

PLEASE EXPEDITE

Form 3160-3  
(July 1992)UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTN.M. Oil Cons. Div. Dist. 2  
1301 W. Grand Avenue  
Artesia, NM 88210FORM APPROVED  
OMB NO. 1004-0136  
Expires: February 28, 19955. LEASE DESIGNATION AND SERIAL NO.  
110332

## APPLICATION FOR PERMIT TO DRILL OR DEEPEN

## 1a. TYPE OF WORK

DRILL ☒DEEPEN ☐

## b. TYPE OF WELL

OIL  
WELL ☐GAS  
WELL ☒

OTHER

SINGLE  
ZONE ☒MULTIPLE  
ZONE ☐

## 2. NAME OF OPERATOR

PURE RESOURCES, L.P. J. ROBERT READY (432-498-8619)

## 3. ADDRESS AND TELEPHONE NO.

500 WEST ILLINOIS, MIDLAND, TEXAS 79701 KEN KRAWIETZ 432-498-2655

## 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)\*

At surface

2134' FSL &amp; 990' FEL SEC. 11 T21S-R22E EDDY CO. NM

At proposed prod. zone

SAME

## 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*

Approximately 35 miles West Northwest of Carlsbad New Mexico

## 15. DISTANCE FROM PROPOSED\*

LOCATION TO NEAREST  
PROPERTY OR LEASE LINE, FT.  
(Also to nearest drlg. unit line, if any)

990'

## 16. NO. OF ACRES IN LEASE

640

17. NO. OF ACRES ASSIGNED  
TO THIS WELL

320

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

NA

## 19. PROPOSED DEPTH

9200'

## 20. ROTARY OR CABLE TOOLS

ROTARY

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

4196' GR.

22. APPROX. DATE WORK WILL START\*  
WHEN APPROVED

## 23.

## PROPOSED CASING AND CEMENTING PROGRAM

## CARLSBAD CONTROLLED WATER BASIN

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2" WITNESS	H-40 13 3/8"	48	350'	350 Sx. circulate cement WITNESS
12 1/4"	J-55 8 5/8"	24	1700'	850 Sx. Circulate cement
7 7/8"	N-80, J-55 5 1/2"	17 & 15.5	9200'	800 Sx. Estimate TOC 4000'

1. Drill 17 1/2" hole to 350'. Run and set 350' of 13 3/8" 48# H-40 ST&C casing. Cement with 350 Sx. of Class "C" cement + 2% CaCl<sub>2</sub> + 1/4# Flocele/Sx. Circulate cement to surface.
2. Drill 12 1/4" hole to 1700'. Run and set 1700' of 8 5/8" 24# J-55 ST&C casing. Cement with 600 Sx. of Halco Light cement + additives, tail in with 250 Sx. of Class "C" cement + 2% CaCl<sub>2</sub> + 1/4# Flocele/Sx. circulate cement to surface.
3. Drill 7 7/8" hole to 9200'. Run and set 9200' of 5 1/2" as follows: 2000' of 5 1/2" 17# N-80 LT&C, 1500' of 5 1/2" 17# J-55 LT&C, 4500' of 5 1/2" 15.5# J-55 LT&C, 1200' of 5 1/2" 17# N-80 LT&C. Cement with 500 Sx. of Halco Light Class "H" cement + additives, tail in with 300 Sx. of Class "H" Premium Plus cement + additives, estimate top of cement 4000'.

PURE RESOURCES, L.P. ACCEPTS THE RESPONSIBILITY OF OPERATING  
THIS LEASE.

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 Joe G. Lara TITLE Agent

APPROVAL SUBJECT TO

GENERAL REQUIREMENTS

11/10/03

(This space for Federal or State office use)

AND SPECIAL STIPULATIONS

RECEIVED

ATTACHED

PERMIT NO.

APPROVAL DATE

JAN 21 2004

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:

OCD-ARTESIA

ACTING  
FIELD MANAGERAPPROVED BY /s/ Joe G. Lara

TITLE

DATE

20 JAN 2004

\*See Instructions On Reverse Side

APPROVAL FOR 1 YEAR

Title 18 U.S.C. Section 1001, makes 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.

## State of New Mexico

## DISTRICT I

P.O. Box 1980, Hobbs, NM 88241-1980

Energy, Minerals and Natural Resources Department

Form C-102

Revised February 10, 1994

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

## DISTRICT II

P.O. Drawer DD, Artesia, NM 88211-0719

## OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

## DISTRICT III

1000 Rio Brazos Rd., Artec, NM 87410

## DISTRICT IV

P.O. BOX 2088, SANTA FE, N.M. 87504-2088

## WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number		Pool Code 79020	Pool Name INDIAN BASIN MORROW-WEST
Property Code	Property Name WEST INDIAN 11 FEDERAL		Well Number 1
OGRID No. 150628	Operator Name PURE RESOURCES, L.P.		Elevation 4196'

## Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	11	21-S	22-E		2134'	SOUTH	990'	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

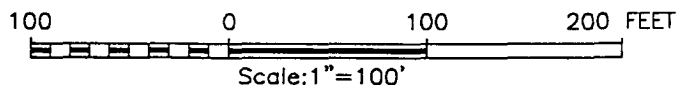
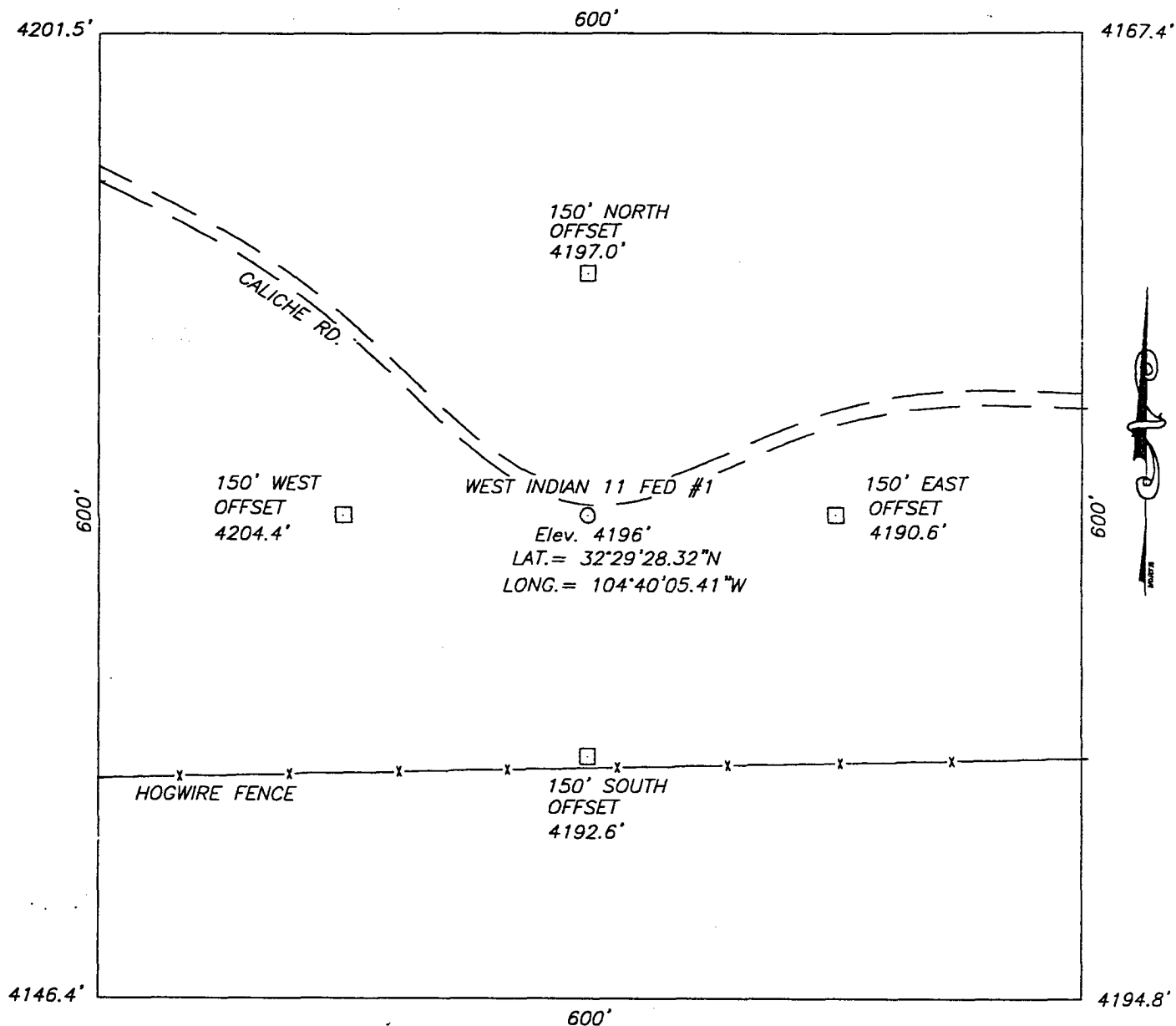
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320			

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><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Joe T. Janica</i> Signature Joe T. Janica Printed Name Agent Title 11/10/03 Date</p>	
	<p><b>SURVEYOR CERTIFICATION</b></p> <p>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.</p> <p>October 15, 2003</p> <p>Date Surveyed _____ AWB</p> <p>Signature &amp; Seal of Professional Surveyor <i>Gary E. Edson</i> 10/22/03 03.11.1106</p> <p>Certificate No. GARY EDSON 12641</p>	

EXHIBIT "A"

**SECTION 11, TOWNSHIP 21 SOUTH, RANGE 22 EAST, N.M.P.M.,**  
EDDY COUNTY, NEW MEXICO.

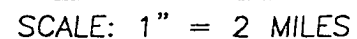


**PURE RESOURCES, L.P.**

WEST INDIAN 11 FEDERAL WELL #1  
LOCATED 2134 FEET FROM THE SOUTH LINE  
AND 990 FEET FROM THE EAST LINE OF SECTION 11,  
TOWNSHIP 21 SOUTH, RANGE 22 EAST, N.M.P.M.,  
EDDY COUNTY, NEW MEXICO.

