

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. <b>NM-017214</b>
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator <b>Par Minerals Corporation</b>		7. If Unit or CA Agreement, Name and No. <b>30924</b>
3a. Address <b>509 Market St. Suite 300 Shreveport, LA 71101</b>	3b. Phone No. (include area code) <b>(318) 221-6156</b>	8. Lease Name and Well No. <b>Long Arroyo 13 Fed. Com., #1</b>
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface <b>660' FSL &amp; 1980' FWL</b> At proposed prod. zone <b>Same</b>		9. API Well No. <b>30-005-63519</b>
14. Distance in miles and direction from nearest town or post office* <b>10 miles east of Hagerman, NM</b>		10. Field and Pool, or Exploratory <b>Springer Basin Atoka/Morrow</b>
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) <b>660'</b>	16. No. of Acres in lease <b>1040</b>	11. Sec., T., R., M., or Blk. and Survey or Area <b>Sec. 13-T14S-R27E</b>
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. <b>6500'</b>	19. Proposed Depth <b>8,500'</b>	12. County or Parish <b>Chaves</b>
21. Elevations (Show whether DF, KDB, RT, GL, etc.) <b>3505' GL</b>	22. Approximate date work will start* <b>Dec. 2, 2002</b>	13. State <b>NM</b>
23. Estimated duration <b>4 weeks</b>		

## 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 <i>George R. Smith</i>	Name (Printed/Typed) <b>George R. Smith</b>	Date <b>11/13/02</b>
Title <b>Agent for Par Minerals Corporation</b>		
Approved by (Signature) <i>/S/LARRY D. BRAY</i>	Name (Printed/Typed) <b>/S/LARRY D. BRAY</b>	Date <b>NOV 20 2002</b>
Title <b>Assistant Field Manager,</b>	Office <b>ROSWELL FIELD OFFICE</b>	APPROVED FOR 1 YEAR

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.

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)

Lease Responsibility Statement: Par Minerals Corporation accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof.

*George R. Smith*  
George R. Smith, Agent

DISTRICT I  
1825 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

Form C-102  
Revised March 17, 1999

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco  
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name Springer Basin Atoka/Morrow
Property Code	Property Name LONG ARROYO "13" FEDERAL COM	Well Number 1
OGRID No.	Operator Name PAR MINERALS CORPORATION	Elevation 3505'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	13	14 S	27 E		660	SOUTH	1980	WEST	CHAVES

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 320	Joint or Infill	Consolidation Code Com.	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

<div><p>Lat.: N32°05'52.8"</p><p>Long.: W104°11'29.2"</p><p>NM-017214</p><p>Phillips Pet.</p><p>3502.9' 3502.6'</p><p>1980'</p><p>3502.8' 3501.4'</p><p>660'</p></div>	<div><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><u>George R. Smith</u></p><p>Signature</p><p>George R. Smith, agent for</p><p>Printed Name</p><p>Par Minerals Corporation</p><p>Title</p><p>November 13, 2002</p><p>Date</p></div> <div><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>OCTOBER 23, 2002</p><p>Date Surveyed</p><p>Signature &amp; Seal of Professional Surveyor</p><p>W.O. No. 2787</p><p>Certificate No. Gary L. Jones 7977</p><p>BASIN SURVEYS</p></div>
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## APPLICATION FOR DRILLING

### PAR MINERALS CORPORATION

Long Arroyo 13 Federal Com., Well No. 1  
660' FSL & 1980' FWL, Sec. 13-T14S-R27E  
Chaves County, New Mexico  
Lease No.: NM-017214  
(Development Well)

In conjunction with Form 3160-3, Application for Permit to Drill subject well, Par Minerals Corporation submits the following items of pertinent information in accordance with BLM requirements:

1. The geologic surface formation is recent Permian with quaternary alluvium and other surficial deposits.
2. The estimated tops of geologic markers are as follows:

Yates	680'	Cisco	6855'
Queen	850'	Lower Canyon	7260'
San Andres	1475'	Strawn	7460
Glorieta	2840'	Atoka	7775'
Tubb	4250'	Morrow Clastic	7850'
Abo	4960	T.D.	8500
Wolfcamp	6110'		

3. The estimated depths at which water, oil or gas formations are anticipated to be encountered:

Water: Surface water between 100' - 300'.

