

(July 1992)

(Other instructions on

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

DE

OPER. OGRID NO. 150628PROPERTY NO. 34076POOL CODE 75000EFF. DATE 1/12/05API NO. 30-025-37047

OTHER

## APPLICATI

## 1a. TYPE OF WORK

DRILL ☒

## b. TYPE OF WELL

OIL  
WELL ☐GAS  
WELL ☒

## 2. NAME OF OPERATOR

PURE RESOURCES, L.P. (KEN KRAWIETZ 432-498-2655)

## 3. ADDRESS AND TELEPHONE NO.

500 WEST ILLINOIS MIDLAND, TEXAS 79701

## 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)\*

At surface

990' FNL & 1330' FEL SECTION 8 T24S-R35E LEA CO. NM  
At proposed prod. zone SAME CAPITAN CONTROLLED WATER BASIN

Unit B

## 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*

Approximately 15 miles Northwest of Jal New Mexico

## 15. DISTANCE FROM PROPOSED\*

LOCATION TO NEAREST  
PROPERTY OR LEASE LINE, FT.  
(Also to nearest drlg. unit line, if any)

990'

## 16. NO. OF ACRES IN LEASE

640

17. NO. OF ACRES ASSIGNED  
TO THIS WELL

320

## 18. DISTANCE FROM PROPOSED LOCATION\*

TO NEAREST WELL, DRILLING, COMPLETED,  
OR APPLIED FOR, ON THIS LEASE, FT.

2200'

## 21. ELEVATIONS (Show whether DF, RT, GR, etc.)

3433' GR.

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

## 23. PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | GRADE SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH  | QUANTITY OF CEMENT              |
|--------------|----------------------|-----------------|----------------|---------------------------------|
| 25"          | 20' Conductor        | NA              | 40'            | Cement to surface with Redi-mix |
| 17 1/2"      | H-40 13 3/8"         | 48              | 500' 800'      | 500 Sx. circulate cement        |
| 12 1/4"      | HCK-55 J-55 9 5/8"   | 40              | 5400'          | 2100 Sx. "TDC" "3500"           |
| 8 3/4"       | P-110HC 7"           | 26              | 12,200'        | 850 Sx. Top of Cement 5200'     |
| 6 1/8"       | P-110 4 1/2"         | 13.5            | 12,000-14,700' | 300 Sx. Top of cement 12,000'   |

1. Drill 25" hole to 40'. Set 40' of 20" conductor pipe and cement to surface with Redi-mix.
2. Drill 17 1/2" hole to 500'. Run and set 500' of 13 3/8" H-40 ST&C casing. Cement with 500 Sx. of Class "C" cement + 1/4# Floccle/Sx, 2% CaCl<sub>2</sub>, circulate cement to surface.
3. Drill 12 1/4" hole to 5400'. Run and set 5400' of 9 5/8" 40# HCK-55 & J-55 ST&C casing. Cement with 2100 Sx. of Class "C" cement + additives, circulate cement to surface.
4. Drill 8 3/4" hole to 12,200'. Run and set 12,200' of 26# P-110HC LT&C casing. Cement with 850 Sx. of Class "H" cement + additives, estimate top of cement 5200' from surface.
5. Drill 6 1/8" hole to 14,700'. Run and set a 2500' 4 1/2" 13.5# P-110 LT&C Liner from TD back to 12,000'. Cement with 300 Sx. of Class "H" Premium Plus cement + additives. Cement back to top of liner.

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

Agent

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS 08/24/04  
AND SPECIAL STIPULATIONS  
ATTACHED

(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

ACTING  
FIELD MANAGER

DATE

15 JAN 2005

\*See Instructions On Reverse Side

APPROVAL FOR 1 YEAR

DISTRICT I  
1625 N. FRENCH DR., BOBBS, 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<br><b>30-025-37047</b> | Pool Code<br><b>75000</b>                    | Pool Name<br><b>CINTA ROJA-MORROW GAS</b> |
| Property Code<br><b>34076</b>     | Property Name<br><b>CR "8" FEDERAL</b>       | Well Number<br><b>2</b>                   |
| OGRID No.<br><b>150628</b>        | Operator Name<br><b>PURE RESOURCES, L.P.</b> | Elevation<br><b>3433'</b>                 |

Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| B             | 8       | 24-S     | 35-E  |         | 990'          | NORTH            | 1330'         | EAST           | LEA    |