Survey Date: 10/15/03	Sheet 1 of 1 Sheets
W.O. Number: 03.11.1106	DRAWN BY: A.W.B
Date: 10/16/03	DISK: CD#9
PURE #1106	Scale: 1"=100'

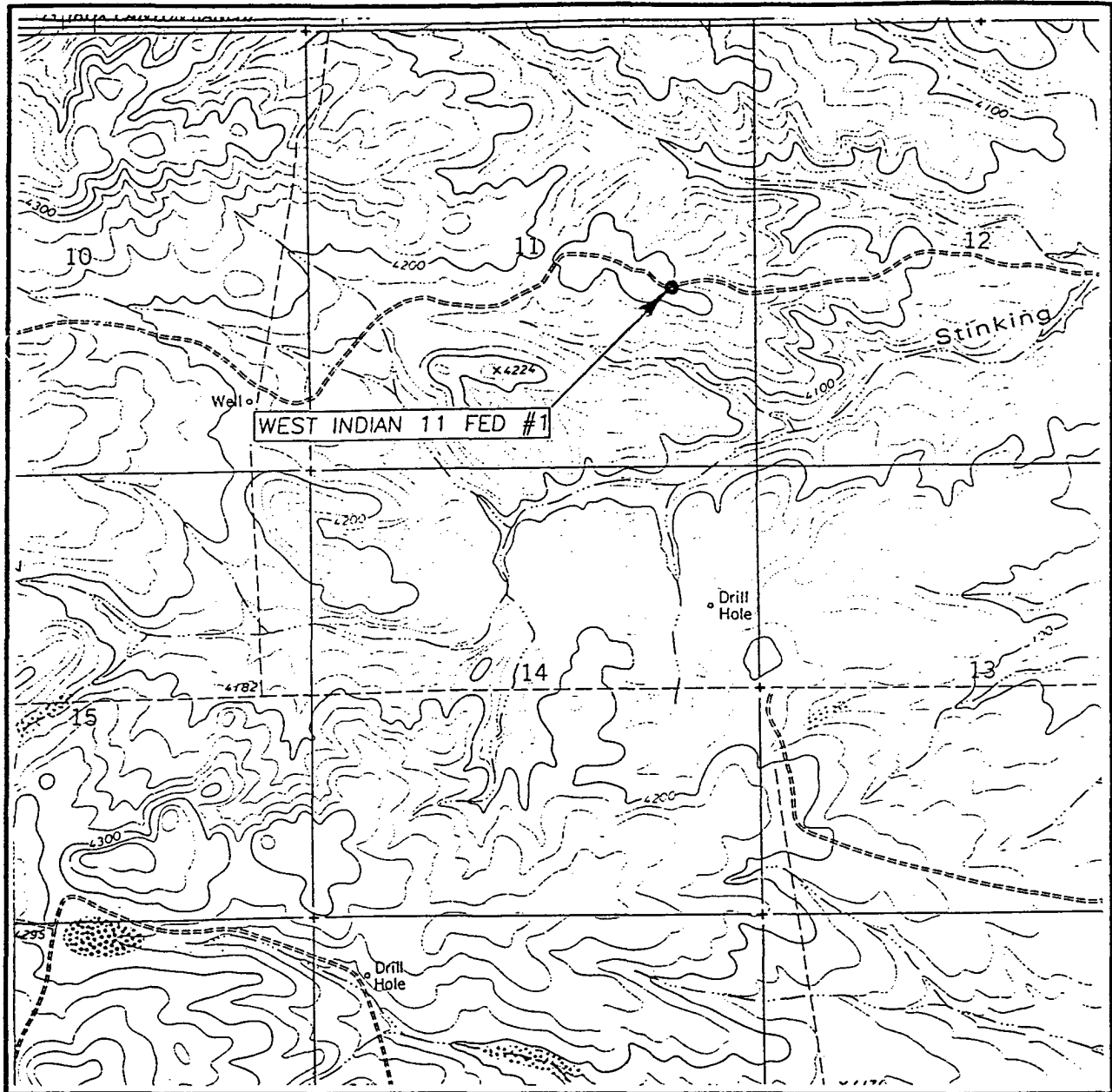
JOHN WEST SURVEYING COMPANY  
412 N. DAL PASO - HOBBS, NEW MEXICO - 505-393-3117



SEC. 11 TWP. 21-S RGE. 22-E  
SURVEY N.M.P.M.  
COUNTY EDDY  
DESCRIPTION 2134' FSL & 990' FEL  
ELEVATION 4196'  
OPERATOR PURE RESOURCES, L.P.  
LEASE WEST INDIAN 11 FEDERAL

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

# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: 20'  
CAWLEY DRAW, N.M.

SEC. 11 TWP. 21-S RGE. 22-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 2134' FSL & 990' FEL

ELEVATION 4196'

OPERATOR PURE RESOURCES, L.P.

LEASE WEST INDIAN 11 FEDERAL

U.S.G.S. TOPOGRAPHIC MAP  
CAWLEY DRAW, N.M.

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

## APPLICATION TO DRILL

PURE RESOURCES L.P.  
 WEST INDIAN "11" FEDERAL # 1  
 UNIT "I" SECTION 11  
 T21S-R22E EDDY CO. NM

In response to questions asked under Section II of Bulletin NTL-6 the following information on the above well is provided for your consideration.

1. Location of well: 2134' FSL & 990' FEL SEC. 11 T21S-R22E EDDY CO. NM
2. Ground Elevation above Sea Level: 4196' GR.
3. Geological age of surface formation: Quaternary Deposits:
4. Drilling tools and associated equipment: Conventional rotary drilling rig using drilling mud as a circulating medium to remove solids from hole.
5. Proposed drilling depth: 9200'

6. Estimated tops of geological markers:

Abo shale	2876'	Strawn	8067'
Wolfcamp	5298'	Atoka	8458'
Penn Virgilian Sd.	6728'	Morrow	8746'
Canyon Series	7211'	Lower Morrow	8987'

7. Possible mineral bearing formations:

Wolfcamp	Gas	Atoka	Gas
Strawn	Gas	MORROW	Gas

8. Casing Program:

Hole Size	Interval	OD of Casing	Weight	Thread	Collar	Grade
17½"	0-350'	13 3/8"	48#	8-R	ST&C	H-40
12½"	0-1700'	8 5/8"	24#	8-R	ST&C	J-55
7 7/8"	0-9200'	5½"	17 & 15.5	8-R	LT&C	N-80 J-55

# APPLICATION TO DRILL

PURE RESOURCES L.P.  
WEST INDIAN "11" FEDERAL # 1  
UNIT "I" SECTION 11  
T21S-R22E EDDY CO. NM

## 9. CASING CEMENTING & SETTING DEPTH:

13 3/8"	Surface	Set 350' of 13 3/8" 48# H-40 ST&C casing. cement with 350 Sx. of Class "C" cement + 2% CaCl, + 1/2# Flocele/Sx. Circulate cement to surface.
8 5/8"	Intermediate	Set 1700' of 8 5/8" 24# J-55 ST&C casing. Cement: with 600 Sx. of Class "C" Halco Light + additives, tail in with 250 Sx. of Class "C" cement + 2% CaCl, circulate cement to surface.
5 1/2"	Production	Set 9200' of 5 1/2" casing as follows: 2000' of 5 1/2" 17# N-80, 1500' of 5 1/2" 17# J-55 LT&C, 4500' of 5 1/2" 15.5# J-55 LT&C, 1200' of 5 1/2" 17# N-80 LT&C. Cement with 500 Sx. of Class "H" Halco Light cement + additives, tail in with 300 Sx. of Class "H" Premium Plus cement + additives, estimate top of cement 4000' from surface.

10. PRESSURE CONTROL EQUIPMENT: Exhibit "E" shows a 1500 series 5000 PSI working pressure B.O.P. consisting of an annular bag type preventor, middle blind rams, and bottom pipe rams. The B.O.P. will be nipped up on the 13 3/8" casing and tested to API specifications. The B.O.P. will be operated at least once each 24 Hr. period and the blind rams will be operated when the drill pipe is out of on trips. Full opening stabbing valve and upper kelly cock will be available in case if needed. Exhibit "E-1" shows a hydraulically operated closing unit and a 3" 3000 PSI choke manifold with adjustable chokes. No abnormal pressures or temperatures are expected while drilling this well. No problems in offset wells.

## 11. PROPOSED MUD CIRCULATING SYSTEM:

DEPTH	MUD WT.	VISC.	FLUID LOSS	TYPE MUD SYSTEM
0-350	8.4-8.7	29-34	NC	Fresh water Spud Mud, add paper to control seepage.
350-1700'	10.-10.2	29-37	NC	Fresh water add paper to control seepage and use high viscosity sweeps to clean hole.
1700-7500'	10.0-10.3	29-38	NC	Same as above.
7500-9200'	9.5-10.3	34-39	10 cc or Less	Cut brine go to a Poly-system to control water loss and use high viscosity to clean hole.

Go to a water loss controlled mud system in order to protect formation, to run logs and casing.

Sufficient mud materials will be kept on location at all times in order to combat lost circulation, or unexpected kicks. In order to run DST's, open hole logs, and casing, viscosity, and water loss may have to be adjusted to meet these needs.

