

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

Form 3160-3
(August 1999)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

OCT 05 2005

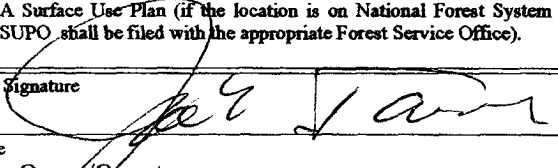
FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input type="checkbox"/> DRILL <input checked="" type="checkbox"/> REENTER		5. Lease Serial No. LC 028755(A)
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator JOE L. TARVER 37594		7. If Unit or CA Agreement, Name and No.
3a. Address 2807 - 74th St., Ste. 1, Lubbock, TX 79423		8. Lease Name and Well No. Russell "C" 5 35166
3b. Phone No. (include area code) (806) 795-2042		9. API Well No. 30-015-00642
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface Lot #O, Sec. 35, T-17-S, R-27-E, 1002' FSL & 1633' FEL, Eddy Co., NM At proposed prod. zone Same as Surface		10. Field and Pool, or Exploratory Empire Yates - 7 Rivers
14. Distance in miles and direction from nearest town or post office* 9 miles East of Artesia, NM		11. Sec., T., R., M., or Blk. and Survey or Area Section 35, T-17-S, R-27-E
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 313'	16. No. of Acres in lease 80	12. County or Parish Eddy
17. Spacing Unit dedicated to this well 10 acres	13. State NM	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 660'	19. Proposed Depth 550'	20. BLM/BIA Bond No. on file Bond approves. Call Tony Ferrero, Santa Fe
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3623 GL	22. Approximate date work will start* October 2005	23. Estimated duration 7 days
24. Attachments		

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification.
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature 	Name (Printed/Typed) Joe L. Tarver	Date 09/01/2005
Title Owner/Operator		
Approved by (Signature) /s/ Joe G. Lara	Name (Printed/Typed) /s/ Joe G. Lara	Date OCT 04 2005
Title 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)

Roswell Controlled Water Basin

NSL - 5283

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT IV

2040 South Pacheco, Santa Fe, NM 87505

X AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 3001500642	Pool Code 22230	Pool Name EMPIRE; YATES 7 RIVERS
Property Code	Property Name RUSSELL "C"	Well Number 5
OGRID No. 37594	Operator Name JOE TARVER	Elevation 3623

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	35	17S	27E		1002	SOUTH	1633	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.
40			

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: <u>Joe L. Tarver</u> Printed Name: <u>JOE L. TARVER</u> Title: <u>OWNER</u> Date: <u>8/14, 2005</u>	
	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. Date Surveyed: <u>8/29/2005</u> Signature of Professional Surveyor: <u>[Signature]</u> Certificate No. <u>3640</u> Professional Surveyor: <u>RUSSELL C. JONES</u> GENERAL SURVEYING COMPANY	
	RECEIVED OCT 12 2005 OGD-ARTESIA	
	N.32°47'10.2" W.104°14'46.0" 3622 3626 3609 3623 1002' 1633'	

0 330' 660' 990' 1650' 1980' 2310' 2310' 1980' 1650' 990' 660' 330' 0'

DISTRICT II
811 South First, Artesia, NM 88210

Instruction on back
Submit to Appropriate District Office

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

State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 22230	Pool Name
Property Code	Property Name RUSSELL "C"	Well Number 5
OGRID No.	Operator Name JOE TARVER	Elevation 3623

Surface Location

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0	35	17S	27E		1002	SOUTH	1633	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 40	Joint or Infill	Consolidation Code	Order No.
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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>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 L. Tarver</i> Signature</p> <p>JOE L. TARVER Printed Name</p> <p>OWNER Title</p> <p>8/14, 2005 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>8/29/2005 Date Surveyed</p> <p><i>Herschel Jones</i> Signature & Seal of Professional Surveyor</p> <p>HEMUEL JONES NEW MEXICO REGISTERED PROFESSIONAL SURVEYOR 3640 Certificate No. Herschel Jones RLS 3640 RUSSELL C. JONES GENERAL SURVEYING COMPANY</p>	
	<p>0 330' 660' 990' 1650' 1980' 2310' 2310' 1980' 1650' 990' 660' 330' 0'</p>	

**Drilling Plan
Russell C - 5**

Prepare top of 8" Casing now in place - with threaded collar.

Install Braden Head

Install diverter (air and gas drilling pressure diverter). (Note) The known history of pressure at this shallow depth (550' or less) is minimal. Even the virgin pressure of 220Lbs. has long since dissipated

Move in rig and set up for re-entry.

The casing now in the well is set from surface to 402' below the surface

Drill out plugging cement from 8" casing with 7- 7/8" Bit with air.

Drill through all parts of the empire Yates - 7 rivers formation (TD is expected at less than 550' below the surface)

This will be an open hole completion from 402' to TD

Acidize with 2,000 gals 15% Hydrochloric acid with appropriate additives, i.e.,
A-179 Iron control Aid, A-264 Corrosion Inhibitor, f-103 Surfactant, L-63 Iron
Control agent, w-53 Non-Emulsifier

Clean out residue to pits

Install tubing, bottom hole pump and rods

Connect pump jack for production

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

Joe L. Tarver
Russell C-5
1002 FSL - 1633 FEL T175 - R27E

LC 028755

This plan is submitted with the Application for Permit to Drill the above described well. The purpose of the plan is to describe 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.

