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Form 3160-3  
(April 2004)UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

## APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED  
OMB No. 1004-0175  
Expires March 31, 20075. Lease Serial No.  
NM-77042

6. If Indian, Allottee or Tribe Name

7. If Unit or CA Agreement, Name and No.

8. Lease Name and Well No.  
Ford Federal #

9. API Well No.

10. Field and Pool, or Exploratory  
Square Lake Grayburg/San Andres

11. Sec., T. R. M. or Blk. and Survey or Area

Unit E, Section 20, T-16S, R-31E

12. County or Parish  
Eddy13. State  
NM1a. Type of work: ☒ DRILL ☐ REENTER1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☐ Single Zone ☒ Multiple Zone2. Name of Operator  
Trinity Resources, LLC3a. Address 200 W. 1st Street  
Roswell, NM 882013b. Phone No. (include area code)  
505-258-2029

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

At surface 1880 FNL - 330 FWL

At proposed prod. zone a/a

14. Distance in miles and direction from nearest town or post office\*  
10 Miles15. Distance from proposed\*  
location to nearest  
property or lease line, ft.  
(Also to nearest drg. unit line, if any)  
330 ft16. No. of acres in lease  
320.017. Spacing Unit dedicated to this well  
40.018. Distance from proposed location\*  
to nearest well, drilling, completed,  
applied for, on this lease, ft.  
330' P/A19. Proposed Depth  
4000'

20. BLM/BIA Bond No. on file

21. Elevations (Show whether DF, KDB, RT, GL, etc.)  
3930' GL22. Approximate date work will start\*  
03/15/200623. Estimated duration  
15-20 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)

Sam L. Shackelford

Date

2-24-06

Title

Agent

Approved by (Signature)

/s/ James Stovall

Name (Printed/Typed)

/s/ James Stovall

Date

AUG 08 2006

Title

ACTING  
FIELD MANAGER

Office

CARLSBAD FIELD OFFICE

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, 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 page 2)

DECLARED WATER BASIN  
CEMENT BEHIND THE 8 1/2"  
CASING MUST BE CIRCULATED

WITNESS

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS  
ATTACHED

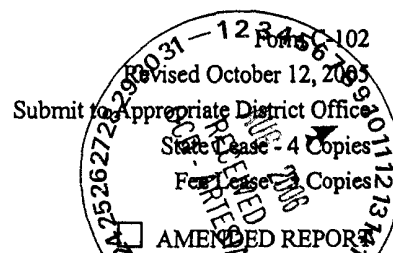
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Carlsbad Field  
Carlsbad, N.M.If earthen pits are used in  
association with the drilling of this  
well, an OCD pit permit must be  
obtained prior to pit construction.

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505



**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number	<sup>2</sup> Pool Code S7570	<sup>3</sup> Pool Name Square Lake - Grayhug - San Andres
<sup>4</sup> Property Code	<sup>5</sup> Property Name Ford Federal	<sup>6</sup> Well Number 1
<sup>7</sup> OGRID No.	<sup>8</sup> Operator Name Trinity Resources, L.L.C.	<sup>9</sup> Elevation 3930

**<sup>10</sup> Surface Location**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	20	16S	31E		1880	North	330	West	Eddy

**<sup>11</sup> 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

<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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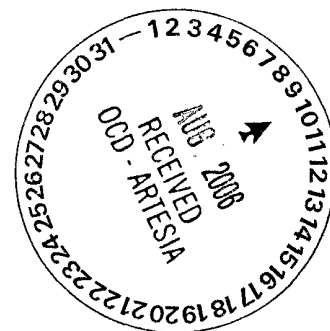
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

	<b><sup>17</sup> OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.  Signature: <u>Sam L. Shackelford</u> Date: <u>2-24-06</u>  Printed Name: <u>Sam L. Shackelford</u>
	<b><sup>18</sup> SURVEYOR CERTIFICATION</b> 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 of Survey: <u>2-1-06</u> Signature and Seal of Professional Surveyor: <u>[Signature]</u> Certificate Number: <u>8675</u>

## SUPPLEMENTAL DRILLING DATA

FORD FEDERAL #1  
1880' FNL & 330' FWL,  
Sec. 20, T-16S, R-31E, NMPM

Eddy County, New Mexico



The following items supplement Form 3160-3 in accordance with instructions contained in Onshore Oil and Gas Order No.1:

1. SURFACE FORMATION: Red Beds, Sand and Sandstone

2. ESTIMATED TOPS OF GEOLOGICAL MARKERS:

Base/Salt	-	1570'
Grayburg	-	3000'
Premier	-	3210'
San Andres	-	3295'
Lovington	-	3400'

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

Fresh Water	-	300' or less in sandstone Triassic Duckum Group
Oil	-	Premier - 3230' Lovington - 3390' San Andres - 3900'
Gas	-	Penrose - 2880'

4. PROPOSED CASING PROGRAM:

12 1/4" Hole	8 5/8" X-42	24# <del>4000</del> 575'
7 7/8" Hole	5 1/2"	17# 4000'

5. PROPOSED CEMENTING PROGRAM:

Surface to <del>400</del> 575'	250 sx Premium Plus, circulated
Production casing	400 sx HLC w/flocele
	300 sx Premium Plus Circulate to surface

6. PROPOSED DRILLING PROGRAM:

Trinity Resources, LLC proposes to drill and test the San Andres Formation. Approximately ~~400'~~<sup>575'</sup> of surface casing will be set and cemented to surface. 5 1/2" production casing will be set and cemented with adequate cover, perforated and stimulated as needed for production.

7. PRESSURE CONTROL EQUIPMENT:

Blowout preventer will consist of 2 ram, 2M system. A sketch of the BOP is attached.

8. CIRCULATION MEDIUM:

Mud Drilling

9. AUXILIARY EQUIPMENT:

Full opening drill string safety valve fit for the drill string in use, will be kept on the rig floor at all times.

10. TESTING, LOGGING AND CORING PROGRAM:

Samples: Catch samples from surface to TD.  
DST's: None anticipated  
Logging: Open Hole Logging: 400' to 4000'  
Platform Express Three Detector Litho-Density,  
Compensated Neutron/GR  
Platform Express Azimuthal Laterlog Micro-CFL/GR

11. ABNORMAL PRESSURES, TEMPERATURES OR HYDROGEN SULFIDE:

None Anticipated

12. ANTICIPATED STARTING DATE:

On or before March 15, 2006. Drilling should be completed within 20 days. Completion operations will follow the drilling operations.