APPLICATION TO DRILL

PURE RESOURCES L.P.  
WEST INDIAN "11" FEDERAL # 1  
UNIT "I" SECTION 11  
T21S-R22E EDDY CO. NM

12. LOGGING, CORING, AND TESTING PROGRAM:

- A. Open hole logs: Dual Laterolog, LDT, CNL, Gamma Ray, Caliper from TD back to 8 5/8" casing shoe. Run Gamma Ray, CNL from 8 5/8" casing shoe back to surface.
- B. Mud logger may be rigged up on hole at the advice of Geologist.
- C. Cores and/or DST's may be taken at the advice of Geologist and where shows occur.

13. POTENTIAL HAZARDS:

No abnormal pressures or temperatures are expected. There is no known presence of H<sup>2</sup>S in this area. If H<sup>2</sup>S is encountered the operator will comply with the provisions of Onshore Oil and Gas Order No. 6. No lost circulation is expected to occur. All personnel will be familiar with all aspects of safe operation of equipment being used to drill this well. Estimated BHP 4500 PSI, and Estimated BHT 180°.

14. ANTICIPATED STARTING DATE AND DURATION OF OPERATION:

Road and location construction will begin after the BLM has approved the APD. Anticipated spud date will be as soon after BLM approval and as soon as a rig will be available. Move in operation and drilling is expected to take 40 days. If production casing is run then an additional 30 days will be needed to complete well and construct surface facilities and/or lay flowlines in order to place well on production.

15. OTHER FACETS OF OPERATIONS:

After running casing, cased hole Gamma Ray, Neutron Collar logs will be run from TD back to all possible productive zones. The MORROW formation will be perforated and stimulated in order to establish production. The well will be swab tested and potentialized as a gas well.



## HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

1. All Company and Contract personnel admitted on location must be trained by a qualified H<sub>2</sub>S safety instructor to the following:
  - A. Characteristics of H<sub>2</sub>S
  - B. Physical effects and hazards
  - C. Proper use of safety equipment and life support systems.
  - D. Principle and operation of H<sub>2</sub>S detectors, warning system and briefing areas.
  - E. Evacuation procedure, routes and first aid.
  - F. Proper use of 30 minute pressure demand air pack.
2. H<sub>2</sub>S Detection and Alarm Systems
  - A. H<sub>2</sub>S detectors and audio alarm system to be located at bell nipple, end of bloop line (mud pit) and on derrick floor or doghouse.
3. Windsock and/or wind streamers
  - A. Windsock at mudpit area should be high enough to be visible.
  - B. Windsock at briefing area should be high enough to be visible.
  - C. There should be a windsock at entrance to location.
4. Condition Flags and Signs
  - A. Warning sign on access road to location.
  - B. Flags to be displayed on sign at entrance to location. Green flag, normal safe condition. Yellow flag indicates potential pressure and danger. Red flag, danger, H<sub>2</sub>S present in dangerous concentration. Only emergency personnel admitted to location.
5. Well control equipment
  - A. See exhibit "E" & "E-1"
6. Communication
  - A. While working under masks chalkboards will be used for communication.
  - B. Hand signals will be used where chalk board is inappropriate.
  - C. Two way radio will be used to communicate off location in case of emergency help is required. In most cases cellular telephoned will be available at most drilling foreman's trailer or living quarters.
7. Drillstem Testing
  - A. Exhausts will be watered.
  - B. Flare line will be equipped with an electric ignitor or a propane pilot light in case gas reaches the surface.
  - C. If the location is near to a dwelling a closed DST will be performed.

## HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

8. Drilling contractor supervisor will be required to be familiar with the effects H<sub>2</sub>S has on tubular goods and other mechanical equipment.
9. If H<sub>2</sub>S is encountered, mud system will be altered if necessary to maintain control of formation. A mud gas separator will be brought into service along with H<sub>2</sub>S scavengers if necessary.

# SURFACE USE PLAN

PURE RESOURCES, L.P.  
WEST INDIAN "11" FEDERAL # 1  
UNIT "I" SECTION 11  
T21S-E22E EDDY CO. NM

1. EXISTING ROADS & PROPOSED ROADS: Area maps; Exhibit "B" is a reproduction of a County General Hi-way Map. Exhibit "C" is a reproduction of a USGS Topographic Map, showing existing and proposed roads. All existing roads will be maintained in a condition equal to or better than current conditions. Any new roads will be constructed to BLM specifications.
  - A. Exhibit "A" shows the proposed well site as staked.
  - B. From Carlsbad NM take U.S. Hi-way 285 North 12± miles to State road 137 (Queens Hi-way) turn Left go 9 miles to Co Road 401 (Marathon road) bear Right follow CR 401 8.25± miles, bear Right follow main road 1.8± miles turn Right follow road North 1.75± miles to dry hole marker on the West side of road, bear Left for .8 miles bear Right follow 2 tract road .75 miles to gate on pipeline go through gate and continue on 2 tract road North to stock pens and windmill, go North past mill and turn Right and follow road approximately .8 miles to location.
  - C. If well is productive pipeline connection will be made as shown on Exhibit "F"
2. PLANNED ACCESS ROADS: Approximately 2 miles of road will be constructed on the 2 tract road.
  - A. The access roads will be crowned and ditched to a 12' wide travel surface with a 40' Right-of-Way.
  - B. Gradient of all roads will be less than 5.00%.
  - C. If turn-outs are necessary they will be constructed.
  - D. If needed roads will be surfaced with a minimum of 4" of caliche. This material will be obtained from a local source.
  - E. Center-line for new roads will be flagged. Earth-work will be will be done as field conditions require.
  - F. Culverts will be placed in the access road if they are necessary. The roads will be constructed to utilize low water crossings for drainage as required by topography.
3. LOCATIONS OF EXISTING WELLS IN A ONE MILE RADIUS. EXHIBIT "A-1"
  - A. Water wells - One approximately .8 miles West of location.
  - B. Disposal wells - None known
  - C. Drilling wells - None known
  - D. Producing wells - As shown on Exhibit "A-1"
  - E. Abandoned wells - As shown on Exhibit "A-1"

## SURFACE USE PLAN

PURE RESOURCES, L.P.  
WEST INDIAN "11" FEDERAL # 1  
UNIT "I" SECTION 11  
T21S-E22E EDDY CO. NM

4. If on completion this well is a producer the operator will lay pipelines and construct powerlines along existing road R-O-W's or other existing R-O-W's. Possible routes of pipelines, flowlines and powerlines are shown on Exhibit "F".

5. LOCATION AND TYPE OF WATER SUPPLY:

Water will be purchased locally from a commercial source and trucked over the access roads or piped to location in flexible lines laid on top of the ground.

6. SOURCE OF CONSTRUCTION MATERIAL:

If possible construction material will be obtained from the excavation of drill site, if additional material is needed it will be obtained from a local source and transported over the access roads as shown on Exhibit "C".

7. METHODS OF HANDLING WASTE MATERIAL:

- A. Drill cuttings will be disposed of in the reserve pits.
- B. All trash, junk and other waste material will be contained in trash cages or trash bins to prevent scattering. When the job is completed all contents will be removed and disposed of in a approved sanitary land fill.
- C. Salts remaining after completion of well will be picked up by the supplier, including broken sacks.
- D. Waste water from living quarters will be drained into holes with a minium of 10'. These holes will be covered during drilling and will be back filled when the well is completed. A Porto-John will be provided for the rig crews. This equipment will be properly maintained during the drilling and completion operations and will be removed when all operations are complete.
- E. Remaining drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry enough to be broken out for furthred drying. If the drilling fluids do not evaporate in a reasonable time they will be hauled off by transports to a state approve disposal site. Later pips will be broken out to speed drying. Water produced during completion will be put in reserve pits. Oil and condensate produced will be put in storage tanks and sold.

8. ANCILLARY FACILITIES:

- A. No camps or air strips will be constructed on location.

## SURFACE USE PLAN

PURE RESOURCES, L.P.  
WEST INDIAN "11" FEDERAL # 1  
UNIT "I" SECTION 11  
T21S-E22E EDDY CO. NM

### 9. WELL SITE LAYOUT:

- A. Exhibit "D" shows the proposed well site layout.
- B. This Exhibit shows the location of reserve pit, sump pits, and living facilities.
- C. Mud pits in the active circulating system will be steel pits and the reserve pits will be unlined unless subsurface conditions encountered during pit construction indicate that a plastic liner is required to contain lateral migration.
- D. If needed the reserve pits will be lined with polyethelene. The pit liner will be no less than 6 mils thick and the liner will be extended at least 3 feet over the top of the dikes and secured in place to keep edge of liner in place.
- E. The reserve pit will be fenced on three sides and fenced with four strands of barbed wire during drilling and completion phases. The 4th side will be fenced after drilling operations are complete and the drilling rig has moved out. If the well is a producer the mud pits will remain fenced in until the mud has dried up enough to break out the pits and reclaimed according to BLM requirements.

### 10. PLANS FOR RESTORATION OF SURFACE:

Rehabilitation of the location and reserve pits will be allowed to dry properly, fluids may be moved and disposed of in accordance with article 7-E as previously noted. The pit area will then be leveled and contoured to conform to the original and surrounding area. Drainage systems, if any will be reshaped to the original configuration with provisions made to alleviate future erosion. In case of the well completed as a producer the drilling pad will be necessary to construct production facilities. After the area has been shaped and contoured top soil from the spoil pile will be placed over the disturbed area to the extent possible so that revegetation procedures can be accomplished to comply with the BLM specifications.

If the well is a dry hole the pad and road area will be contoured to match the existing terrain. Top soil will be spread to the extent possible and revegetation will be carried out according to the BLM specifications.

Should the well be a producer the previously noted procedures will apply to those areas which are not required for production facilities.

