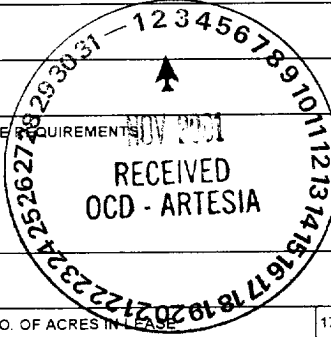


CISF

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

| | | | |
|--|--|---|--|
| 1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> | | 5. LEASE DESIGNATION AND SERIAL NO. LC-058709 <i>AB</i> | |
| b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> | | 6. IF INDIAN, ALLOTEE OR TRIBE NAME | |
| 2. NAME OF OPERATOR RAY WESTALL <i>18862</i> | | 7. UNIT AGREEMENT NAME TAYLOR UNIT <i>11714</i> | |
| 3. ADDRESS AND TELEPHONE NO. P.O. BOX 4, LOCO HILLS NM 88255 505.677.2370 | | 8. FARM OR LEASE NAME, WELL NO. TAYLOR UNIT #28 | |
| 4. LOCATION OF WELL (REPORT LOCATION CLEARLY AND IN ACCORDANCE WITH ANY STATE REQUIREMENTS) AT SURFACE 2310 FNL & 1220 FWL | | 9. API WELL NO. 30-015-32084 | |
| AT PROPOSED PROD. ZONE SAME <i>ut, f</i> | | 10. FIELD AND POOL, OR WILDCAT SHUGART ; <i>gates-7RUS-QN-66</i> | |
| 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE 10 MILES SOUTHEAST OF LOCO HILLS NM | | 11. SEC., T., R., M., OR BLK AND SURVEY OR AREA SEC. 13 T18S-R31E | |
| 15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 1220 | | 12. COUNTY OR PARISH EDDY | |
| 16. NO. OF ACRES IN LEASE 640 | | 13. STATE NEW MEXICO | |
| 18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 600 | | 17. NO. OF ACRES ASSIGNED TO THIS WELL 40 | |
| 19. PROPOSED DEPTH 3800 | | 20. ROTARY OR CABLE TOOLS ROTARY | |
| 21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3729 | | APPROX. DATE WORK WILL START ASAP | |



| 23. PROPOSED CASING AND CEMENTING PROGRAM | | | | |
|---|-----------------------|--------------|--------------------|-----------------------------------|
| SIZE OF HOLE | GRADE, SIZE OF CASING | WT PER FT | SETTING DEPTH | QUANTITY OF CEMENT |
| 12 1/4" | 8 5/8" J-55 | 32# ST&C 8RD | <i>965' - 955'</i> | 350 SXS CIRCULATED WITNESS |
| 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
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED**

| PROPOSED MUD PROGRAM | |
|----------------------|-------------|
| 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 <i>[Signature]</i> | 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 <u>/s/ LESLIE A. THEISS</u> | TITLE <u>FIELD MANAGER</u> | DATE <u>OCT 31 2001</u> |
|---|----------------------------|-------------------------|

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 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos 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 Taylor Unit Federal | | | Well Number 28 |
| OGRID No. K | | Operator Name Ray Westall, Operator | | | Elevation 3729 |

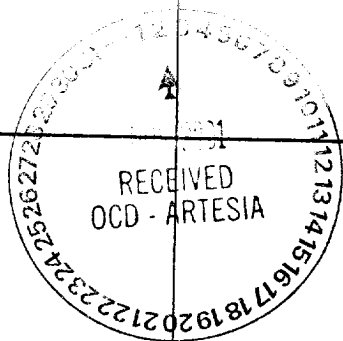
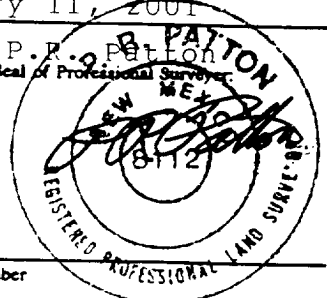
¹⁰ Surface Location

| | | | | | | | | | |
|----------------------|---------------|-----------------|--------------|---------|-----------------------|---------------------------|-----------------------|------------------------|----------------|
| UL or lot no. A E | Section 13 | Township 18s | Range 31e | Lot Idn | Feet from the 2310 | North/South line North | Feet from the 1220 | East/West line West | County Eddy |
|----------------------|---------------|-----------------|--------------|---------|-----------------------|---------------------------|-----------------------|------------------------|----------------|