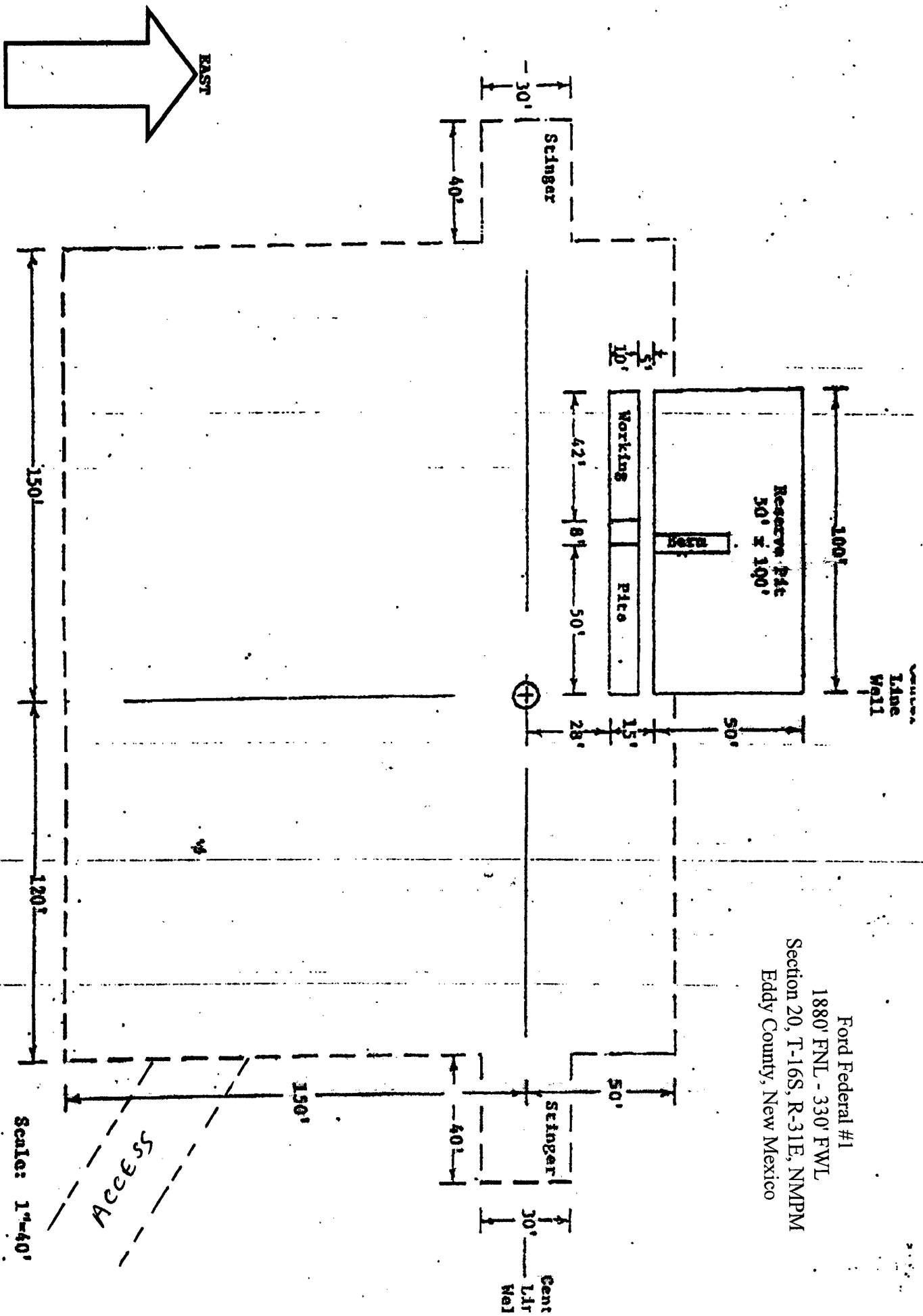
**PERTINENT INFORMATION**

FOR  
FORD FEDERAL #1  
1880' FNL - 330' FWL  
Section 20, T-16S, R-31E, NMPM  
  
Eddy County, New Mexico

<b><u>LOCATED:</u></b>	6 air miles Northeast of Loco Hills, NM.
<b><u>LEASE NUMBER:</u></b>	NM-77042
<b><u>LEASE ISSUED:</u></b>	9-1-88
<b><u>RECORD LESSEE:</u></b>	Bill Fenn
<b><u>BOND COVERAGE:</u></b>	Operator's \$25,000 Statewide
<b><u>AUTHORITY TO OPERATE:</u></b>	Assignment of Operating Rights
<b><u>ACRES IN LEASE:</u></b>	320.00
<b><u>SURFACE OWNER:</u></b>	Federal
<b><u>LEASE OWNER:</u></b>	USA-BLM
<b><u>POOL RULES:</u></b>	General Statewide
<b><u>EXHIBITS:</u></b>	A. Road and Well Map B. Contour Map C. Rig Layout D. BOP Diagram E. Lease Map

# EXHIBIT "C"

Ford Federal #1  
1880' FNL - 330' FWL  
Section 20, T-16S, R-31E, NMPM  
Eddy County, New Mexico



Form 3160-5  
(2005)

**S**

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
**SUNDRY NOTICES AND REPORTS ON WELLS**  
Use the **NOTICE** for proposals to drill or to re-enter an  
abandoned well. Use the **REPORT** for such proposals.  
Form 3160-3 (APD) for such proposals.

**SUBMIT** ☐ Gas Well ☐ Other

1. Type of Well  
Primero Operating, Inc.  
2. N433, Roswell, NM 88202

Location of Well (Footage, Sec., T., R., M., or Survey Description)  
1880' FNL & 330' FWL  
Sec. 20, T-16-S, R-31-E

3b. Phone No. (include area code)  
505-622-1001

5. Lease Serial  
NM-77042

6. If Indian, Allottee or Tribe

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.  
Ford Fed. #1

9. API Well No.  
30-015-35086

10. Field and Pool, or Exploratory Area  
Square Lake, Grayburg/San Andres

11. County or Parish, State  
Eddy County, NM

REPORT, OR OTHER DATA

12. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF ACTION

TYPE OF SUBMISSION  
☐ Notice of Intent  
☐ Subsequent Report  
☐ Final Abandonment Notice

