

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: ☒ DRILL ☐ REENTER**CONFIDENTIAL**1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone2. Name of Operator LYNX PETROLEUM CONSULTANTS INC
Contact: ANDREA SCOTT
E-Mail: lynxpet@leaco.net3a. Address
P O BOX 1708
HOBBS, NM 882413b. Phone No. (include area code)
Ph: 505.392.6950
Fx: 505.392.7886

4. Location of Well (Report location clearly and in accordance with any State requirements. *)

At surface NESE 1980FSL 660FEL

At proposed prod. zone NESE 1980FSL 660FEL

RECEIVED**MAR 29 2005**14. Distance in miles and direction from nearest town or post office*
14.2 MILES SOUTH SOUTHWEST OF MALJAMAR, NM**OCD-ARTESIA**12. County or Parish
EDDY13. State
NM15. Distance from proposed location to nearest property or
lease line, ft. (Also to nearest drig. unit line, if any)
66016. No. of Acres in Lease
360.0017. Spacing Unit dedicated to this well
320.0018. Distance from proposed location to nearest well, drilling,
completed, applied for, on this lease, ft.
132019. Proposed Depth
12700 MD
12700 TVD

20. BLM/BIA Bond No. on file

21. Elevations (Show whether DF, KB, RT, GL, etc.)
3544 GL22. Approximate date work will start
08/01/200523. Estimated duration
35 DAYS

24. Attachments

CAPITAN 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.
2. A Drilling Plan.
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).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature
(Electronic Submission)Name (Printed/Typed)
ANDREA SCOTT Ph: 505.392.6950Date
02/03/2005Title
REPORT AUTHORIZERApproved by **/s/ Tony J. Herrell**Name (Printed/Typed) **/s/ Tony J. Herrell**Date
MAR 27 2005Title
FIELD MANAGEROffice
CARLSBAD FIELD OFFICEApplication approval does not warrant or certify 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.

Additional Operator Remarks (see next page)

Electronic Submission #53759 verified by the BLM Well Information System
For LYNX PETROLEUM CONSULTANTS INC, sent to the Carlsbad
Committed to AFMSS for processing by LINDA ASKWIG on 02/04/2005 (05LA0333AE)APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHEDWITNESS **8 5/8" Cement Job****** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

Additional Operator Remarks:

Operator proposes to drill to a depth sufficient to test the Morrow formation for gas. If productive, 5-1/2" casing will be cemented at T.D.

If non-productive, the well will be plugged in a manner consistent with federal regulations. An archaeological survey of the access road and location will be provided by Archaeological Survey Consultants, Roswell. All other programs, plans, maps, and information as per Onshore Oil & Gas Order #1 are attached.

DISTRICT I

1825 N. FRANCE DR., ROHES, NM 88240

DISTRICT II

1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III

1000 Rio Brasos Rd., Aztec, NM 87410

DISTRICT IV

1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

State of New Mexico

Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102

Revised JUNE 10, 2003

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 | Pool Name |
| Property Code | Property Name CHAPARRAL 14 FEDERAL | Well Number 1 |
| GRID No. | Operator Name LYNX PETROLEUM CONSULTANTS, INC. | Elevation 3544' |

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 | 14 | 19-S | 31-E | | 1980' | SOUTH | 660' | EAST | EDDY |

