Form 3160-3
(July 1992)

K-04-05

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

New Mexico Oil Conservation Division, District I
1625 N. French Drive
Hobbs, NM 88240

# APPLICATION FOR PERMIT TO DRILL OR DEEPEN

5. LEASE DESIGNATION AND SERIAL NO.: LC-NM-029489A

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: ---

7. UNIT AGREEMENT NAME: CORBIN QUEEN CENTRAL

1a. TYPE OF WORK: DRILL [XX] DEEPEN [ ]

b. TYPE OF WELL: OIL WELL [XX] GAS WELL [ ] OTHER — SINGLE ZONE [X] MULTIPLE ZONE [ ]

8. FARM OR LEASE NAME, WELL NO.: (30032) CENTRAL CORBIN QUEEN UNIT #406

2. NAME OF OPERATOR: LATIGO PETROLEUM, INC. (JOE CLEMENTS 432-684-4293) (227001)

9. API WELL NO.: 30-025-36868

3. ADDRESS AND TELEPHONE NO.: 415 WEST WALL STREET SUITE 1900 MIDLAND, TEXAS 79701

10. FIELD AND POOL, OR WILDCAT: CORBIN QUEEN-CENTRAL 13285

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 150' FNL & 2480' FWL SECTION 9 T18S-R33E LEA CO. NM
At proposed prod. zone: SAME Unit C

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: SECTION 9 T18S-R33E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: Approximately 35 miles West of Hobbs New Mexico

12. COUNTY OR PARISH: LEA CO. | 13. STATE: NEW MEXICO

| 15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) | 16. NO. OF ACRES IN LEASE | 17. NO. OF ACRES ASSIGNED TO THIS WELL |
|---|---|---|
| 2480' | 320 | 40 |

| 18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. | 19. PROPOSED DEPTH | 20. ROTARY OR CABLE TOOLS |
|---|---|---|
| 660' | 4310 | ROTARY |

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 3968' GR.

22. APPROX. DATE WORK WILL START*: WHEN APPROVED

23. PROPOSED CASING AND CEMENTING PROGRAM

CAPITAN CONTROLLED WATER BASIN

| SIZE OF HOLE | GRADE, SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|---|---|---|---|---|
| 25" | Conductor 20" | NA | 40' | Redi-mix cement to surface |
| 12¼" | J-55 8 5/8" | 24 | 380' | 300 Sx. " " " |
| 7 7/8" | J-55 5½" | 15.5 | 4310' | 1250 Sx. " " " |

1. Drill 25" hole to 40'. Set 40' of 20" conductor pipe and cement to surface with Redi-mix.

2. Drill 12¼" hole to 380'. Run and set 385' of 8 5/8" 24# J-55 ST&C casing. Cement with 300 Sx. of Class "C" cement + 2% CaCl, + ¼# Flocele/Sx. cement to surface.

3. Drill 7 7/8" hole to 4310'. Run and set 4310' of 5½" 15.5# J-55 ST&C casing. Cement with 1000 Sx. of Halco Light cement + additives, tail in with 250 Sx. of Class "C" cement + additives, circulate cement to surface.

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED

SEP 2004 RECEIVED Hobbs OCD

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED Joe T Lara TITLE Agent DATE 08/01/04

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

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:

APPROVED BY /s/ Joe G. Lara TITLE FIELD MANAGER DATE 7 SEP 2004

KZ

*See Instructions On Reverse Side

APPROVAL FOR 1 YEAR

Title 18 U.S.C. Section 1001, makes 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.

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 and Natural Resources Department

# OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised JUNE 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

## WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

| API Number | Pool Code | Pool Name |
|---|---|---|
| 30-025-36868 | 13285 | CORBIN QUEEN CENTRAL |

| Property Code | Property Name | Well Number |
|---|---|---|
| 300322 | CENTRAL CORBIN QUEEN UNIT | 406 |

| OGRID No. | Operator Name | Elevation |
|---|---|---|
| 227001 | LATIGO PETROLEUM, INC. | 3968' |

### Surface Location

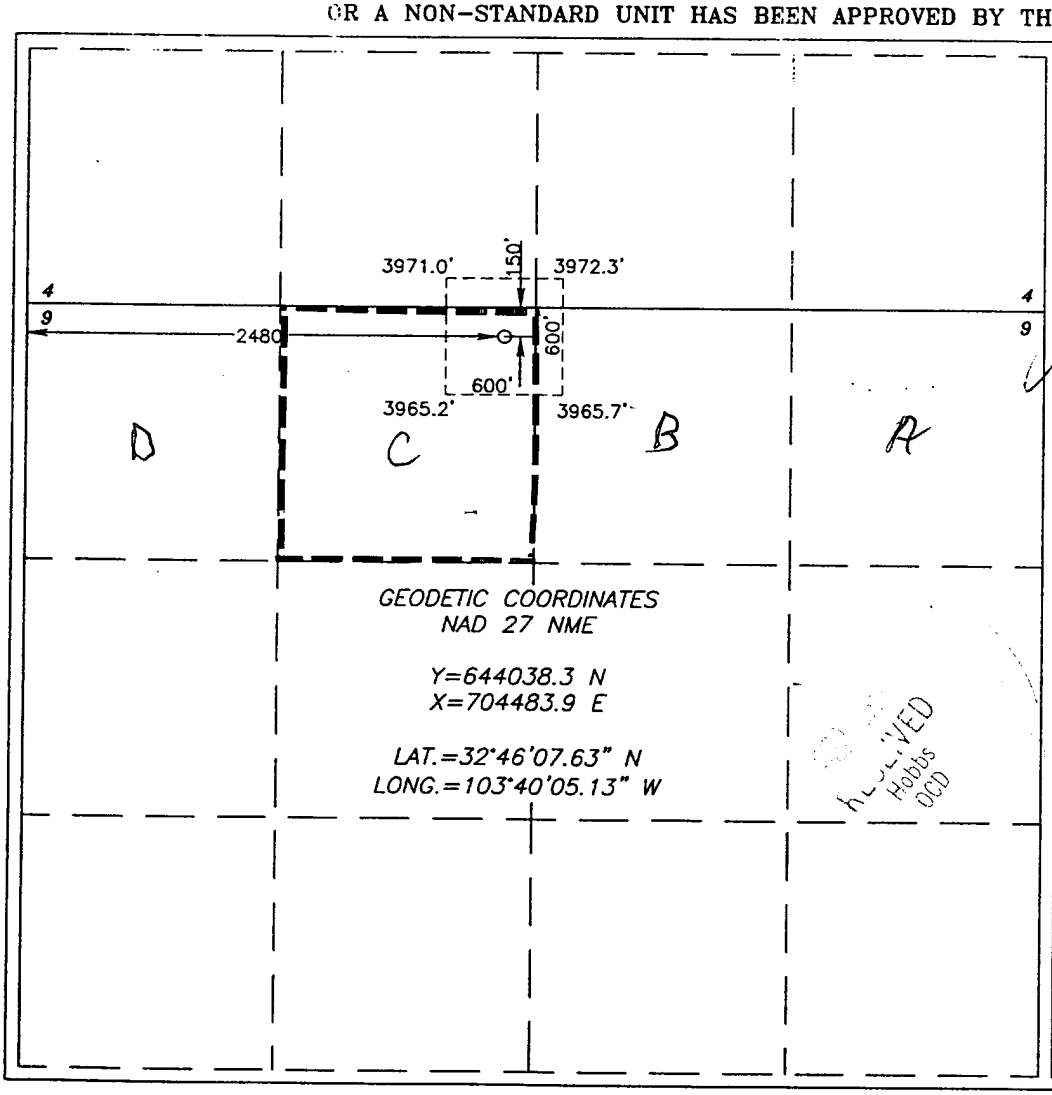
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---|---|---|---|---|---|---|---|---|---|
| C | 9 | 18-S | 33-E | | 150' | NORTH | 2480' | WEST | LEA |

### 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. |
|---|---|---|---|
| 40 | | | |

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 the the information contained herein is true and complete to the best of my knowledge and belief.*

Signature

Joe T. Janica

Printed Name

Agent

Title

08/01/04

Date

### SURVEYOR CERTIFICATION

*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 supervison, and that the same is true and correct to the best of my belief.*

