

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

ARTESIA, NM 88210-2104

507

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL [X] DEEPEN []

b. TYPE OF WELL OIL WELL [X] GAS WELL [] OTHER [] SINGLE ZONE [X] MULTIPLE ZONE []

2. NAME OF OPERATOR RAY WESTALL 18862

3. ADDRESS AND TELEPHONE NO. P.O. BOX 4, LOCO HILLS NM 88255 505.677.2370

4. LOCATION OF WELL (REPORT LOCATION CLEARLY AND IN ACCORDANCE WITH ANY STATE REQUIREMENTS) AT SURFACE 1229 FNL & 330 FWL 1100 AT PROPOSED PROD. ZONE SAME

5. LEASE DESIGNATION AND SERIAL NO. LC-058709 A

6. IF INDIAN, ALLOTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME TAYLOR UNIT 11714

8. FARM OR LEASE NAME, WELL NO. TAYLOR UNIT #26

9. API WELL NO. 30-015-32082

10. FIELD AND POOL, OR WILDCAT SHUGART yates-7rus-ou-6B

11. SEC. T., R., M., OR BLK AND SURVEY OR AREA SEC. 13 T18S-R31E

12. COUNTY OR PARISH EDDY

13. STATE NEW MEXICO

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE 10 MILES SOUTHEAST OF LOCO HILLS NM

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drng. unit line, if any) 330

16. NO. OF ACRES IN LEASE 640

17. NO. OF ACRES ASSIGNED TO THIS WELL 40

18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 600

19. PROPOSED DEPTH 3800

20. ROTARY OR CABLE TOOLS ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3745

APPROX. DATE WORK WILL START ASAP

23. PROPOSED CASING AND CEMENTING PROGRAM

Table with columns: SIZE OF HOLE, GRADE, SIZE OF CASING, WT PER FT, SETTING DEPTH, QUANTITY. Includes handwritten values like 12 1/4", 8 5/8" J-55, 32# ST&C 8RD, 985, 955, 350 SXS CIRCULATED, 7 7/8", 5 1/2" J-55, 15#LT&C 8RD, 3800, 850 SXS EST TOP 300'.

ALL CASING WILL BE NEW, OR USED MEETING BLM SPECS. CEMENT WILL BE CIRCULATED ON 8 5/8" CASING. CEMENT QUANTITIES AND ADDITIVES ARE SUBJECT TO CHANGE DUE TO HOLE CONDITIONS.

APPROVAL SUBJECT TO FEDERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

PROPOSED MUD PROGRAM table with columns: Depth Range, Fluid Type. Includes 0-955 FRESH WATER, 955-3800 BRINE WATER.

MUD PROGRAM SUBJECT TO CHANGE DUE TO HOLE CONDITIONS

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 deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED [Signature] TITLE GEOLOGIST DATE 01/13/2001

(THIS SPACE FOR FEDERAL OR STATE OFFICE USE)

PERMIT NO. APPROVAL DATE

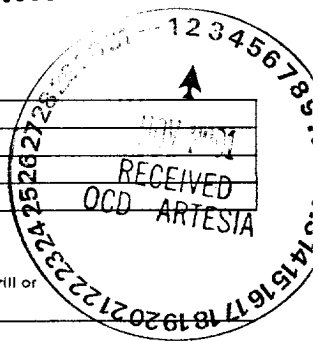
APPLICATION APPROVAL DOES NOT WARRANT OR CERTIFY THAT THE APPLICANT HOLDS LEGAL OR EQUITABLE TITLE TO THOSE RIGHTS IN THE SUBJECT LEASE WHICH WOULD ENTITLE THE APPLICANT TO CONDUCT OPERATIONS THEREON.