SURFACE USE PLAN

PURE RESOURCES, L.P.  
WEST INDIAN "11" FEDERAL # 1  
UNIT "I" SECTION 11  
T21S-E22E EDDY CO. NM

11. OTHER INFORMATION:

- A. Topography consists of Limestone hills cut by deep canyons. The location is North of Stinking Draw, surface soils in the canyons are sandy and rocky on the slopes. Vegetation consists of Acacia, Little Leaf Sumac, Lechuguilla, Yucca, Sotol, Prickley Pear, Cholla, Algerita and Creosote.
- B. Surface is owned by the U.S. Government and is administered by the Bureau of Land Management. The surface is used for grazing livestock and the production of oil and gas.
- C. An archaeological survey will be conducted on the location and access roads. This report will be filed with The Bureau of Land Management in the Carlsbad field office.
- D. Dwelling approximately 2 miles East of location.

12. OPERATORS REPRESENTATIVES:

Before construction:

TIERRA EXPLORATION, INC  
P.O. BOX 2188  
HOBBS, NEW MEXICO 88241  
OFFICE Ph. 505-391-8503  
JOE T. JANICA

During and after construction:

PURE RESOURCES, L.P.  
500 WEST ILLINOIS  
MIDLAND, TEXAS 79701  
J. ROBERT READY 432-498-8619  
KEN KRAWIETZ 432-498-2655

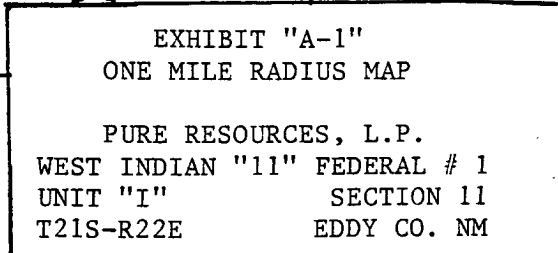
13. CERTIFICATION: I hereby certify that I, or persons under my direct supervision have inspected the proposed drill site and access roads, and that I am familiar with the conditions which currently exist, that the statements made in this plan are to the best of my knowledge true and correct, and that the work associated with the operations proposed herein will be performed by PURE RESOURCES, L.P. it's contractors/subcontractors is in compformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provision of U.S.C. 1001 for the filing of a false report.

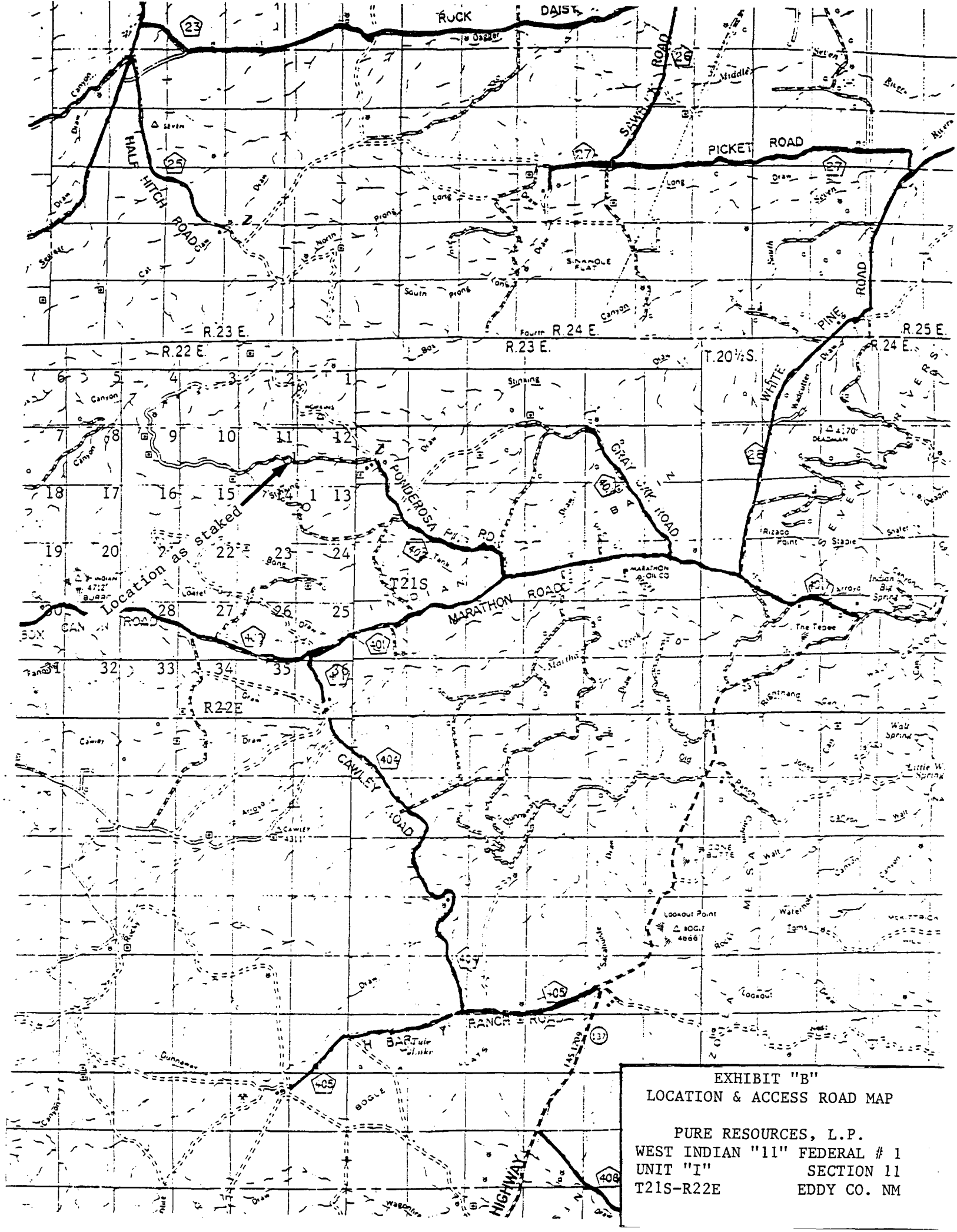
NAME :

DATE :

TITLE :