JUNE 25, 2004

Date Surveyed LA

Signature & Seal of Professional Surveyor

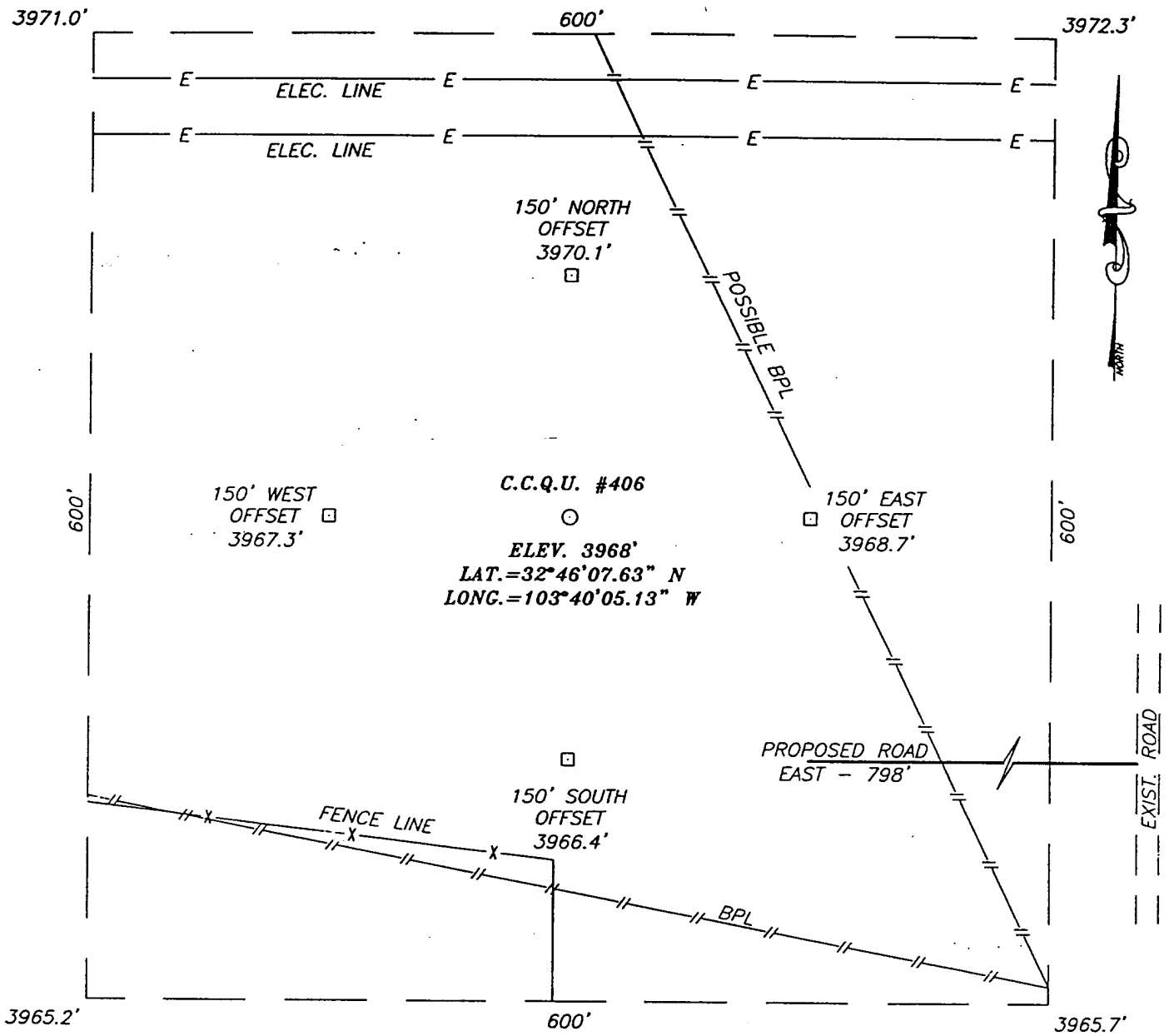
NEW MEXICO
Gary B. Eidson 6/30/04
04.11.0789

Certificate No. GARY EIDSON 12841

EXHIBIT "A"

# SECTION 9, TOWNSHIP 18 SOUTH, RANGE 33 EAST, N.M.P.M.,

LEA COUNTY, NEW MEXICO




DIRECTIONS TO LOCATION

WESTBOUND ON STATE HWY. #529, GO 0.25 MILES WEST OF MILE MARKER 13 AND TURN SOUTH, GO APPROX. 0.6 MILES (JUST PAST CATTLE GUARD) TURN RIGHT, GO APPROX. 0.6 MILES TO A ROAD TEE AND TURN LEFT. GO APPROX. 0.2 MILES AND TURN RIGHT. GO APPROX. 0.3± MILES AND AND TURN RIGHT. GO NORTH APPOX. 700'±. THE PROPOSED WELL IS APPROX. 800'± WEST IN PASTURE.

100 0 100 200 Feet

Scale: 1"=100'


PROVIDING SURVEYING SERVICES SINCE 1946

JOHN WEST SURVEYING COMPANY

412 N. DAL PASO

HOBBS, N.M. 88240

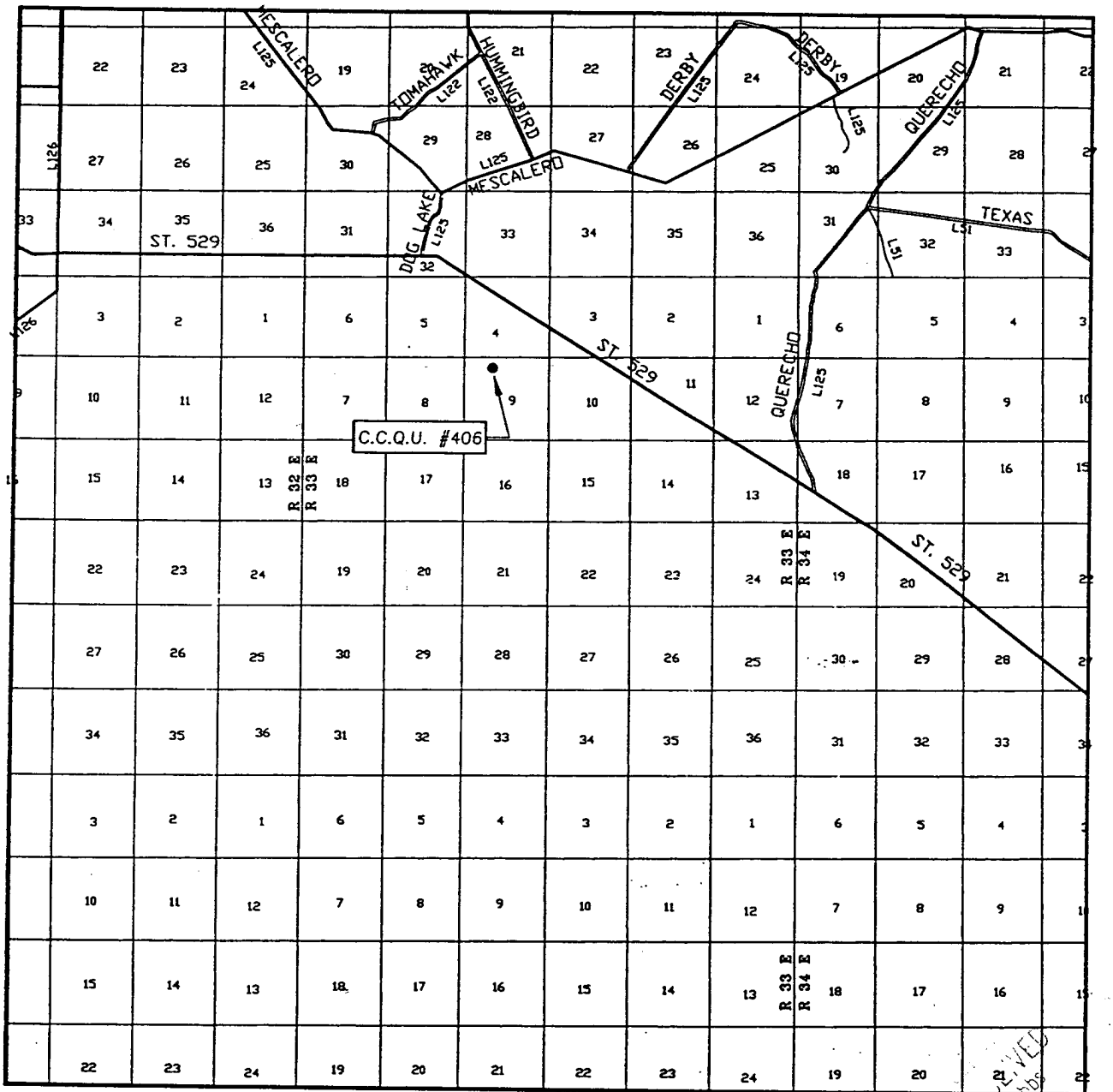
(505) 393-3117


## LATIGO PETROLEUM, INC.

C.C.Q.U. #406 WELL
LOCATED 150 FEET FROM THE NORTH LINE
AND 2480 FEET FROM THE WEST LINE OF SECTION 9,
TOWNSHIP 18 SOUTH, RANGE 33 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.