1. **EXISTING ROADS:**

- A. Exhibit "A" is a portion of a road map showing the location of the proposed well as staked. The well is approximately 8 miles east of Artesia, New Mexico.
- B. Directions: From Artesia go east on Highway 82, 9 miles turn right on County Road 204. Go ½ mile turn right to County Road 225. Go 1 mile to 1st black top road to left. Go 1200 ft. to Russell C-5 on right of road.

2. **PLANNED ACCESS ROAD:**

- A. There is an existing road from the west to the well site.
- B. No additional cutting or construction is necessary.
- C. Culverts: none necessary
- D. Cuts and Fills: none necessary
- E. Gates, Cattleguards: none
- F. Right-of-Way: Existing Right-of-Way. Federal will be utilized.

3. **LOCATION OF EXISTING WELLS:**

- A. Existing wells are indicated on EXHIBIT B.

4. **LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:**

- A. If the well is productive, production, storage and measurement facilities will be constructed on the well pad.

5. LOCATION AND TYPE OF WATER SUPPLY:

A. Water for drilling operations will be purchased from a commercial water hauler.

6. SOURCE OF CONSTRUCTION MATERIALS:

A. None necessary

7. METHODS OF HANDLING WASTE DISPOSAL:

A. Drill cuttings will be disposed of in the drilling pits.

B. Drilling fluids will be allowed to evaporate in the drilling pits until the pits are dry.

C. Water produced during test will be disposed of in the drilling pits. Oil produced during test will be stored in test tanks until sold.

D. Current laws and regulations pertaining to the disposal of human waste will be complied with.

E. Trash, waste paper, garbage and junk will be buried in a separate trash pit and covered with a minimum of 24 inches of soil. All waste material will be contained to prevent scattering by the wind. The trash pit will be located adjacent to the mud pit.

F. All trash and debris will be buried or removed the wellsite within 30 days after finishing drilling and/or completion of operations.

8. ANCILLARY FACILITIES:

A. None necessary

9. WELL SITE LAYOUT:

A. The wellsite and 400' x 400' area have been surveyed and flagged.

B. Dimensions and relative location of the drill pad, pit and equipment are shown on EXHIBIT C.

10. PLANS FOR RESTORATION OF THE SURFACE:

A. After completion of drilling and/or completion operations, all equipment and other materials not needed for operations will be removed. Pits will be filled and the location cleaned of all trash and junk to leave the wellsite in an aesthetically pleasing condition as possible.

B. Any unguarded pits containing fluids will be fenced until they are filled.

C. If the well is non-productive, the disturbed area will be rehabilitated to Federal Agency Requirements and will be accomplished as expeditiously as possible.

11. OTHER INFORMATION:

A. Topography: The regional terrain is a rolling alluvial plain sloping to the south. The access road is essentially level. The drillsite is essentially level.

- B. Soil: The soil at the wellsite is sandy gravel.
- C. Flora and Fauna: Flora consists of sparse range grasses. No wildlife was observed. Fauna Probably includes reptiles, rodents and various birds.
- D. Ponds or Streams: There are no ponds near the wellsite. The Pecos river is 6 miles to the west.
- E. Residences and Other Structures: There are no occupied dwellings within 3 miles.
- F. Archaeological, Historical and Other Cultural Sites: Southern New Mexico Archaeological Services of Bent, New Mexico has made a survey of the proposed new wellsite. They have recommended that construction work be approved.
- G. Land Use: The vicinity surrounding the wellsite is semi-arid rangeland, used primarily for grazing.
- H. Surface Ownership: The access road and wellsite are on Public Surface (BLM) within the lease boundary.

12. OPERATOR'S REPRESENTATIVE:

Representative responsible for assuring compliance with the approved Surface Use Plan:

Joe L. Tarver
2807 74th Street, Ste. 1
Lubbock, TX 79423
Ph: 806-795-2042

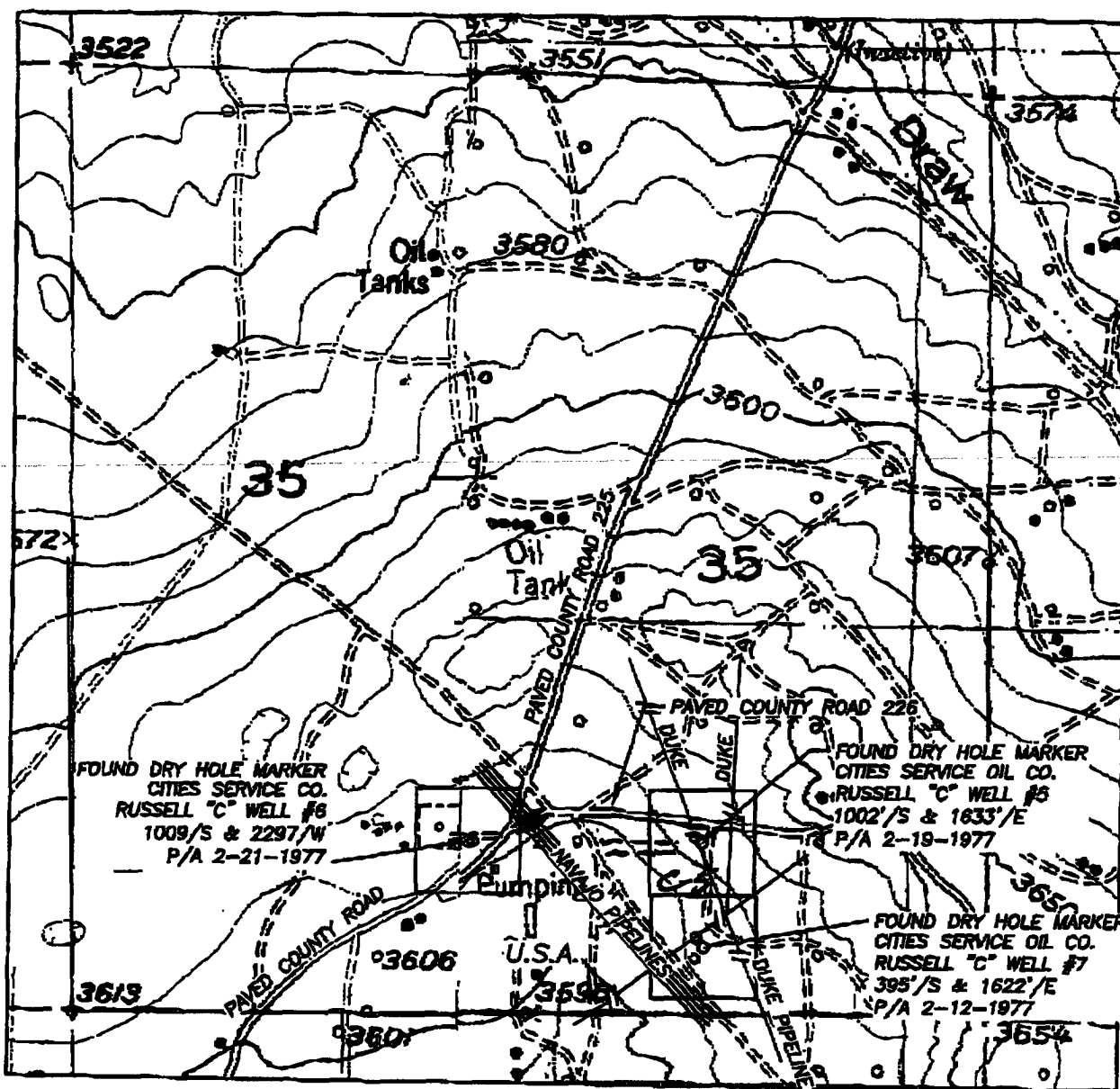
13. CERTIFICATION:

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; that the work associated with the operations proposed herein will be performed by JOE L. TARVER and it's sub-contractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

09-01-05
Date:


Joe L. Tarver

SECTION 35, TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM, EDDY COUNTY, NEW MEXICO.



THE ROAD INDICATED IN
RED LINES IS AN EXISTING
ROAD TO WELL PAD.

JOE L. TARVER

EXHIBIT-A
RUSSELL-C5
LC 028755

1000' 0 1000' 2000'
Scale 1" = 1000'

THE PREPARATION OF THIS PLAT AND THE PERFORMANCE OF THE SURVEY UPON WHICH IT IS BASED WERE DONE UNDER MY DIRECTION AND THE PLAT ACCURATELY DEPICTS THE RESULTS OF SAID SURVEY AND MEET THE REQUIREMENTS OF THE STANDARDS FOR LAND SURVEYS IN NEW MEXICO AS ADOPTED BY THE NEW MEXICAN BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS AND LAND SURVEYORS.