Bottom Hole Location If Different From Surface

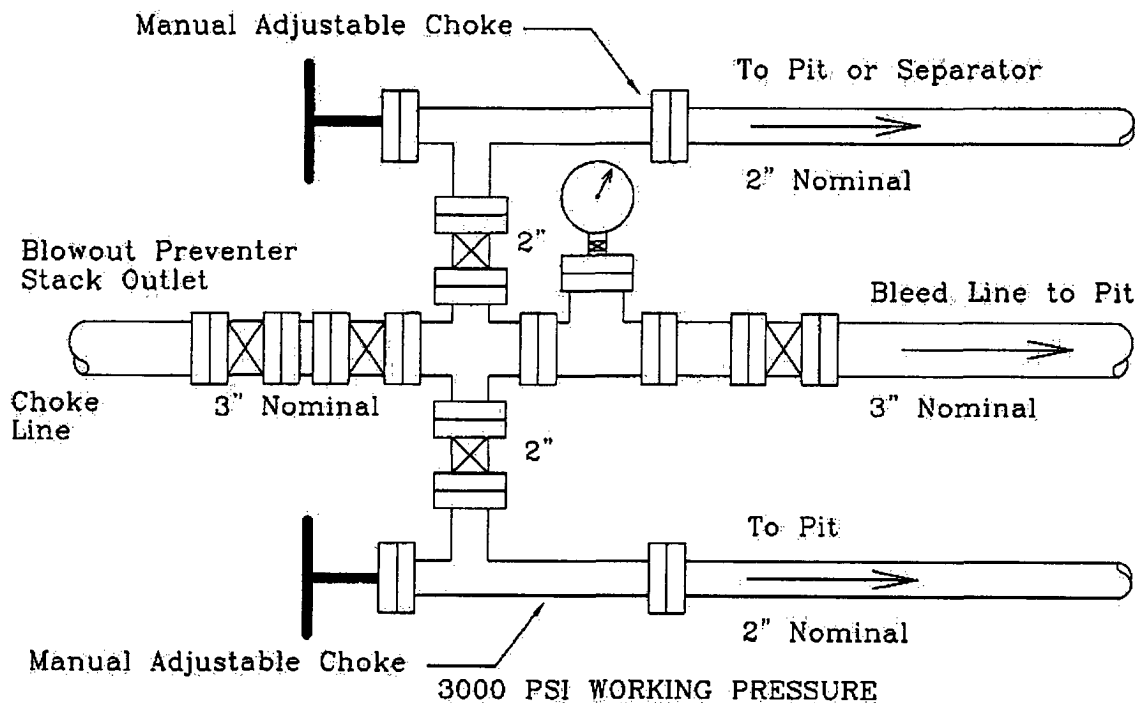
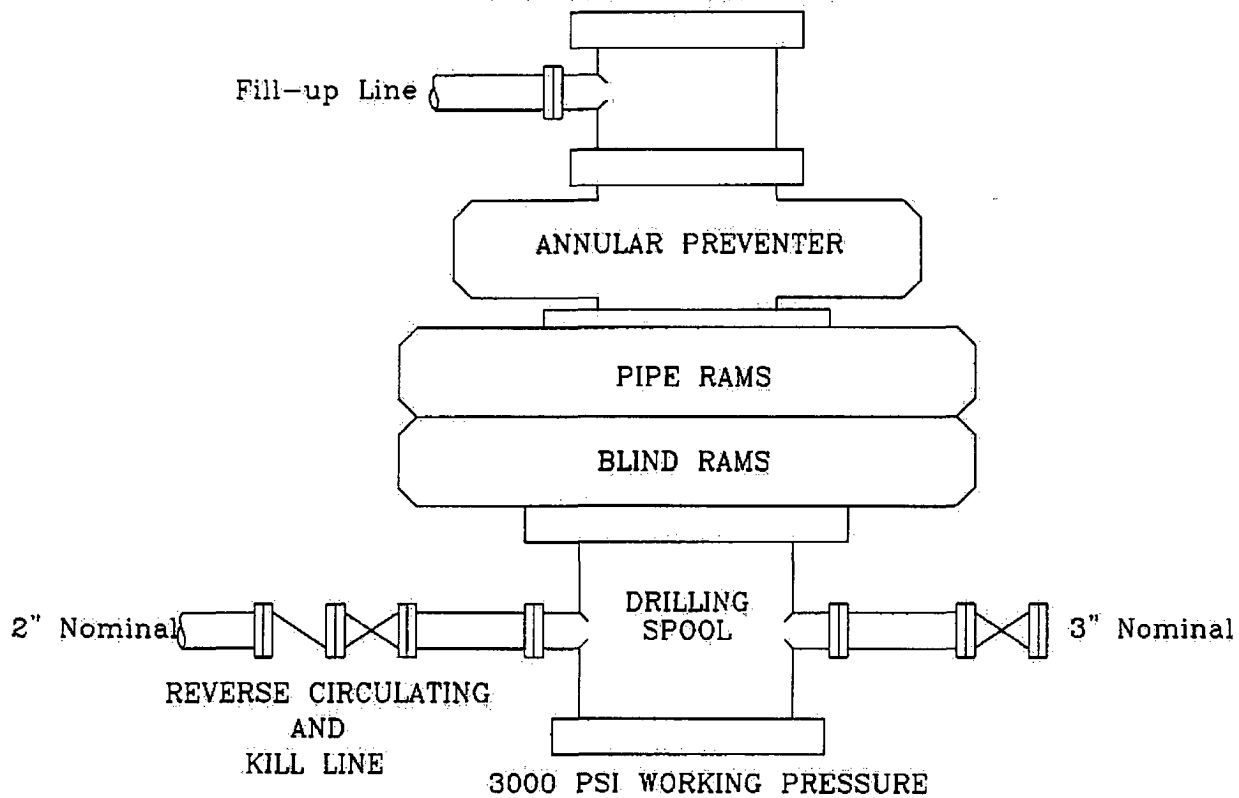
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