*Joe T. Janica*  
11/10/03  
Agent







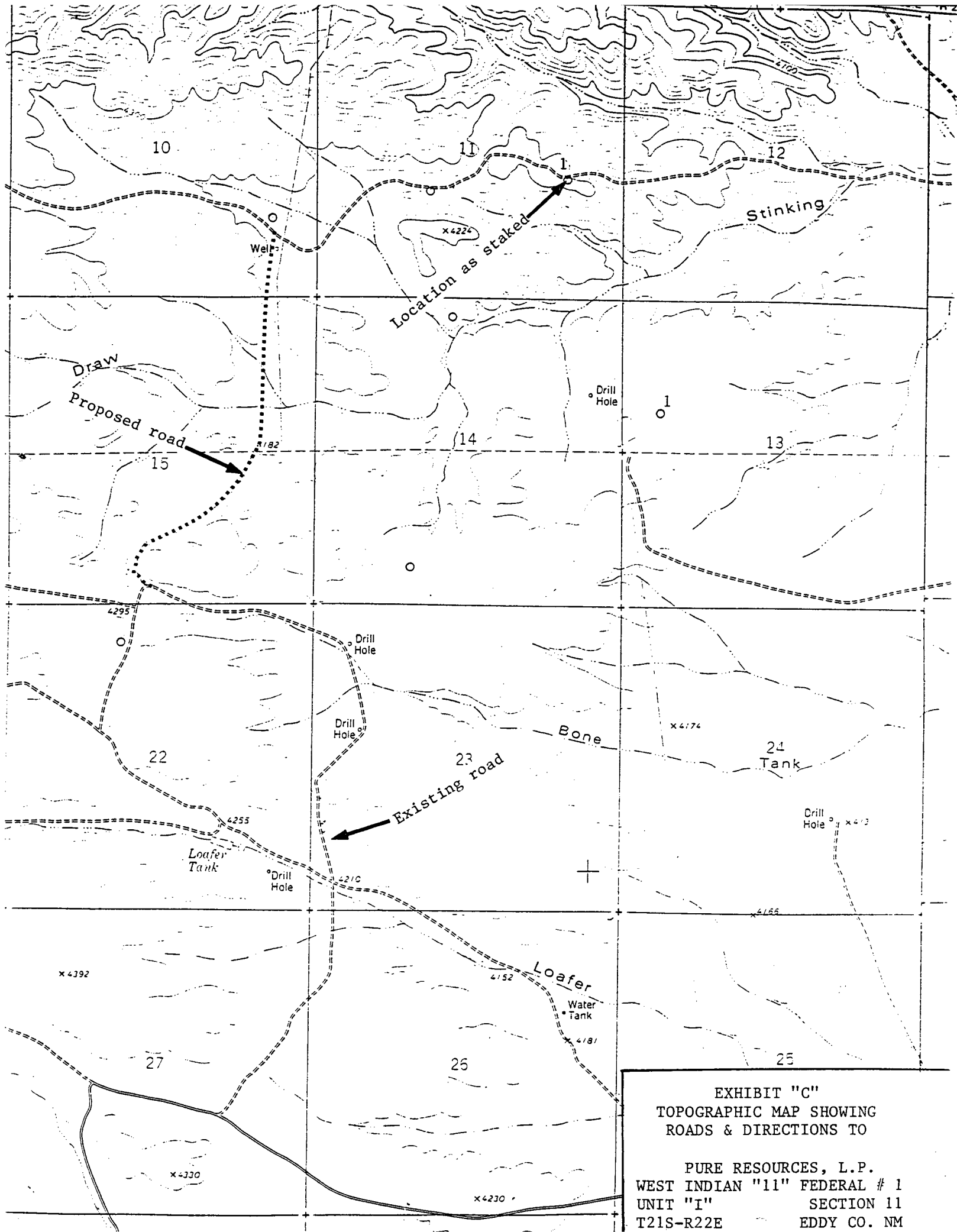
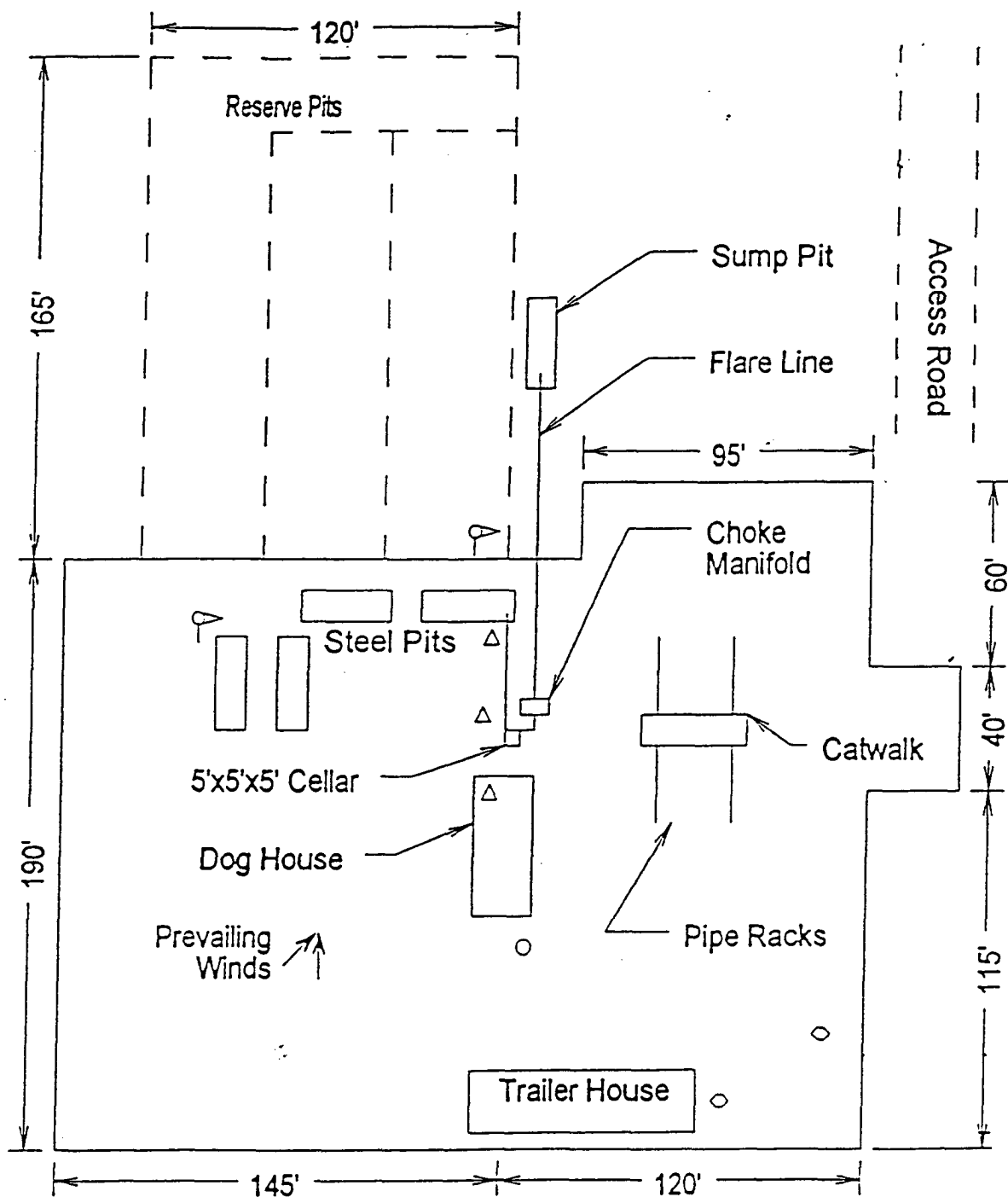


EXHIBIT "C"  
TOPOGRAPHIC MAP SHOWING  
ROADS & DIRECTIONS TO

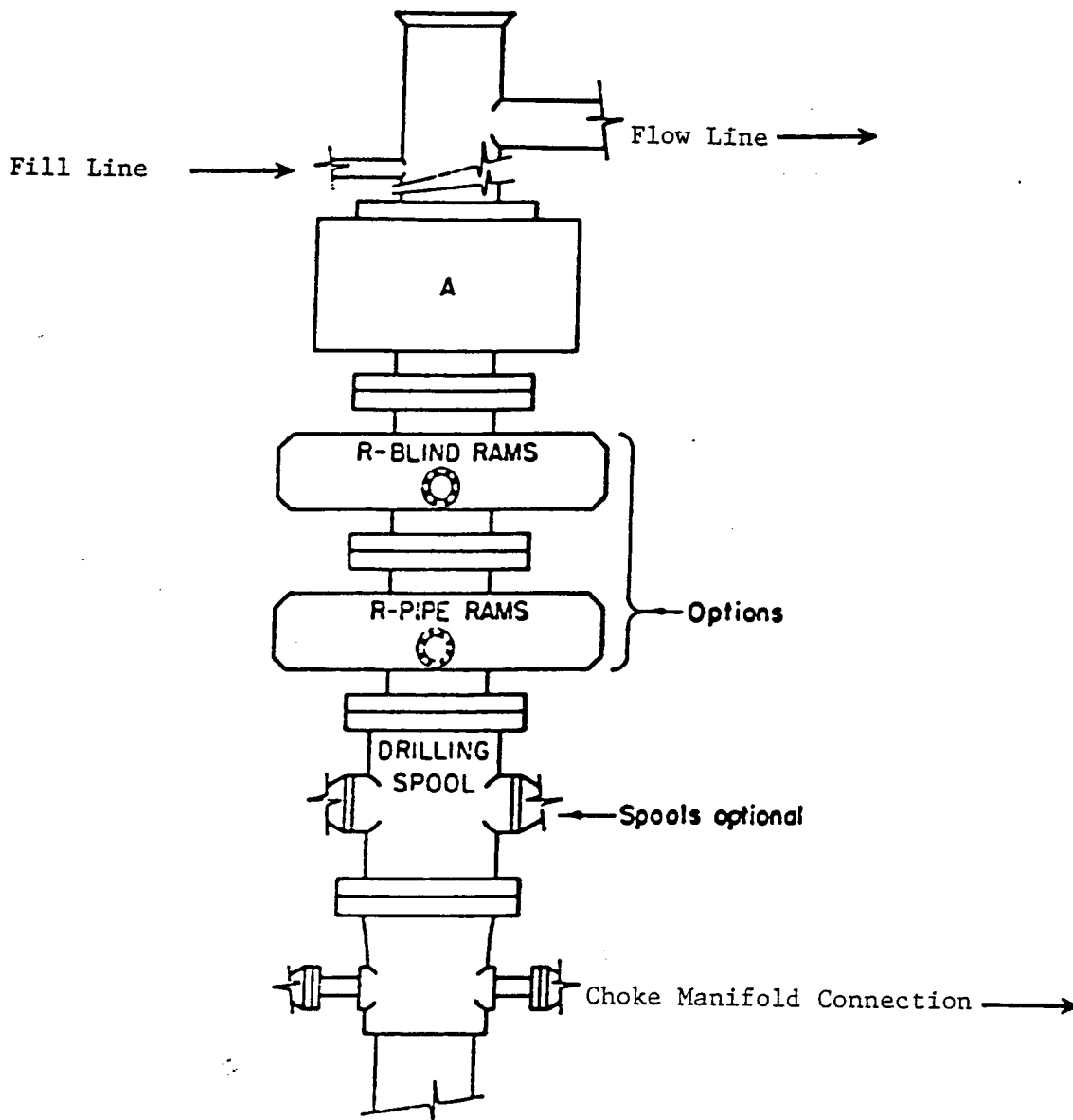
PURE RESOURCES, L.P.  
WEST INDIAN "11" FEDERAL # 1  
UNIT "I" SECTION 11  
T21S-R22E EDDY CO. NM



- Wind Direction Indicators  
(wind sock or streamers)
- △ H<sub>2</sub>S Monitors  
(alarms at bell nipple and shale shaker)
- Briefing Areas
- Remote BOP Closing Unit
- Sign and Condition Flags

