

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 checked="" type="checkbox"/> DRILL <input 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 | | 7. If Unit or CA Agreement, Name and No. |
| 3a. Address 2807 - 74th St., Ste. 1, Lubbock, TX 79423 | 3b. Phone No. (include area code) (806) 795-2042 | 8. Lease Name and Well No. Russell "C" 7-A |
| 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, 445' FSL & 1622' FEL, Eddy Co., NM At proposed prod. zone Same as Surface | | 9. API Well No. 30-015-37762 |
| 14. Distance in miles and direction from nearest town or post office* 9 miles East of Artesia, NM | | 10. Field and Pool, or Exploratory Empire Yates - 7 Rivers |
| 15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) | 16. No. of Acres in lease 80 | 11. Sec., T., R., M., or Blk. and Survey or Area Section 35, T-17-S, R-27-E |
| 17. Spacing Unit dedicated to this well 10 acres | 18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. | 12. County or Parish Eddy |
| 19. Proposed Depth 550' | 20. BLM/BIA Bond No. on file NMB000328 | 13. State NM |
| 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

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) Joe L. Tarver | Date 09-01-05 |
| Title Owner/Operator | | |
| Approved by (Signature) | Name (Printed/Typed) Armando A. Lopez | Date 10/28/05 |
| Title PE | | |
| Office RFO | | |

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.

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)

Accepted for record - NMOCB

811 South Plaza, Santa Fe, NM

DISTRICT III
1000 Rio Brazos Rd., Santa Fe, NM 87510

DISTRICT IV
3040 South Penasco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Appropriate District Office
State Issues - 4 Copies
For Letter - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|-------------------------------|-------------------------------------|--|
| API Number | Pool Code 22230 | Pool Name EMPIRE; YATES-7 RIVERS |
| Property Code 35166 | Property Name RUSSELL "C" | Well Number 7-A |
| OCWD No. 37594 | Operator Name JOE TARVER | Elevation 3675 |

Surface Location

| UL or Lot No. | Section | Township | Range | Lot 1/4 | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|------------------|------------------|---------------|----------------|--------|
| 0 | 35 | 17S | 27E | | 4 305 | SOUTH | 1622 | EAST | EDDY |

Bottom Hole Location if Different From Surface

| UL or Lot No. | Section | Township | Range | Lot 1/4 | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

| Dedicated Acre | 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

| | |
|--|--|
| | OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature: <i>Joe L. Tarver</i> Printed Name: JOE L. TARVER Title: <i>Owner</i> Date: <i>8/14/2005</i> |
| | SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys taken by me or under my supervision and that the same is true and correct to the best of my belief. Date Surveyed: <i>8/29/2005</i> Signature: <i>[Signature]</i> Printed Name: HERSCHEL JONES Title: REGISTERED PROFESSIONAL SURVEYOR License No. 3640 Commission Expires: 12/31/2008 State of NEW MEXICO Registered Professional Surveyor Jones RLS 3640 HERSCHEL JONES COMPANY |

0 500' 1000' 1500' 2000' 2500' 3000' 3500' 4000'

**Drilling Plan
Russell C - 7 - A**

**Move in Rig and set up for Drilling.
Set Metal Pits.**

**Drill to 400'.
Set 4 ½" Casing. Circulate Cement.**

Drill from 400' 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 400' to TD.

Acidize with 2,000 gallons 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.