¹¹ Bottom Hole Location If Different From Surface

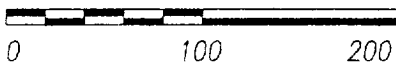
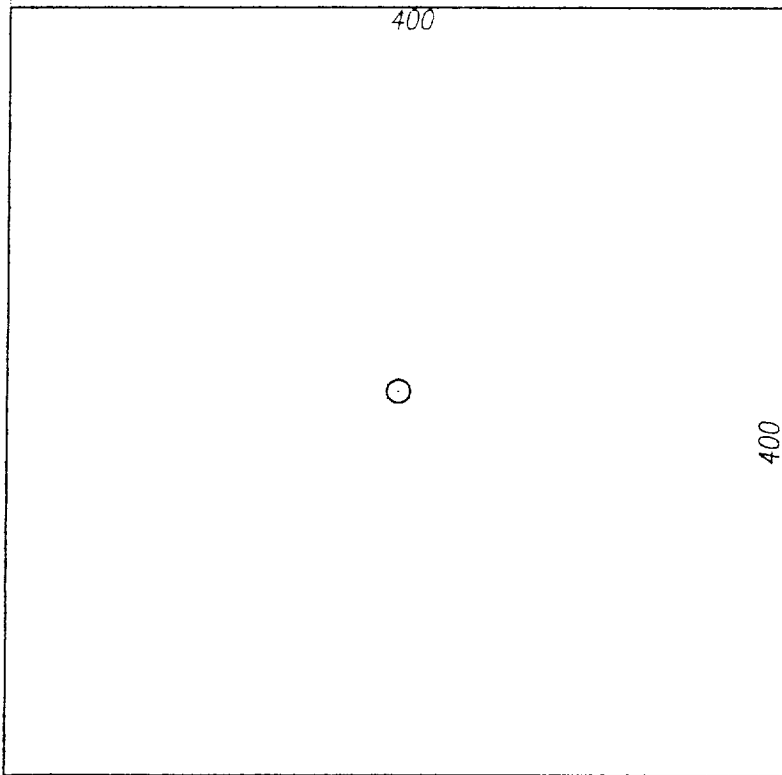
| | | | | | | | | | |
|-------------------------------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| ¹² Dedicated Acres 40 | | | | | | | | | |
| 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

| | | | | | | | |
|---|--|--|--|---|--|--|--|
| ¹⁶ 2310' 3735.0 1220' 3727.9 3733.2 3724.8 | | | | ¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief Signature Printed Name RAYMOND HARRIS Title GEOLOGIST Date 2/15/01 | | | |
|  | | | | ¹⁸ 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. January 11, 2001 Date of Survey Signature and Seal of Professional Surveyor  | | | |
| | | | | Certificate Number 8112 | | | |

12' Wide Lease Road

Centerline 130' Long
Well Pad Access Road



SITE PLAN
RAY WESTALL OPERATING
TAYLOR UNIT FEDERAL WELL No. 28
2310 FNL 1220 FWL
SEC. 13, T18S, R31E
EDDY Co., NM

APPLICATION FOR DRILLING

Ray Westall
Taylor Unit #28
2310 FNL & 1220 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 #28

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.
Approximately 130 feet of new road from the north.
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.

