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Barry

F-24

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

Form 3160-3
(August 1999)

0557

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

APR 29 2005

OIL-ARTESIA

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

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NM-108922	
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" 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 Purvis Operating Co. W.C. Morrow		7. If Unit or CA Agreement, Name and No.	
3a. Address P.O. Box 11006 Midland, TX 79702		8. Lease Name and Well No. Deer Canyon 8 Federal, #1	
3b. Phone No. (include area code) (432) 682-7346		9. API Well No. 30-015-34100	
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 1350' FSL & 660' FWL At proposed prod. zone		10. Field and Pool, or Exploratory	
14. Distance in miles and direction from nearest town or post office* 19.2 miles south of Hope, NM		11. Sec., T., R., M., or Blk. and Survey or Area Sec. 8-T20S-R21E	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 660'	16. No. of Acres in lease 1608.88	17. Spacing Unit dedicated to this well 320	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1980' P/A	19. Proposed Depth 7,900'	20. BLM/BIA Bond No. on file Applied for.	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 4608' GL	22. Approximate date work will start* April 18, 2005	23. Estimated duration 3 - 4 weeks	
24. Attachments Karrah Controlled Water Basin			

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>George R. Smith</i>	Name (Printed/Typed) George R. Smith, agent	Date 3/18/05
Title Agent for Purvis Operating Co.		
Approved by (Signature) /s/ Joe G. Lara	Name (Printed/Typed) /s/ Joe G. Lara	Date APR 28 2005
Title ACTING 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)

Lease Responsibility Statement: Purvis Operating Co. accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof.

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

29.5

George R. Smith
George R. Smith, agent

District I
1625 N. French Dr. Hobbs, NM 88240

District II
811 South First, Artesia, NM 88210

District III
1000 N. Brazos Rd., Aztec NM 87410

District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

OIL CONSERVATION DIVISION

2040 South Pacheco

Santa Fe, N M 87505

Form C-102
Revised March 17, 1989
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 Undesignated
Property Code	Property Name DEER CANYON "8" FEDERAL	Well Number 1
OGWD No. 131559	Operation Name PURVIS OPERATING COMPANY	Elevation 4608

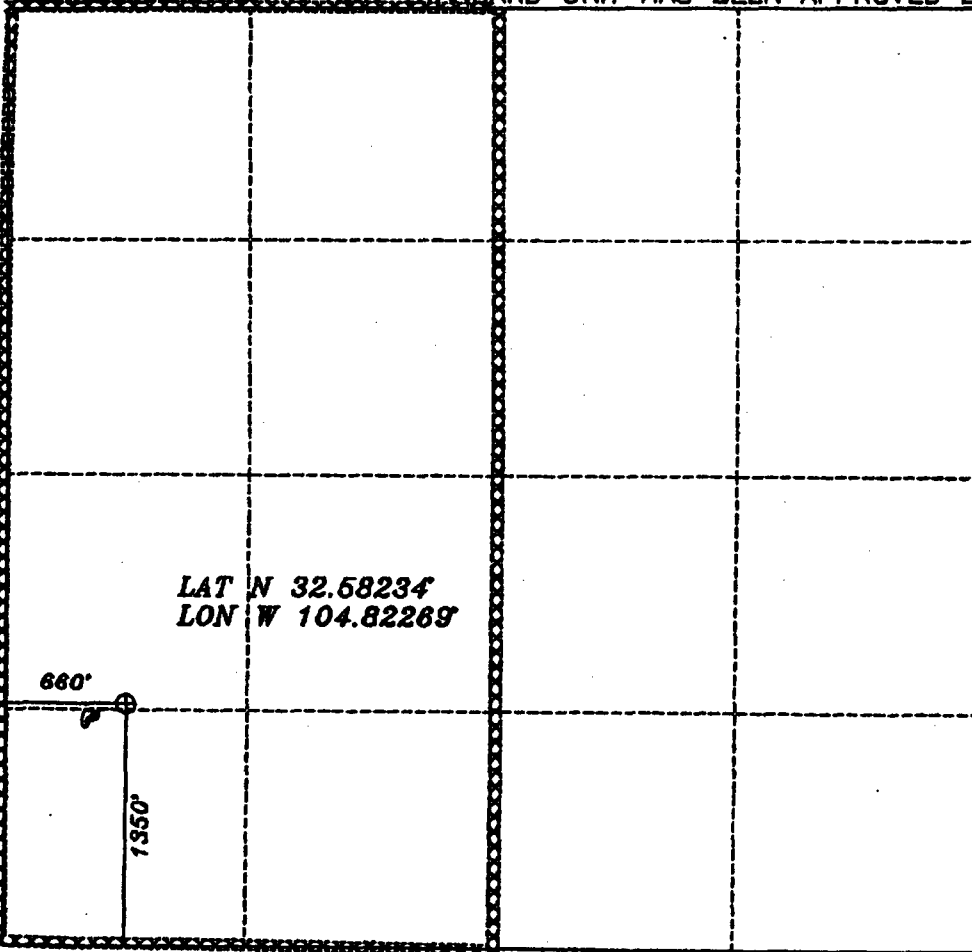
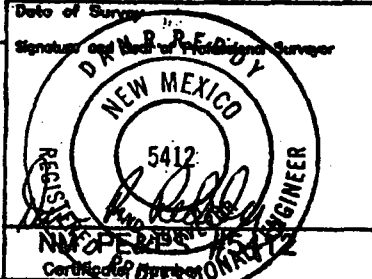
Surface Location