| | | | |
|---|---|---|---|
| Survey Date: 6/25/04 | Sheet 1 of 1 Sheets | | |
| W.O. Number: 04.11.0789 | Dr By: LA | Rev 1:N/A | |
| Date: 6/28/04 | Disk: CD#3 | 04110789 | Scale: 1"=100' |

# VICINITY MAP




SCALE: 1" = 2 MILES

SEC. 9 TWP. 18-S RGE. 33-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 150' FNL & 2480' FWL

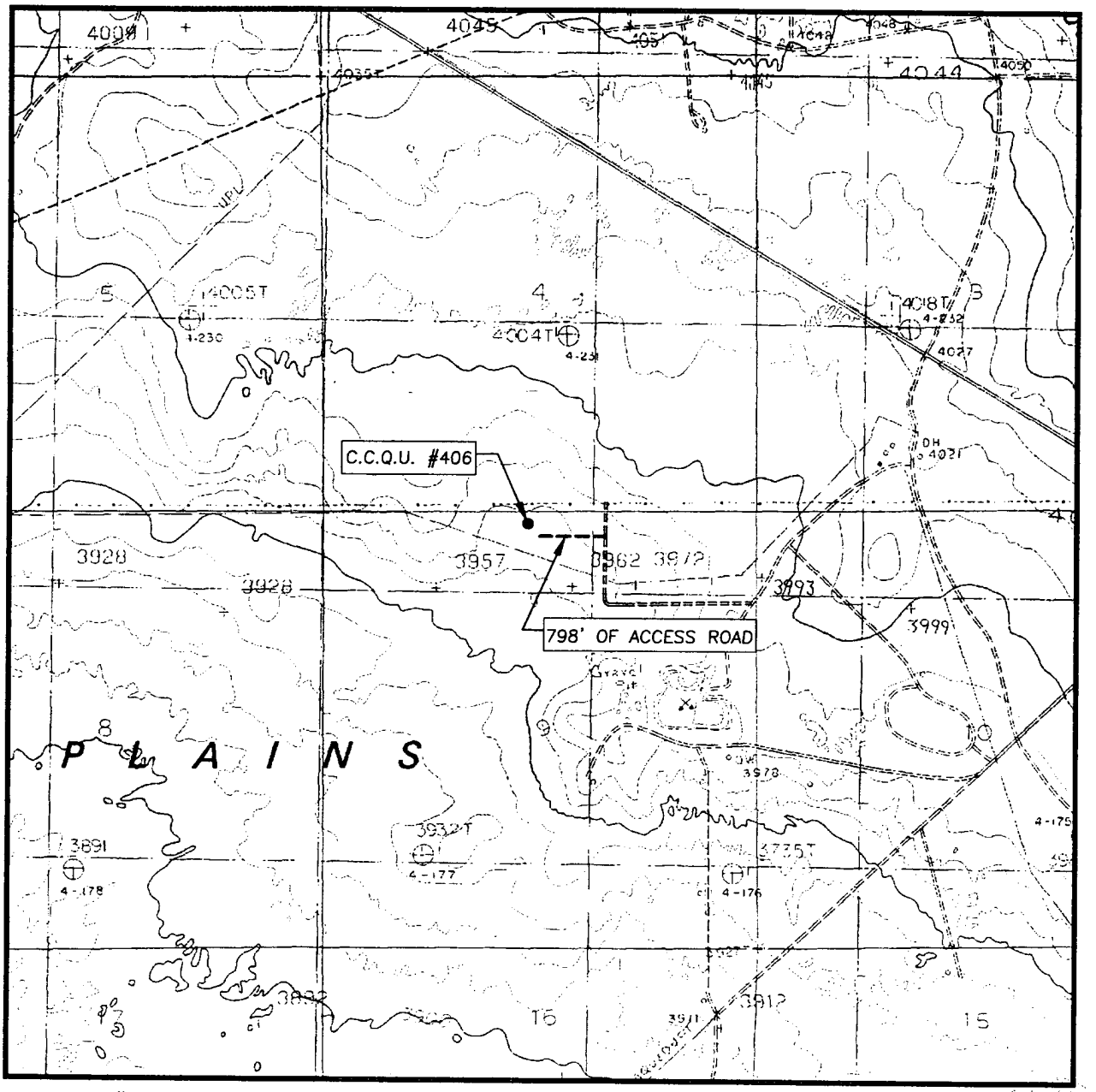
ELEVATION 3968'

OPERATOR LATIGO PETROLEUM, INC.

LEASE C.C.Q.U.


PROVIDING SURVEYING SERVICES
SINCE 1946
JOHN WEST SURVEYING COMPANY
412 N. DAL PASO
HOBBS, N.M. 88240
(505) 393-3117

# LOCATION VERIFICATION MAP




SCALE: 1" = 2000'

CONTOUR INTERVAL:
DOG LAKE, N.M. – 10'

SEC. 9 TWP. 18-S RGE. 33-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 150' FNL & 2480' FWL

ELEVATION 3968'

OPERATOR LATIGO PETROLEUM, INC.

LEASE C.C.Q.U.

U.S.G.S. TOPOGRAPHIC MAP
DOG LAKE, N.M.


PROVIDING SURVEYING SERVICES
SINCE 1946
JOHN WEST SURVEYING COMPANY
412 N. DAL PASO
HOBBS, N.M. 88240
(505) 393-3117

APPLICATION TO DRILL

LATIGO PETROLEUM, INC.
CENTRAL CORBIN QUEEN UNIT # 406
UNIT "C" SECTION 9
T18S-R33E LEA CO. NM

In response to questions asked under Section II of Bulletin NTL-6 the following information on the above well is provided for your consideration.

1. Location: 150' FNL & 2480' FWL SECTION 9 T18S-R33E LEA CO. NM

2. Elevation above Sea Level: 3968' GR.

3. Geologic name of surface formation: Quaternery Aeolian Deposits.

4. Drilling tools and associated equipment: Conventional rotary drilling rig using drilling mud as a circulating medium for solids removal from hole.

5. Proposed drilling depth: 4310'

6. Estimated tops of geological markers:

| | | | |
|---|---|---|---|
| Rustler Anhydrite | 1560' | Yates | 3050' |
| Top of salt | 1668' | Seven Rivers | 3482' |
| Base of Salt | 2824' | Queen | 4242' |

7. Possible mineral bearing formations:

| | | | |
|---|---|---|---|
| Yates | Gas | Queen | Oil |
| Seven Rivers | Oil | | |

8. Casing program:

| Hole size | Interval | OD of casing | Weight | Thread | Collar | Grade |
|---|---|---|---|---|---|---|
| 25" | 0-40' | 20" | NA | NA | NA | Conductor |
| 12¼" | 0-380' | 8 5/8" | 24 | 8-R | ST&C | J-55 |
| 7 7/8" | 0-4310' | 5½" | 15.5 | 8-R | ST&C | J-55 |

APPLICATION TO DRILL

LATIGO PETROLEUM, INC.
CENTRAL CORBIN QUEEN UNIT # 406
UNIT "C" SECTION 9
T18S-R33E LEA CO. NM

9. CEMENTING & SETTING DEPTH:

| | | |
|---|---|---|
| 20" | Conductor | Set 40' of 20" conductor pipe and cement to surface with Redi-mix. |
| 8 5/8" | Surface | Set 380' of 8 5/8" 24# J-55 ST&C casing. Cement with 300 Sx. of Class "C" cement + 2% CaCl, + ¼# Flocele/Sx. Circulate cement to surface. |
| 5½" | Production | Set 4310' of 5½" 15.5# J-55 ST&C casing. Cement with 1250 Sx. of Class "C" cement. 1000 Sx. of Halco Light cement + additives, tail in with 250 Sx. of Class "C" cement + additives, circulate cement to surface. |

10. PRESSURE CONTROL EQUIPMENT: Exhibit "E" shows a 900 Series 3000 PSI working pressure B.O.P. consisting of an annular bag type preventor, middle blind rams, and bottom pipe rams. The B.O.P. will be nippled up on the 9 5/8" casing and tested to API specifications. The B.O.P. will be operated at least once in each 24 hour period and the blind rams will be operated when the drill pipe is out of hole on trips. Full opening stabbing valve and upper kelly cock will will be utilized. Exhibit "E-1" shows a hydraulically operated closing unit and a 2" 3000 PSI choke manifold with dual adjustable chokes. No abnormal pressures or temperatures are expected in this well.