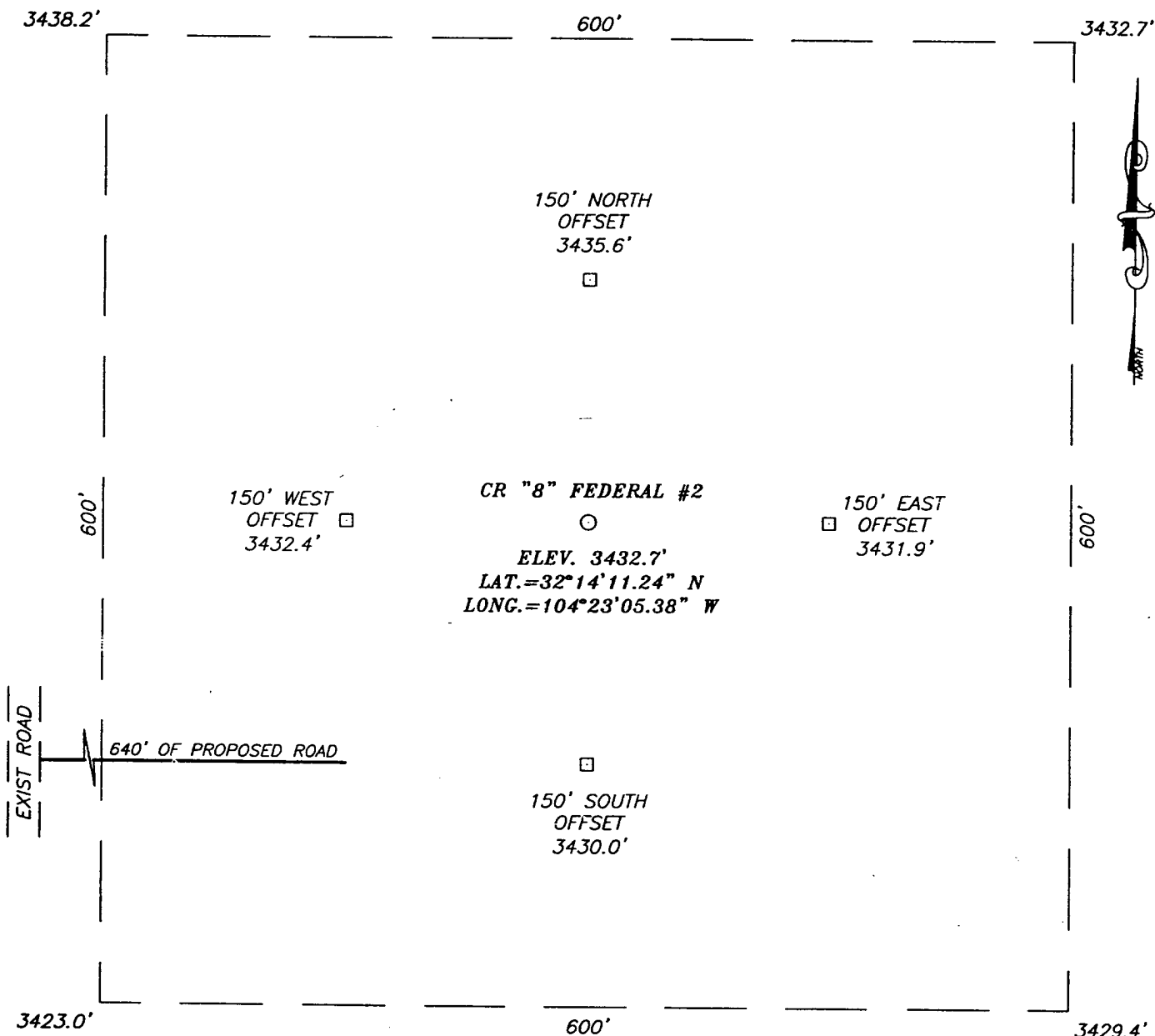
Bottom Hole Location If Different From Surface

| UL or lot No.                 | Section         | Township           | Range     | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|-------------------------------|-----------------|--------------------|-----------|---------|---------------|------------------|---------------|----------------|--------|
|                               |                 |                    |           |         |               |                  |               |                |        |
| Dedicated Acres<br><b>640</b> | 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

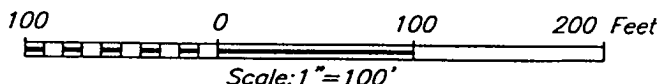
|   |   |
|---|---|
| <p>Well # 2</p> <p>GEODETIC COORDINATES<br/>NAD 27 NME</p> <p>Y=451035.9 N<br/>X=793280.2 E</p> <p>LAT.=32°14'11.24" N<br/>LONG.=104°23'05.38" W</p> <p>Existing Gas Well</p> <p>Well # 1</p> | <p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Joe T. Janica</i><br/>Signature<br/>Joe T. Janica<br/>Printed Name<br/>Agent<br/>Title<br/>01/12/05<br/>Date</p> <p><b>SURVEYOR CERTIFICATION</b></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>JULY 7, 2004</p> <p>Date Surveyed<br/>Signature &amp; Seal of Professional Surveyor<br/>GARY EIDSON<br/>7/13/04<br/>0411.0849<br/>Certificate No. GARY EIDSON 12841</p> |
|---|---|

