

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

RECEIVED

NOV 17 2005

OCD-ARTESIA

Form 3160-3
(August 1999)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

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

1a. Type of Work: <input type="checkbox"/> DRILL <input checked="" type="checkbox"/> REENTER		5. Lease Serial No. LC 057798
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. Magruder "A" 4 35244
3b. Phone No. (include area code) (806) 795-2042 22230		9. API Well No. 30-045-00635
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface Lot No. P, Sec. 35, T-17-S, R-27-E, 332' FSL & 990' 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) 330'	16. No. of Acres in lease 200	12. County or Parish Eddy
17. Spacing Unit dedicated to this well 10 acres 40	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 approved. Call Tony Ferrero, Santa Fe
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3615 GL	22. Approximate date work will start* October 2005	23. Estimated duration 7 days

24. Attachments

ROSWELL 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 	Name (Printed/Typed) Joe L. Tarver	Date Sept. 15-2005
Title Owner/Operator		
Approved by (Signature) /S/ James Stovall	Name (Printed/Typed) /S/ James Stovall	Date NOV 15 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)

Surface Casing in Place

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED

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

DISTRICT II
811 South First, Artesia, NM 88210

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

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

STATE OF NEW MEXICO
Energy, Minerals and Natural Resources Department

Revised March 17, 1999
Instruction on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

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	Pool Name
Property Code	Property Name MAGRUDER "A"	Well Number 4
OGRID No.	Operator Name JOE TARVER	Elevation 3626

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	35	17S	27E		332	SOUTH	990	EAST	EDDY

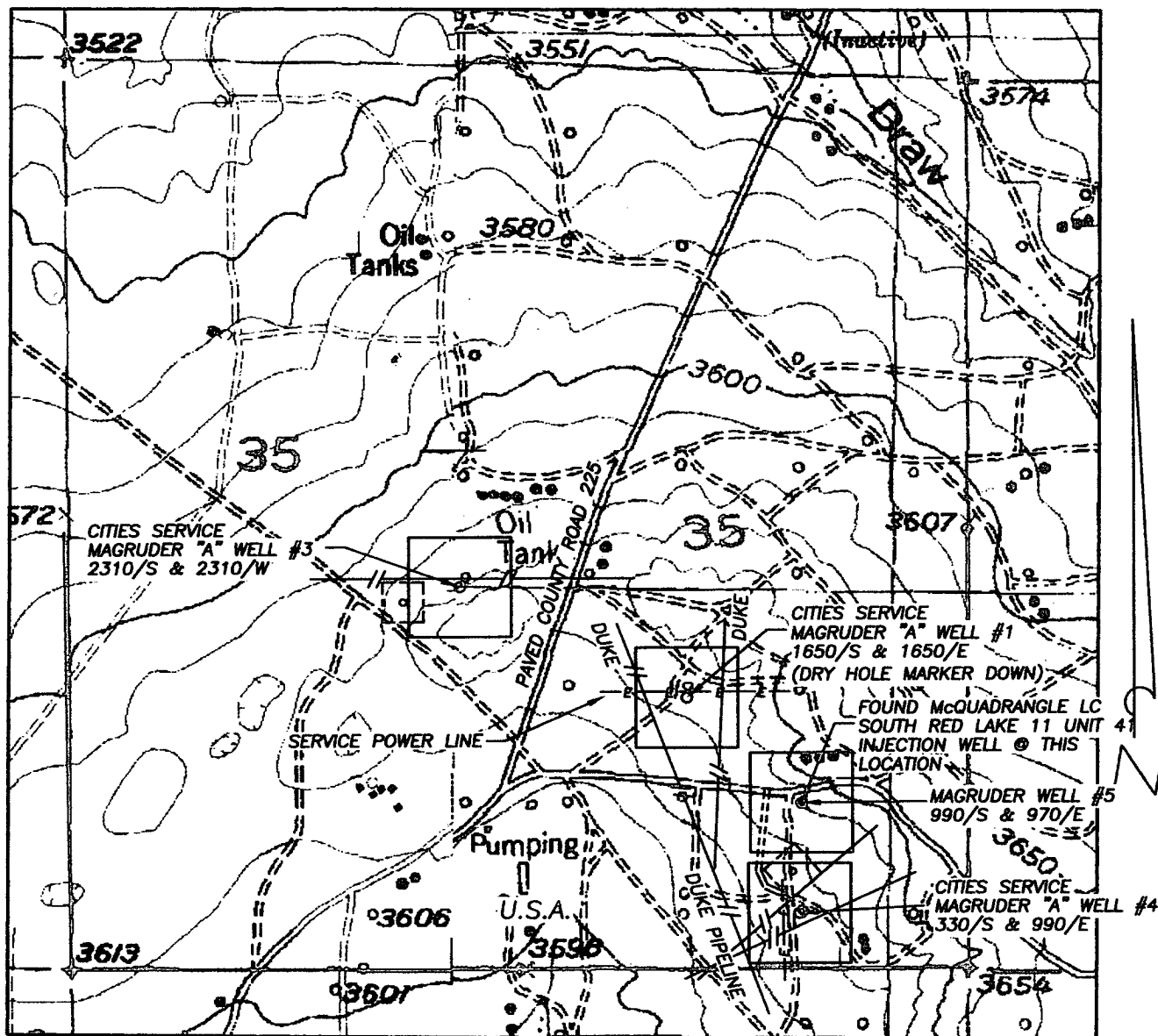
Bottom Hole Location If Different From Surface

