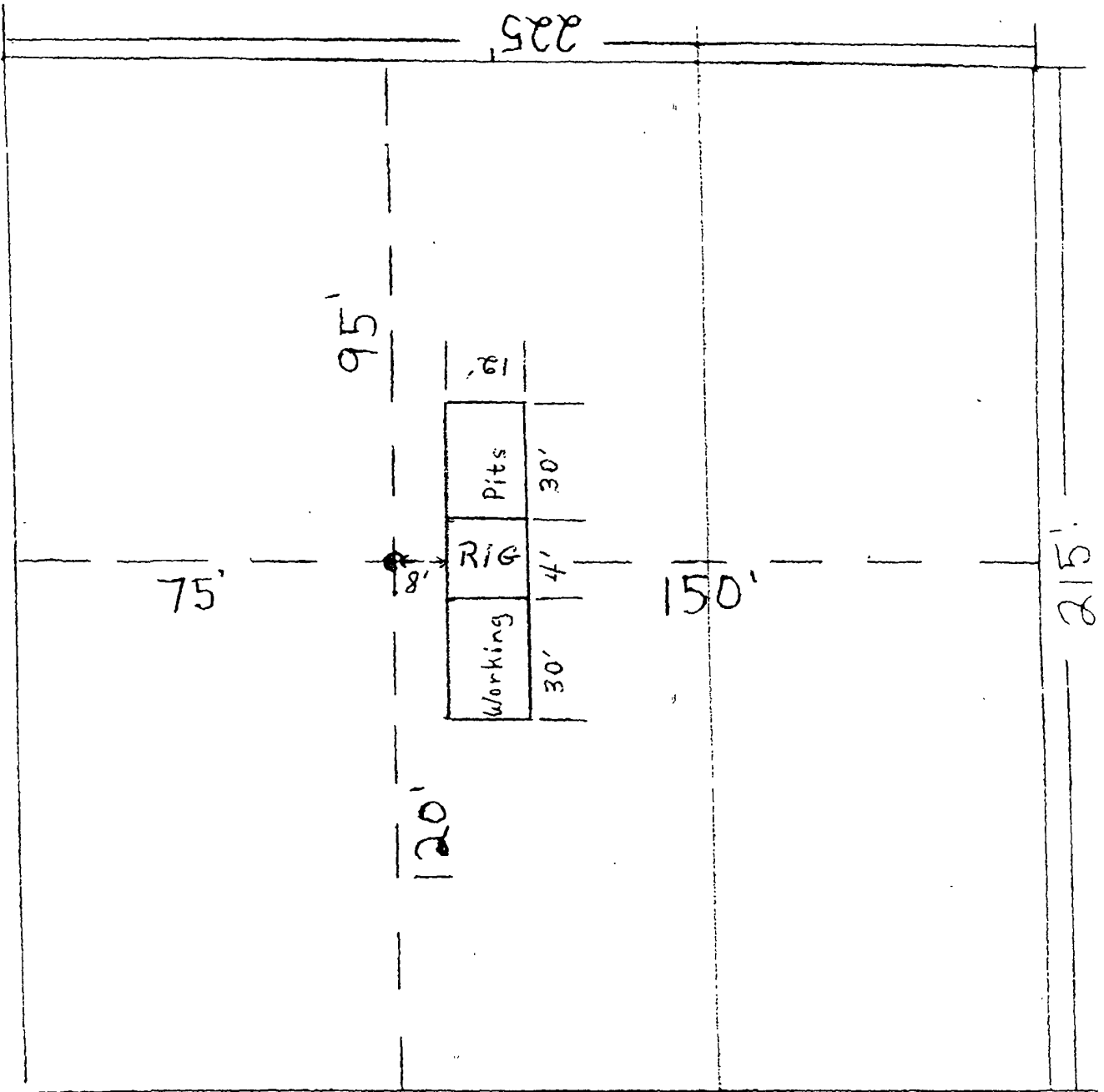


EXHIBIT-C

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

ROSWELL FIELD OFFICE

2909 West Second Street

Roswell, New Mexico 88201

Statement Accepting Responsibility for Operations

Operator Name: JOE L. TARVER
Street or Box: 2807-74th ST. SUITE #1
City, State: Lubbock, TX
Zip Code: 79423