HERSCHEL L. JONES O.E.S. No. 3640

GENERAL SURVEYING COMPANY P.O. BOX 1928
LOVINGTON, NEW MEXICO 88260

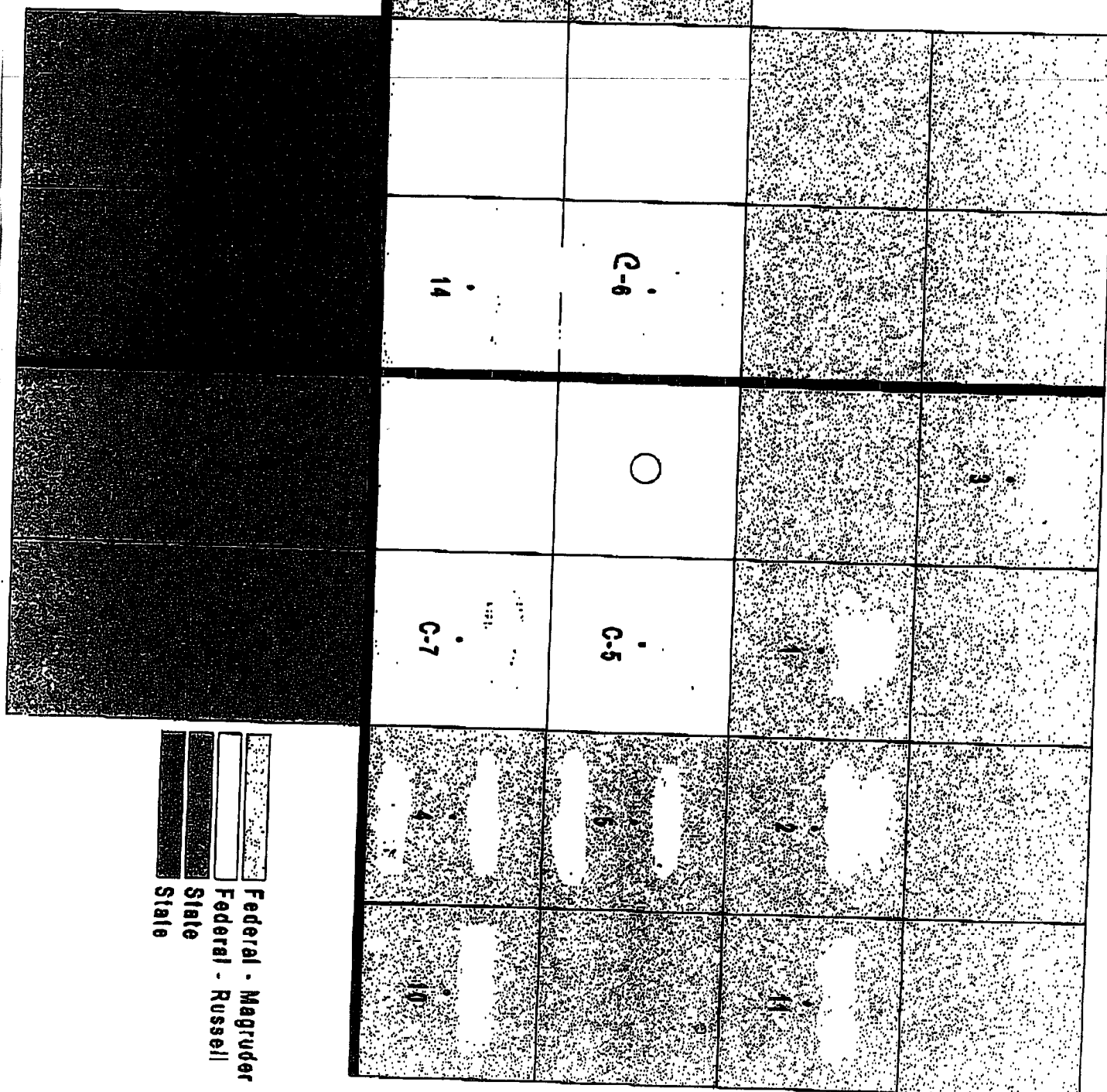
JOE TARVER RE-ENTERIES

RE-ENTRY WELLS, RUSSELL "C" WELL #5, RUSSELL "C" WELL #6 AND RUSSELL "C" WELL #7 LOCATED IN SECTION 35, TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM, EDDY COUNTY, NEW MEXICO.

Survey Date: 8/29/2005	Sheet 1 of 1 Sheets
Drawn By: Ed Blevins	W.O. Number
Date: 8/29/05	Scale 1" = 1000' RUSSELL