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.						

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 hereth 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/operator Title</p> <p>Sept 26-2005 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>9/23/2005 Date Surveyed</p> <p><i>Herschel L. Jones</i> Signature & Seal of Professional Surveyor</p> <p>HERSCHEL L. JONES NEW MEXICO REGISTERED PROFESSIONAL SURVEYOR 3640</p> <p>Certificate No. Herschel L. Jones RLS 3640 MAGRUDER A GENERAL SURVEYING COMPANY</p>	
	<p>N.32°47'03.5" W.104°14'38.2"</p> <p>3623 3636</p> <p>3613 3620</p> <p>990'</p>	
	<p>0 330' 660' 990' 1650' 1980' 2310' 2310' 1980' 1650' 990' 660' 330' 0'</p>	

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.

[Signature]
HERSCHEL L. JONES R.L.S. No. 3640

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

JOE TARVER RE-ENTERIES

RE-ENTRY WELLS, MAGRUDER "A" WELL #1, MAGRUDER "A" WELL #3, MAGRUDER "A" WELL #4 AND MAGRUDER "A" WELL #5 LOCATED IN SECTION 35, TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM, EDDY COUNTY, NEW MEXICO.

Survey Date: 9/23/2005	Sheet 1 of 1 Sheets
Drawn By: Ed Blevins	W.O. Number
Date: 9/24/05	Scale 1" = 1000' MAGRUDER

Drilling Plan
Magruder A -4

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 220 Lbs. has long since dissipated

Move in rig and set up for re-entry.

The casing now in the well is set from surface to 471' 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 471' 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
Magruder A-4
332 FSL -990 FEL T175 - R27E

LC 057798

This plan is submitted with the Application for Permit to Re-Enter 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 2000 ft on black top to lease road to the right (south). Go 700 ft. to Magruder A-4 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 Right of Way 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 from 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. Slopes 3 degrees to the South.

- 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 6 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:

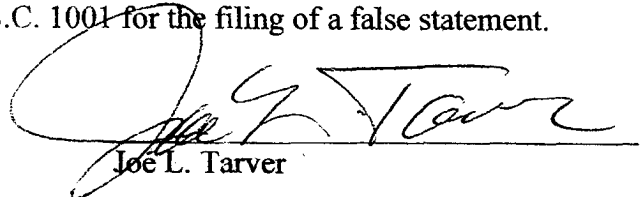
Representative responsible for assuring compliance with the approved Surface Use Plan:

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.