Oil: None expected.

Gas: Possible in the Atoka below 7775' and the Morrow below 7850'.

4. Proposed Casing Program:

HOLE SIZE	CASING SIZE	WEIGHT	GRADE	JOINT	SETTING DEPTH	QUANTITY OF CEMENT
14 3/4"	11 3/4"	47.0#	H-40	ST&C	400'	Circ. 400 sx "C"
11"	8 5/8"	32.0#	J-55	ST&C	1,600'	Circ. 1000 sx "C" cement.
7 7/8"	4 1/2"	11.6#	N-80	LT&C	8,500'	800 sx of Pemium "H"

5. Proposed Control Equipment: A 11" 5000 psi wp Shaffer Type LWS Double Gate BOP will be installed on the 8 5/8" casing and operated as a 3000 psi BOP. Casing and BOP will be tested to a maximum of 1500 psi as per Onshore Oil and Gas Order No. 2 IIIBh, before drilling out with 7 7/8" and will be inspected and operated daily. See Exhibit "E".

6. MUD PROGRAM:	MUD WEIGHT	VIS.	W/L CONTROL
0' - 400': Fresh water mud:	8.6 - 9.6 ppg	28 - 32	No W/L control
400' - 1600': Fresh water mud:	8.4 - 8.8 ppg	28 - 29	No W/L control
1600' - 7400': Cut Brine mud:	8.8 - 9.4 ppg	28 - 29	No W/L control
7400' - 8500': Brine Gel/Starch:	9.4 - 9.8 ppg	30 - 38	W/L control 12 cc +/-

7. Auxiliary Equipment: Blowout Preventer, gas detector, Kelly cock, pit level monitor, flow sensors and stabbing valve.

8. Testing, Logging, and Coring Program:

Drill Stem Tests: As deemed necessary.

Logging: T.D.to 1600': Schlumberger Platform Express  
1600' to Surface: GR/NDL

Coring: As dictated by logs.

PAR MINERALS CORPORATION

Spruce Federal , Well No. 1

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9. No abnormal pressures or temperatures are anticipated. In the event abnormal pressures are encountered the proposed mud program will be modified to increase the mud weight. Estimated evacuated BHP = 3740 and SHP = 1870 with a temperature of 145°.

10. H<sub>2</sub>S: None expected.

11. Anticipated starting date: December 2, 2002.

Anticipated completion of drilling operations: Approximately 30 days.

## **MULTI POINT SURFACE USE AND OPERATIONS PLAN**

### **PAR MINERALS CORPORATION**

Long Arroyo 13 Federal Com., Well No. 1  
660' FSL & 1980' FWL, Sec. 13-T14S-R27E  
Chaves County, New Mexico  
Lease No.: NM-017214  
(Development Well)

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 to be followed in rehabilitating the surface and environmental effects associated with the operations.

#### **1. EXISTING ROADS:**

- A. Exhibit "A" is a portion of a USGS Topographic map showing the location of the proposed well as staked. The well site location is approximately 9.7 road miles east of Hagerman, NM. Traveling east of Hagerman on N.M. Highway 249 there will be 8.7 miles of paved highway and 1 mile of oilfield/ranch road.
- B. Directions: Travel east from Hagerman, NM on N. M. Highway 249 for approximately 8.7 miles to a gravel road and cattleguard on the north (left) that runs northeast. Continue for .6 mile to a two-track road then .4 mile to the start of the proposed access road that will run north for 400 feet to the southwest corner of the proposed well site.

#### **2. PLANNED ACCESS ROAD:**

- A. Length and Width: The proposed access roads will be approximately 400 feet long. The proposed and existing roads are color coded on Exhibit "A".
- B. Construction: The proposed access road and the .4 mile of existing two track road will be constructed by grading and topping with compacted caliche. The surface will be properly drained.
- C. Turnouts: There will be at least one turnout, in the two-track portion, increasing the road width to 20 feet for passing.
- D. Culverts: None.
- E. Cuts and Fills: None required.
- F. Gates, Cattle guards. None.
- G. Off lease right of way: A ROW application for 3500 feet of existing road in Sec. 23-T14S-R27E is being submitted.

#### **3. LOCATION OF EXISTING WELLS:**

- A. Existing wells within a two-mile radius are shown on Exhibit "C".