**SECTION 8, TOWNSHIP 24 SOUTH, RANGE 35 EAST, N.M.P.M.,**  
 LEA COUNTY, NEW MEXICO



**DIRECTIONS TO LOCATION**

FROM THE INTERSECTION OF ST. HWY. #18 AND CO. RD. J-7 (COOPER CEMETARY RD.) GO WEST ON COOPER CEMETARY RD. 2.0 MILES TO CALICHE ROAD. CONTINUE WEST ON CALICHE ROAD 2.6 MILES. TURN SOUTH AND GO 0.1 MILES. TURN WEST 0.2 MILES. VEER NORTHWEST FOR 0.2 MILES. TURN WEST AND GO 1.3 MILES. TURN NORTH AND GO 1.0 MILES, TURN WEST AND GO 3.4 MILES TO CURVE IN THE ROAD. TAKE THE CURVE NORTH 0.3 MILES THEN GO WEST 0.7 MILES TO ANOTHER CURVE IN THE ROAD. GO NORTH 0.4 MILES. PROPOSED LOCATION IS 650' EAST.



**PURE RESOURCES, L.P.**

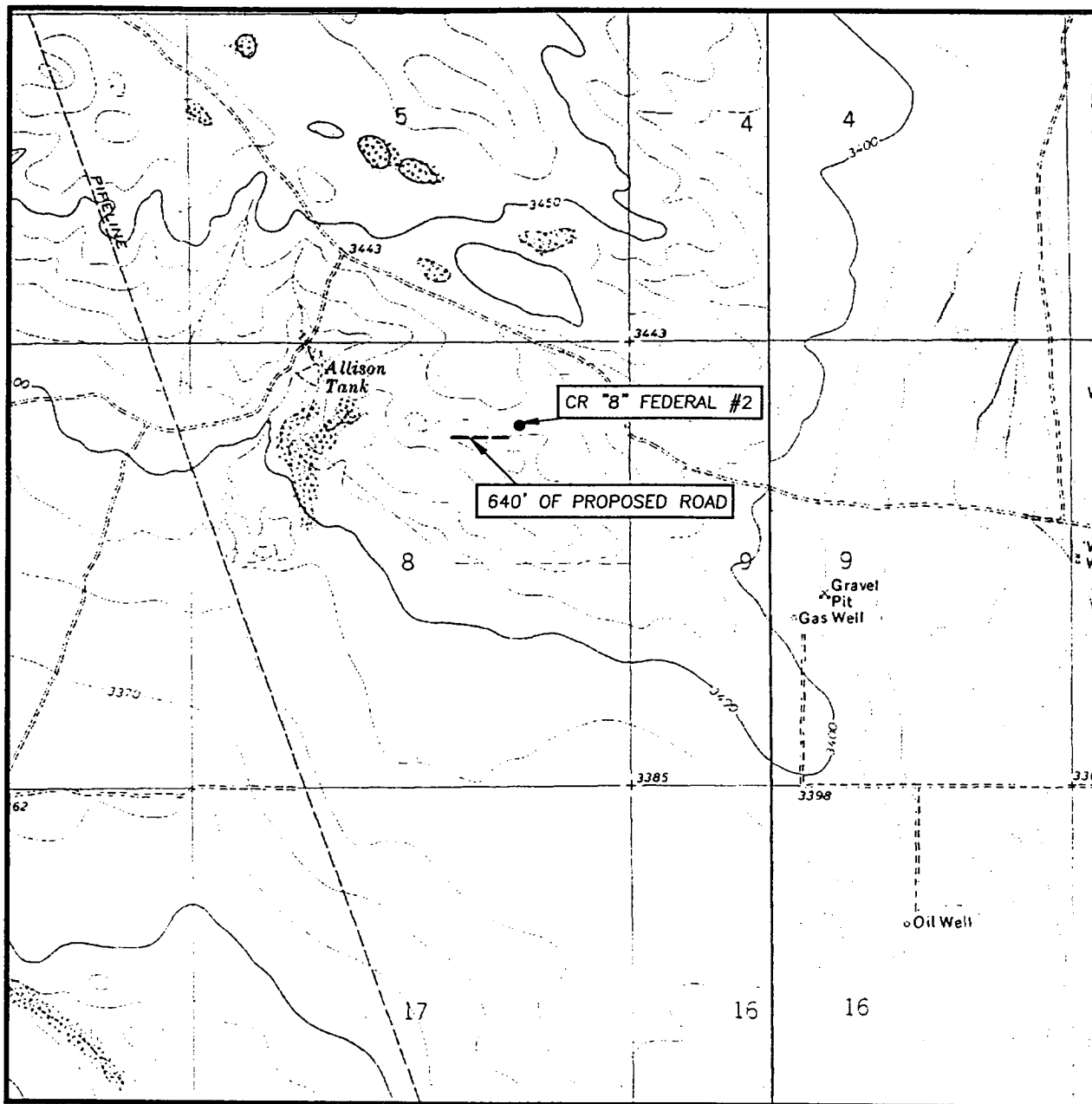
CR "8" FEDERAL #2 WELL  
 LOCATED 990 FEET FROM THE NORTH LINE  
 AND 1330 FEET FROM THE EAST LINE OF SECTION 8,  
 TOWNSHIP 24 SOUTH, RANGE 35 EAST, N.M.P.M.,  
 LEA COUNTY, NEW MEXICO.