EXHIBIT "D"  
RIG LAYOUT PLAT

PURE RESOURCES, INC.  
WEST INDIAN "11" FEDERAL # 1  
UNIT "I" SECTION 11  
T21S-R22E EDDY CO. NM



### ARRANGEMENT SRRA

1500 Series  
5000 PSI WP

EXHIBIT "E"  
SKETCH OF B.O.P. TO BE USED ON

PURE RESOURCES, L.P.  
WEST INDIAN "11" FEDERAL # 1  
UNIT "I" SECTION 11  
T21S-R22E EDDY CO. NM

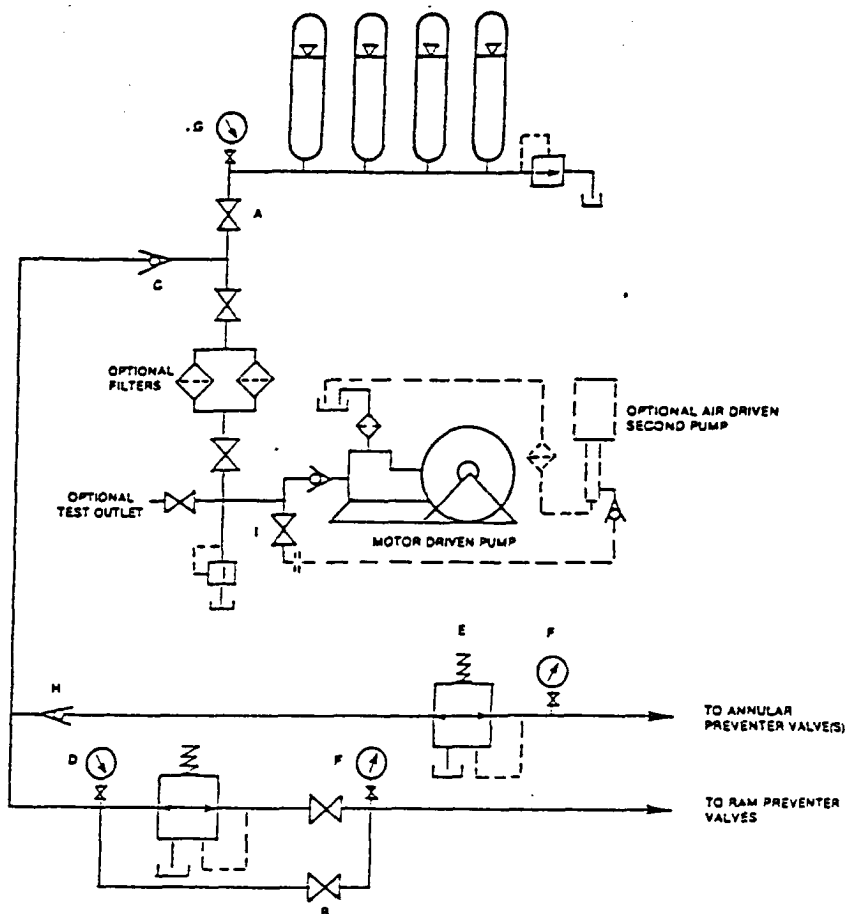


FIGURE K6-1. The schematic sketch of an accumulator system shows required and optional components.

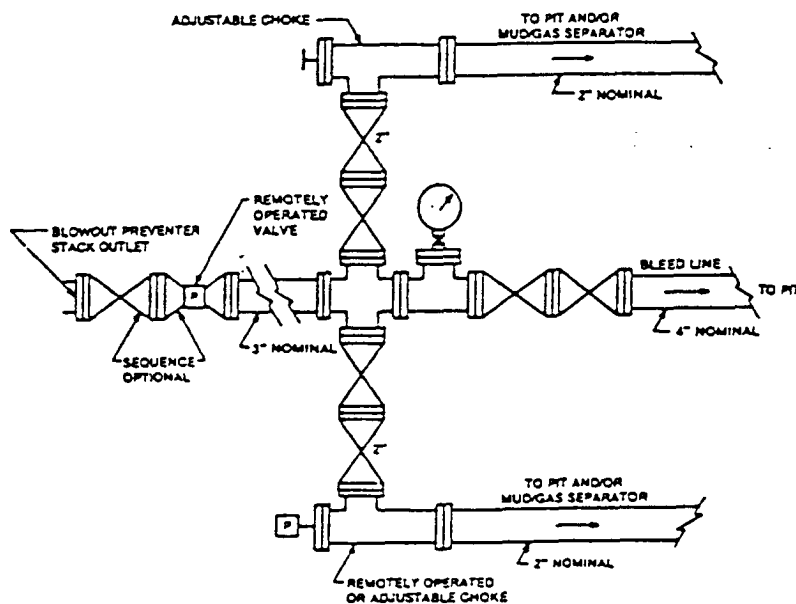


FIGURE K4-2. Typical choke manifold assembly for 5M rated working pressure service — surface installation.

EXHIBIT "E#1"  
CHOKE MANIFOLD & CLOSING UNIT

PURE RESOURCES, L.P.  
WEST INDIAN "11" FEDERAL # 1  
UNIT "I" SECTION 11  
T21S-R22E EDDY CO. NM

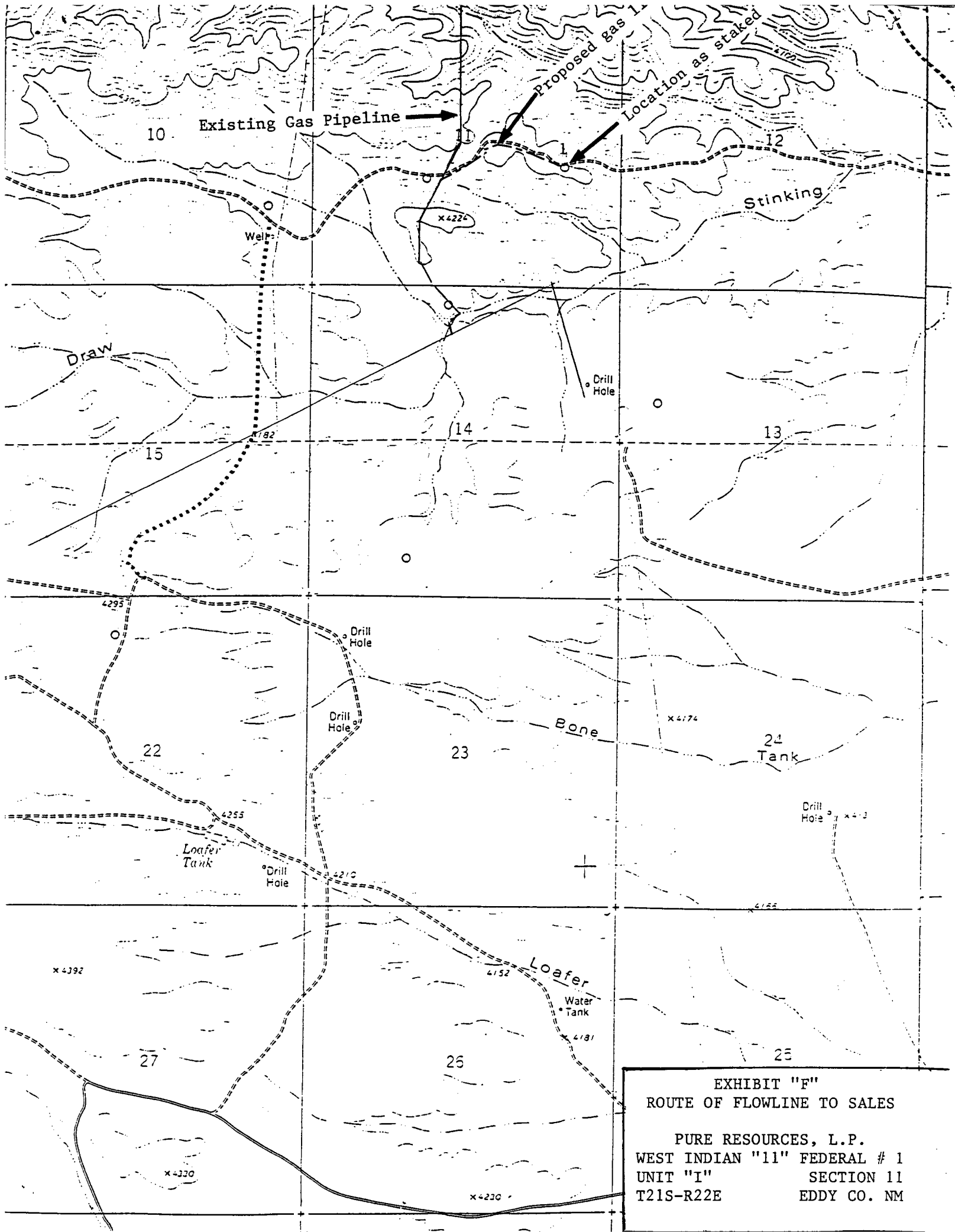



EXHIBIT "F"  
ROUTE OF FLOWLINE TO SALES  
  
PURE RESOURCES, L.P.  
WEST INDIAN "11" FEDERAL # 1  
UNIT "I" SECTION 11  
T21S-R22E EDDY CO. NM



Drilling Fluid Discussion						
Segment/Activity	Depth (feet) (TVD/MD)	Mud Density (ppg)	Viscosity (sec/1000 cc)	Fluid Loss (cm/30 min)		Fluid Makeup
				API	HTHP	
<u>Surface:</u> Drill: 17 1/2" Hole Set 13-3/8" Casing Drig. Days: 2	0' - 350'	8.6 - 9.0	35 - 45	NC	NA	Fresh Water AQUAGEL®, LCM
<u>Intermediate:</u> Drill: 12 1/4" Hole Set 9 5/8" Casing Drig. Days: 2	350' - 1,700'	8.4 - 9.0	28	NC	NA	F. Water - Cut Brine, Sweeps, E-Z MUD®, HYSEAL®
<u>Production:</u> Drill: 7 7/8" Hole Set 5 1/2" Casing Drig. Days: 21	1,700' - 7,000'	8.3 - 8.5	28 - 30	NC	NA	Cut Brine, BARAZAN®, IMPERMIX®
	7,000' - 9,200'	8.5 - 9.0	34 - 40	6 - 10	NA	

Preceding summary is based information supplied by the operator and offset well data gathered by **Baroid**; therefore it is intended as a guideline only.

Directional Guideline 				
Vertical Depth (TVD) (feet)	Measured Depth (MD) (feet)	Directional Plan	Average Angle °	Horizontal Displacement (feet)
0' - 9,200'	0' - 9,200'	Vertical	NA	0

Deviation can be a problem in this area, if proper guidelines are not followed. Weight and rotating speeds should be adjusted as needed. Well data also indicates extreme uncertainty after setting surface casing.

Pure Resources, L. P.  
Stinking Draw Federal Well No. 1  
1998' FNL & 604' FWL  
UL E, Section 13, T-21-S, R-22-E  
Eddy County, New Mexico

There is no known presence of H<sub>2</sub>S in the area of this well. Should an indication of H<sub>2</sub>S occur during the drilling of this well, necessary precautions will be taken to insure the safety of all workers and personnel on the location. Warning flags will be posted as to the safety of the area. Also, even though we don't perceive this well as requiring a contingency plan under NMOCD Rule 118, per our company policy, we will still have a 32 page Contingency Plan on location during the drilling of this well.