☐ Acidize  
☐ Alter Casing  
☐ Casing Repair  
☐ Change Plans  
☐ Convert to Injection

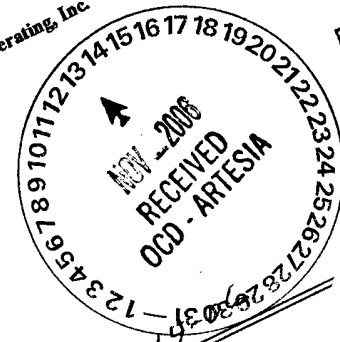
☐ Deepen  
☐ Fracture Treat  
☐ New Construction  
☐ Plug and Abandon  
☐ Plug Back

TYPE OF ACTION  
☐ Production (Start/Resume)  
☐ Reclamation  
☐ Recombine  
☐ Temporarily Abandon  
☐ Water Disposal

☐ Water Shut-Off  
☐ Well Integrity  
☒ Other Change Operator

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomple horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zone following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed, and the operator determined that the site is ready for final inspection.)

Change operator from Trinity Resources, LLC to Primero Operating, Inc.  
eff date: 10/1/06  
bond # NM 2677



PRIMERO'S SURETY F

Th  
con  
below

Lease 1

Legal De.

Formations:

Bond Coverage

BLM Bond File N

Authorized Signature.

Title:

Date:

OK To Approve  
14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)  
Phelps White

Signature

THIS SPACE FOR FEDERAL

Approved by \_\_\_\_\_  
Conditions of approval, if any, are attached. Approval of this notice does  
certify that the applicant holds legal or equitable title to those rights in  
which would entitle the applicant to conduct operations thereon.  
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crim.  
States any false, fictitious or fraudulent statements or representations as to an.  
(Instructions on page 2)

30-015-35086

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State of New Mexico  
Energy Minerals and Natural Resources

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-144  
June 1, 2004

For drilling and production facilities, submit to appropriate NMOCD District Office.  
For downstream facilities, submit to Santa Fe office

### Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☐ No ☒ Submitted 4/16/04

Type of action: Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

Operator: Trinity Resources, LLC Telephone: 505-622-7246 e-mail address: \_\_\_\_\_  
Address: 200 W. 1<sup>st</sup> Street, Roswell, NM 88201  
Facility or well name: Ford Federal #1 API #: 30-015-35086 A/L or Qtr/Qtr E Sec 20 T 16S R 31E  
County: Eddy Latitude 1880FNL Longitude 330FWL NAD: 1927 ☐ 1983 ☐ Surface Owner Federal ☒ State ☐ Private ☐ Indian ☐

#### Pit

Type: Drilling ☒ Production ☐ Disposal ☐

Workover ☐ Emergency ☐

Lined ☒ Unlined ☐

Liner type: Synthetic ☒ Thickness \_\_\_\_\_ mil Clay ☐

Pit Volume \_\_\_\_\_ bbl

#### Below-grade tank

Volume: \_\_\_\_\_ bbl Type of fluid: \_\_\_\_\_

Construction material: \_\_\_\_\_

Double-walled, with leak detection? Yes ☐ If not, explain why not. \_\_\_\_\_

RECEIVED

MAR 08 2006

COO-0112-04

Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)

Less than 50 feet

(20 points)

50 feet or more, but less than 100 feet

(10 points)

100 feet or more

(0 points)

Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)

Yes

(20 points)

No

(0 points)

Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)

Less than 200 feet

(20 points)

200 feet or more, but less than 1000 feet

(10 points)

1000 feet or more

(0 points)

Ranking Score (Total Points)

0

If this is a pit closure: (1) attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: (check the onsite box if you are burying in place) onsite ☐ offsite ☐ If offsite, name of facility \_\_\_\_\_. (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface \_\_\_\_\_ ft. and attach sample results. (5)

Attach soil sample results and a diagram of sample locations and excavations.

Additional Comments:

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Date: 2-24-06

Printed Name/Title Sam L. Shackelford, contract landman

Signature [Signature]

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

MAR 14 2006

Approval:

Printed Name/Title \_\_\_\_\_

Signature [Signature]

Date: \_\_\_\_\_