| 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

| | |
|--|---|
| | OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. Signature Larry Scott Printed Name President Title 2/2/05 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. JULY 21, 2004 Date Surveyed Signature & Seal of Professional Surveyor NEW MEXICO 04-11-0903 Certificate No. GARY-EDISON 12641 |
| | NM099039 (160ac.) GEODETIC COORDINATE NAD 27 NME Y=603658.0 N X=653967.7 E LAT.=32°39'30.82" N LONG.=103°49'58.98" W NM005470 (160ac.) |
| | 3544.2' 3546.7' 600' 660' 3541.1' 3544.8' 1980' |

PRODUCTION HOLE SECTION



TEST STACK WITH TEST PLUG TO 3000 psig
 TEST CASING TO $(0.22 \times 4000' = 880 \text{ psig})$

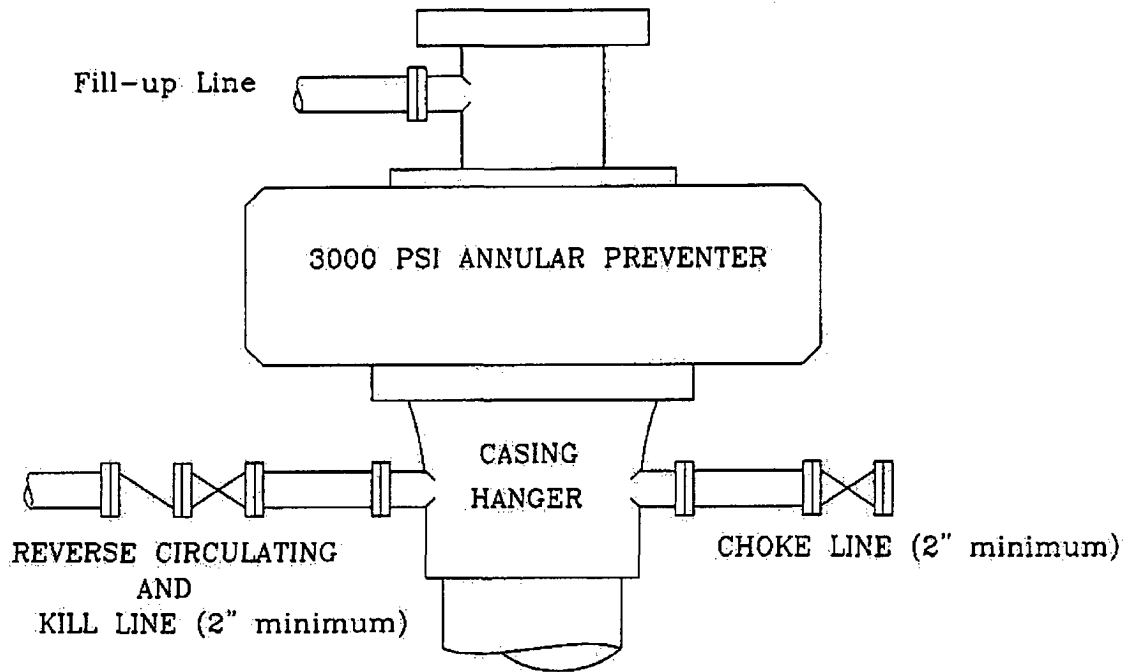
Location: NE/4 SE/4
 Sec. 14, T-19S, R-31E
 Eddy County, NM