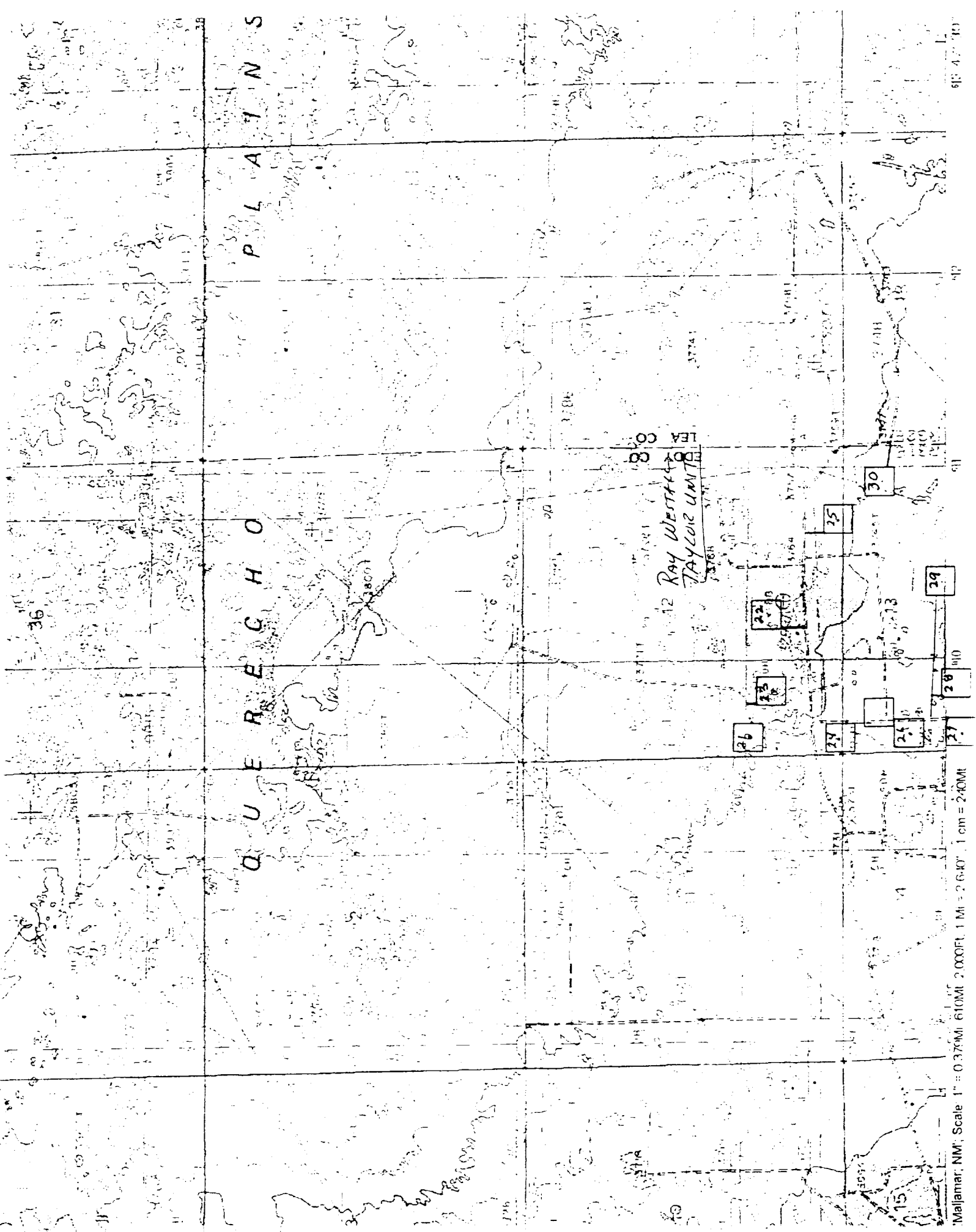
- A. After finishing drilling and completion operations all equipment and other material not needed for further operations will be removed. The location will be cleaned of all trash and junk to leave the Wellsite in as aesthetically pleasing a condition as possible.
- B. Unguarded pits, if any containing 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