11. PROPOSED MUD CIRCULATING SYSTEM:

| DEPTH | MUD WT. | VISC. | FLUID LOSS | TYPE SYSTEM |
|---|---|---|---|---|
| 40-380' | 8.4-8.6 | 29-38 | NC | Fresh water use paper to control seepage. |
| 380-4310' | 10.0-10.2 | 29-40 | NC* | Brine water use paper to control seepage and high viscosity sweeps to clean hole. |

* If water loss control is needed to run logs or casing switch to a Polymer system.

Sufficient mud materials will be kept on location at all times in order to combat lost circulation, or unexpected kicks. In order to run DST's, open hole logs, & casing the viscosity and/or water loss may have to be adjusted to meet these needs.

APPLICATION TO DRILL

LATIGO PETROLEUM, INC.
CENTRAL CORBIN QUEEN UNIT # 406
UNIT "C" SECTION 9
T18S-R33E LEA CO. NM

12. LOGGING, CORING, AND TESTING PROGRAM:

A. Open hole logs: Dual Laterolog, CNL, LDT, Gamma Ray, Caliper from TD back to 8 5/8" casing shoe.

B. Cased hole logs: Gamma Ray, Neutron from 8 5/8" casing shoe back to surface.

C. No DST's, cores or mud logger will be used on this well.

13. POTENTIAL HAZARDS:

No abnormal pressures or temperatures are expected. There is no known presence of $H^2S$ in this area. If $H^2S$ is encountered the operator will comply with the provisions of Onshore Oil and Gas Order No. 6. No lost circulation is expected to occur. All personnel will be familiar with all aspects of safe operation of equipment being used to drill this well. Estimated BHP 1500 PSI, and Estimated BHT 130°.

14. ANTICIPATED STARTING DATE AND DURATION OF OPERATION:

Road and location construction will begin after the BLM has approved the APD. Anticipated spud date will be as soon after BLM approval and as soon as a rig will be available. Move in operation and drilling is expected to take 10 days. If production casing is run then an additional 30 days will be needed to complete well and construct surface facilities and/or lay flowlines in order to place well on production.

15. OTHER FACETS OF OPERATIONS:

After running casing, cased hole Gamma Ray, Neutron Collar logs will be run from TD back to all possible productive zones. The Queen formation will be perforated and stimulated in order to establish production. The well will be swab tested and potentialed as an oil well.

RECEIVED
Hobbs
OCD

# HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

1. All Company and Contract personnel admitted on location must be trained by a qualified $H_2S$ safety instructor to the following:

   A. Characteristics of $H_2S$
   B. Physical effects and hazzards
   C. Proper use of safety equipment and life support systems.
   D. Principle and operation of $H_2S$ detectors, warning system and briefing areas.
   E. Evacuation procedure, routes and first aid.
   F. Proper use of 30 minute pressure demand air pack.

2. $H_2S$ Detection and Alarm Systems

   A. $H_2S$ detectors and audio alarm system to be located at bell nipple, end of blooie line (mud pit) and on derrick floor or doghouse.

3. Windsock and/or wind streamers

   A. Windsock at mudpit area should be high enough to be visible.
   B. Windsock at briefing area should be high enough to be visible.
   C. There should be a windsock at entrance to location.

4. Condition Flags and Signs

   A. Warning sign on access road to location.
   B. Flags to be displayed on sign at entrance to location. Green flag, normal safe condition. Yellow flag indicates potential pressure and danger. Red flag, danger, $H_2S$ present in dangerous concentration. Only emergency personnel admitted to location.

5. Well control equipment

   A. See exhibit "E" & "E-1"

6. Communication

   A. While working under masks chalkboards will be used for communication.
   B. Hand signals will be used where chalk board is inappropriate.
   C. Two way radio will be used to communicate off location in case of emergency help is required. In most cases cellular telephoned will be available at most drilling foreman's trailer or living quarters.

7. Drillstem Testing

   A. Exhausts will be watered.
   B. Flare line will be equipped with an electric ignitor or a propane pilot light in case gas reaches the surface.
   C. If the location is near to a dwelling a closed DST will be performed.

# HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

8. Drilling contractor supervisor will be required to be familiar with the effects $H_2S$ has on tubular goods and other mechanical equipment.

9. If $H_2S$ is encountered, mud system will be altered if necessary to maintain control of formation. A mud gas seperator will be brought into service along with $H_2S$ scavengers if necessary.

SURFACE USE PLAN

LATIGO PETROLEUM, INC.
CENTRAL CORBIN QUEEN UNIT # 406
UNIT "C" SECTION 9
T18S-R33E LEA CO. NM

1. EXISTING ROADS & PROPOSED ROADS: Area maps; Exhibit "B" is a reproduction of a County General Hi-way Map. Exhibit "C" is a reproduction of a USGS Topographic Map, showing existing and proposed roads. All existing roads will be maintained in a condition equal to or better than current conditions. Any new roads will be constructed to BLM specifications.

   A. Exhibit "A" shows the proposed well site as staked.

   B. From Hobbs New Mexico take U.S. Hi-way 62-180 West to the junction with State Hi-way #529, turn Right go approximately 16 miles to Mile Post 13 turn South go .6 Mi±, turn Left go .2 Mi±, turn Right go .3 Mi±, Right go approximately 700', location is on the West side of road turn Left go approximately 800' to location.

   C. Flowlines and powerlines will be constructed along existing roads and R-O-W's.

2. PLANNED ACCESS ROADS: Approximately 370' of new road will be constructed.

   A. The access roads will be crowned and ditched to a 12' wide travel surface with a 40' Right-of-Way.

   B, Gradient of all roads will be less than 5.00%.

   C. If turn-outs are necessary they will be constructed.

   D. If needed roads will be surfaced with a mimimum of 4" of caliche. This material will be obtained from a local source.

   E. Center-line for new roads will be flagged. Earth-work will be will be done as field conditions require.

   F. Culverts will be placed in the access road if they are necessary. The roads will be constructed to utilaze low water crossings for drainage as required by topography.

3. LOCATIONS OF EXISTING WELLS IN A ONE MILE RADIUS. EXHIBIT "A-1"

   A. Water wells - None known

   B. Disposal wells - None known

   C. Drilling wells -None known

   D. Producing wells - As shown on Exhibit "A-1"

   E. Abandoned wells - As shown on Exhibit "A-1"

4. If on completion this well is a producer the operator will lay pipelines and construct powerlines along existing road R-O-W's or other existing R-O-W's. Possible routes of pipelines, flowlines and powerlines are shown on Exhibit "C"

5. LOCATION AND TYPE OF WATER SUPPLY:

Water will be purchased locally from a commercial source and trucked over the access roads or piped to location in flexible lines laid on top of the ground.

6. SOURCE OF CONSTRUCTION MATERIAL:

If possible construction material will be obtained from the excavation of drill site, if additional material is needed it will be obtained from a local source and transported over the access roads as shown on Exhibit "C".

7. METHODS OF HANDLING WASTE MATERIAL:

A. Drill cuttings will be disposed of in the reserve pits.

B. All trash, junk and other waste material will be contained in trash cages or trash bins to prevent scattering. When the job is completed all contents will be removed and disposed of in a approved sanitary land fill.