|                         |                                     |
|-------------------------|-------------------------------------|
| Survey Date: 07/07/04   | Sheet 1 of 1 Sheets                 |
| W.O. Number: 04.11.0849 | Dr By: J. RIVERO Rev 1:N/A          |
| Date: 07/12/04          | Disk: CD#10 04110849 Scale: 1"=100' |



PROVIDING SURVEYING SERVICES  
 SINCE 1946  
**JOHN WEST SURVEYING COMPANY**  
 412 N. DAL PASO  
 HOBBS, N.M. 88240  
 (505) 383-3117

# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:  
WOODLEY FLAT, N.M. - 10'

SEC. 8 TWP. 24-S RGE. 35-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 990' FNL & 1330' FEL

ELEVATION 3433'

OPERATOR PURE RESOURCES, L.P.

LEASE CR "8" FEDERAL

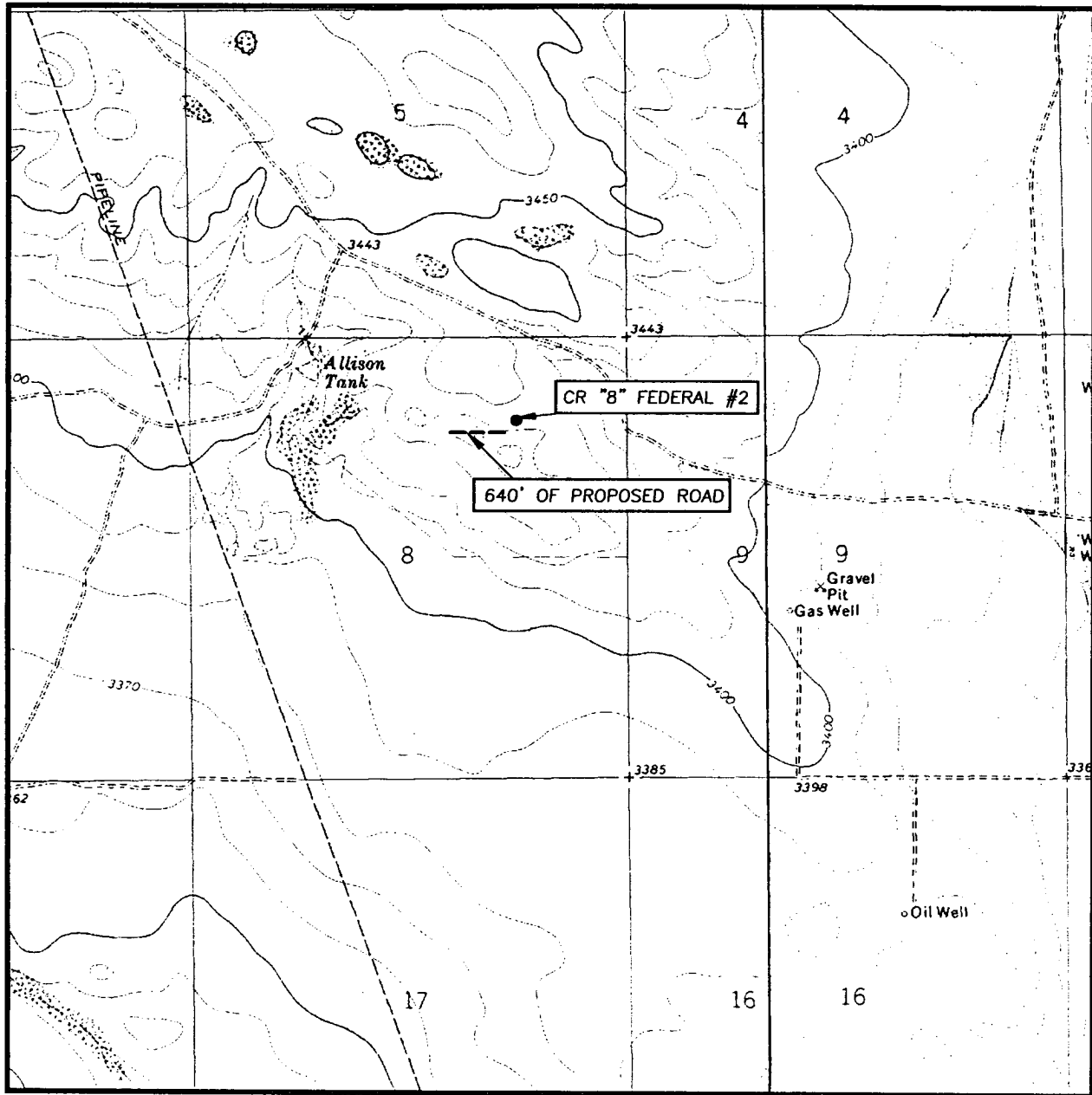
U.S.G.S. TOPOGRAPHIC MAP  
WOODLEY FLAT, N.M.