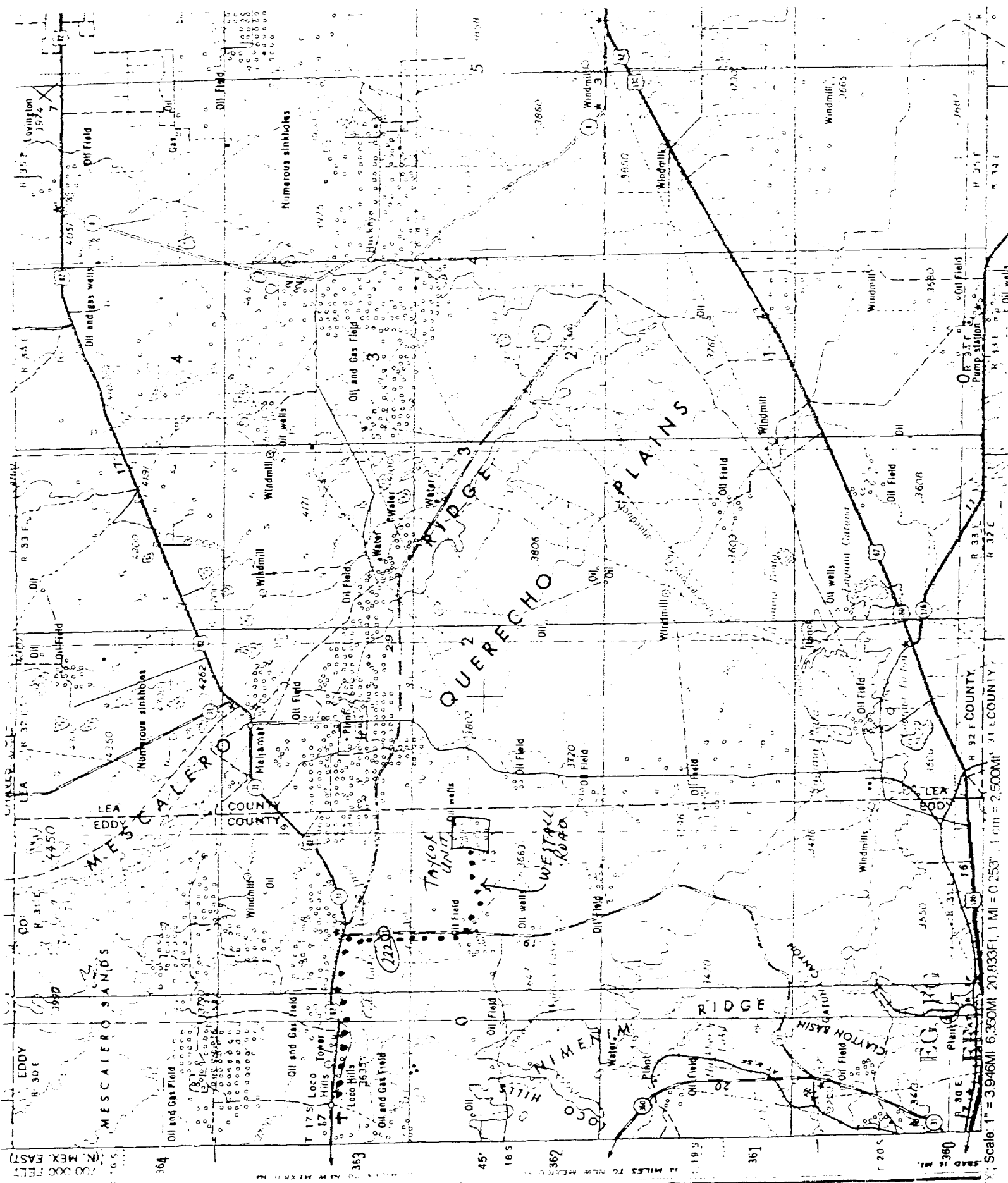


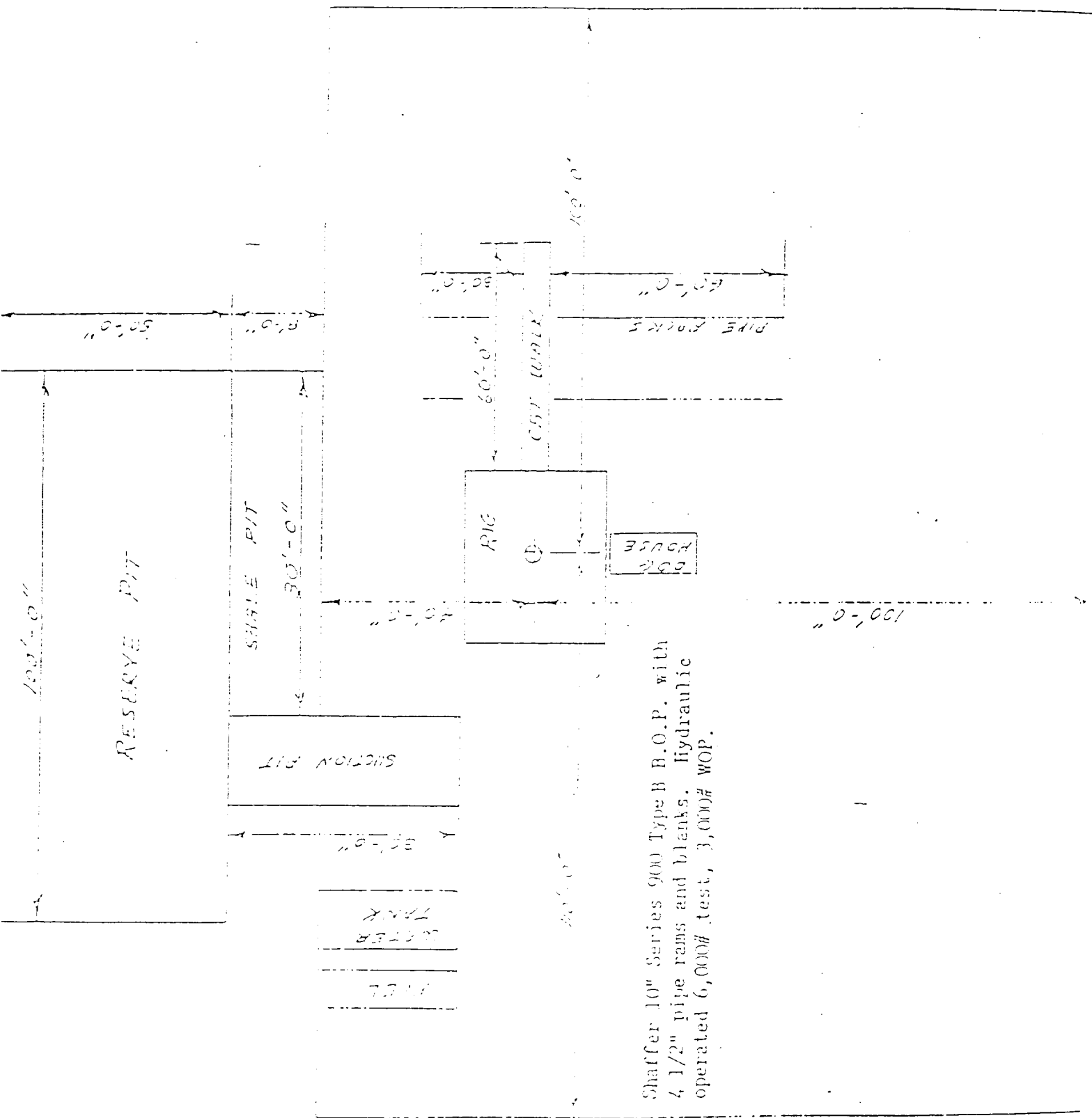
Q U E R E C H O

P L A T I N S

12 Ray Westley
Taylore UNIT

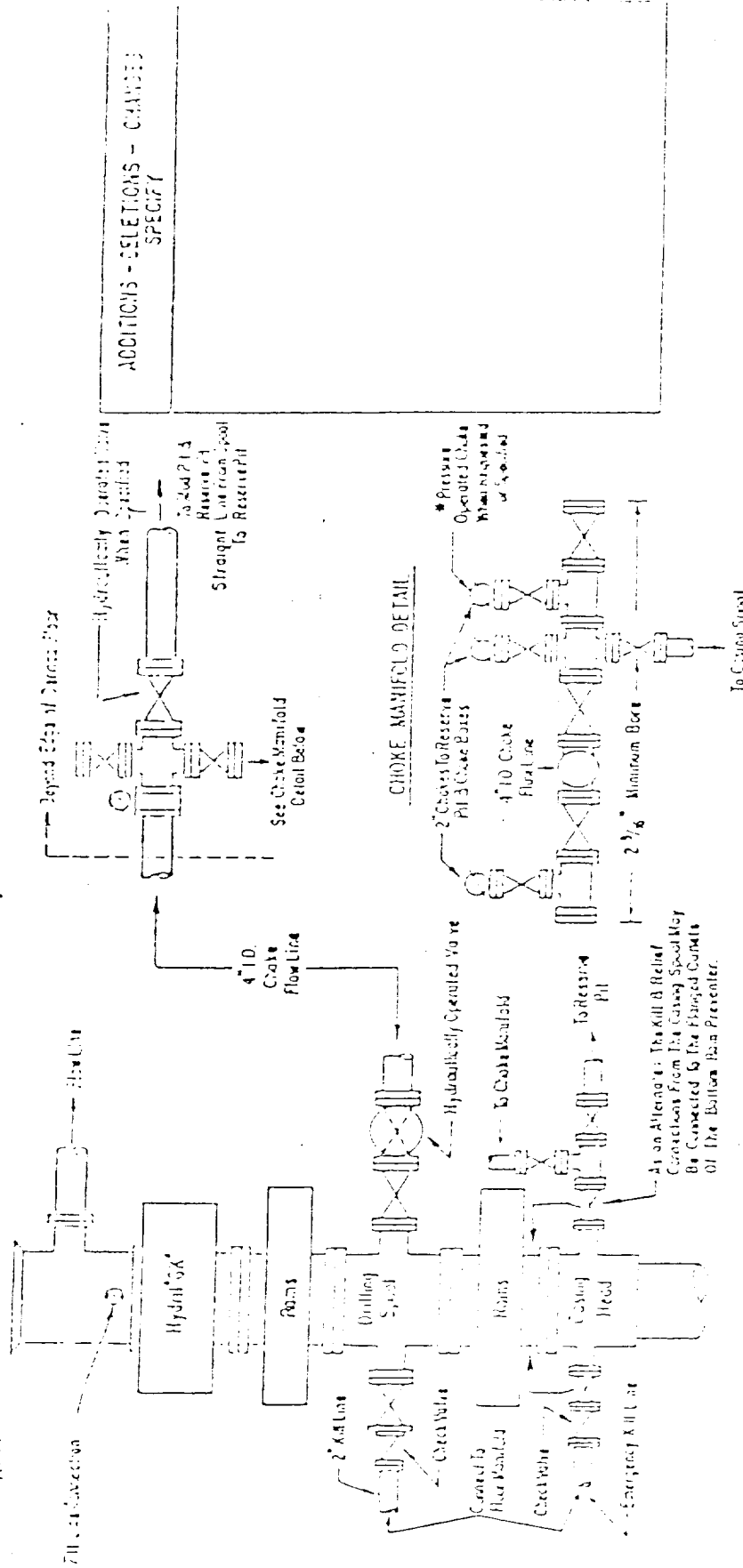
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Shaffer 10" Series 900 Type B B.O.P. with
4 1/2" pipe rams and blanks. Hydraulic
operated 6,000# test, 3,000# WOP.

CRUITS TO J
HAWK 3000 (1971)



3000 PSI WORKING PRESSURE BLOWOUT PREVENTER HOOK-UP

The blowout preventer assembly shall consist of one blind ram preventer and one pipe ram preventer, both hydraulically operated, a hydraulic line preventer, valves, chokes and connections as illustrated. If a tapered drill pipe is used, a ram preventer must be provided for each size of drill pipe. Casing and tubing used to fit the preventer shall be available as needed. If correct in size, the tapered bottom of the ram preventer shall be used for connecting to the 4-inch I.D. choke flow line used for drilling. The add-on height shall be sufficient to handle a rotating blowout preventer.