CONDITIONS OF APPROVAL IF ANY:

APPROVED BY /s/ LESLIE A. THEISS TITLE [Signature] MANAGER DATE OCT 31 2001

TITLE 18 U.S.C. SECTION 1001, MAKES IT A CRIME FOR ANY PERSONS 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

APPROVAL FOR 1 YEAR



District I
 PO Box 1908, Hobbs, NM 88341-1908
 District II
 PO Drawer DD, Arroyo, NM 88211-0719
 District III
 1800 Rio Benito Rd., Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

Form C-102
 Revised February 10, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code		Pool Name	
Property Code	Property Name				Well Number
	Taylor Unit Federal				26
OGED No.	Operator Name				Elevation
	Ray Westall, Operator				3742

10 Surface Location

U/L or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	13	18s	31e		1100	North	330	West	Eddy

11 Bottom Hole Location If Different From Surface

U/L or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres 13 Joint or Infill 14 Consolidation Code 15 Order No.

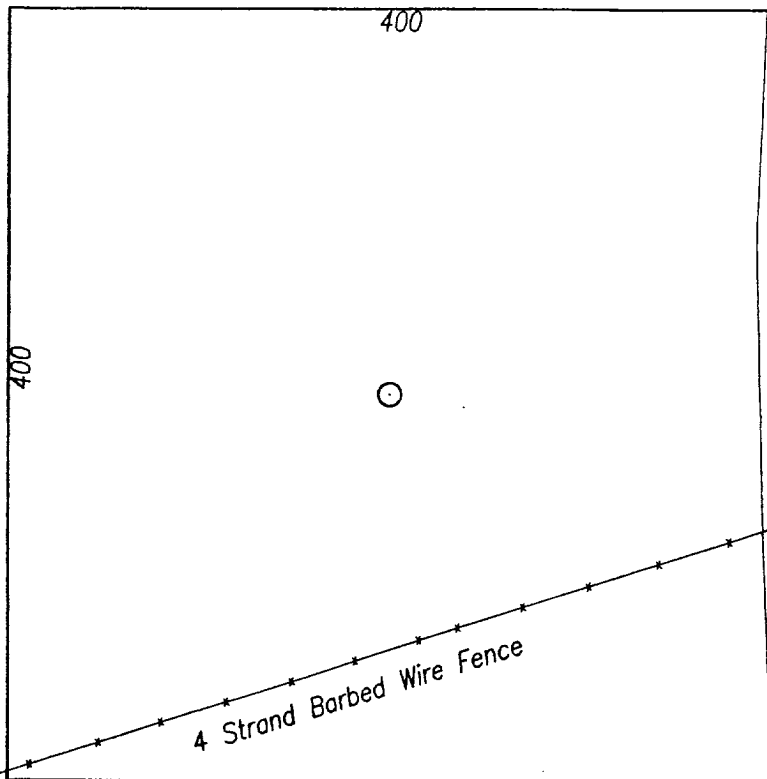
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

					<p>17 OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information submitted herein is true and complete to the best of my knowledge and belief.</i></p> <p><u>Bene Mathews</u> Signature Bene Mathews Printed Name Production Secretary Title 5/2/01 Date</p>
					<p>18 SURVEYOR CERTIFICATION</p> <p><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></p> <p>May 2, 2001 Date of Survey <u>P. R. Patton</u> Signature and Seal of Professional Surveyor</p>
					<p>8119 Certificate Number</p>

Attn: Betty Field

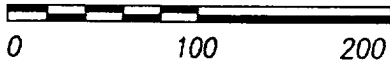
WEST line Section 13

12' Wide Lease Road



NOTE: NE Corner is nail at bottom of Lath

NOTE: SE Corner is nail at bottom of Lath



SITE PLAN
 RAY WESTALL OPERATING
 TAYLOR UNIT FEDERAL WELL No. 26
 1100 FNL 330 FWL
 SEC. 13, T18S, R31E
 EDDY Co., NM

RECEIVED
 MAY 10 P 2:19
 FIELD MGMT
 NEEDANCE AREA

APPLICATION FOR DRILLING

Ray Westall
Taylor Unit #26
1220 FNL & 330 FWL
Section 13
Township 18 South, Range 31 East
Eddy County, New Mexico

In conjunction with Form 3160-3, Application for Permit to Drill, Ray Westall submits the following ten items of pertinent information in accordance with BLM requirements:

1. The geological surface formation is Quaternary.
2. The estimated tops of geologic markers are as follows:
 - Base Salt 2110'
 - Yates 2390'
 - Queen 3520'
3. The estimated depths at which anticipated water, oil & gas formations are expected to be encountered:
 - Water 0-180'
 - Oil & Gas Zones 3520-3600
4. Proposed casing program: See 3160-3
5. Pressure Control Equipment:
 - A 900s BOP will be installed on the 8 5/8" casing and tested prior to drill out.
6. Mud Program:
 - Fresh water in surface hole.
 - Brine in production hole.
7. Auxiliary Equipment: None
8. Logging Program: CNL/FDC/GR, DLL.
9. No abnormal pressures or temperatures are anticipated. Estimated BHP is 2100#, Estimated BHT is 110 F.
10. Anticipated Starting date: 01/01/01
 - Duration: 7 Days drilling
 - 5 Days completion

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

RAY WESTALL TAYLOR UNIT #26

This plan is submitted with form 3160-3, Application for Permit to Drill, covering the above described well. The purpose of this plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of surface disturbance involved, and the procedures to be followed in rehabilitating the surface after completion of the operations, so that a complete appraisal can be made of the environmental effect associated with the operation.

1. Existing Roads.
Exhibit A is a portion of a USGS topographic map showing the wells and roads in the vicinity of the proposed location.
2. Planned Access Road.
None.
3. Location of Existing Wells.
Exhibit B is a topo map showing the existing wells.
4. Location of existing/or proposed facilities:
If productive a 3" SDR 7 poly line will be laid along existing ROW located on the Taylor Unit Facility located in the NWSE of section 12. A 3 phase power line and poles will be routed along the existing ROW paralleling the road.
5. Location and Type of Water Supply.
It is planned to drill the proposed well with fresh and brine water system. The water will be obtained from commercial sources and will be hauled to the location by truck.
6. Source of Construction Materials.
The location and road will be from pit excavation and or will be hauled in from an approved caliche pit.
7. Methods of Handling Waste Disposal.
 - A. Drill cuttings will be disposed of in the reserve pit.
 - B. Drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry.
 - C. Produced water during operations will be stored in reserve pits until dry.
 - D. Oil produced during operations will be stored in tanks until sold.
 - E. Current laws and regulations pertaining to the disposal of human waste will be complied with.

- F. Trash, waste paper, garbage and junk will be stored in a wire cage preventing blowing or scattering by the wind. After drilling and completion all waste will be removed to an approved site.

8. Ancillary Facilities

None required.

9. Wellsite Layout.

Exhibit C shows the relative location and dimensions of the well pad, the reserve pit, a 400' X 400' area has been staked and flagged.

10. Plans For Restoration of The Surface.

- A. After finishing drilling and completion operations all equipment and other material not needed for further operations will be removed. The location will be cleaned of all trash and junk to leave the Wellsite in as aesthetically pleasing a condition as possible.
- B. Unguarded pits, if any containing fluids will be fenced until they have been filled.
- C. If the proposed well is non-productive, all rehabilitation and or vegetation requirements of the BLM and USGS will be complied with and will be accomplished as expeditiously as possible. All pits will be filled and leveled within 90 days after abandonment.

11. Other Information:

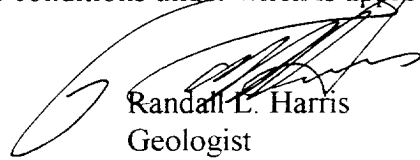
- A. Topography: The land surface in the vicinity of the Wellsite is sandy loam with caliche hills and outcrops.
- B. Flora and Fauna: the vegetation cover consists of prairie grass, greasewood and miscellaneous desert growth. No wildlife was observed, but wildlife in the area probably includes those typical of semi-arid desert land. The area is used for cattle grazing.
- C. There are no ponds, lakes or rivers in the area.
- D. There are no inhabited dwellings in the vicinity of the proposed well.
- E. Surface ownership is federal.
- F. Evidence of archeological sites has been reported and previously filed by Archaeological Survey Consultants.