NIM-01228



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SINCE 1946  
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COUNTY LEA

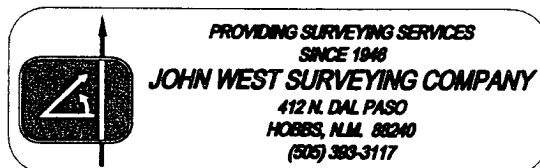
DESCRIPTION 990' FNL & 1330' FEL

ELEVATION 3433'

OPERATOR PURE RESOURCES, L.P.

LEASE CR "8" FEDERAL

U.S.G.S. TOPOGRAPHIC MAP  
WOODLEY FLAT, N.M.



# APPLICATION TO DRILL

PURE RESOURCES, L.P.  
CR "8" FEDERAL # 2  
UNIT "B" SECTION 8  
T24S-R35E 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: 990' FNL & 1330' FEL SECTION 8 T24S-R35E LEA CO. NM
2. Elevation above Sea Level: 3433' GR.
3. Geologic name of surface formation: Quaternary 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: 14,700'
6. Estimated tops of geological markers:

|                   |       |                     |         |
|-------------------|-------|---------------------|---------|
| Rustler Anhydrite | 800'  | Wolfcamp            | 11,805' |
| Delaware          | 5230' | Strawn              | 12,730' |
| Cherry Canyon     | 6163' | Atoka               | 12,995' |
| Brushy Canyon     | 7610' | Morrow              | 13,320' |
| Bone Spring Lime  | 9055' | Morrow Shale Marker | 13,945' |
7. Possible mineral bearing formations:

|               |     |        |     |
|---------------|-----|--------|-----|
| Brushy Canyon | Oil | Atoka  | Gas |
| Wolfcamp      | Oil | Morrow | Gas |
| Strawn        | Gas |        |     |
8. Casing program:

| Hole size | Interval       | OD of casing | Weight | Thread | Collar | Grade          |
|-----------|----------------|--------------|--------|--------|--------|----------------|
| 25"       | 0-40'          | 20"          | NA     | NA     | NA     | Conductor      |
| 17½"      | 0-500'         | 13 3/8"      | 48#    | 8-R    | ST&C   | H-40           |
| 12½"      | 0-5400'        | 9 5/8"       | 40#    | 8-R    | ST&C   | HCK-55<br>J-55 |
| 8 3/4"    | 0-12,200'      | 7"           | 26#    | 8-R    | LT&C   | P-110HC        |
| 6 1/8"    | 12,000-14,700' | 4½"          | 13.5#  | 8-R    | LT&C   | P-110          |

## APPLICATION TO DRILL

PURE RESOURCES, L.P.  
CR "8" FEDERAL # 2  
UNIT "B" SECTION 8  
T24S-R35E LEA CO. NM

9. CEMENTING & CASING SETTING DEPTHS

|         |                  |   |
|---------|------------------|---|
| 20"     | Conductor        | Set 40' of 20" conductor and cement to surface with Redi-mix.   |
| 13 3/8" | Surface          | Set 500' of 13 3/8" 48# H-40 ST&C casing. Cement with 500 Sx. of Class "C" cement + 2% CaCl <sub>2</sub> + 1/4# Flocele/Sx. circulate cement to surface.  |
| 9 5/8"  | Intermediate     | Set 5400' of 9 5/8" 40# HCK-55 & J-55 ST&C casing. Cement with 2100 Sx- of Class "C" cement + additives, circulate cement to surface.                     |
| 7"      | 2nd Intermediate | Set 12,200' of 7" 26# P-110HC BTC casing. Cement with 850 Sx. of Class "H" cement + additives, estimate top of cement 5200'.                              |
| 4 1/2"  | Prod. Liner      | Set 2500' of 4 1/2" 13.5# P-110 Liner from TD back to 12,000'. Cement with 300 Sx. of Class "H" Premium Plus cement + additives, cement to top of liner . |