C. Salts remaining after completion of well will be picked up by the supplier, including broken sacks.

D. Waste water from living quaters will be drained into holes with a minium of 10'. These holes will be covered during drilling and will be back filled when the well is completed. A Porto-John will be provided for the rig crews. This equipment will be properly maintained during the drilling and completion operations and will be removed when all operations are complete.

E. Remaining drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry enough to be broken out for furthed drying. If the drilling fluids do not evaporate in a reasonable time they will be hauled off by transports to a state approve disposal site. Later pips will be broken out to speed drying. Water produced during completion will be put in reserve pits. Oil and condensate produced will be put in storage tanks and sold.

8. ANCILLARY FACILITIES:

A. No camps or air strips will be constructed on location.

A. Exhibit "D" shows the proposed well site layout.

B. This exhibit indicated proposed location of reserve and sump pits and living facilities.

C. Mud pits in the active circulating system will be steel pits & the reserve pit is proposed to be unlined unless subsurface condition encountered during pit construction indicate that lining is needed for lateral containment of fluids.

D. If needed, the reserve pit is to be lined with polyethelene. The pit liner will be 6 mils thick. Pit liner will extend a minimum 2'00" over the reserve pits dikes where the liner will be anchored down.

E. The reserve pit will be fenced on three sides with four strands of barbed wire during drilling and completion phases. The fourth side will be fenced after all drilling operations have ceased. If the well is a producer, the reserve pit fence will be torn down. The reserve pit and those areas of the location not essential to production facilities will be reclaimed and seeded per BLM requirements.

10. PLANS FOR RESTORATION OF SURFACE

Rehabilitation of the location and reserve pit will start in a timely manner after all drilling operations cease. The type of reclamation will depend on whether the well is a producer or a dry hole.

However, in either event, the reserve pit will be allowed to dry properly, and fluid removed and disposed of in accordance with Article 7.B as previously noted. The pit area will then be leveled and contoured to conform to the original and surrounding area. Drainage systems, if any, will be reshaped to the original configuration with provisions made to alleviate erosion. These may need to be modified in certain circumstances to prevent inundation of the location's pad and surface facilities. After the area has been shaped and contoured, topsoil from the spoil pile will be placed over the disturbed area to the extent possible. Revegetation procedures will comply with BLM standards.

If the well is a dry hole, the pad and road area will be contoured to match the existing terrain. Topsoil will be spread to the extent possible. Revegetation will comply with BLM standards.

Should the well be a producer, the previously noted procedures will apply to those areas which are not required for production facilities.

SURFACE USE PLAN

LATIGO PETROLEUM, INC.
CENTRAL CORBIN QUEEN UNIT # 406
UNIT "C" SECTION 9
T18S-R33E LEA CO. NM

11. OTHER INFORMATION:

A. Topography is relatively flat with a slight dip to the West, the soil consists of tam loamy silty sands mixed with small gravel. Vegetation consists of shinnery oak, prickley pear, yucca, broom snakeweed, sand sage and various native grasses.

B. Surface is owned by the Ruth Caviness Trust, and the minerals are owned by The U.S. Department of Interior.

C. An archaeological survey will be conducted and the results will be filed with The Bureau of Land Management Carlsbad Field office in Carlsbad NM.

D. There are no domestic dwellings located within one mile of the location.

12. OPERATORS REPRESENTIVE:

Before construction:

TIERRA EXPLORATION, INC.
P.O. BOX 2188
HOBBS, NEW MEXICO 88241
JOE T. JANICA
OFFICE PHONE 505-391-8503

During and after construction:

LATIGO PETROLEUM, INC.
415 WEST WALL STREET
SUITE 1900
MIDLAND, TEXAS 79701
JOE CLEMENTS 432-684-4293

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 currently exist, that the statements made in this plan are to the best of my knowledge, are true and correct, and that the work associated with the operations proposed herein will be performed by LATIGO PETROLEUM, ING. it's contractors/subcontractors is in the conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provision of U.S.C. 1001 for the filing of a false statement.