12. Operator's Representative:

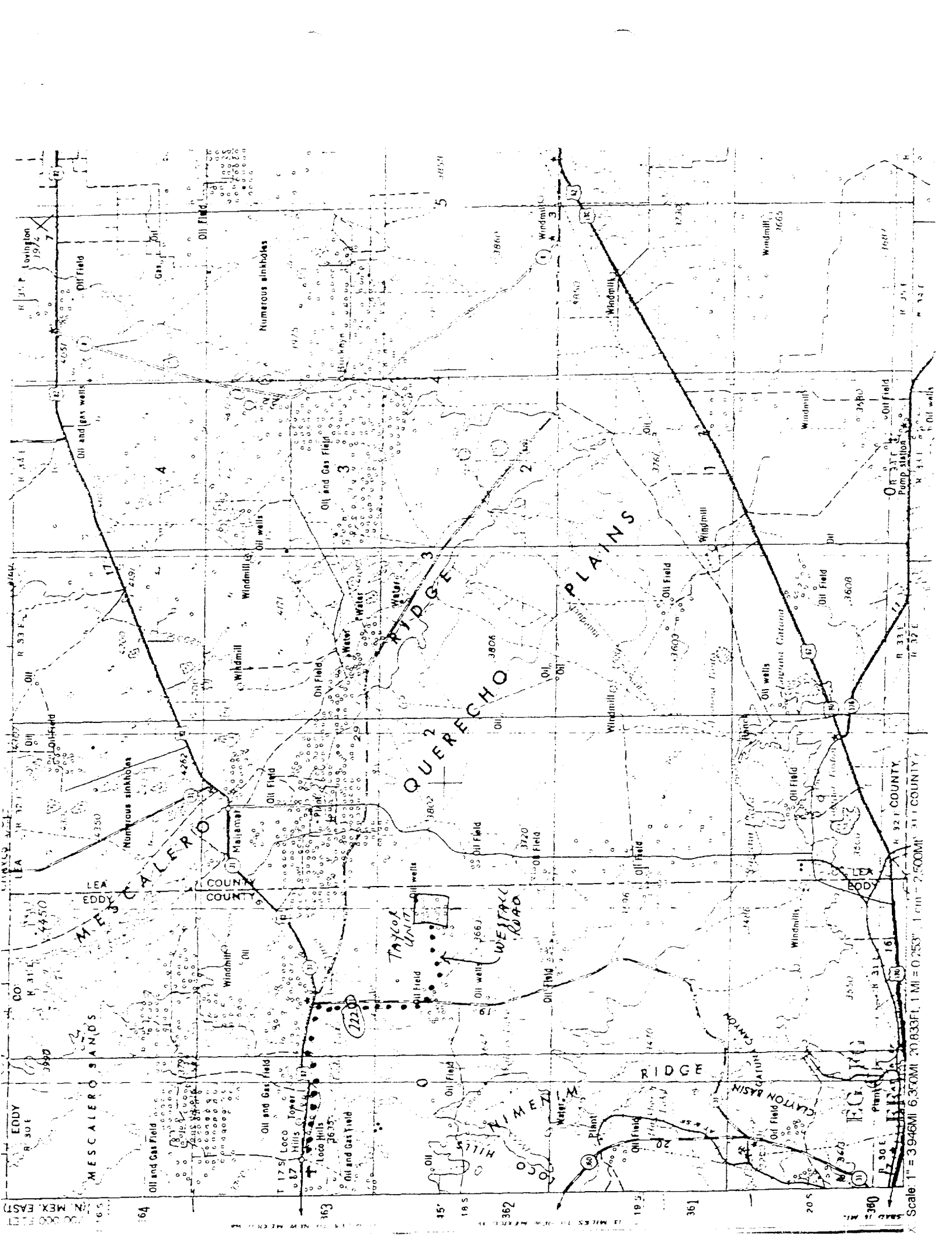
Ray Westall
P.O. Box 4
Loco Hills, NM 88255
(505) 677-2370

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; and that the work associated with the operation proposed herein will be performed by the operator and its' subcontractors in conformity with this plan and the terms and conditions under which is approved