**PAR MINERALS CORPORATION**

Long Arroyo 13 Federal Com., Well No. 1

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

- A. Par Minerals Corporation has no production facilities on the lease by this time.
- B. If the well proves to be commercial, the necessary production facilities, gas separation-process equipment and tank battery, if required, will be installed on the drilling pad

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

- A. It is planned to drill the proposed well with fresh water that will be obtained from private or commercial sources and will be transported over the existing and proposed access roads

**6. SOURCE OF CONSTRUCTION MATERIALS:**

- A. Caliche for surfacing the proposed access road and well site pad will be obtained from the location.. No surface materials will be disturbed except those necessary for actual grading and leveling of the drill site and access road.

**7. METHODS OF HANDLING WASTE DISPOSAL:**

- A. Drill cuttings will be disposed of in the reserve pits.
- B. Drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry.
- C. All pits will be fenced with normal fencing materials to prevent livestock from entering the area.
- D. Water produced during operations will be collected in tanks until hauled to an approved disposal system, or a separate disposal application will be submitted to the BLM for approval.
- E. Oil produced during operations will be stored in tanks until sold.
- F. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- G. Trash, waste paper, garbage and junk will be contained in trash bins to prevent scattering by the wind and will be removed for deposit in an approved sanitary landfill within 30 days after finishing drilling and/or completion operations.

**8. ANCILLARY FACILITIES:**

- A. None required.

**PAR MINERALS CORPORATION**

Long Arroyo 13 Federal Com., Well No. 1

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**9. WELL SITE LAYOUT:**

- A. Exhibit "D" shows the relative location and dimensions of the well pad, reserve pits, and major rig components. The pad and pit area has been staked and flagged, 400' X 400'.
- B. Mat Size: 265' X 180', plus 125' X 120' reserve pits on the north. The surface soil will be stored in the northeast corner of the pad area.
- C. Cut & Fill: The location will require a 1- foot cut on the north and south with fill to the east and west.
- D. The surface will be topped with compacted caliche and the reserve pits will be plastic lined.

**10. PLANS FOR RESTORATION OF THE SURFACE:**

- A. After completion of drilling and/or completion operations, all equipment and other material not required for operations will be removed. Pits will be filled and the location cleaned of all trash and junk to leave the well site in an aesthetically pleasing a condition as possible.
- B. Any unguarded pits containing fluids will be fenced until they are filled.
- C. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of the Bureau of Land Management will be complied with and will be accomplished as expeditiously as possible. All pits will be filled and leveled as soon as they are dry enough to be worked.

**11. OTHER INFORMATION:**

- A. Topography: The proposed well site and access road are located on a gentle 1.3% slope to the north. The location has an elevation of 3505' GL.
- B. Soil: The topsoil at the well site is a light tan sandy loam soil with considerable caliche scatter because of underlying caliche rock near the surface. The soil is part of the Tencee gravelly sandy loam series.
- C. Flora and Fauna: The vegetation cover has a sparse grass cover of grama, dropseed, bluestem, ring muhly and threeawn along with plants of mesquite, yucca, broomweed, javalina bush, cacti and miscellaneous weeds and wildflowers. The wildlife consists of rabbits, coyotes, antelope, rattlesnakes, lizards, dove, quail and other wildlife typical of the semi-arid desert land.
- D. Ponds and Streams: None.
- E. Residences and Other Structures: None in the immediate vicinity, except oil well production facilities.
- F. Land Use: Cattle grazing.

**PAR MINERALS CORPORATION**

Long Arroyo 13 Federal Com., Well No. 1

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**11. OTHER INFORMATION: cont....**

- G. Surface Ownership: The proposed well site and access road is on Federal surface and minerals.
- H. There is no evidence of archaeological, historical or cultural sites in the staked area. Archaeological Survey Consultants, P. O. Box D, Roswell, NM 88202, is conducting an archaeological survey and their report will be submitted to the appropriate government agencies.

**12. OPERATOR'S REPRESENTATIVE:**

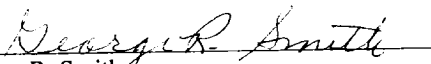
- A. The field representative for assuring compliance with the approved use and operations plan is as follows:

Jim Bison  
Par Minerals Corporation  
509 Market St. Suite 300  
Shreveport, LA 71101  
Office Phone: (318) 221-6156  
Cell Phone: (318) 347-9495

**13. CERTIFICATION:**

I hereby certify that I have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist the statements made in the plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Par Minerals Corporation and its contractors and subcontractors 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.