Date: September 15, 2005



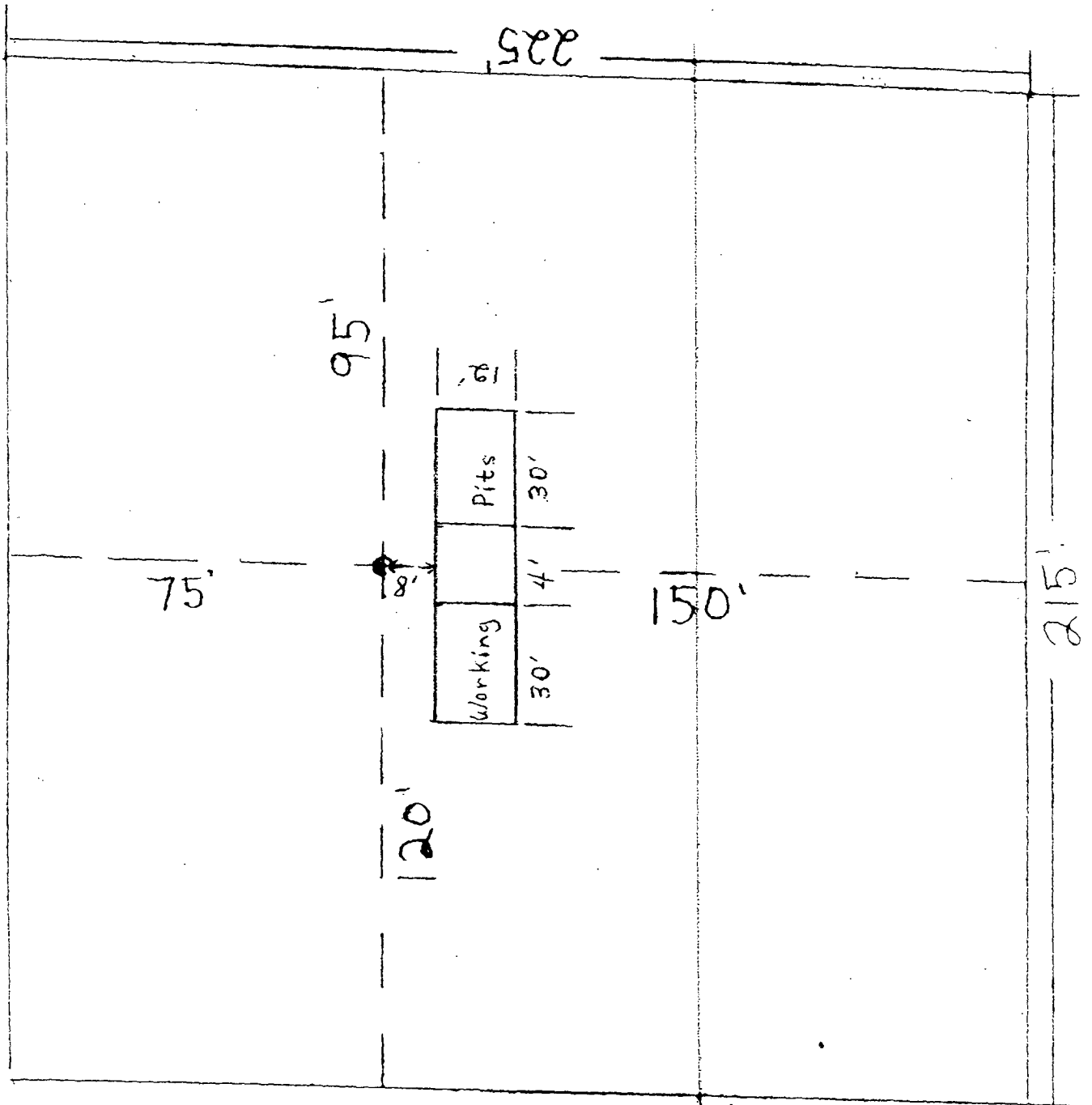
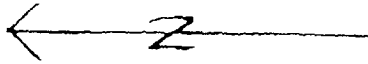
Joe L. Tarver