Minimum operating equipment for the preventer and hydraulically operated valves shall be as follows: (1) Multiple pumps, driven by a suitable source of power, capable of fluid changing the total accumulator volume from the drilling circulating system to its rated pressure with no accumulation. Also, the pumps are to be connected to the hydraulic operating system which is to be a closed system. (2) Acc. accumulators with accumulators must be sufficient to close all the pressure operated devices simultaneously within 15 seconds after closure. With the preventer fluid stored in the accumulators, the remaining accumulator pressure shall be not less than 1000 PSI with pumps or there shall be additional pumps operated by separate power and equal in performance capabilities.

The choke manifold and remote closing manifold shall have a separate control for each pressure operated device. Controls are to be located, with control handles indicating open and closed position in a position to be used for operating the hydraulic preventer. When requested, a second pressure reducer shall be available to fluid operating fluid pressure to non-pressure area.

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 valves are to be maintained to the choke manifold. All valves are to be selected for operation in the presence of oil, gas, and drilling fluids. The choke flow line valves connected to the drilling spool and all ram type preventers must be equipped with stem extensions, universal joints if needed, and hand wheels which are to extend beyond the edge of the derrick substructure. All other valves are to be equipped with handles.

1. To maintain derrick floor level controls.

ADDITIONS - SELECTIONS - CHANGES SPECIFICATION