Chaparral 14 Federal No. 1
 BLOWOUT PREVENTER AND CHOKE MANIFOLD

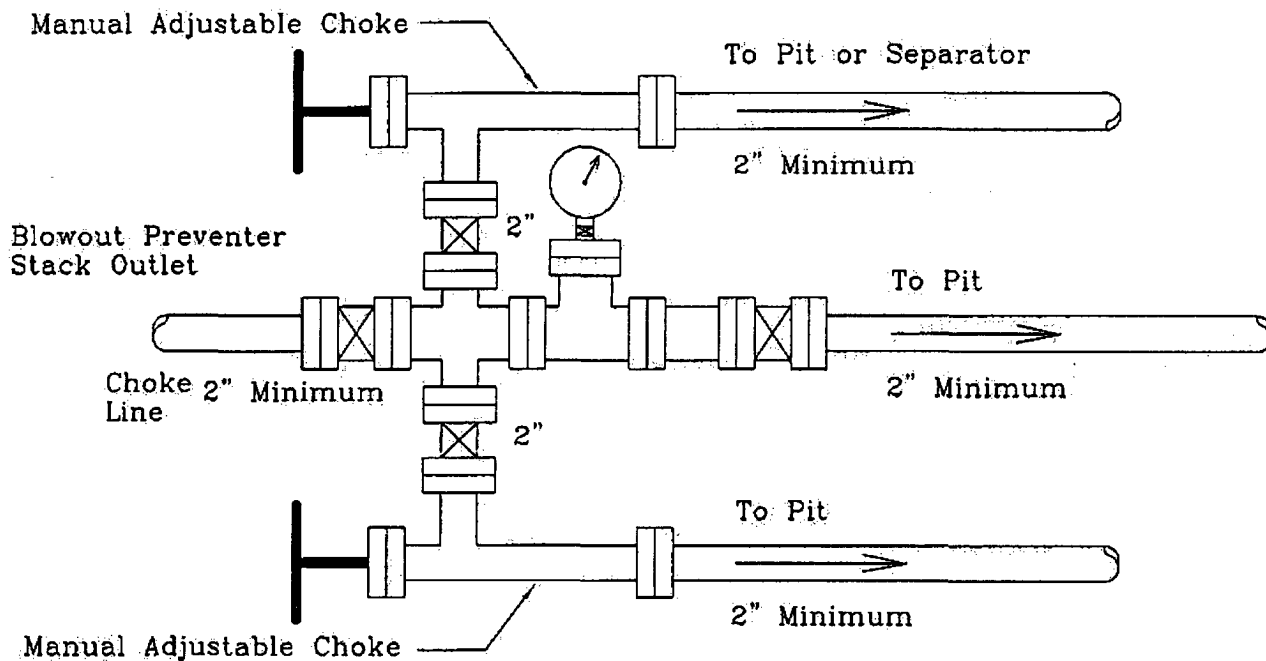
Scale: None

1/14/05

INTERMEDIATE HOLE SECTION



3000 PSI WORKING PRESSURE



3000 PSI WORKING PRESSURE

TEST CASING AND ANNULAR PREVENTOR TO $(0.70 \times 1730 = 1211 \text{ psig})$

Location: NE/4 SE/4
Sec. 14, T-19S, R-31E
Eddy County, NM

Chaparral 14 Federal No. 1
BLOWOUT PREVENTER AND CHOKE MANIFOLD

1/15/05

Scale: None

DRILLING PROGRAM

Lynx Petroleum Consultants, Inc.
Chaparral 14 Federal #1

Section 14, T-19S, R-31E
Eddy County, NM

The following items supplement Form 3160-3 in accordance with instructions contained in Onshore Oil and Gas Orders #1 and #2, and all other applicable federal and state regulations.

1. **SURFACE FORMATION** : Sandy Soil of Quaternary Age

2. **ESTIMATED TOPS OF GEOLOGICAL MARKERS** :

| | | |
|-------------|---|--------|
| Rustler | - | 600' |
| Yates | - | 2450' |
| Bone Spring | - | 6950' |
| Wolfcamp | - | 10150' |
| Strawn | - | 11240' |
| Morrow | - | 11770' |

3. **ESTIMATED DEPTHS TO WATER, OIL OR GAS FORMATIONS** :

| | | |
|-------------------|---|------------------------------------|
| Fresh Water | - | above 200' |
| Oil, Gas, & Water | - | Delaware, Wolfcamp, Strawn, Morrow |

* Productive horizons to be protected by 5 1/2" casing and cement.

4. **PROPOSED CASING PROGRAM** :

| | | | | | |
|---------|----------|--|-------|-------|----------|
| 13 3/8" | 0' - | ^{630' J55} 600' | 48.0# | J-55 | ST&C |
| 8 5/8" | 0' - | 4400' | 32.0# | J-55 | Buttress |
| 5 1/2" | 0' - | 2000' | 17.0# | P-110 | LT&C |
| | 2000' - | 10600' | 17.0# | N-80 | LT&C |
| | 10600' - | 12700' | 17.0# | P-110 | LT&C |

5. **PROPOSED CEMENT PROGRAM** :

| | | |
|-----------------|---|--|
| 20" Conductor | - | Cemented with ready mix to surface. |
| 13 3/8" Surface | - | 300 sxs Class "C" + 4% Gel + 2% CaCl ₂ followed by 300 sxs Class "C" + 2% CaCl ₂ . T.O.C. @ surface. |

DRILLING PROGRAM
PACER 28 FEDERAL #1

8 5/8" Intermediate - Stage collar at 2500'. First stage 400 sxs Class "C" Poz followed by 200 sxs Class "C". Second stage 500 sxs Class "C" Poz followed by 200 sxs Class "C". TOC @ surface.