November 13, 2002

  
George R. Smith  
Agent for: Par Minerals Corporation

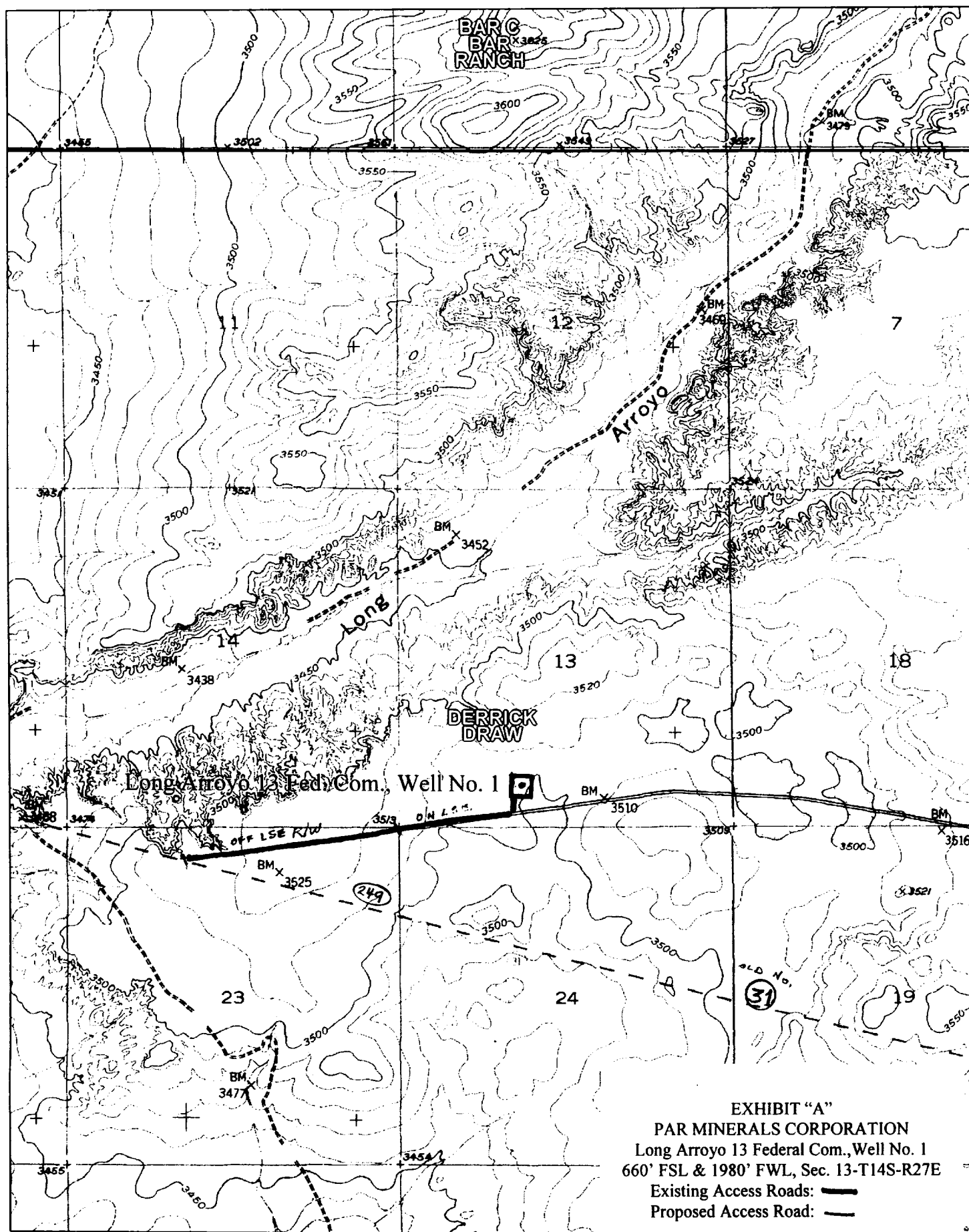
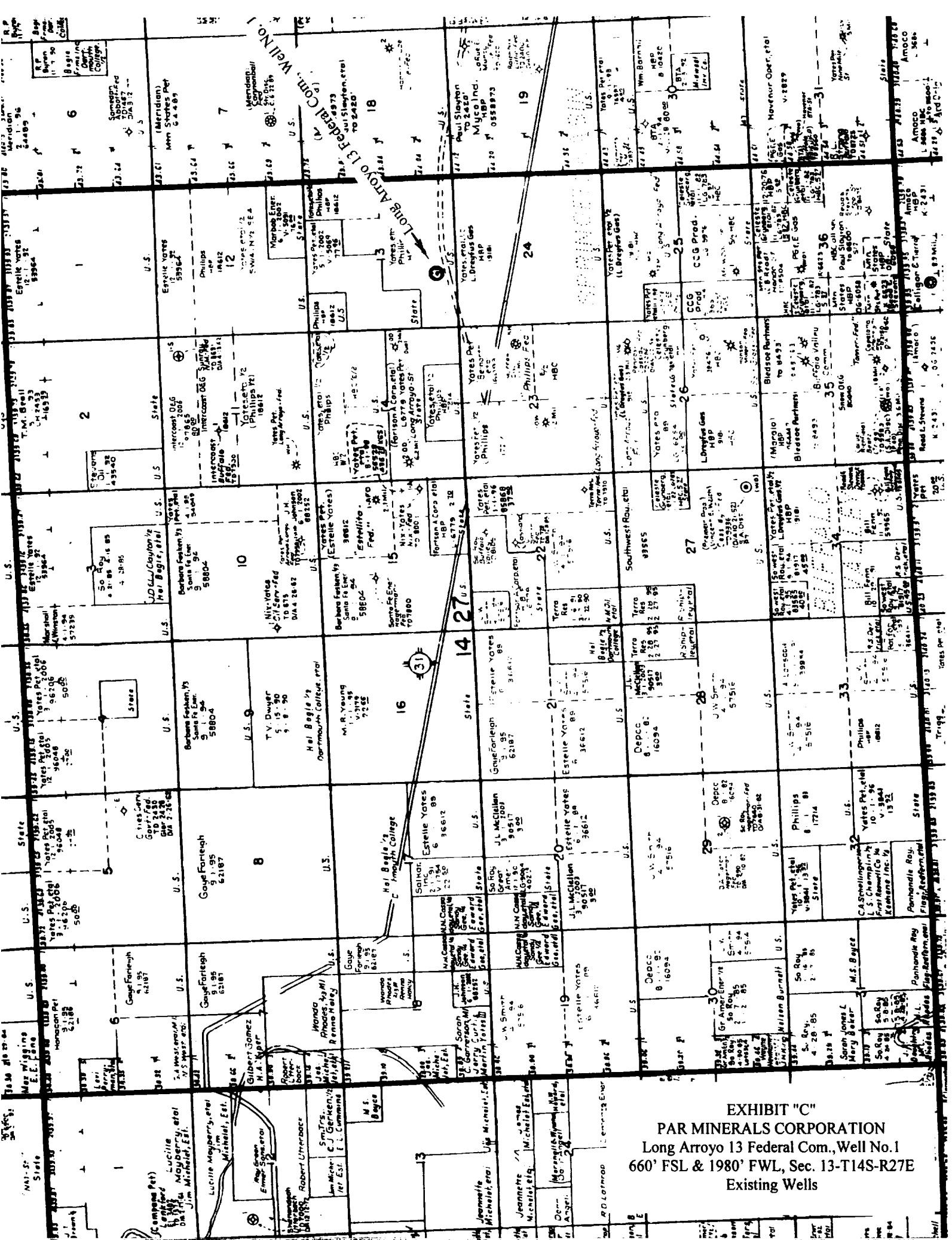
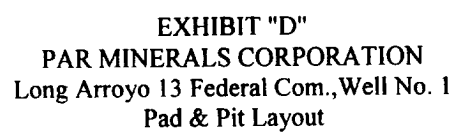


EXHIBIT "A"  
 PAR MINERALS CORPORATION  
 Long Arroyo 13 Federal Com., Well No. 1  
 660' FSL & 1980' FWL, Sec. 13-T14S-R27E  
 Existing Access Roads: —  
 Proposed Access Road: - - -