UL or Lot No. L	Section 8	Township 20-S	Range 21-E	Lot No.	Feet from the 1350	North/South line SOUTH	Feet from the 660	East/West line WEST	County EDDY
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Bottom Hole Location If Different From Surface

UL or Lot No.	Section	Township	Range	Lot No.	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.						

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

	OPERATOR CERTIFICATION I HEREBY CERTIFY THAT THE INFORMATION HEREIN IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.
	Signature <i>George R. Smith</i>
	Printed Name George R. Smith
	Title agent
	Date March 18, 2005
	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 KNOWLEDGE AND BELIEF.
	FEBRUARY 4, 2005
	Date of Survey
	Signature of Registered Surveyor 

APPLICATION FOR DRILLING

PURVIS OPERATING CO.
Deer Canyon 8 Federal, Well No. 1
1350' FSL & 660' FWL, Sec 8 T20S-R21E
Eddy County, New Mexico
Lease No.: NM-108922
(Exploratory Well)

In conjunction with Form 3160-3, Application for Permit to Drill subject well, Purvis Operating Co. submits the following items of pertinent information in accordance with BLM requirements:

1. The geologic surface formation is recent Permian with quaternary alluvium and other surficial deposits.
2. The estimated tops of geologic markers are as follows:

San Andres	1350'	Cisco	6047'
Glorieta	1850'	Canyon	6285'
Tubb	2700'	Strawn	6562'
Abo	3414'	Atoka	7332'
Wolfcamp	4407'	Morrow	7595'
		Chester	7700'
		T.D	7900'

3. The estimated depths at which water, oil or gas formations are anticipated to be encountered:

Water: Surface water between 100' - 300'.

Oil: None expected.

Gas: Possible in the Atoka below 7332' and the Morrow below 7595'.

4. Proposed Casing Program:

HOLE SIZE	CASING SIZE	WEIGHT	GRADE	JOINT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	32.0#	J-55	ST&C	1,550'	Circ. 880 sx "C" cement.
7 7/8"	5 1/2"	17.0#	N-80	LT&C	7,900'	500 sx "C" TOC 600' above top pay

5. Proposed Control Equipment: A 11" 5000 psi wp Shaffer Type LWS Double Gate BOP will be installed on the 8 5/8" casing and operated as a 3000 psi BOP. The 8 5/8" casing and BOP will be tested to a maximum of 1500 psi as per Onshore Oil and Gas Order No. 2 IIIBh, before drilling out with 7 7/8" and will be inspected and operated daily. See Exhibit "E".

6. MUD PROGRAM:	MUD WEIGHT	VIS.	W/L CONTROL
0' - 1550': Fr. water Air-Mist			No W/L control
1550' - 6300': Cut Brine mud:	8.8 - 9.4 ppg	28 - 29	No W/L control
6300' - 7900': Brine Gel/Starch:	9.4 - 9.8 ppg	32 - 34	W/L control 10 cc +/-

7. Auxiliary Equipment: Blowout Preventer, gas detector, Kelly cock, pit level monitor, flow sensors and stabbing valve.
8. Testing, Logging, and Coring Program:
 - Drill Stem Tests: One possible in the Wolfcamp and the Morrow.
 - Logging: T.D.to 1550': DLL, Sonic Log, G/R
 - T.D to 6250': CNL, FDL
 - T.D to 6400': FMI
 - 1550' to Surface: GR
 - Coring: As dictated by logs.

PURVIS OPERATING CO.

Deer Canyon 8 Federal , Well No. 1

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9. No abnormal pressures or temperatures are anticipated. In the event abnormal pressures are encountered the proposed mud program will be modified to increase the mud weight. Estimated evacuated BHP = 3476 and SHP = 1738 with a temperature of 139°.

10. H₂S: None expected.

11. Anticipated starting date: April 18, 2005.

Anticipated completion of drilling operations: Approximately 30-40 days.