5 1/2" Production - Stage collar at 9500'. First stage 500 sxs Super "H" modified. Second stage 750 sxs Class "C" Poz followed by 350 sxs Class "H". T.O.C. @ 4350'.

6. PRESSURE CONTROL EQUIPMENT : A blowout preventer stack for the intermediate hole will consist of at least an annular preventer rated to 3000 psi working pressure. The blowout preventer stack for the production hole will consist of at least a double-ram blowout preventer and an annular preventer rated to 5000 psi working pressure. A sketch of the B.O.P.'s and Choke Manifold are attached.

7. CIRCULATING MEDIUMS : Fresh water spud mud 0' – ^{630 J=}600'. Brine water 600' – 4400'. Fresh water 600' – 4400' if circulation is lost. Cut brine mud system 9.0 – 9.3 ppg with 29 viscosity will be used 4400' – 12700'.

8. AUXILIARY EQUIPMENT : Full opening Kelly cock valve to fit the drill string in use, will be kept on the rig floor at all times.

9. TESTING, LOGGING, AND CORING PROGRAM :

| | |
|----------|-------------------------------|
| Samples | - 4400' – 12700' |
| D.S.T.'s | - Morrow Possible |
| Logging | - Gamma Ray – CNL – FDC – DLL |
| Coring | - No coring is planned |

10. ABNORMAL PRESSURES AND TEMPERATURES : None anticipated. Maximum bottom hole pressure should not exceed 5395 psi.

11. ANTICIPATED STARTING DATE : Drilling will commence about August 1, 2005. Drilling should be complete within 35 days. Completion operations (perforations and stimulation) will follow drilling operations.

LYNX PETROLEUM CONSULTANTS, INC.
HYDROGEN SULFIDE DRILLING OPERATIONS
CHAPARRAL 14 FEDERAL #1

I. HYDROGEN SULFIDE TRAINING

All personnel, whether regularly assigned, contracted, or employed on an unscheduled basis, will receive training from a qualified instructor in the following areas prior to commencing drilling operations on this well:

1. The hazards and characteristics of hydrogen sulfide (H₂S).
2. The proper use and maintenance of personal protective equipment and life support systems.
3. The proper use of H₂S detectors, alarms, warning systems, briefing areas, evacuation procedures, and prevailing winds.
4. The proper techniques for first aid and rescue procedures.

In addition, supervisory personnel will be trained in the following areas:

1. The effects of H₂S on metal components. If high tensile tubulars are to be used, personnel will be trained in their special maintenance requirements.
2. Corrective action and shut-in procedures when drilling or reworking a well and blowout prevention and well control procedures.
3. The contents and requirements of the H₂S Drilling Operations Plan and the Public Protection Plan.

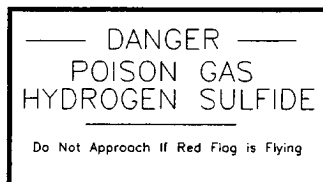
There will be an initial training session just prior to encountering a known or probable H₂S zone (within 3 days or 500 feet) and weekly H₂S Drilling Operations Plan and the Public Protection Plan. This plan shall be available at the well site.

II. H₂S SAFETY EQUIPMENT AND SYSTEMS

Note : All H₂S safety equipment and systems will be installed, tested, and operational when drilling reaches a depth of 500 feet above, or three days prior to penetrating the first zone containing or reasonably expected to contain H₂S.

1. Well Control Equipment :
 - A. Flare line with electronic igniter or continuous pilot.
 - B. Choke manifold with a minimum of one remote choke.
 - C. Blind rams and pipe rams to accommodate all pipe sizes with properly sized closing unit.
 - D. Auxiliary equipment to include : annular preventer, mud-gas separator, and flare gun with flares.
2. Protective equipment for essential personnel :
 - A. 30-minute air units located in the dog house and at briefing areas, as indicated on well site diagram.
3. H₂S detection and monitoring equipment :
 - A. 2 – portable H₂S monitors positioned on location for best coverage and response. These units have warning lights and audible sirens when H₂S levels of 20 ppm are reached.
 - B. 1 – portable SO₂ monitor positioned near flare line.
4. Visual warning systems :
 - A. Wind direction indicators as shown on well site diagram.
 - B. Caution/Danger signs shall be posted on roads providing direct access to location. Signs will be painted a high visibility yellow with black lettering of sufficient size to be readable at a reasonable distance from the immediate location. Bilingual signs will be used when appropriate. See example on page 3.
5. Mud program :
 - A. The mud program has been designed to minimize the volume of H₂S circulated to the surface. Proper mud weight, safe drilling practices, and the use of H₂S scavengers will minimize hazards when penetrating H₂S bearing zones.
 - B. A mud-gas separator will be utilized if needed.