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described below:

Lease No.: LC 028755(A)

Legal Description of land: SE¹/₄ SW¹/₄, SW¹/₄ SE¹/₄ Section 35
T17S, R27E - Eddy, CO. New Mexico

Formations(s) (if applicable): EMPIRE YATES - TRIVERS

Bond Coverage: (State, Nationwide or Individual) INDIVIDUAL

BLM Bond File No.: BOND APPROVED, CALL TONY FERRERO
BLMA - SANTA FE, NEW MEXICO

Authorized Signature:

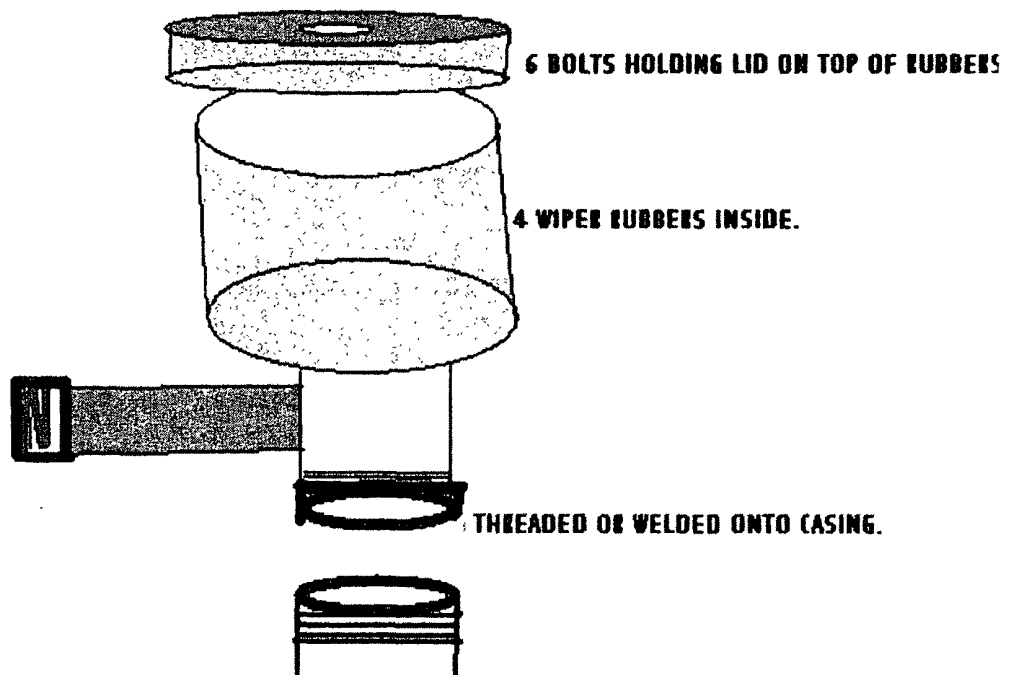
Title:

owner/operator

Date: 09-01-2005

DIVERTER FOR AIR OR GAS DRILLING

BLOOIE LINE TO PIT.



SPECIAL DRILLING STIPULATIONS

THE FOLLOWING DATA IS REQUIRED ON THE WELL SIGN

Operator's Name Joe L. Tarver Well Name & No. 7-Russell C
Location 395' F S L & 1622' F E L Sec. 35, T. 17 S, R. 27 E.
Lease No. LC-028755-A County Eddy State New Mexico

The Special stipulations check marked below are applicable to the above described well and approval of this application to drill is conditioned upon compliance with such stipulations in addition to the General Requirements. The permittee should be familiar with the General Requirements, a copy of which is available from a Bureau of Land Management office. EACH PERMITTEE HAS THE RIGHT OF ADMINISTRATIVE APPEAL TO THESE STIPULATIONS PURSUANT TO TITLE 43 CRF 3165.3 AND 3165.4.

