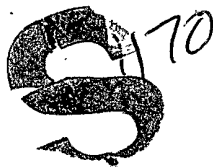


Form 3160-3
(April 2004)

OCD-ARTESIA

SEP 27 2007
OCD-ARTESIAFORM APPROVED
OMB No 1004-0137
Expires March 31, 2007

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
APPLICATION FOR PERMIT TO DRILL OR REENTER

1a Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5 Lease Serial No. NM-77042	
1b Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6 If Indian, Allottee or Tribe Name	
2 Name of Operator Trinity Resources, LLC PRIMER OPERATING INC. 218105		7 If Unit or CA Agreement Name and No.	
3a Address 200 W. 1st Street P.O. Box 1433 Roswell, NM 88201 ROSWELL, NM 88202		8 Lease Name and Well No. Ford Federal 3 303184	
3b Phone No. (include area code) 505-258-2029		9 API Well No. 30-015-36083	
4 Location of Well (Report location clearly and in accordance with any State requirements.) At surface 704' FNL - 1650' FNL At proposed prod. zone a/a 84' per attached		10 Field and Pool, or Exploratory Square Lake Grayburg/San Andres	
11 Sec., T. R. M. or Blk. and Survey or Area Section 20, T-16S, R-31E		12 County or Parish Eddy	
13 State NM		14 Distance in miles and direction from nearest town or post office 10 Miles SN 8/24/07	
15 Distance from proposed location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) 704'	16 No. of acres in lease 320.0	17 Spacing Unit dedicated to this well 40.0	
18 Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 1320'	19 Proposed Depth 4000'	20 BLM/BIA Bond No. on file NM 2677 STATEWIDE CB 7/25/07	
21 Elevations (Show whether DF, KDB, RT, GL, etc.) 3959'	22 Approximate date work will start 8-24-07	23 Estimated duration 15-20 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

- | | |
|--|---|
| 1 Well plat certified by a registered surveyor. | 4 Bond to cover the operations unless covered by an existing bond on file (see Item 20 above) |
| 2 A Drilling Plan | 5 Operator certification |
| 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). | 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 7-24-07
Title Agent		

Approved by (Signature) /s/ James Stovall	Name (Printed Typed) CARLSBAD FIELD OFFICE	Date SEP 21 2007
Title FIELD MANAGER		

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 TWO YEARS

Title 18 USC Section 1001 and Title 43 USC Section 1212, make it a crime for any person knowingly and States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on page 2)

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Roswell Controlled Water Basin

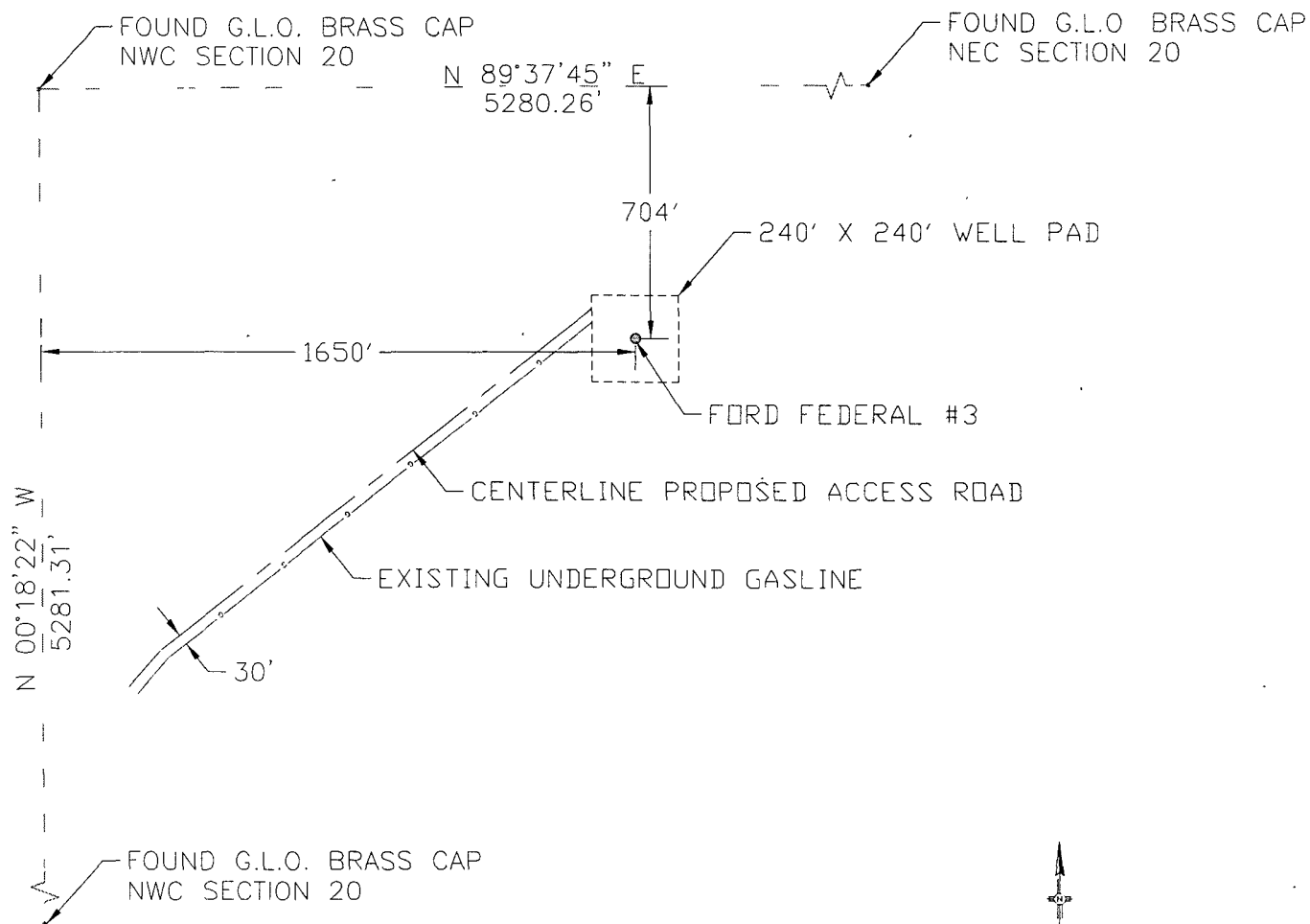
APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED

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

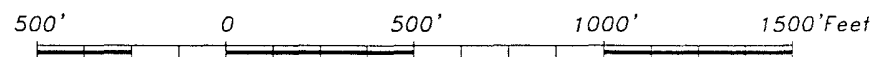
FORD FEDERAL #3 SITE PLAN

704FNL 1650FWL SECTION 20-T16S-R31E, N.M.P.M.

EDDY COUNTY NEW MEXICO



SCALE: 1" = 500'



BEARINGS ARE BASED UPON NEW MEXICO
STATE PLANE COORDINATE SYSTEM,
"GRID ZONE EAST"



Smith Engineering Company

A Full Service Engineering Company

Roswell, NM • Albuquerque, NM • Las Cruces, NM
Durango, CO • Midland, TX

SUPPLEMENTAL DRILLING DATA

FORD FEDERAL #3
704' FNL & 1650' 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	-	3286'
Lovington	-	3383'

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

Fresh Water	-	300' or less in sandstone Triassic Duckum Group
Oil	-	Premier - 3230' San Andres - 3286' Lovington - 3383'
Gas	-	Penrose - 2820'

4. PROPOSED CASING PROGRAM:

12 1/4" Hole New 8 5/8" J-55 ^{STC} 24# ⁵⁷⁵ 400' 8 Round
STC Burst - 2950 PSI Collapse - 1370 PSI
Tension - 244,000 lbs

7 7/8" Hole New 5 1/2" J-55 ^{LTC} 17# 4000' 8 Round
STC Burst - 5320 PSI Collapse - 4910 PSI
Tension - 273,000 lbs

see
COA

247

5. PROPOSED CEMENTING PROGRAM:

Surface to 576' 250 sx Premium Plus, circulated
Production casing 400 sx HLC w/flocele
 300 sx Premium Plus Circulate to surface
Cement Yield - 1.32

6. PROPOSED DRILLING PROGRAM:

Primero Operating, Inc. proposes to drill and test the San Andres Formation. Approximately ~~400'~~^{576'} 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.

see →
COA

7. PRESSURE CONTROL EQUIPMENT:

Blowout preventer will consist of 2 ram, 2M system. A sketch of the BOP is attached. The BLM will be notified in advance of test and the operator will adhere to BLM required BOP testing procedures.