6. Metallurgy :
 - A. All drill strings, casings, tubing, wellhead, blowout preventers, drilling spool, kill lines, choke manifold and lines, and valves shall be suitable for H₂S service.
 - B. All elastomers used for packing and seals shall be H₂S trim.
7. Communication :
 - A. Communications in company vehicles are provided by cellular telephones.
 - B. Land line (telephone) communications at Hobbs office.
8. Well testing :
 - A. Drill stem testing will be preformed with a minimum number of personnel in the immediate vicinity which are necessary to safely and adequately conduct the test. All drill stem testing operations conducted in an H₂S environment will use the closed chamber method of testing.



STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS

Application for Permit to Drill
Chaparral 14 Federal #1
1980' FSL & 660' FEL
Section 14, T-19S, R-31E
Eddy County, New Mexico

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. : NM 005470

Legal Description : NE/4 SE/4 Section 14, T-19S, R-31E
Eddy County, New Mexico

Formation : Surface to Base of Morrow

Bond Coverage : \$25,000 Statewide

BLM Bond File No. : BO2099

Operator : LYNX PETROLEUM CONSULTANTS, INC.

Authorized Signature : Larry Scott

Title : President

Date : 2/1/05

SURFACE USE PLAN

Lynx Petroleum Consultants, Inc.
Chaparral 14 Federal #1

Section 14, T-19S, R-31E
Eddy County, NM

This plan is submitted with the "Application for Permit to Drill" the subject well. The purpose of the plan is to determine 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.

LOCATED : 14.2 air miles south southwest of Maljamar, NM

OIL & GAS LEASE : NM 005470 – 160 acres

ACRES IN LEASE : 480

RECORD LESSEE : Lynx Petroleum Consultants, Inc.

BOND COVERAGE : \$25,000 statewide bond, #B02099

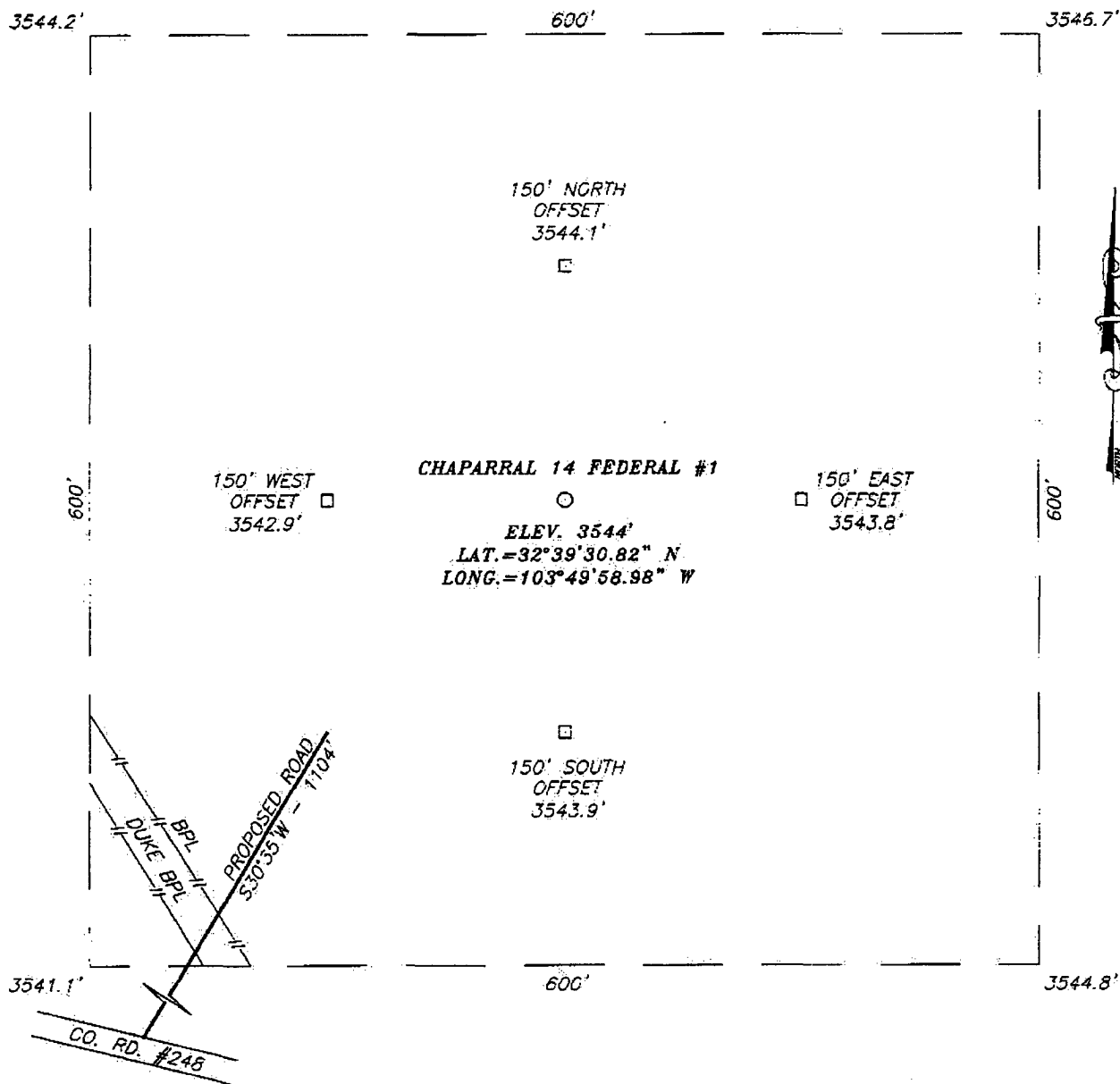
SURFACE OWNER : U. S. Government with grazing permit Allotment 7012
Twin Wells North
Richardson Cattle Co.
P.O. Box 487
Carlsbad, NM 88220