Randall L. Harris
Geologist



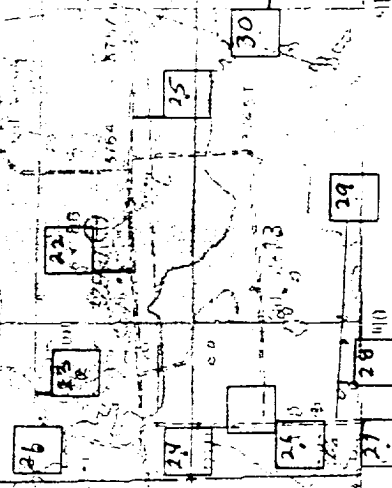
Q U E R E G H O

P L A T I N S

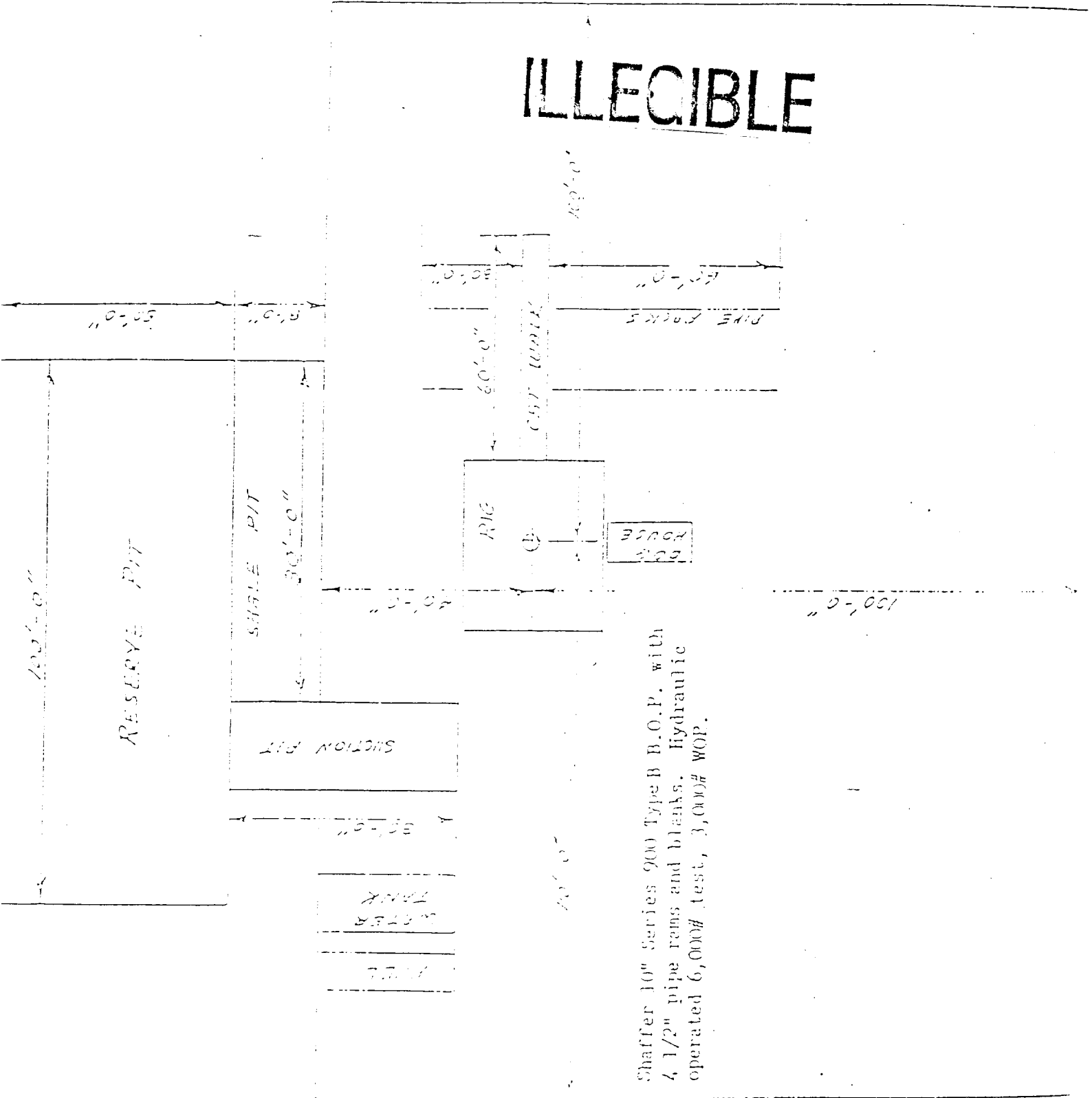
ILLEGIBLE

12 RAY WESTON
TAYLOR UNIT

LEA CO
ED CO



ILLECIBLE

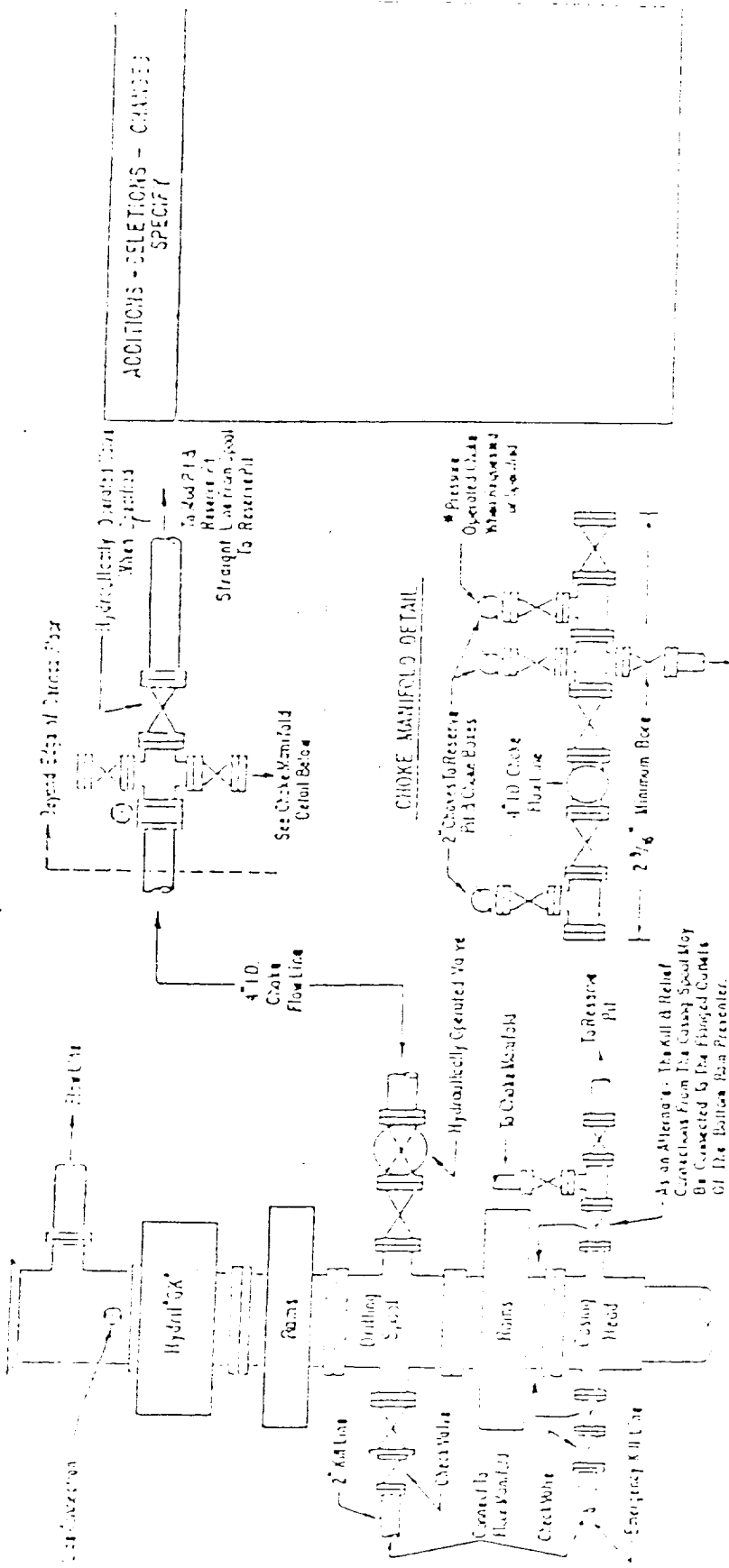


Shaffer 10" Series 900 Type B B.O.P. with
 4 1/2" pipe rams and blanks. Hydraulic
 operated 6,000# test, 3,000# WOP.

E

S

3000 PSI WORKING PRESSURE
BLOWOUT FACULTY HOOK-UP



**3000 PSI WORKING PRESSURE
BLOWOUT FACULTY HOOK-UP**

The blowout preventer assembly shall consist of one blind ram preventer and one slip ram preventer, both hydraulically operated, a hydraulic pressure valve, choke and connections as illustrated. If a tapered drill pipe is used, a ram preventer must be provided for each size of pipe. Casing and tubing runs to the preventer shall be provided as needed. If control is lost, the flanged outlets of the ram preventer shall be used for connecting to the 4-inch I. D. choke flow line and kill line, except when use of the drilling. The additional height shall be sufficient to install a rotating blowout preventer.

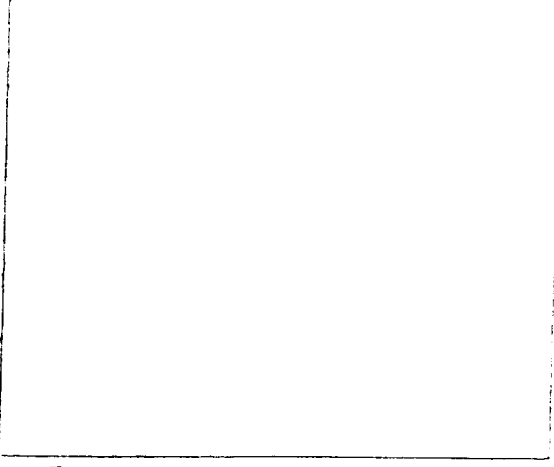