8. CIRCULATION MEDIUM:

Mud Drilling
Surface to 576' - 9# native mud
576' to 3871 - 10# brine

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

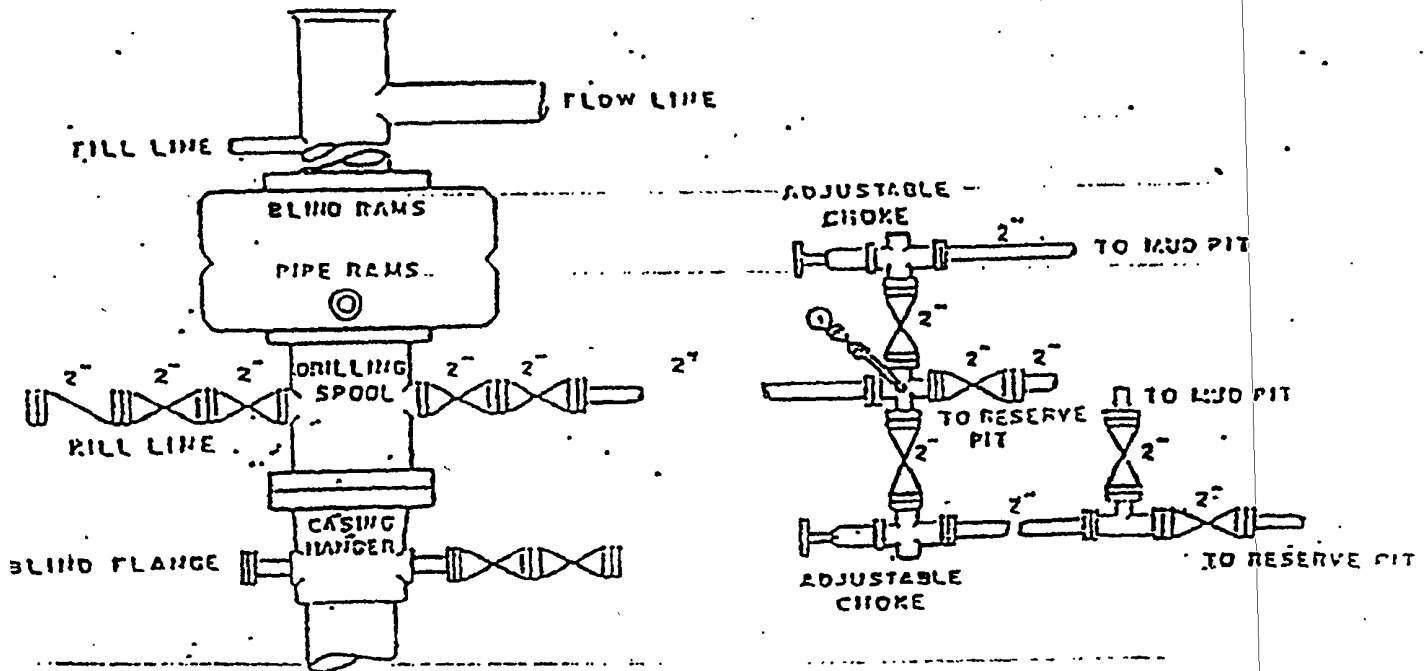
Anticipated Bottom Hole Pressure - 800 PSI

12. ANTICIPATED STARTING DATE:

On or before 8-24-07. Drilling should be completed within 20 days.
Completion operations will follow the drilling operations.

FORD FEDERAL #3
704' FNL - 1650' FWL
Section 20, T-16S, R-31E, NMPPM
Eddy County, New Mexico

EXHIBIT "D"



PERTINENT INFORMATION

FOR
FORD FEDERAL #3
704' FNL - 1650' FWL
Section 20, T-16S, R-31E, NMPM

Eddy County, New Mexico

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

MULTI-POINT USE AND OPERATIONS PLAN

FOR

**FORD FEDERAL #3
704' FNL - 1650' FWL,
Section 20, T-16S, R-31E, NMPM**

Eddy County, New Mexico

NM-77042

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 is staked. The well is approximately 6 miles northeast of Loco Hills, NM.
- B. Directions: From Loco Hills, NM on State Highway 82 go 2 miles East to County Road 220 (Square Lake Road) turn North then go 6.2 miles to access that turns East (follow lathe markers), go 1.1 mile, then Northeast for 2000' (new construction) to location of Ford Federal #1, then northeast 2050 feet parallel to gas pipeline to location.

2. PLANNED ACCESS ROAD:

- A. Length and Width: New constructed access road is approximately 2050 feet long and width as required by BLM.
- B. Surface Materials: Sand, gravel and caliche where needed and required.
- C. Turnouts: 1 - midway between Ford Fed.# 1 and Ford Fed. #3, if needed.
- D. Maximum Grade: No more than 3%.
- E. Drain Design: Road will have drainage ditches on both sides and a crowned top consistent with BLM requirements.
- F. Culverts: None

- G. Cuts and fill: 2 to 3 feet
- H. Gates and Cattleguards: None needed.
- I. Top Soil: minimal (Stockpiles in Northeast Corner)

3. **LOCATION OF EXISTING WELLS:**

- A. A map indicating the location of adjacent wells is attached.

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

- A. See Exhibit "A" for location of existing lease wells. If the well is commercial, production facilities and tank battery will be constructed.
- B. Cuts and Fills: Less than 3 feet of cut and fill will be required for the pad size of 300' x 300'. (See Exhibit "D")
- C. Top Soil: Any top soil that can sustain plant vegetation will be bladed and piled for future rehabilitation.