EXHIBIT-A

JOE L. TARVER
LC 028755
RUSSELL C-5



Federal - Magruder
Federal - Russell
State
State

EXHIBIT B

EXHIBIT-C

LC 028755(A)
Joe Tarver

Location Platt

Rig Layout
RUSSELL - C-5

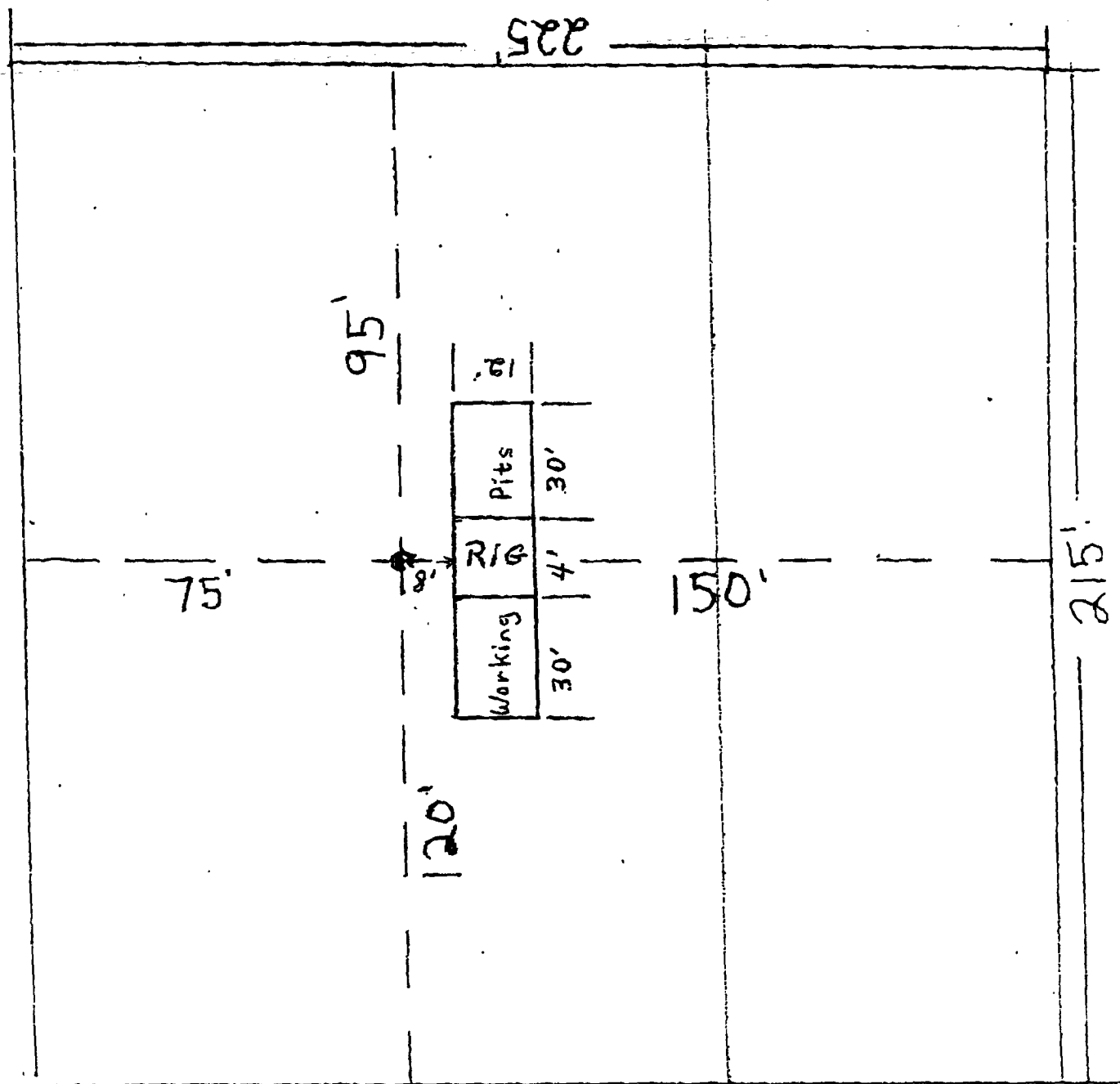
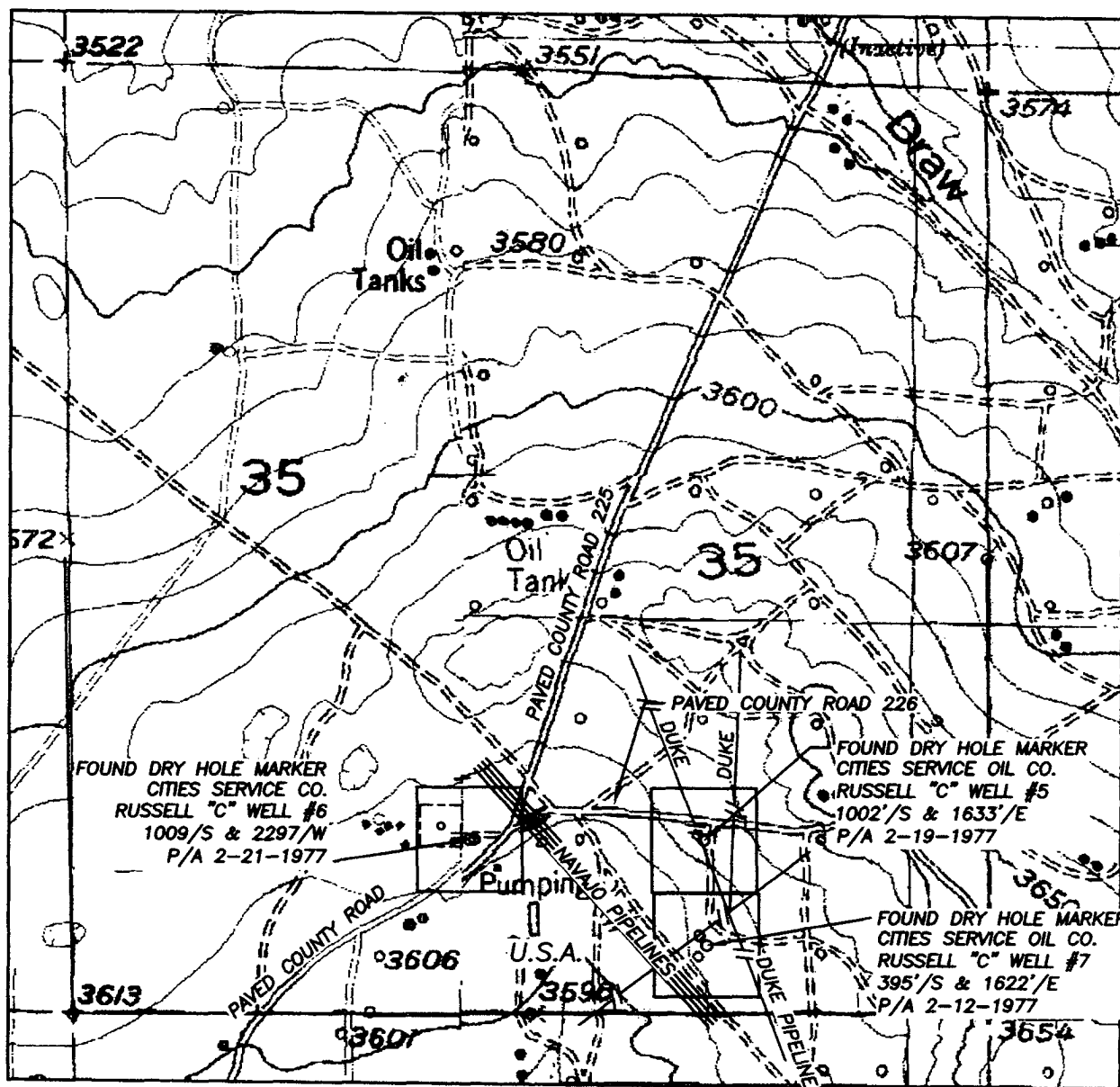


EXHIBIT-C

SECTION 35, TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM, EDDY COUNTY, NEW MEXICO.



1000' 0 1000' 2000'
Scale 1" = 1000'

THE PREPARATION OF THIS PLAT AND THE PERFORMANCE OF THE SURVEY UPON WHICH IT IS BASED WERE DONE UNDER MY DIRECTION AND THE PLAT ACCURATELY DEPICTS THE RESULTS OF SAID SURVEY AND MEET THE REQUIREMENTS OF THE STANDARDS FOR LAND SURVEYS IN NEW MEXICO AS ADOPTED BY THE NEW MEXICO STATE BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS AND LAND SURVEYORS.