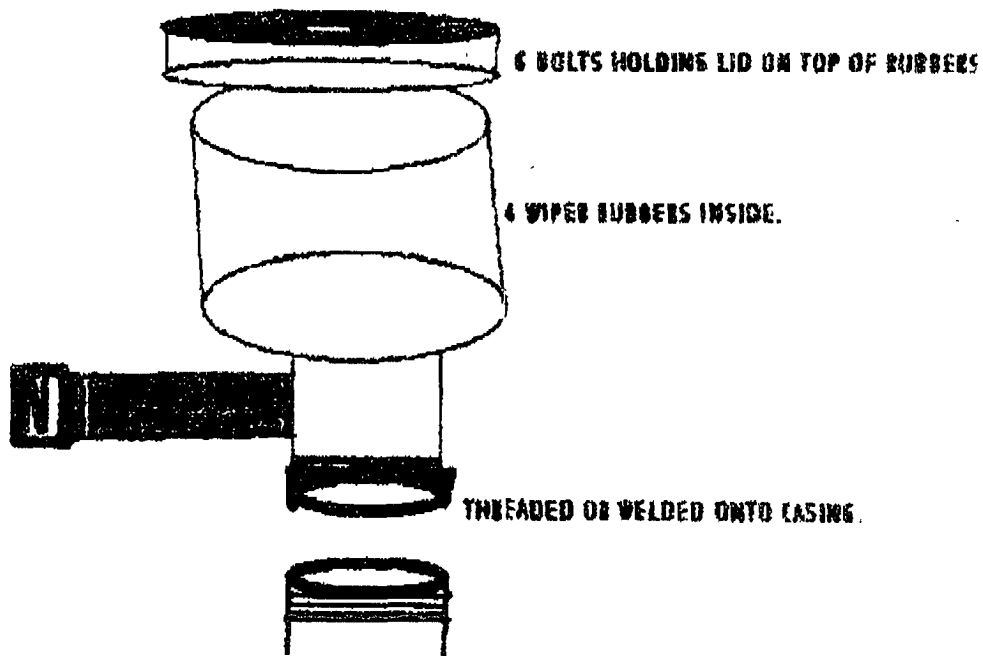
**Clean out residue to Pits.
Install tubing, bottom hole pump and rods.**

Connect pump jack for Production.

B.O.P. Diverter

DIVERTER FOR AIR OR GAS DRILLING

BLDGE LINE TO PIT.



MULTI-POINT SURFACE USE AND OPERATIONS PLAN

Joe L. Tarver
Russell C-7-A
445 FSL –1622 FEL T17S – R27E

LC 028755

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 1 mile to 1st black top road to left. Go 30ft. to dirt road on right of black top. Take dirt lease road 1,000 feet to Russell C-7-A on left 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:

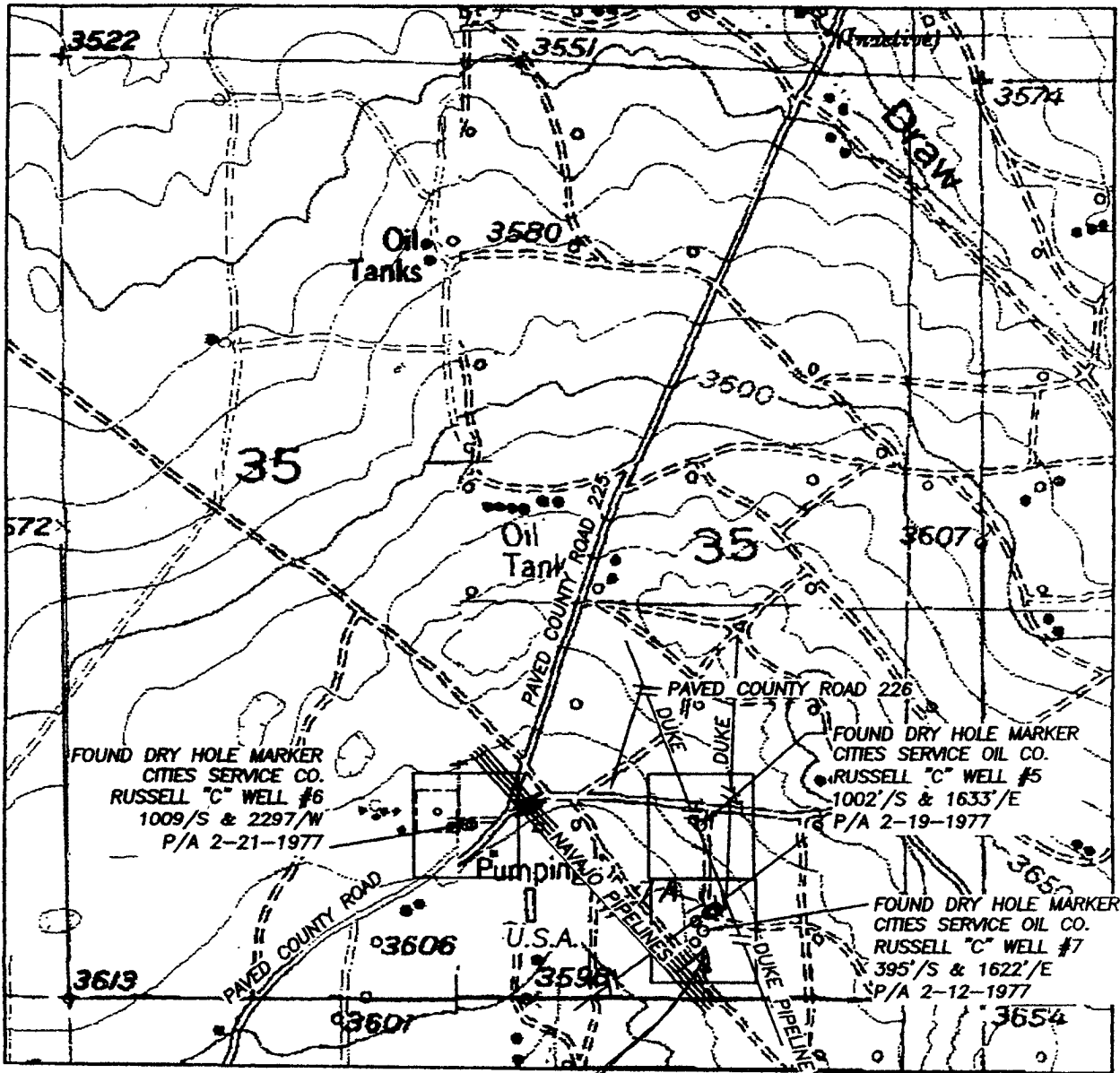
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge true and correct; that the work associated with 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

09-01-05


Joe L. Tarver

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



RUSSELL - C-7-A
EXISTING LEASE ROADS
will be used.

JOE TARVER
LC028755

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
3640
HARSHIEL L. JONES, P.L.S. No. 3640

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

JOE TARVER RE-ENTERIES

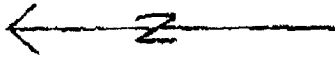
RE-ENTRY WELLS, RUSSELL "C" WELL #5, RUSSELL "C" WELL #6 AND RUSSELL "C" WELL #7 LOCATED IN SECTION 35, TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM, EDDY COUNTY, NEW MEXICO.

| | |
|------------------------|--------------------------|
| 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 |

EXHIBIT-A

| | | |
|-----|-----|--------------|
| | | JOE L. TARVE |
| | | LC 02875 |
| | | RUSSELL C- |
| | | |
| | | |
| 14 | C-6 | |
| | | |
| | | |
| C-7 | C-5 | |
| | | |
| | | |
| | | |