NAME : Joe T Janica
DATE : 08/01/04
TITLE : Agent

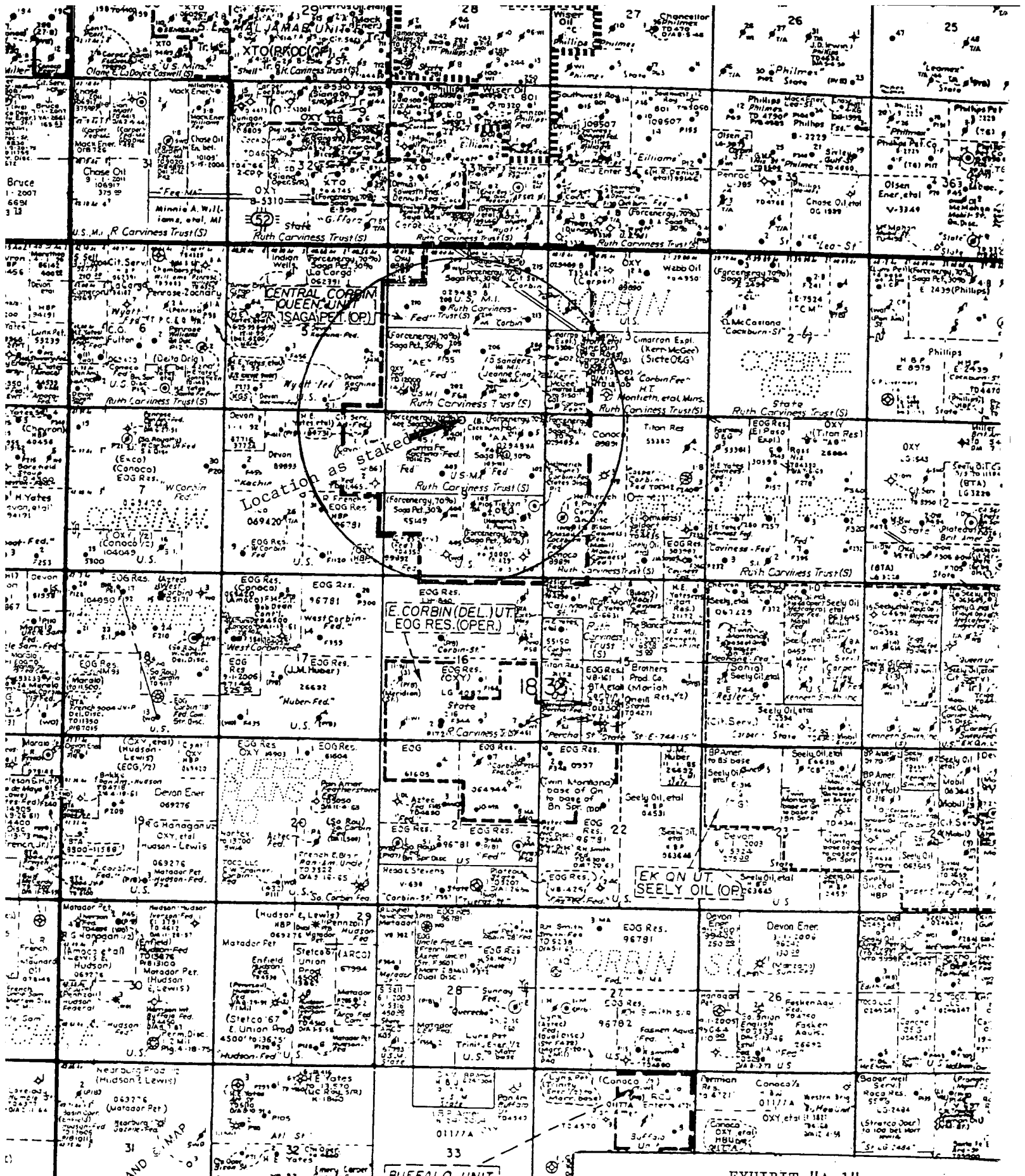



EXHIBIT "A-1"
ONE MILE RADIUS MAP

LATIGO PETROLEUM, INC.
CENTRAL CORBIN QUEEN UNIT # 406
UNIT "C" SECTION 9
T18S-R33E LEA CO. NM

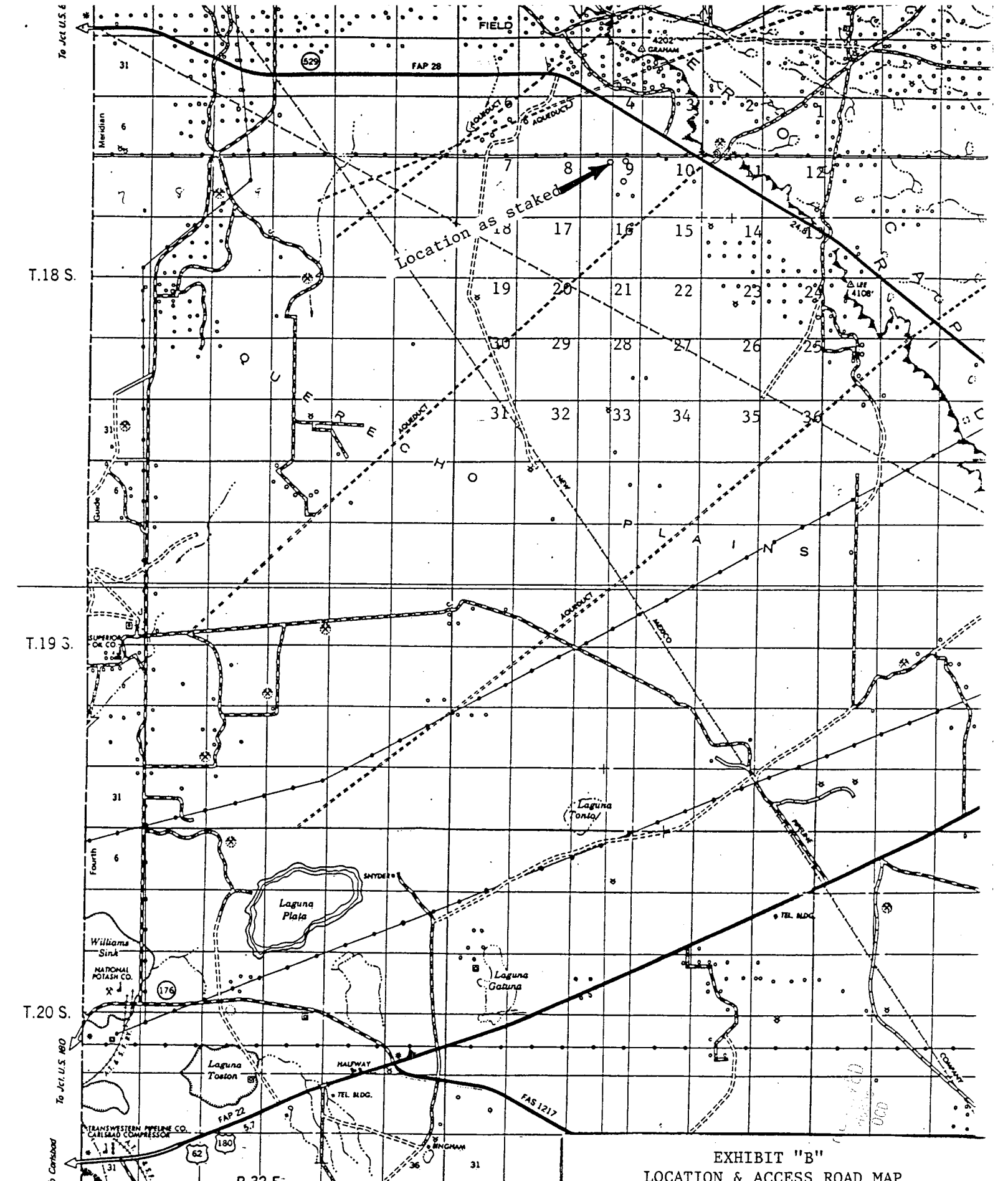



EXHIBIT "B"
LOCATION & ACCESS ROAD MAP

LATIOG PETROLEUM, INC.
CENTRAL CORBIN QUEEN UNIT # 406
UNIT "C" SECTION 9
T18S-R33E LEA CO. NM

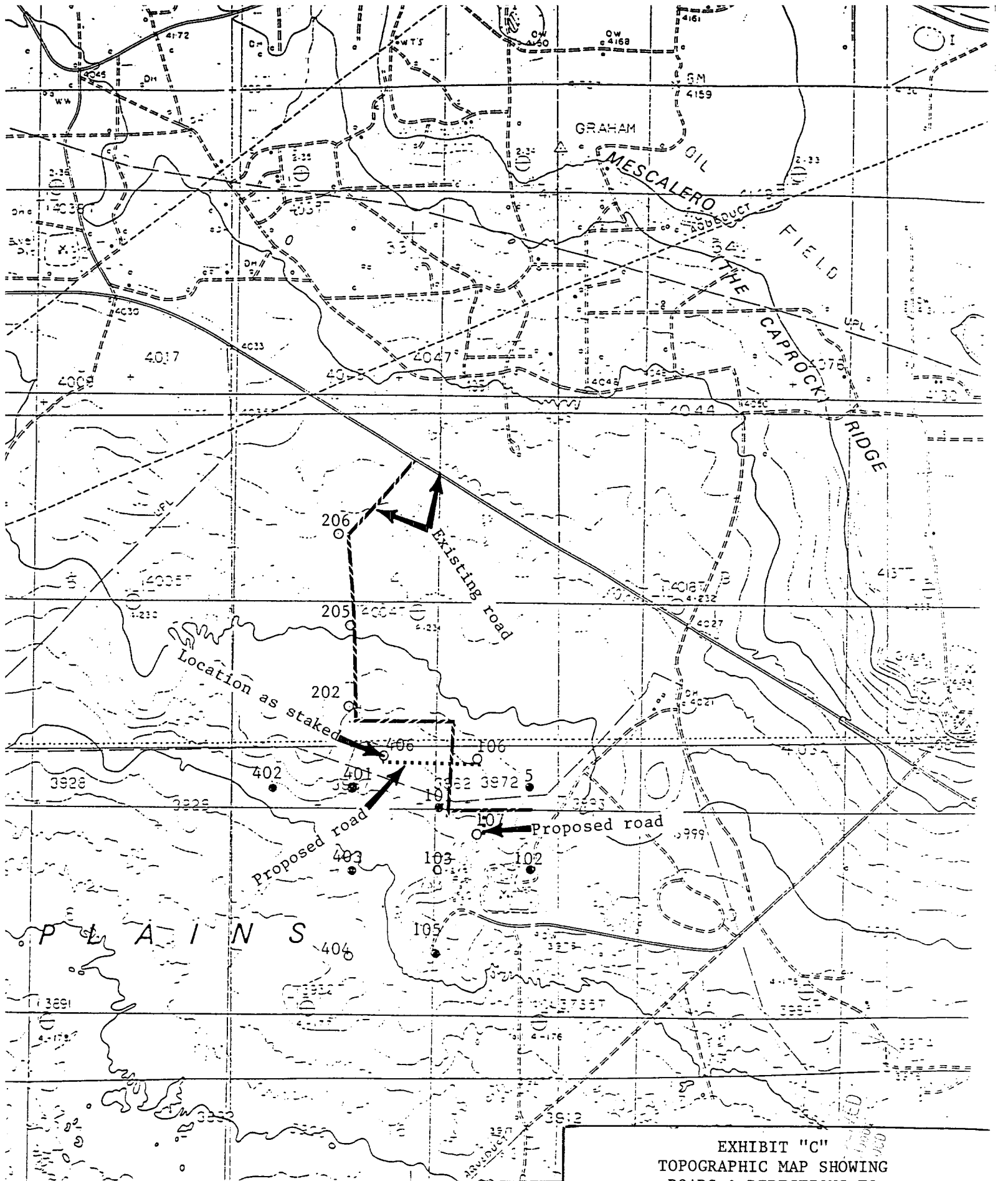
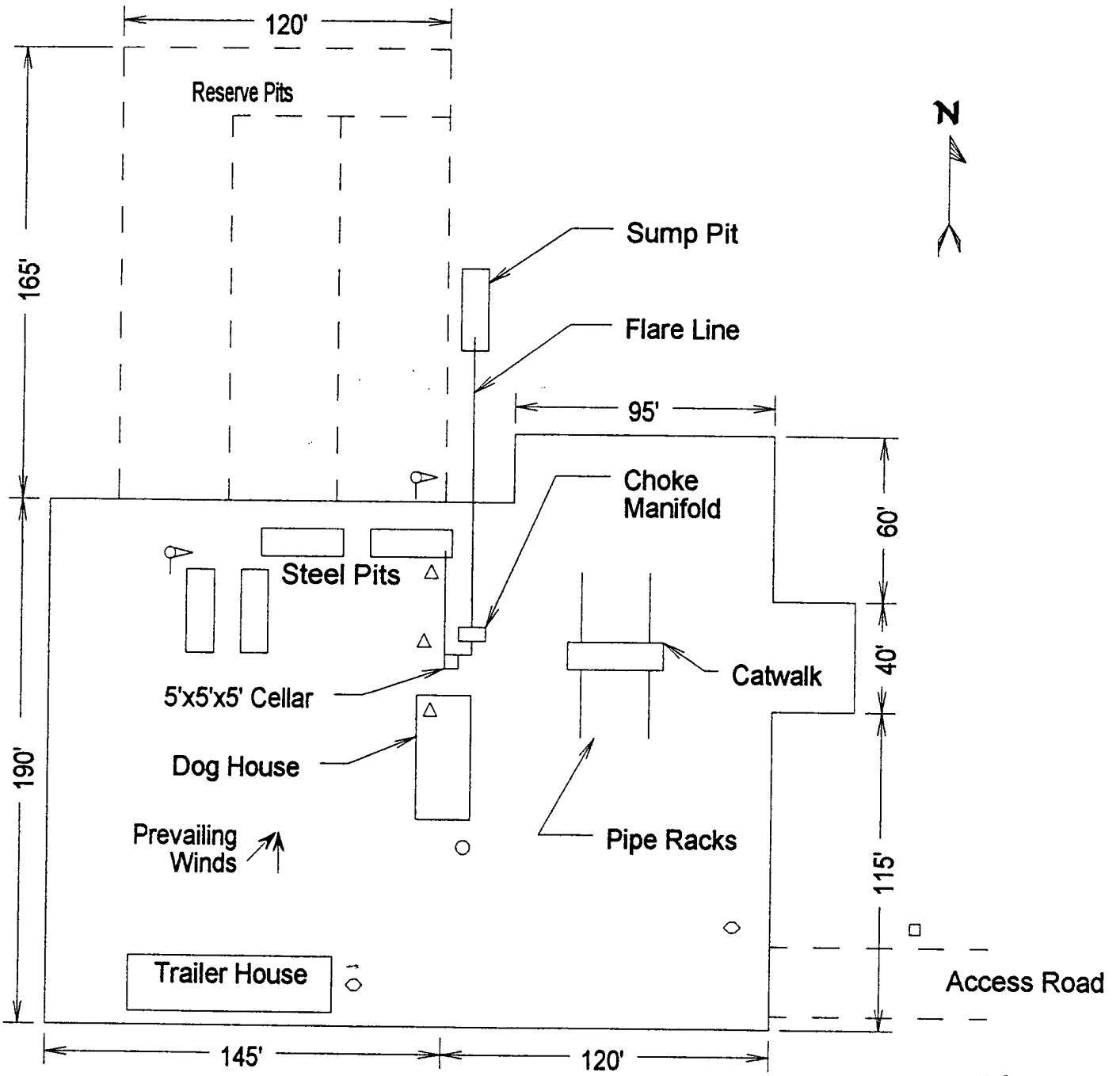