Minimum operating equipment for the preventer shall be as follows: (1) Multiple pumps, driven by a continuous source of power, capable of fluid energy the total accumulator volume from the blowout preventer pressure to its rated pressure within a specified time interval. Also, the pumps are to be connected to the hydraulic operating system which is to be a closed system. (2) An accumulator with a capacity of at least 100 gallons of fluid to receive the downsurge fluid volume. With the charging pumps shut down, the pressurized fluid volume stored in the accumulator shall be sufficient to operate the preventer. (3) When operating, an additional source of power, remote and independent, shall be available to operate the choke pumps, or there shall be additional pumps operated by separate power and equal in performance capabilities.

The choke manifold and ram to casing manifold shall have a separate control for each pressure operated device. Controls are to be located with control handles indicating open and closed position. A pressure indicator and regulator must be provided for operating the hydraulic preventer. When required, a second pressure indicator shall be available to limit operating fluid pressure to safe pressure. An accumulator or battery, an accumulator or battery, is to be used as the fluid to operate the hydraulic equipment.

The choke manifold, choke flow line, and choke lines are to be supported by metal stands and adequately anchored. The choke flow line and choke lines shall be constructed as straight as possible and without sharp bends. Any and all access is to be maintained to the choke manifold. All valves are to be selected for operation in the presence of all gas, and drilling fluids. The choke flow line valves connected to the drilling pipe and all ram type preventers must be equipped with stem extenders, universal joints if needed, and hand wheels which are to extend beyond the edge of the device substructure. All other valves are to be equipped with handwheels.

* To include hand wheels mounted centrally.

**ADDITIONS - DELETIONS - CHANGES
SPECIFY**



As an Alternative: The Kill & Relief Connections From The Casing Special Key Be Connected To The Flanged Outlet Of The Bottom Ram Preventer.