LC 057798

Joe Tarver

Location Platt

MAGRuder "A" 4



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: 79423

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

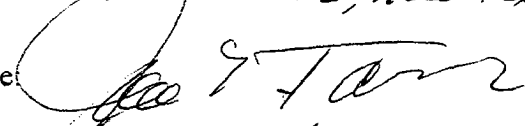
Lease No.: LC 057798

Legal Description of land: SW¹/₄SW¹/₄, NE¹/₄SW¹/₄, N¹/₂ SE¹/₄, SE¹/₄SE¹/₄
Section 35 - T17S-R27E Eddy Co. New Mexico

Formations(s) (if applicable): EMPIRE YATES - 7 RIVERS

Bond Coverage: (State, Nationwide or Individual) INDIVIDUAL

BLM Bond File No.: BOND APPROVED (NOT in COMPUTER) CALL
TONY FERRERO - BLM SANTA FE, NEW MEXICO

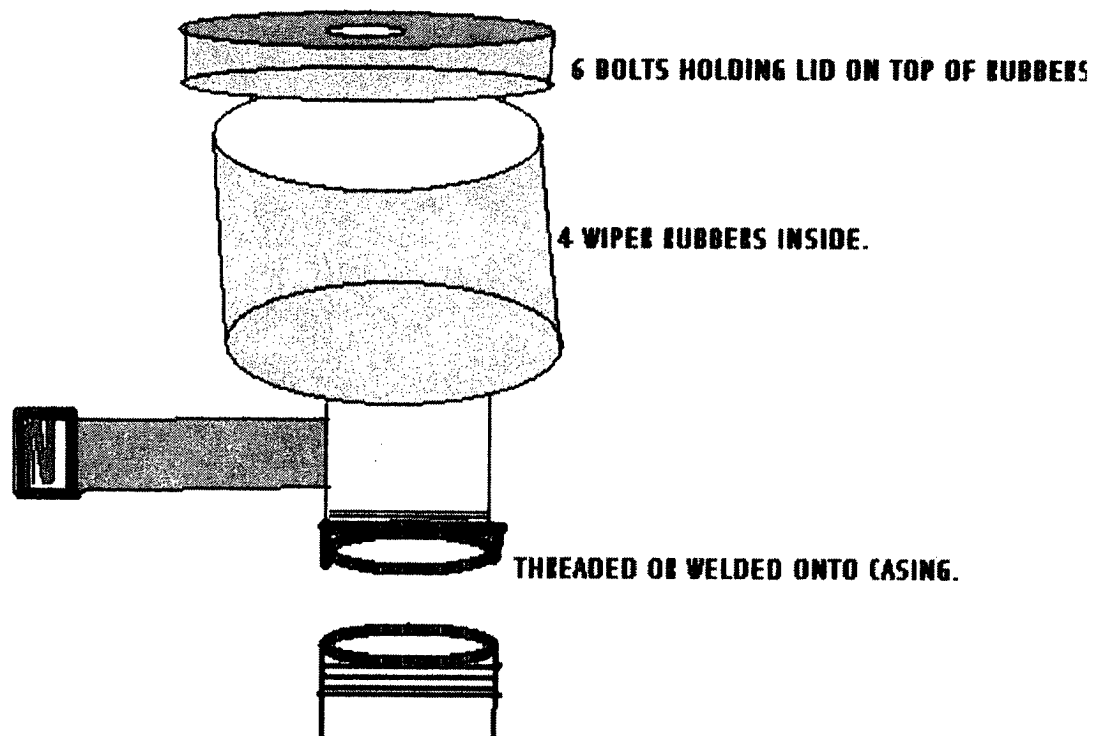
Authorized Signature: 

Title: OWNER/OPERATOR

Date: 09-15-05

DIVERTER FOR AIR OR GAS DRILLING

BLOODE LINE TO PIT.