WELL SPACING : 320 acres. (Morrow Gas)

1. EXISTING ROADS :

- A. The wellsite is 1980' FSL and 660' FEL of Section 14, T-19S, R-31E, Eddy County, NM.
- B. Attached is a portion of a road map showing the proposed location, existing roads, and the proposed access road. The well is approximately 14.2 miles south southwest of Maljamar, NM.
- C. Directions : Drive 10 miles south of Maljamar, New Mexico on State Road 126. Turn northwest on Lusk Plant Road and drive 2.6 miles. Turn north and go 0.5 miles into location.

SECTION 14, TOWNSHIP 19 SOUTH, RANGE 31 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF CO. RD. #248 (LUSK PLANT RD) & CO. RD. #222 (SHURGART RD) GO 1.5 MILES SOUTHEAST ALONG CO. RD. #248 TO A PROPOSED ROAD SURVEY ON THE NORTH R.O.W. LINE OF SAID ROAD. FOLLOW ROAD SURVEY NORTHEAST FOR 1104'. THIS LOCATION IS 212' NORTHWEST FROM END OF ROAD SURVEY.



PROVIDING SURVEYING SERVICES
 SINCE 1948

JOHN WEST SURVEYING COMPANY

412 N. DAL PASO
 HOBBS, N.M. 88240
 (505) 393-3117



LYNX PETROLEUM CONSULTANTS, INC.

CHAPARRAL 14 FEDERAL #1 WELL
 LOCATED 1980 FEET FROM THE SOUTH LINE
 AND 660 FEET FROM THE EAST LINE OF SECTION 14,
 TOWNSHIP 19 SOUTH, RANGE 31 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO.

| | |
|-------------------------|---------------------|
| Survey Date: 7/21/04 | Sheet 1 of 1 Sheets |
| W.O. Number: 04.11.0903 | Dr By: LA |
| Date: 7/23/04 | Rev 1: N/A |
| Disk: CD#3 | 04110903 |
| Scale: 1"=100' | |

STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS

Application for Permit to Drill
Chaparral 14 Federal #1
1980' FSL & 660' FEL
Section 14, T-19S, R-31E
Eddy County, New Mexico

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. : NM 005470

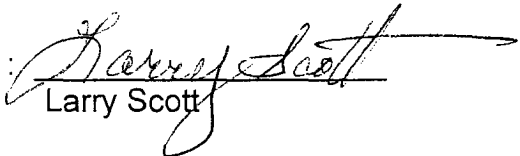
Legal Description : NE/4 SE/4 Section 14, T-19S, R-31E
Eddy County, New Mexico