10. PRESSURE CONTROL EQUIPMENT: Exhibit "E" shows a 1500 Series 5000 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 nipped up on the 13 3/8" 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 drill pipe is out of hole on trips. Full opening stabbing valve and upper kelly cock will be utilized. Exhibit "E-1" shows a hydraulically operated closing unit and a 3" 5000 PSI choke manifold with dual adjustable chokes. No abnormal pressures or temperatures are expected.

11. PROPOSED MUD CIRCULATING SYSTEM:

| DEPTH          | MUD WT.   | VISC. | FLUID LOSS     | TYPE MUD SYSTEM  |
|----------------|-----------|-------|----------------|--|
| 40-500'        | 8.4-8.7   | 29-34 | NC             | Fresh water Spud Mud add paper to control seepage.   |
| 500-5400'      | 10.0-10.2 | 29-32 | NC             | Brine water add paper to control seepage and use high viscosity sweeps to clean hole.        |
| 5400-12,200'   | 8.4-9     | 28-38 | NC             | Fresh water going to cut brine as needed, use high viscosity sweeps to clean hole.           |
| 12,200-14,700' | 10-12     | 29-50 | 6-8 cc or less | Weighted brine with a Polymer to control water loss and salt water Gel to control viscosity. |

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, and casing viscosity and/or water loss may have to be adjusted to meet these needs.

APPLICATION TO DRILL

PURE RESOURCES, L.P.  
CR "8" FEDERAL # 2  
UNIT "B" SECTION 8  
T24S-R35E LEA CO. NM

12. LOGGING, CORING, AND TESTING PROGRAM:

- A. Open hole logs: From 5400' to 13 3/8" casing shoe run Dual Laterolog, SNP LDT, Gamma Ray and Caliper, run Gamma Ray, Neutron from 13 3/8" casing shoe to surface. From 5400' to 12,200' run Dual Induction, SNP, LDT, Gamma Ray, Caliper. From 12,200 to 14,700' Run Dual Laterolog, SNP, LDT, Gamma Ray, Caliper.
- B. Rig up mud logger on hole at 5400'± and remain on hole to TD. Run DST's as shows occur, no cores are planned at this time.

13. POTENTIAL HAZARDS:

No abnormal pressures or temperatures are expected. There is no known presence of H<sup>2</sup>S in this area. If H<sup>2</sup>S 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 7000 PSI, and Estimated BHT 185°.

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 38 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 MORROW formation will be perforated and stimulated in order to establish production. The well will be swab tested and potentialized as a gas well.



## HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

1. All Company and Contract personnel admitted on location must be trained by a qualified H<sub>2</sub>S safety instructor to the following:
  - A. Characteristics of H<sub>2</sub>S
  - B. Physical effects and hazards
  - C. Proper use of safety equipment and life support systems.
  - D. Principle and operation of H<sub>2</sub>S 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<sub>2</sub>S Detection and Alarm Systems
  - A. H<sub>2</sub>S detectors and audio alarm system to be located at bell nipple, end of bloopie 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<sub>2</sub>S 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 separator will be brought into service along with  $H_2S$  scavengers if necessary.

## SURFACE USE PLAN

PURE RESOURCES, L.P.  
CR "8" FEDERAL # 2  
UNIT "B" SECTION 8  
T24S-R35E 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 State Hi-way 18 South for 36± miles to CR-J7 (Cooper Cemetary Road), turn West go 5.2 miles, turn Left go .2 miles, turn Right go .3 miles, turn Right go .3 miles, turn Left go 1.4 miles, turn Right go 1 mile, turn Left go 3.6 miles, turn Right go .4 miles, turn Left go .8 miles to well # 1 bear Right .4 miles , turn Right go 640' to location.
  - C. Lay flowline along road R-O-W to the # 1 location 1980' FSL & 1980' FEL Section 8.
2. PLANNED ACCESS ROADS: Approximately 640' 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 minimum 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 utilize 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 - One 1.3± miles East of loaaation
  - 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"

## SURFACE USE PLAN

PURE RESOURCES, L.P.  
CR "8" FEDERAL # 2  
UNIT "B" SECTION 8  
T24S-R35E LEA CO. NM

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 quarters 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 furthred 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.