Federal - Magruder
Federal - Russell
State
State
State



LC 028755(A)
Joe Tarver

Location Platt

Rig Layout
Russell C - 7 - A

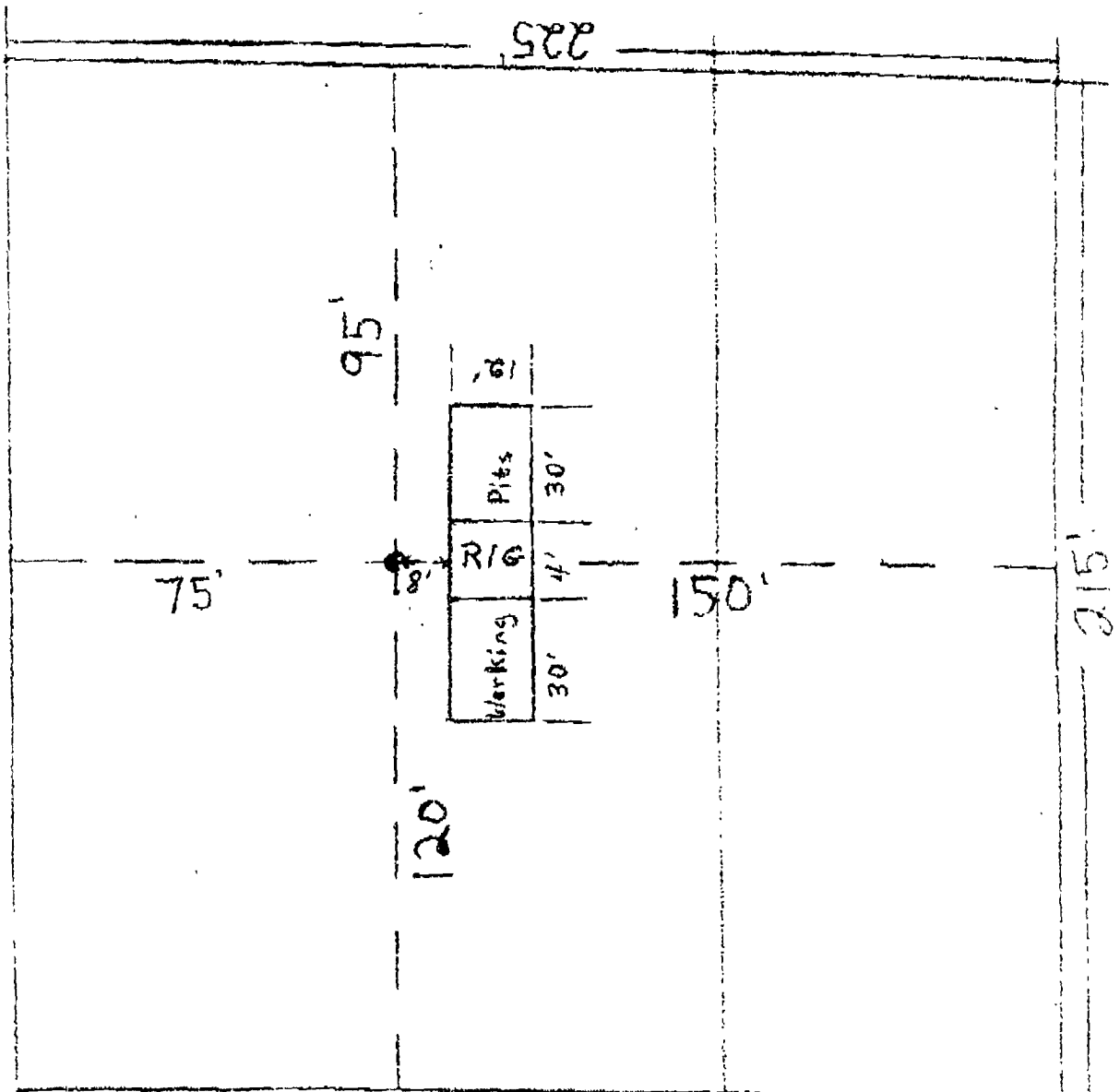


EXHIBIT-C

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. TAYLOR
Street or Box: 2807- 74th ST #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:

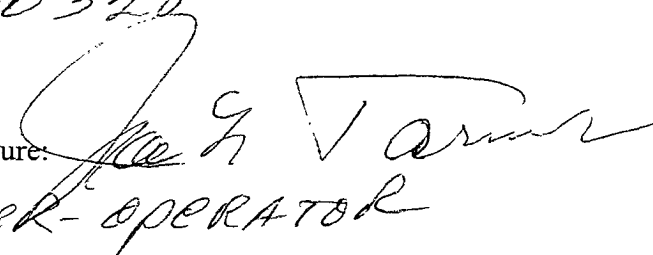
Lease No.: LC 028755-(A)

Legal Description of land: SE $\frac{1}{4}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 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.: NM B000328

Authorized Signature: 

Title:

OWNER-OPERATOR

Date:

09-01-2005