Formation : Surface to Base of Morrow

Bond Coverage : \$25,000 Statewide

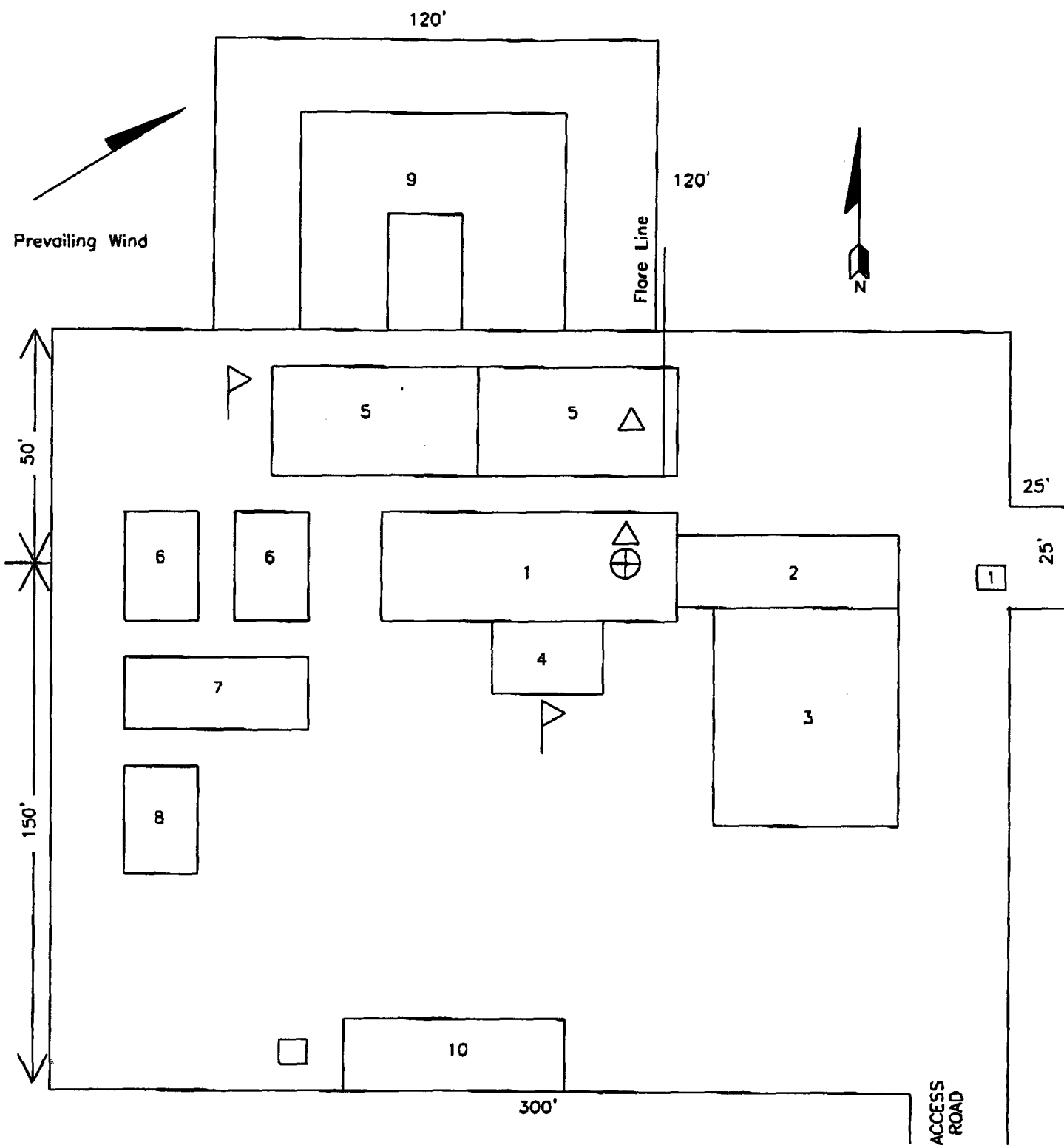
BLM Bond File No. : BO2099

Operator : LYNX PETROLEUM CONSULTANTS, INC.

Authorized Signature : 
Larry Scott

Title : President

Date : 2/9/05



1. SUBSTRUCTURE
2. CATWALK
3. PIPE RACKS
4. DOGHOUSE
5. MUD PITS

6. MUD PUMPS
7. WATER TANK
8. LIGHT PLANT
9. RESERVE PIT
10. TRAILER HOUSE

△ - H2S Monitor with alarm

▽ - Wind Direction Indicator

□ - Safe Briefing Area. 1=Primary Area