RIG #1

BLOWOUT PREVENTOR ARRANGEMENT

11" SHAFFER TYPE LWS, 5000 psi WP

11" GK HYDRIL, 5000 psi WP

80 GALLON, 4 STATION PAYNE ACCUMULATOR

3000 psi WP CHOKE MANIFOLD

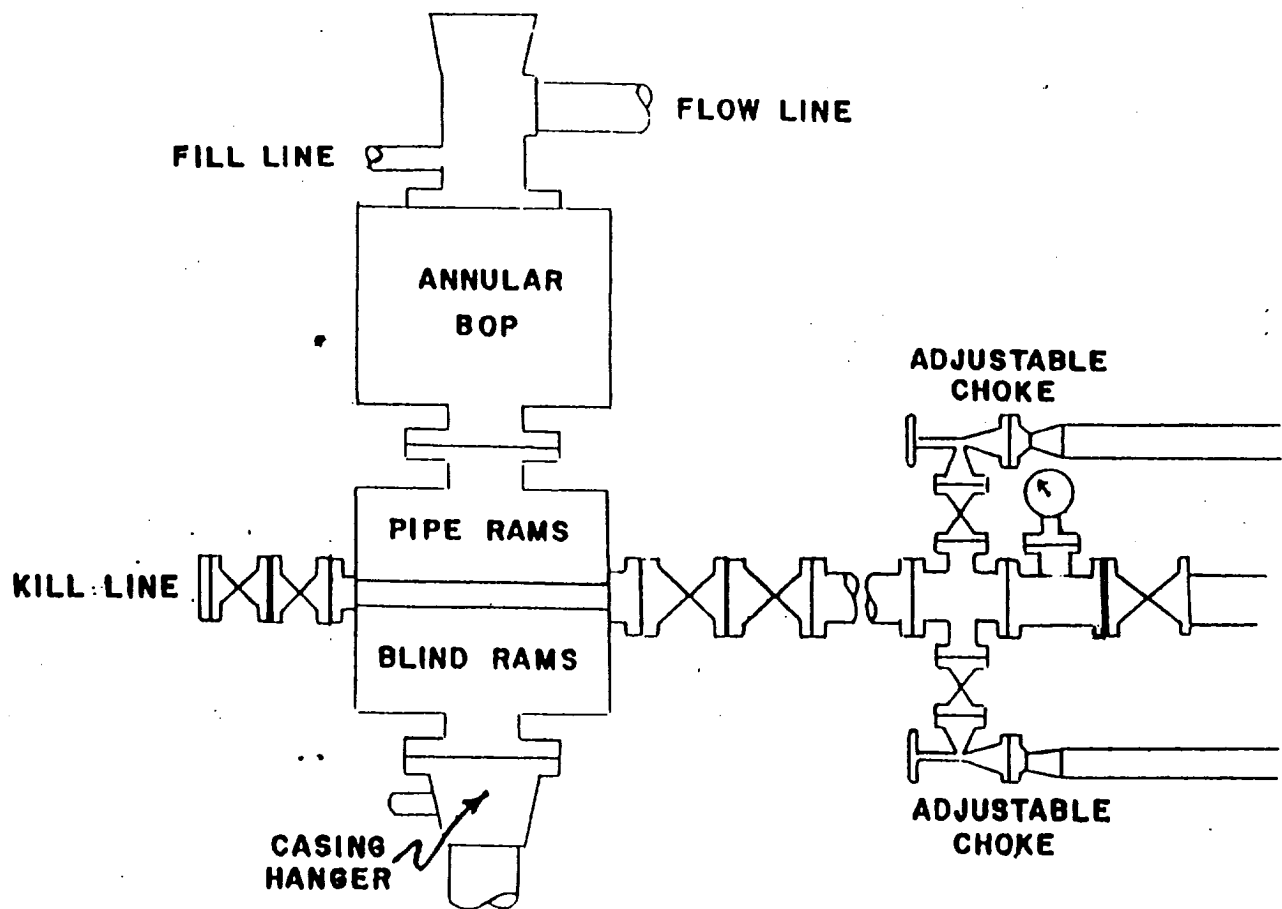


EXHIBIT "E"  
PAR MINERALS CORPORATION  
Long Arroyo 13 Federal Com., Well No. 1  
BOP Specifications