This permit is valid for a period of one year from the date of approval or until lease expiration or termination whichever is shorter.

I. SPECIAL ENVIRONMENT REQUIREMENTS

- () Lesser Prairie Chicken (stips attached) () Flood plain (stips attached)
() San Simon Swale (stips attached) () Other

II. ON LEASE - SURFACE REQUIREMENTS PRIOR TO DRILLING

() The BLM will monitor construction of this drill site. Notify the () Carlsbad Field Office at (505) 234-5972 () Hobbs Office (505) 393-3612, at least 3 working days prior to commencing construction.

() Roads and the drill pad for this well must be surfaced with _____ inches of compacted caliche upon completion of well and it is determined to be a producer.

() All topsoil and vegetation encountered during the construction of the drill site area will be stockpiled and made available for resurfacing of the disturbed area after completion of the drilling operation. Topsoil on the subject location is approximately _____ inches in depth. Approximately _____ cubic yards of topsoil material will be stockpiled for reclamation.

(x) Other. No pits. steel tanks. No blading & no surface material

III. WELL COMPLETION REQUIREMENTS

() A Communitization Agreement covering the acreage dedicated to the well must be filed for approval with the BLM. The effective date of the agreement must be prior to any sales.

(x) Surface Restoration: If the well is a producer, the reserve pit(s) will be backfilled when dry, and cut-and-fill slopes will be reduced to a slope of 3:1 or less. All areas of the pad not necessary for production must be re-contoured to resemble the original contours of the surrounding terrain, and topsoil must be re-distributed and re-seeded with a drill equipped with a depth indicator (set at depth of 1/2 inch) with the following seed mixture, in pounds of Pure Live Seed (PLS), per acre.

- | | |
|---|---|
| () A. Seed Mixture 1 (Loamy Sites) | () B. Seed Mixture 2 (Sandy Sites) |
| Side Oats Grama (<i>Bouteloua curtipendula</i>) 5.0 | Sand Dropseed (<i>Sporobolus cryptandrus</i>) 1.0 |
| Sand Dropseed (<i>Sporobolus cryptandrus</i>) 1.0 | Sand Lovegrass (<i>Eragrostis trichodes</i>) 1.0 |
| | Plains Bristlegrass (<i>Setaria macrostachya</i>) 2.0 |
| () C. Seed Mixture 3 (Shallow Sites) | () D. Seed Mixture 4 (Gypsum Sites) |
| Side oats Grama (<i>Boute curtipendula</i>) 1.0 | Alkali Sacaton (<i>Sporobolus airoides</i>) 1.0 |
| | Four-Wing Saltbush (<i>Atriplex canescens</i>) 5.0 |

() OTHER SEE ATTACHED SEED MIXTURE

Seeding should be done either late in the fall (September 15 - November 15, before freeze up, or early as possible the following spring to take advantage of available ground moisture.

() Other.

CONDITIONS OF APPROVAL - DRILLING

Operator's Name: Joe L. Tarver
Well Name & No. Russell C #7 - REENTRY
Location: 395' FSL, 1622' FEL, Section 35, T. 17 S., R. 27 E., Eddy County, New Mexico
Lease: LC-028755-A

.....

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 – N/A
- C. BOP tests – N/A

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 inch surface casing is set at 432'. No other casing strings are planned.

Joe L. Tarver
2807 74th ST. Suite #1, Lubbock, TX 79423
Ph 1 (806) 7952042 Fax 1 (806) 748 0676

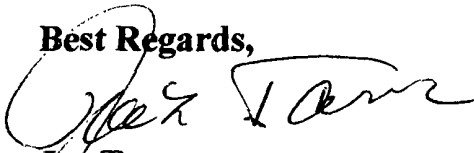
October 7, 2005

Oil Conservation Division

Re : Well – Russell C 7 – T17S R27E Section 35 Eddy, County

**Based on more than 50 years of gathered knowledge of the Empire;
Yates 7 Rivers formation there is no hydrogen sulfide present in the
formation. Therefore an H2S contingency plan is not required for this
well.**

Best Regards,



Joe Tarver

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