## SURFACE USE PLAN

PURE RESOURCES, L.P.  
CR "8" FEDERAL # 2  
UNIT "B" SECTION 8  
T24S-R35E LEA CO. NM

### 9. WELL SITE LAYOUT

- 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

PURE RESOURCES, L.P.  
CR "8" FEDERAL # 2  
UNIT "B" SECTION 8  
T24S-R35E LEA CO. NM

11. OTHER INFORMATION:

- A. Topography is relatively flat with a slight dip to the West, with shallow drainage patterns. Vegetation consists of creosote bush, little leaf sumac, broom-snakeweed, and native grasses.
- B. The surface is owned by the Rupert Madera Trust, the minerals are owned by The U.S. Department of Interior and is administered by The Bureau of Land Management. The surface is used for the grazing of livestock and the production of oil & gas.
- 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 REPRESENTATIVE:

Before construction:

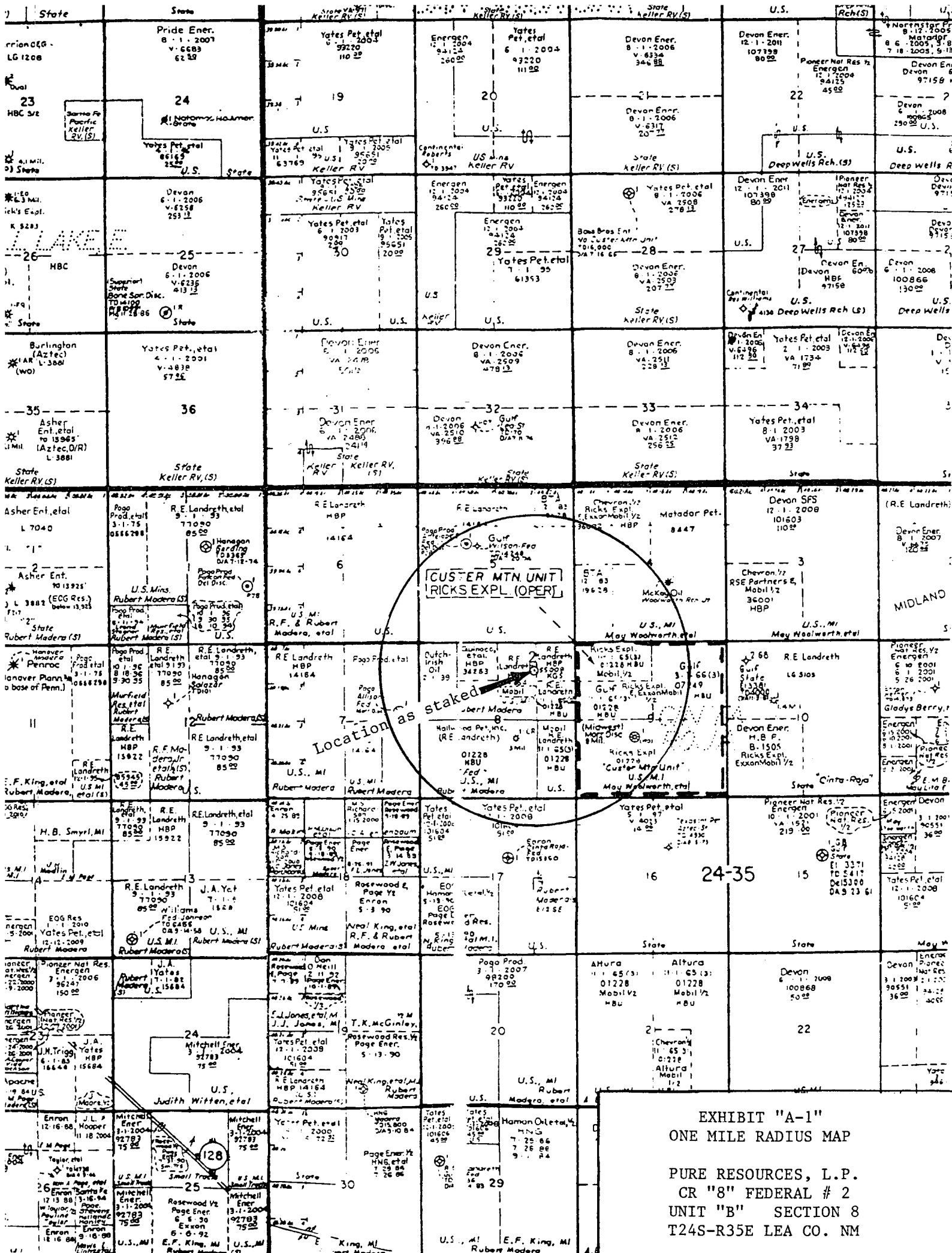
TIERRA EXPLORATION, INC.  
P.O. BOX 2188  
HOBBS, NEW MEXICO 88241  
JOE T. JANICA  
OFFICE PHONE 505-391-8503