500 W. Illinois  
Midland, Tx. 79701  
Ph (915) 498-8600  
Fax (915) 687-3863

February 19, 2004

State of New Mexico  
Energy, Minerals & Natural Resources Department  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

ATTN: Mr. Michael Stogner, Examiner

Administrative Application for an  
Unorthodox Well Location-  
West Indian 11 Federal Well No. 1,  
2,134' FSL & 990' FEL,  
UL I, Section 11, T-21-S, R-22-E,  
Eddy County, New Mexico

**RECEIVED**  
**FEB 23 2004**  
**OCD-ARTESIA**

Dear Mr. Stogner,

Pure Resources, L.P. respectfully requests your approval of this administrative application for the subject Unorthodox Gas Well Location. This well will have the S  $\frac{1}{2}$  or 320 acres of Section 11, T-21-S, R-22-E dedicated as it's standard spacing unit.

We are currently planning to drill and complete the subject West Indian 11 Federal Well No. 1 in the Indian Basin Morrow-West Pool at a location 2,134' FSL and 990' FEL, Unit Letter I of Section 11, T-21-S, R-22-E, Eddy County, New Mexico. This well's location is Unorthodox in that it is less than the required distance from the outer boundary of the proration unit.

As indicated by the attached Plats, Commercial and Vicinity Maps, this well's location was moved 154' further North from the originally proposed standard location upon request by the BLM. This was done to reduce the amount of cut and fill necessary for construction of this wellsite, drilling pad and its access and thus alleviate the potential of changing the drainage and runoff patterns in the area and causing further erosion of the topography. The resulting Unorthodox Location is only encroaching upon ourselves or the inner spacing unit's boundary line, and thus should not violate anyone's correlative rights.

A copy of this letter and attachments are being furnished by Certified Mail to offset operators and applicable Working Interest Owners as their notice of this application and to inform them that they have 20 days from receipt of this application by the OCD in which to submit, in writing, any objections to this application to the OCD in Santa Fe, New Mexico. A copy is also being furnished to the New Mexico State Land Office and the BLM for their records.



Pure Resources, L. P. requests your consideration and approval of this administrative Unorthodox Gas well location to comply with BLM's request and reduce any adverse impact to the surface topography while still protecting correlative rights. Attached is an Offset Operators List, C-102 Plat, Commercial, Vicinity and other maps. If you have any questions or require any further information concerning this application, please contact me at (432) 498-8662 or e-mail me at [abohling@PureResources.com](mailto:abohling@PureResources.com)

Sincerely yours,

A handwritten signature in cursive script that reads "Alan W. Bohling". The signature is written in black ink and is positioned above the printed name and title.

Alan W. Bohling  
Regulatory Agent

**PURE RESOURCES, L. P.**  
**West Indian 11 Federal**  
**Well No. 1**

**Non-Standard Location Application**  
**Indian Basin Morrow-West Pool**  
**2,134' FSL & 990' FEL**  
**UL I, Section 11, T-21-S, R-22-E**  
**Eddy County, New Mexico**

***OFFSET OPERATORS***

ARCO Permian  
200 Westlake Park Blvd., Rm 266  
Houston, Texas 77079

David H. Arrington Oil & Gas, Inc.  
P. O. Box 2071  
Midland, Texas 79702

The Allar Company  
P. O. Box 1567  
Graham, Texas 76450

Maralo, LLC  
P. O. Box 832  
Midland, Texas 79702

BHP Petroleum (Americas), Inc.  
1360 Post Oak Blvd., Ste. 500  
Houston, Texas 77056

Yates Petroleum Corporation  
105 S. 4<sup>th</sup> Street  
Artesia, New Mexico 88210

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88211-0719

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

DISTRICT IV  
P.O. Box 2088, Santa Fe, N.M. 87504-2088

State of New Mexico  
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code 79020	Pool Name INDIAN BASIN MORROW-WEST
Property Code	Property Name WEST INDIAN 11 FEDERAL	Well Number 1
OGRID No. 150628	Operator Name PURE RESOURCES, L.P.	Elevation 4196'

Surface Location

UL or lot No. 1	Section 11	Township 21-S	Range 22-E	Lot Idn	Feet from the 2134'	North/South line SOUTH	Feet from the 990'	East/West line EAST	County EDDY
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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 320	Joint or Infill	Consolidation Code	Order No.						

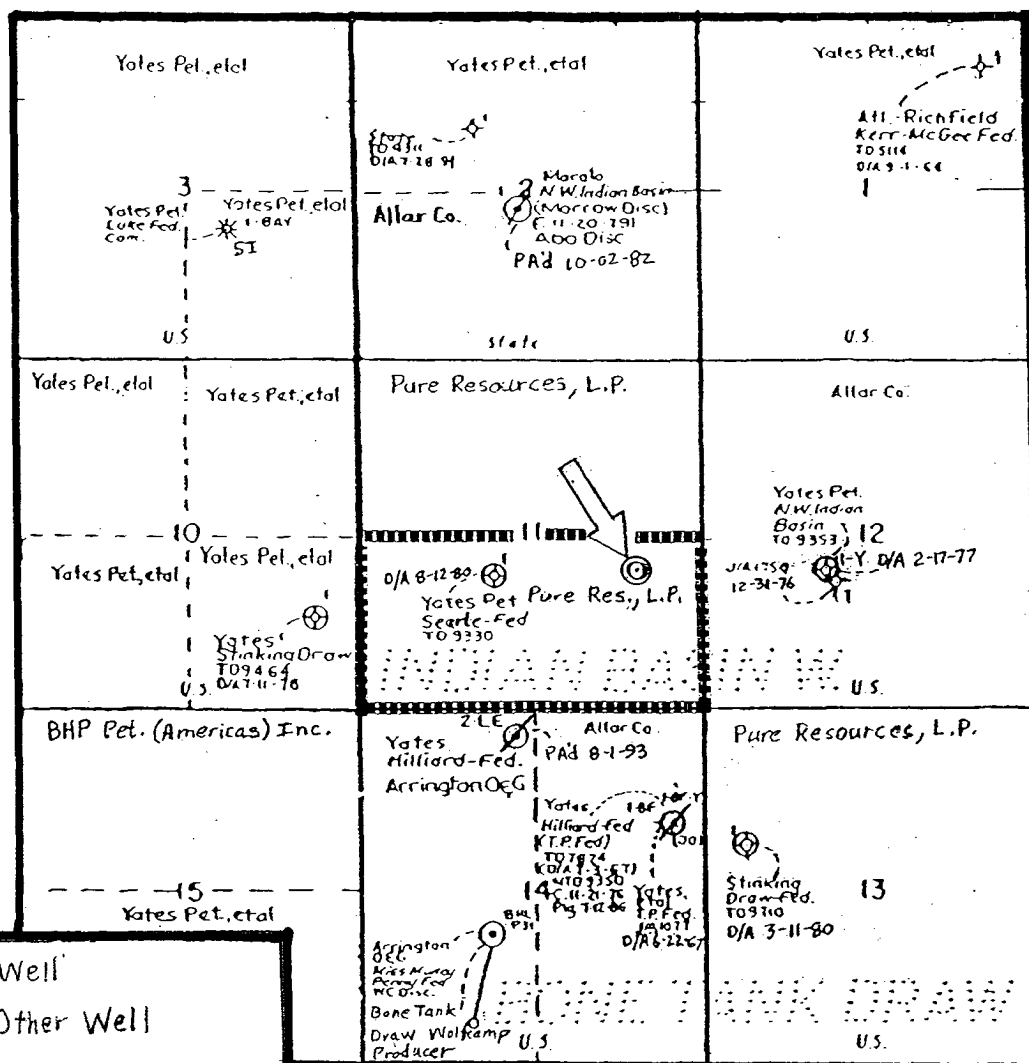
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>GEODETIC COORDINATE NAD 27 NME Y = 542573.5 N X = 396759.3 E LAT. = 32°29'28.32"N LONG. = 104°40'05.41"W</p>				<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Joe T. Janica</i> Signature Joe T. Janica Printed Name Agent Title 11/10/03 Date</p>	
				<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>October 15, 2003 Date Surveyed Signature &amp; Seal Professional Surveyor <i>Gary E. Eidsen</i> 10/22/03 03.11/1106 Certificate No. GARY EIDSON 12641</p>	