REGISTERED PROFESSIONAL LAND SURVEYOR
HERSCHEL L. JONES L.S. No. 3640

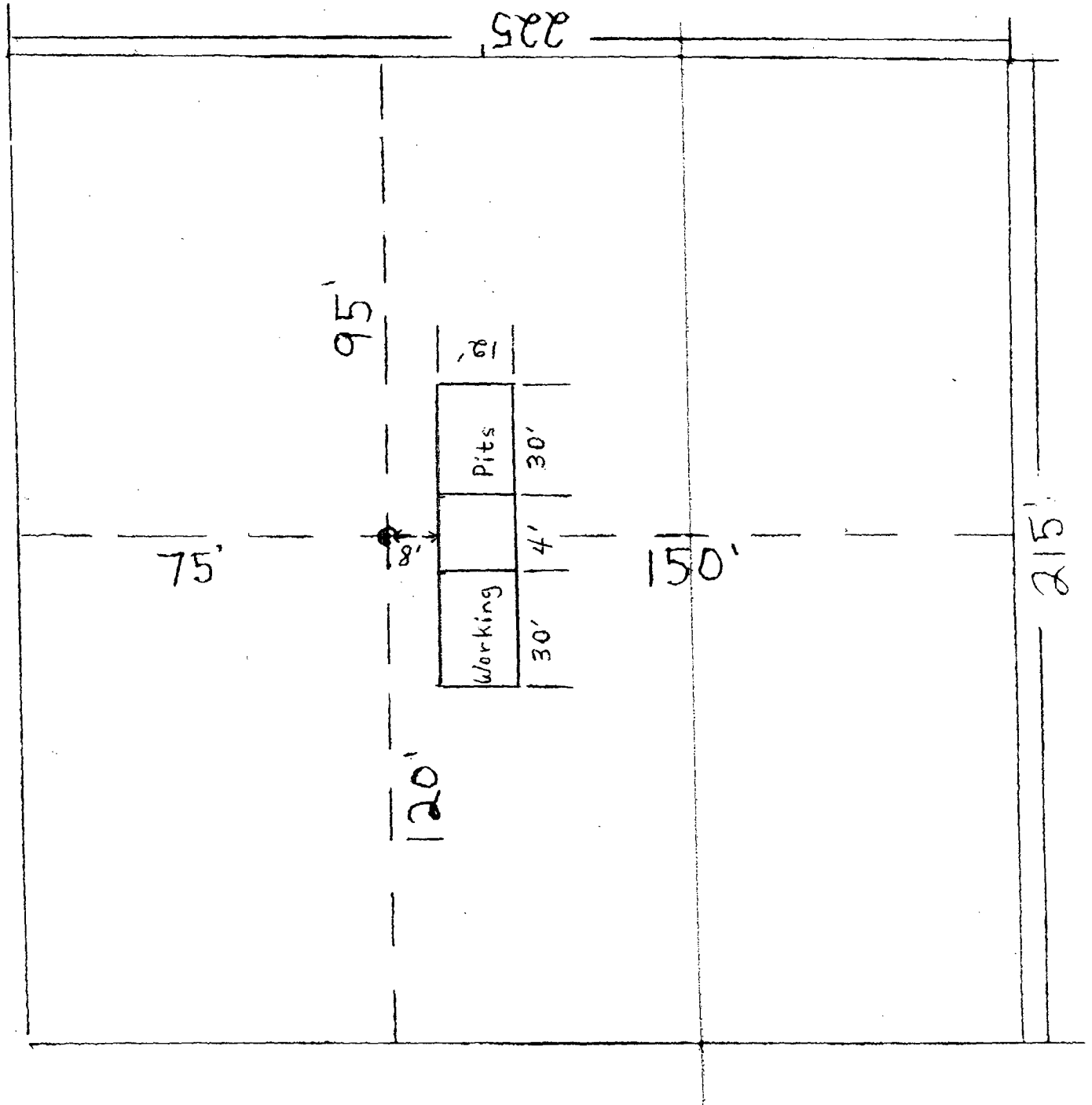
GENERAL SURVEYING COMPANY P.O. BOX 1928
LOVINGTON, NEW MEXICO 88260

JOE TARVER RE-ENTERIES

RE-ENTRY WELLS, RUSSELL "C" WELL #5, RUSSELL "C" WELL #6 AND RUSSELL "C" WELL #7 LOCATED IN SECTION 35, TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM, EDDY COUNTY, NEW MEXICO.