EXHIBIT "C"
TOPOGRAPHIC MAP SHOWING
ROADS & DIRECTIONS TO

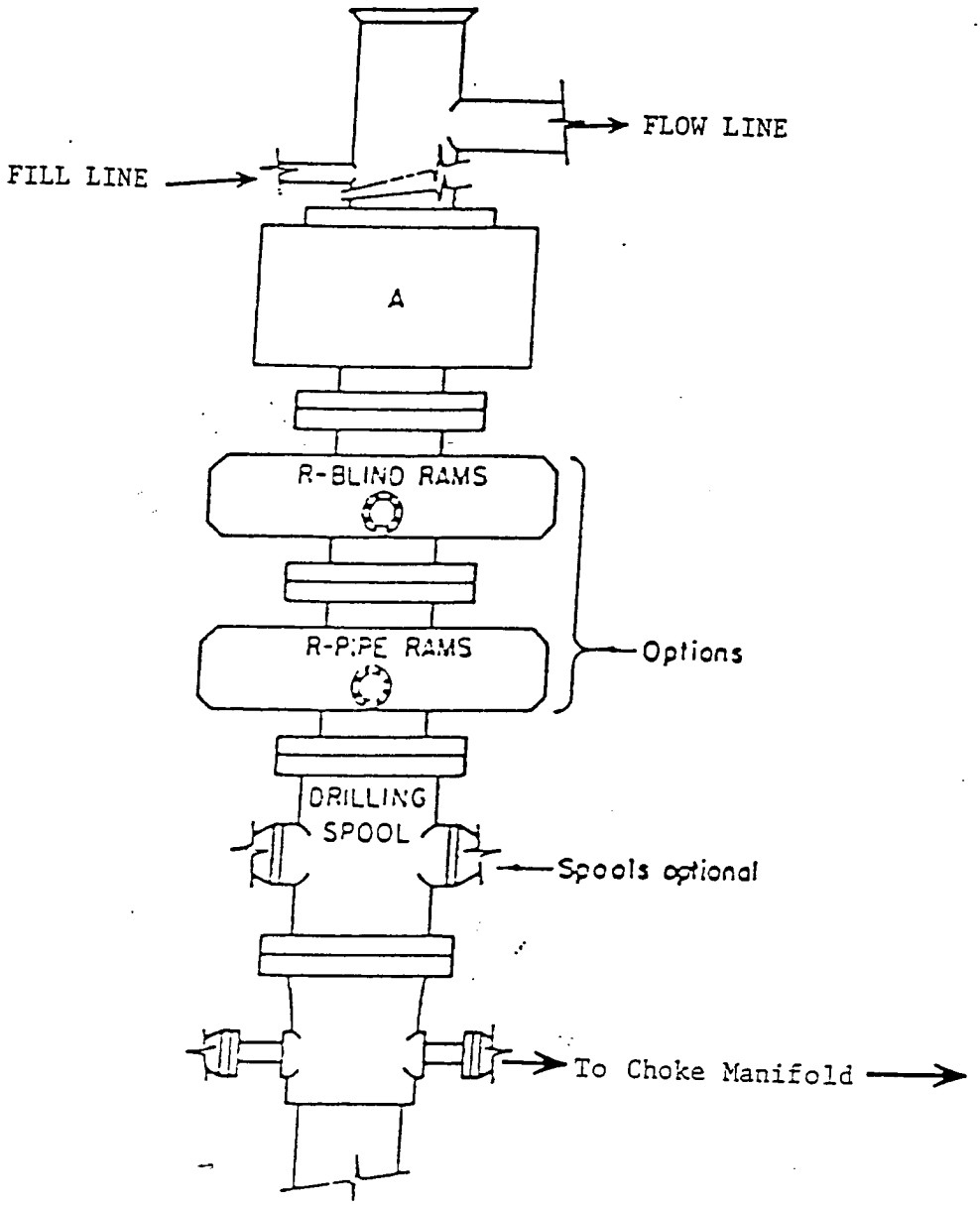
LATIGO PETROLEUM, INC.
CENTRAL CORBIN QUEEN UNIT # 406
UNIT "C" SECTION 9
T18S-R33E LEA CO. NM




- Wind Direction Indicators (wind sock or streamers)
- △ H2S Monitors (alarms at bell nipple and shale shaker)
- ⬡ Briefing Areas
- ○ Remote BOP Closing Unit
- □ Sign and Condition Flags