PURE RESOURCES, L. P.  
West Indian 11 Federal  
Well No. 1

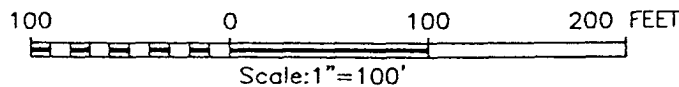
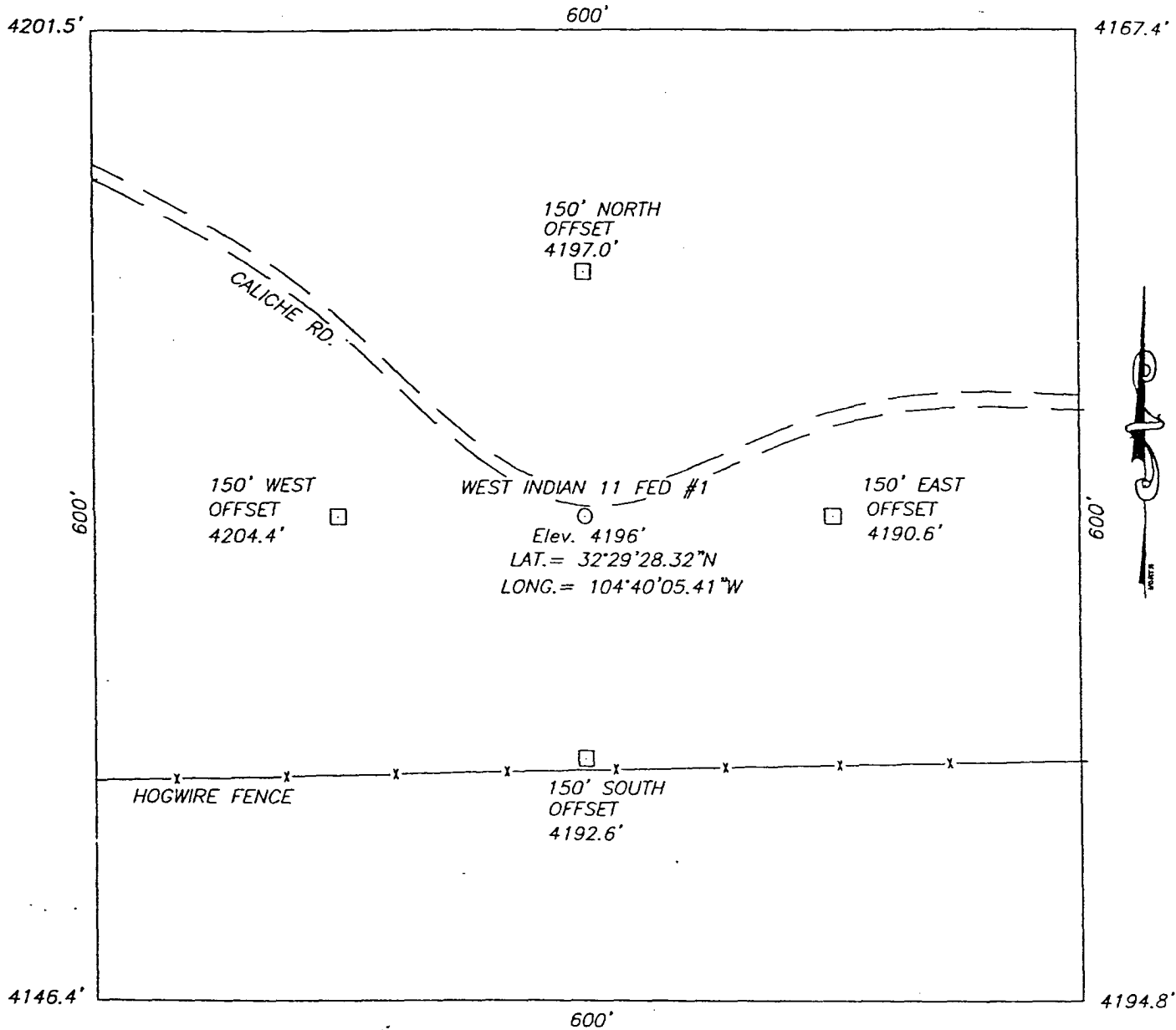
Non-Standard Location Application  
Indian Basin Morrow-West Pool  
2,134' FSL & 990 FEL  
UL I, Section 11, T-21-S, R-22-E  
Eddy County, New Mexico

COMMERCIAL MAP



- ⊙ Proposed Well
- ⊕ D&A'd Other Well
- ⊗ D&A'd Morrow Well
- ⊙ Pt A'd Morrow Producer
- \* Shut-in Morrow Producer  
SI
- ⊙ Bone Tank Draw; Wolfcamp Prod.

**SECTION 11, TOWNSHIP 21 SOUTH, RANGE 22 EAST, N.M.P.M.,**  
 EDDY COUNTY, NEW MEXICO.

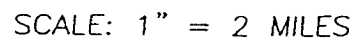


**PURE RESOURCES, L.P.**

WEST INDIAN 11 FEDERAL WELL #1  
 LOCATED 2134 FEET FROM THE SOUTH LINE  
 AND 990 FEET FROM THE EAST LINE OF SECTION 11,  
 TOWNSHIP 21 SOUTH, RANGE 22 EAST, N.M.P.M.,  
 EDDY COUNTY, NEW MEXICO.

Survey Date: 10/15/03	Sheet 1 of 1 Sheets
W.O. Number: 03.11.1106	DRAWN BY: A.W.B
Date: 10/16/03	DISK: CD#9
PURE #1106	Scale: 1"=100'

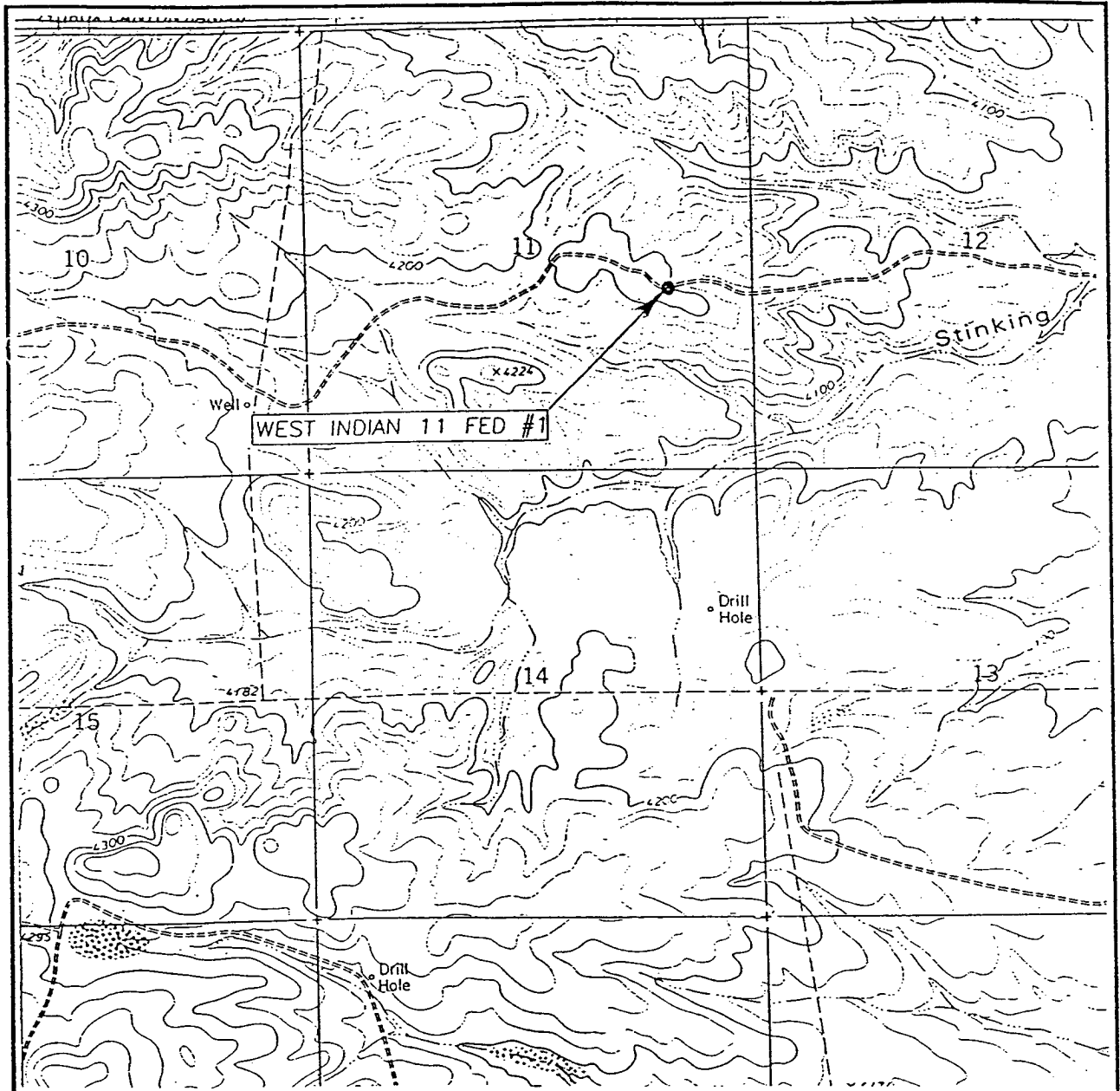
JOHN WEST SURVEYING COMPANY  
 412 N. DAL PASO - HOBBS, NEW MEXICO - 505-393-3117



LEASE WEST INDIAN 11 FEDERAL

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

# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: 20'  
CAWLEY DRAW, N.M.

SEC. 11 TWP. 21-S RGE. 22-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 2134' FSL & 990' FEL

ELEVATION 4196'

OPERATOR PURE RESOURCES, L.P.

LEASE WEST INDIAN 11 FEDERAL

U.S.G.S. TOPOGRAPHIC MAP  
CAWLEY DRAW, N.M.

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

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
---------	----------	----------	-----------	------	---------

ABOVE THIS LINE FOR DIVISION USE ONLY

## NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



### ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

#### Application Acronyms:

**[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]**  
**[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]**  
**[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]**  
**[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]**  
**[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]**  
**[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]**

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
- [A] Location - Spacing Unit - Simultaneous Dedication  
☒ NSL ☐ NSP ☐ SD
- Check One Only for [B] or [C]
- [B] Commingling - Storage - Measurement  
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR
- [D] Other: Specify \_\_\_\_\_
- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or ☐ Does Not Apply
- [A] ☒ Working, Royalty or Overriding Royalty Interest Owners
- [B] ☒ Offset Operators, Leaseholders or Surface Owner
- [C] ☐ Application is One Which Requires Published Legal Notice
- [D] ☐ Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] ☐ Waivers are Attached
- [3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

**Note:** Statement must be completed by an individual with managerial and/or supervisory capacity.

Alan W. Bohling

Print or Type Name

*Alan W. Bohling*

Signature

Regulatory Analyst

Title

02/19/2004

Date

abohling@PureResources.com

e-mail Address