Survey Date: 8/29/2005	Sheet 1 of 1 Sheets
Drawn By: Ed Blevins	W.O. Number
Date: 8/29/05	Scale 1" = 1000' RUSSELL

Location Platt



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

ROSWELL FIELD OFFICE

2909 West Second Street
Roswell, New Mexico 88201

Statement Accepting Responsibility for Operations

Operator Name: JOE L. TARVER
Street or Box: 2807-74th ST. SUITE #1
City, State: Lubbock, TX
Zip Code: 79422

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described below:

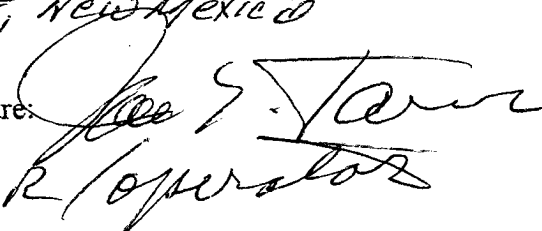
Lease No.: LC 028755(A)

Legal Description of land: SE¹/₄ SW¹/₄, SW¹/₄ SE¹/₄ SECTION 35
T17S, R27E - Eddy, CO. New Mexico

Formations(s) (if applicable): EMPIRE YATES - TRIVERS

Bond Coverage: (State, Nationwide or Individual) INDIVIDUAL

BLM Bond File No.: BOND APPROVED, CALL TONY FERRERO
BLM - SANTA FE, NEW MEXICO

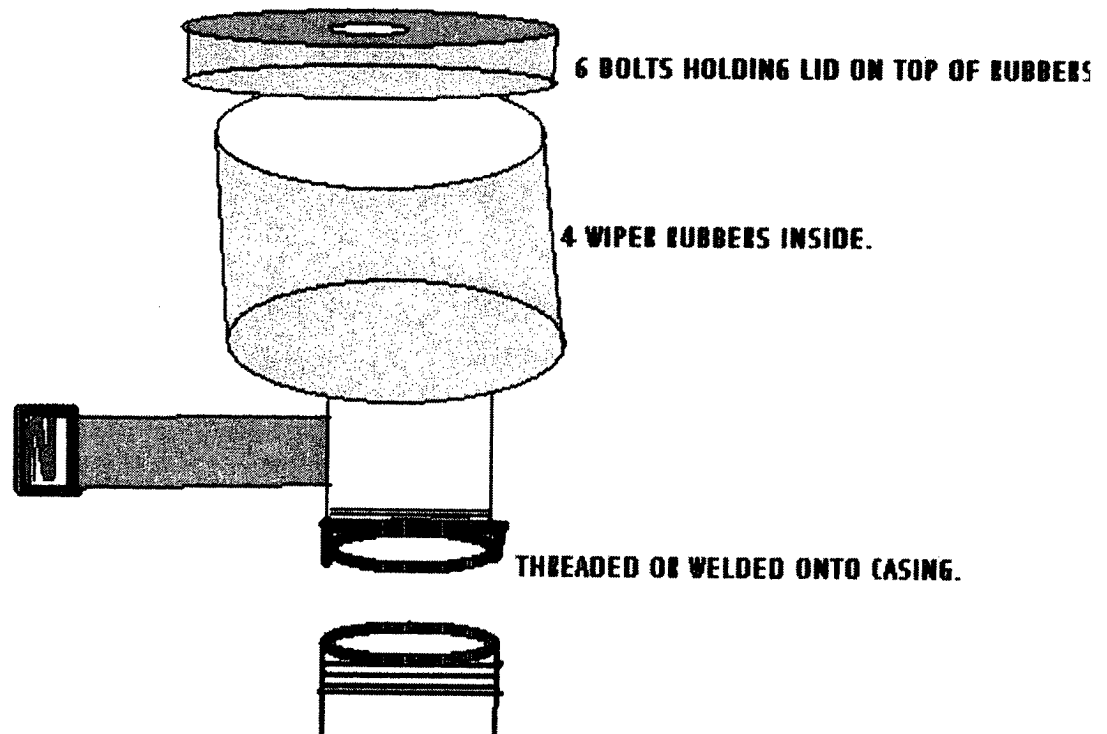
Authorized Signature: 

Title: OWNER/OPERATOR

Date: 09-01-2005

DIVERTER FOR AIR OR GAS DRILLING

BLOOIE LINE TO PIT.



SPECIAL DRILLING STIPULATIONS

THE FOLLOWING DATA IS REQUIRED ON THE WELL SIGN

Operator's Name Joe L. Tarver Well Name & No. 5-Russell C
Location 1002' FS L & 1633' FE L Sec. 35, T. 17 S, R. 27 E.
Lease No. LC-028755-A County Eddy State New Mexico

The Special stipulations check marked below are applicable to the above described well and approval of this application to drill is conditioned upon compliance with such stipulations in addition to the General Requirements. The permittee should be familiar with the General Requirements, a copy of which is available from a Bureau of Land Management office. EACH PERMITTEE HAS THE RIGHT OF ADMINISTRATIVE APPEAL TO THESE STIPULATIONS PURSUANT TO TITLE 43 CRF 3165.3 AND 3165.4.

This permit is valid for a period of one year from the date of approval or until lease expiration or termination whichever is shorter.

I. SPECIAL ENVIRONMENT REQUIREMENTS

- ☐ Lesser Prairie Chicken (stips attached) ☐ Flood plain (stips attached)
☐ San Simon Swale (stips attached) ☐ Other

II. ON LEASE - SURFACE REQUIREMENTS PRIOR TO DRILLING

☐ The BLM will monitor construction of this drill site. Notify the ☐ Carlsbad Field Office at (505) 234-5972 ☐ Hobbs Office (505) 393-3612, at least 3 working days prior to commencing construction.

☐ Roads and the drill pad for this well must be surfaced with _____ inches of compacted caliche upon completion of well and it is determined to be a producer.

☐ All topsoil and vegetation encountered during the construction of the drill site area will be stockpiled and made available for resurfacing of the disturbed area after completion of the drilling operation. Topsoil on the subject location is approximately _____ inches in depth. Approximately _____ cubic yards of topsoil material will be stockpiled for reclamation.