EXHIBIT "D"
RIG LAY OUT PLAT

LATIGO PETROLEUM, INC.
CENTRAL CORBIN QUEEN UNIT # 406
UNIT "C" SECTION 9
T18S-R33E LEAC CO. NM



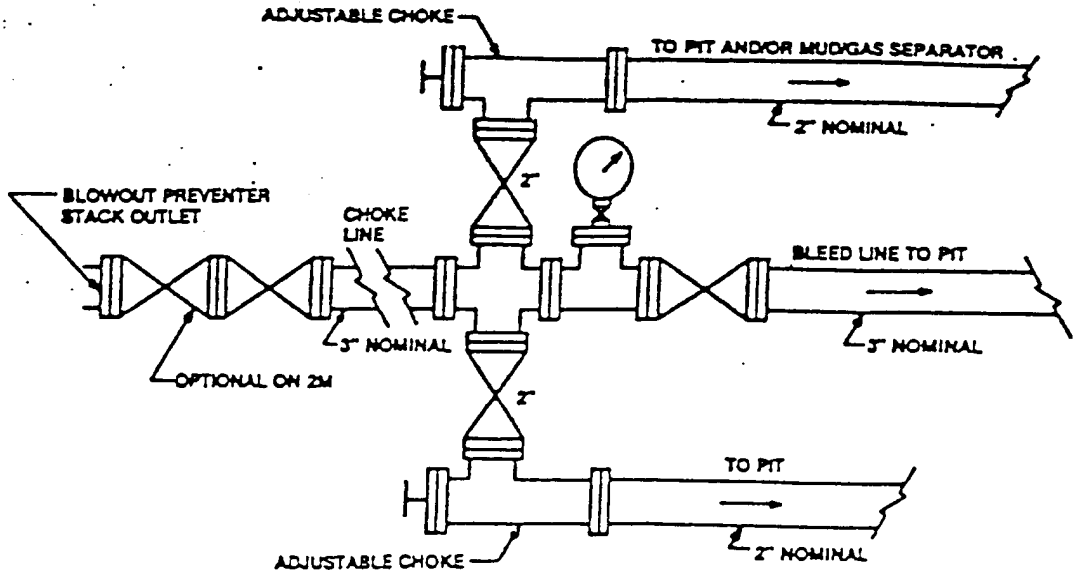

ARRANGEMENT SRRA

900 Series
3000 PSI WP



EXHIBIT "E"
SKETCH OF B.O.P. TO BE USED ON

LATIGO PETROLEUM, INC.
CENTRAL CORBIN QUEEN UNIT # 406
UNIT "C" SECTION 9
T18S-R33E LEA CO. NM




Typical choke manifold assembly for 3M WP system

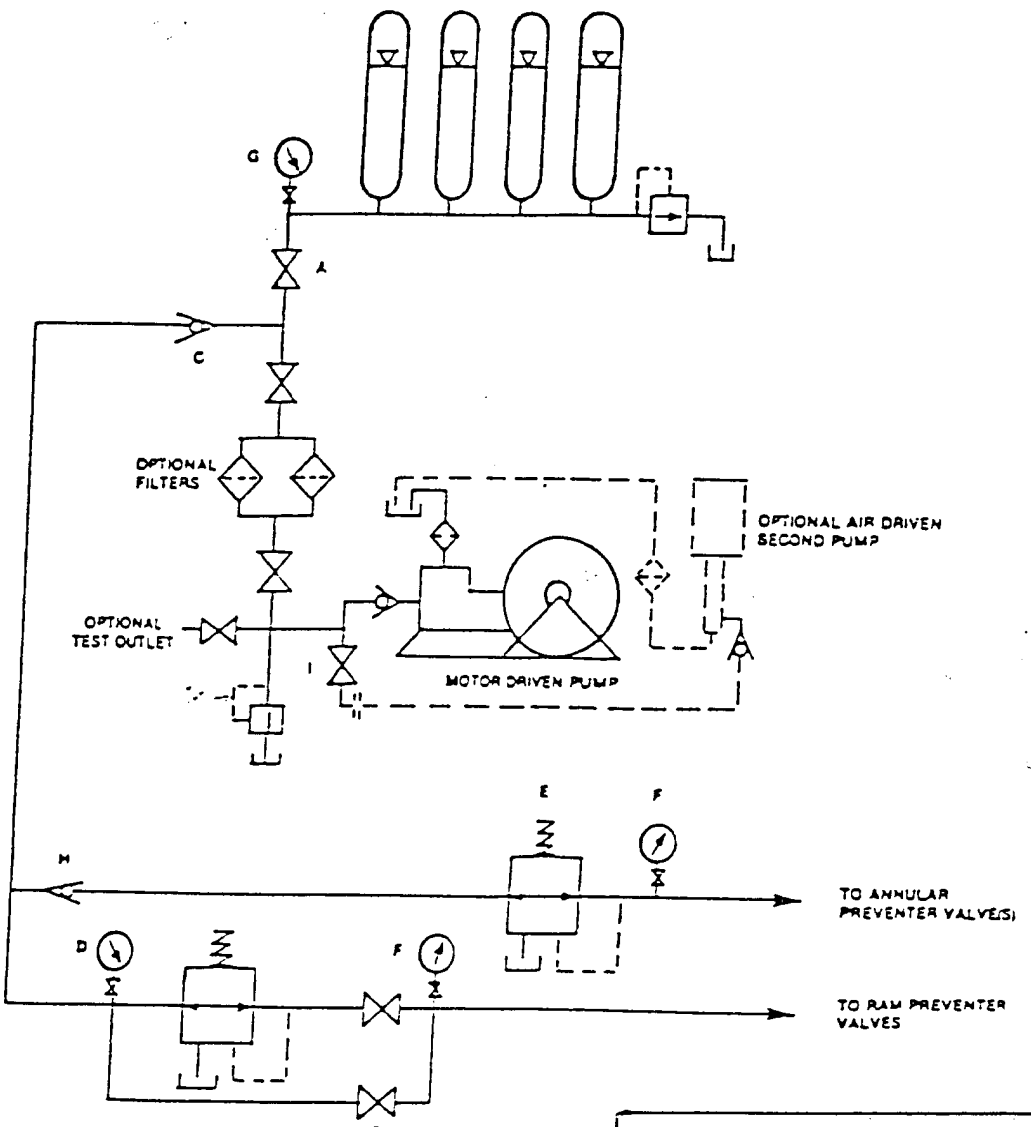





EXHIBIT "E-1"
CHOKE MANIFOLD & CLOSING UNIT

LATIGO PETROLEUM, INC.
CENTRAL CORBIN QUEEN UNIT # 406
UNIT "C" SECTION 9
T18S-R33E LEA CO. NM

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

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 [X] No [ ]
Type of action: Registration of a pit or below-grade tank [ ] Closure of a pit or below-grade tank [ ]

Operator: LATIGO PETROLEUM, INC. Telephone: 432-684-4293 e-mail address:
Address: 415 WEST WALLSTREET SUITE 1900 MIDLAND, TEXAS 79701
Facility or well name: CCOU # 406 API #: 30-025-36868 U/L or Qtr/Qtr C Sec 9 T 18S R 33E
County: LEA Latitude 32°46'07.6" Longitude 103°40'05" NAD: 1927 [ ] 1983 [ ] Surface Owner Federal [X] State [ ] Private [ ] Indian [ ]

**Pit**
Type: Drilling [X] Production [ ] Disposal [ ]
Workover [ ] Emergency [ ]
Lined [X] Unlined [ ]
Liner type: Synthetic [X] Thickness 12 mil Clay [ ]
Pit Volume 1500 bbl

**Below-grade tank**
Volume: _____bbl Type of fluid: _____
Construction material: _____
Double-walled, with leak detection? Yes [ ] If not, explain why not.

| | | | |
|---|---|---|---|
| Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.) 95' | Less than 50 feet<br>50 feet or more, but less than 100 feet<br>100 feet or more | (20 points)<br>(10 points)<br>( 0 points) | 10 |
| Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.) | Yes<br>No | (20 points)<br>( 0 points) | 0 |
| Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.) | Less than 200 feet<br>200 feet or more, but less than 1000 feet<br>1000 feet or more | (20 points)<br>(10 points)<br>( 0 points) | 10 |
| | **Ranking Score (Total Points)** | | 20 |

**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 your 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 [X], a general permit [ ], or an (attached) alternative OCD-approved plan [ ].**
Date: 09/14/04
Printed Name/Title Joe T. Janica Agent Signature Joe T Janica

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.

Approval:
Printed Name/Title _____ Signature ORIGINAL SIGNED BY PAUL F. KAUTZ PETROLEUM ENGINEER Date: _____