SPECIAL DRILLING STIPULATIONS

THE FOLLOWING DATA IS REQUIRED ON THE WELL SIGN

Operator's Name JOE L TARVER Well Name & No. 4-MAGRUDER A
 Location 332 F S L & 990 F E L Sec. 35, T. 17 S, R 27 E.
 Lease No. LC-057798 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.

(x) Other. No blading or surfacing of pad and roads

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.

(x) 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) | () B. Seed Mixture 2 (Sandy Sites) |
| Side Oats Grama (<i>Bouteloua curtipendula</i>) 5.0 | Sand Dropseed (<i>Sporobolus cryptandrus</i>) 1.0 |
| Sand Dropseed (<i>Sporobolus cryptandrus</i>) 1.0 | Sand Lovegrass (<i>Eragrostis trichodes</i>) 1.0 |
| | Plains Bristlegrass (<i>Setaria magrostachya</i>) 2.0 |
| () C. Seed Mixture 3 (Shallow Sites) | (x) D. Seed Mixture 4 (Gypsum Sites) |
| Side oats Grama (<i>Boute curtipendula</i>) 1.0 | Alkali Sacaton (<i>Sporobolus airoides</i>) 1.0 |
| | Four-Wing Saltbush (<i>Atriplex canescens</i>) 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.

CONDITIONS OF APPROVAL - DRILLING

Operator's Name: Joe L. Tarver
Well Name & No. Magruder A #4 - REENTRY
Location: 332' FSL, 990' FEL, Section 35, T. 17 S., R. 27 E., Eddy County, New Mexico
Lease: LC-057798

.....

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 471'. No other casing strings are planned.



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

November 18, 2005

Joe L. Tarver

2807-74th Street

Suite 1

Lubbock, TX 79423

RE: Joe L. Tarver: Application to drill for the Magruder 'A' # 4, located in Section 35, Township 17 South Range 27 East (legal surface location being: 332' FSL & 990' FEL) Eddy County, New Mexico, NMPM

Joe L. Tarver: Application to drill for the Magruder 'A' # 3, located in Section 35, Township 17 South Range 27 East (legal surface location being: 2300' FSL & 2313' FEL) Eddy County, New Mexico, NMPM

Joe L. Tarver: Application to drill for the Magruder 'A' # 1, located in Section 35, Township 17 South Range 27 East (legal surface location being: 1630' FSL & 1645' FEL) Eddy County, New Mexico, NMPM

Dear Mr. Tarver or To Whom It May Concern,

In regards to the above captioned wells, the New Mexico Oil Conservation Division (NMOCD) **objects to the re-entry and completion of said wells** in that each application does not comply with the following rules and regulations of NMOCD's Rule 118.

- There is no H2S well contingency plan providing that such a plan is required per NMOCD Rule 118. In your proposed application in re-entering and completing for the Empire; Yates-Seven Rivers Oil Pool, please submit either a H2S contingency plan that complies with NMOCD Rule 118. If in your determination of this area that a plan is **not required**, per the conditions of approval of NMOCD Rule 118, please submit to our office a letter of statement.

In addition, please be aware that the Magruder "A" #1 and the Magruder 'A' # 3 are non-standard according to NMOCD Rule 104. (B)(1). Being that these wells have been re-surveyed they may require a NSL approval from Santa Fe.

If you have any questions regarding this matter, please feel free to call me.

Respectfully yours,

Bryan G. Arrant

E-Mail:

Sales@wireless.towlights.com

Tim Gum, District II Supervisor-Artesia

Michael Stogner whom approves: NSL, NSP, SD applications, etc.

Mark Fesmire, Division Director, Santa Fe

Daniel Sanchez, Enforcement Compliance Manager, Santa Fe

Cheryl O'Connor, Legal Bureau, Santa Fe