☒ Other. No blading & no surface material

III. WELL COMPLETION REQUIREMENTS

☐ A Communitization Agreement covering the acreage dedicated to the well must be filed for approval with the BLM. The effective date of the agreement must be prior to any sales.

☒ Surface Restoration: If the well is a producer, the reserve pit(s) will be backfilled when dry, and cut-and-fill slopes will be reduced to a slope of 3:1 or less. All areas of the pad not necessary for production must be re-contoured to resemble the original contours of the surrounding terrain, and topsoil must be re-distributed and re-seeded with a drill equipped with a depth indicator (set at depth of 1/2 inch) with the following seed mixture, in pounds of Pure Live Seed (PLS), per acre.

☒ A. Seed Mixture 1 (Loamy Sites)
Side Oats Grama (*Bouteloua curtipendula*) 5.0
Sand Dropseed (*Sporobolus cryptandrus*) 1.0

☐ B. Seed Mixture 2 (Sandy Sites)
Sand Dropseed (*Sporobolus crptandrus*) 1.0
Sand Lovegrass (*Eragostis trichodes*) 1.0
Plains Bristlegrass (*Setaria magrostachya*) 2.0

☐ C. Seed Mixture 3 (Shallow Sites)
Side oats Grama (*Boute curtipendula*) 1.0

☐ D. Seed Mixture 4 (Gypsum Sites)
Alkali Sacaton (*Sporobolud airoides*) 1.0
Four-Wing Saltbush (*Atriplex canescens*) 5.0

☐ OTHER SEE ATTACHED SEED MIXTURE

Seeding should be done either late in the fall (September 15 - November 15, before freeze up, or early as possible the following spring to take advantage of available ground moisture.

☐ Other.

RESERVE PIT CONSTRUCTION STANDARDS

The reserve pit shall be constructed entirely in cut material and lined with 6 mil plastic. Mineral material extracted from within the boundary of the APD during construction of the well pad and reserve pits and be used for the construction of this well pad and its immediate access road only, as long as that portion of the access road it is use on remains on-lease. Removal of any additional material from this location for construction or improvement of other well pads and other access or lease roads must first be purchased from BLM.

Reclamation: Reclamation of this type of deep pit will consist of pushing the pit walls into the pit when sufficiently dry to support track equipment. The pit liner is NOT TO BE RUPTURED to facilitate drying; a ten month period after completion of the well is allowed for drying of the pit contents.

The pit area must be contoured to the natural terrain with all contaminated drilling mud buried with at least 3 feet of clean soil. The reclaimed area will then be seeded as specified in this permit.

OPTIONAL PIT CONSTRUCTION STANDARDS

The reserve pit may be constructed in predominantly fill material if:

- (1) Lined as specified above and
- (2) A temporary or emergency pit may be constructed immediately adjacent to the reserve pit as long as the pit remains within the APD boundary. Mineral material removed from this pit may be used for the construction of this well pad only and its immediate access road, as long as that portion of the access road the material is used on remains on-lease. Removal of any material from the APD boundary for use on other well locations or roads must first be purchased from BLM.

Reclamation of the reserve pit consists of bulldozing all reserve pit contents and contaminants into the borrow pit and covering with a minimum of 3 feet of clean soil material. The entire area must be recontoured, all trash removed, and reseeded as specified in this permit.

CULTURAL

Whether or not an archaeological survey has been completed and notwithstanding that operations are being conducted as approved, the lessee/operator/grantee shall notify the BLM immediately if previously unidentified cultural resources are observed during surface disturbing operations. From the time of the observation, the lessee/operator/grantee shall avoid operations that will result in disturbance to these cultural resources until directed to processed by BLM.

TRASH PIT STIPS

All trash, junk, and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.

CONDITIONS OF APPROVAL - DRILLING

Operator's Name: Joe L. Tarver
Well Name & No. Russell C #5 - REENTRY
Location: 1002' FSL, 1633' FEL, Section 35, T. 17 S., R. 27 E., Eddy County, New Mexico
Lease: LC-028755-A

.....

I. DRILLING OPERATIONS REQUIREMENTS:

1. The Bureau of Land Management (BLM) is to be notified at the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (505) 361-2822 for wells in Eddy County in sufficient time for a representative to witness:

- A. Well spud
- B. Cementing casing – N/A
- C. BOP tests – N/A

2. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.

3. Submit a Sundry Notice (Form 3160-5, one original and five copies) for each casing string, describing the casing and cementing operations. Include pertinent information such as; spud date, hole size, casing (size, weight, grade and thread type), cement (type, quantity and top), water zones and problems or hazards encountered. The Sundry shall be submitted within 15 days of completion of each casing string. The reports may be combined into the same Sundry if they fall within the same 15-day time frame.

4. The API No. assigned to the well by NMOCD shall be included on the subsequent report of setting the first casing string.

II. CASING:

1. The 8 inch surface casing is set at 402'. No other casing strings are planned.

Joe L. Tarver
2807 74th ST. Suite #1, Lubbock, TX 79423
Ph 1 (806) 7952042 Fax 1 (806) 748 0676

October 7, 2005

Oil Conservation Division

Re : Well – Russell C5 -- T17S R27E Section 35 Eddy, County

**Based on more than 50 years of gathered knowledge of the Empire;
Yates 7 Rivers formation there is no hydrogen sulfide present in the
formation. Therefore an H2S contingency plan is not required for this
well.**

Best Regards,


Joe Tarver

RECEIVED
OCT 12 2005
OCCASIONAL