5. **LOCATION AND TYPE OF WATER SUPPLY:**

- A. Water will be purchased from a commercial source in Loco Hills, NM and trucked to the location over existing and proposed access roads.

6. **SOURCE OF CONSTRUCTION MATERIAL:**

- A. Closes viable Pit to location. (Yet to be determined)

7. **METHOD 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 tests 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 placed in portable receptacles and hauled from the location upon completion of drilling and completion operations.
- F. All trash and debris will be removed from the well site within 30 days after finishing drilling and/or completion operations.

8. **ANCILLARY FACILITIES:**

- A. None necessary at present.

9. **WELL SITE LAYOUT:**

- A. Exhibit "C" indicates the related location and dimensions of the well pad, mud pits, reserve pit and major rig equipment.
- B. Any unguarded pits containing fluids will be fenced until they are filled.
- C. If the well is non-productive or abandoned, the disturbed area will be rehabilitated using the preserved soil mentioned in 2.I and 4.C.

10. **OTHER INFORMATION:**

- A. Topography: The topography gradually slopes to the Northeast concerning the access road and Northeast at the drill pad. Regional slopes is up to the East towards the Caprock Ridge.
- B. Soil: Sandy Loam with limestone outcrops.
- C. Flora and Fauna: The flora consists of typical desert vegetation, such as mesquite, yucca, cactus and various grasses. Fauna consists of desert wildlife such as coyotes, rodents, reptiles snakes and antelope.
- D. Ponds and Streams: None in near vicinity.
- E. Residences and other Structures: None within 5 miles or line of sight.
- F. Archaeological, Historical and Other Cultural Sites: An Archaeologist from Southern New Mexico Arc. Services from Bent, NM has been contracted to examine and approve the well pad and new access road.
- G. Land Use: Grazing

H. Surface Ownership: USA - BLM

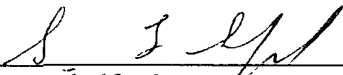
Grazing Rights: Boogle LTD Co., Dexter, NM 88230
Contact Lewis Derrick 505-734-5442

12. **OPERATOR'S REPRESENTATIVE:**

Phelps White, IV
P. O. Box 1433
Roswell, NM 88202-1433
505-622-1001
505-626-7660 cell
pwiv@zianet.com

13. **CERTIFICATION:**

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exists; 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 Primero Operating, Inc. and it's subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to provisions of 18 USC 1001 for the filing of a false statement.



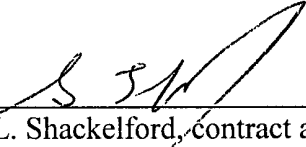
Sam L. Shackelford, contract agent

7-24-07

Date

APD CERTIFICATION:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exists; 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 Primero Operating, Inc. and it's subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to provisions of 18 USC 1001 for the filing of a false statement.



Sam L. Shackelford, contract agent

8-24-07

Date

I. DRILLING

A. DRILLING OPERATIONS REQUIREMENTS

The BLM is to be notified a minimum of 2 hours in advance for a representative to witness:

- a. Spudding well
- b. Setting and/or Cementing of all casing strings
- c. BOPE tests

☒ **Eddy County**

Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220,
(505) 361-2822

1. A Hydrogen Sulfide (H₂S) Drilling Plan should be activated 500 feet prior to drilling into the **Grayburg** formation. **H₂S has been reported in Section 25 measuring 25,000 ppm in the gas stream and 10 ppm in STVs.**
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.

B. CASING

1. The **8-5/8** inch surface casing shall be set **a minimum of 25 feet into the Rustler Anhydrite and above the salt at approximately 575 feet** and cemented to the surface. **Fresh water mud to be used to setting depth of this casing as proposed.**
 - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with a surface log readout will be used or a cement bond log shall be run to verify the top of the cement.
 - b. Wait on cement (WOC) time for a primary cement job will be a minimum 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement).
 - c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
 - d. If cement falls back, remedial action will be done prior to drilling out that string.

**Possible lost circulation in the Redbeds, Grayburg and San Andres formations.
Possible water flows in the Salado and Artesia Groups.**

2. The minimum required fill of cement behind the 5-1/2 inch production casing is:
 - ☒ Cement to surface. If cement does not circulate, contact the appropriate BLM office.
3. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.

C. PRESSURE CONTROL

Note: Pipe rams to be operationally checked daily and blind rams operationally checked on each trip out of the hole. All checks are to be recorded on the daily drilling report.

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.
2. The appropriate BLM office shall be notified a minimum of 2 hours in advance for a representative to witness the tests.
 - a. The tests shall be done by an independent service company.
 - b. The results of the test shall be reported to the appropriate BLM office.
 - c. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.
 - d. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug.

Engineer on call phone (after hours): Carlsbad: (505) 706-2779

WWI 091007