During and after construction:

PURE RESOURCES, L.P.  
500 WEST ILLINOIS  
MIDLAND, TEXAS 79701  
KEN KRAWIETZ  
OFFICE PHONE 432-498-2655

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 PURE RESOURCES, L.P. its 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 : 08/24/04  
TITLE : Agent



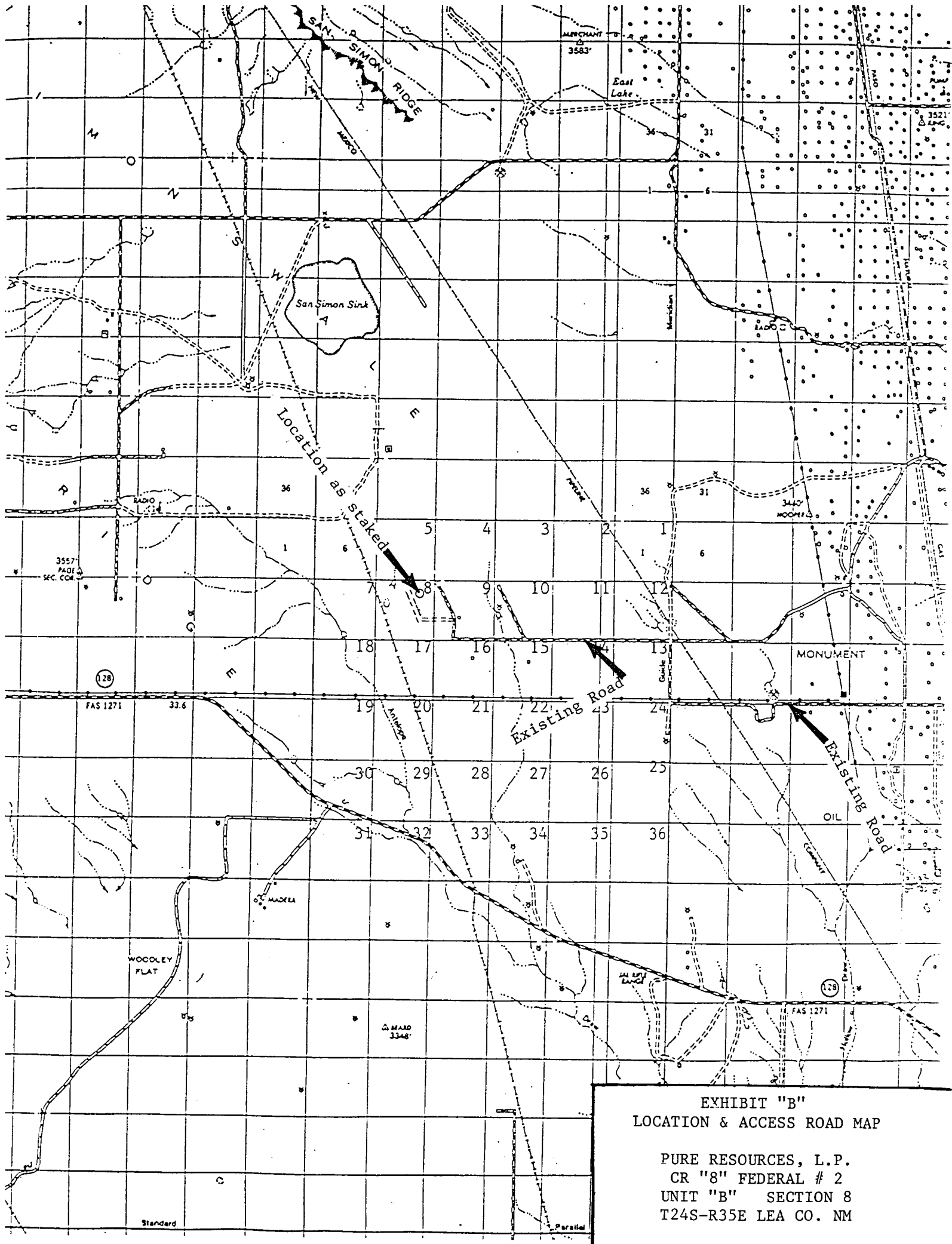


EXHIBIT "B"  
LOCATION & ACCESS ROAD MAP

PURE RESOURCES, L.P.  
CR "8" FEDERAL # 2  
UNIT "B" SECTION 8  
T24S-R35E LEA CO. NM



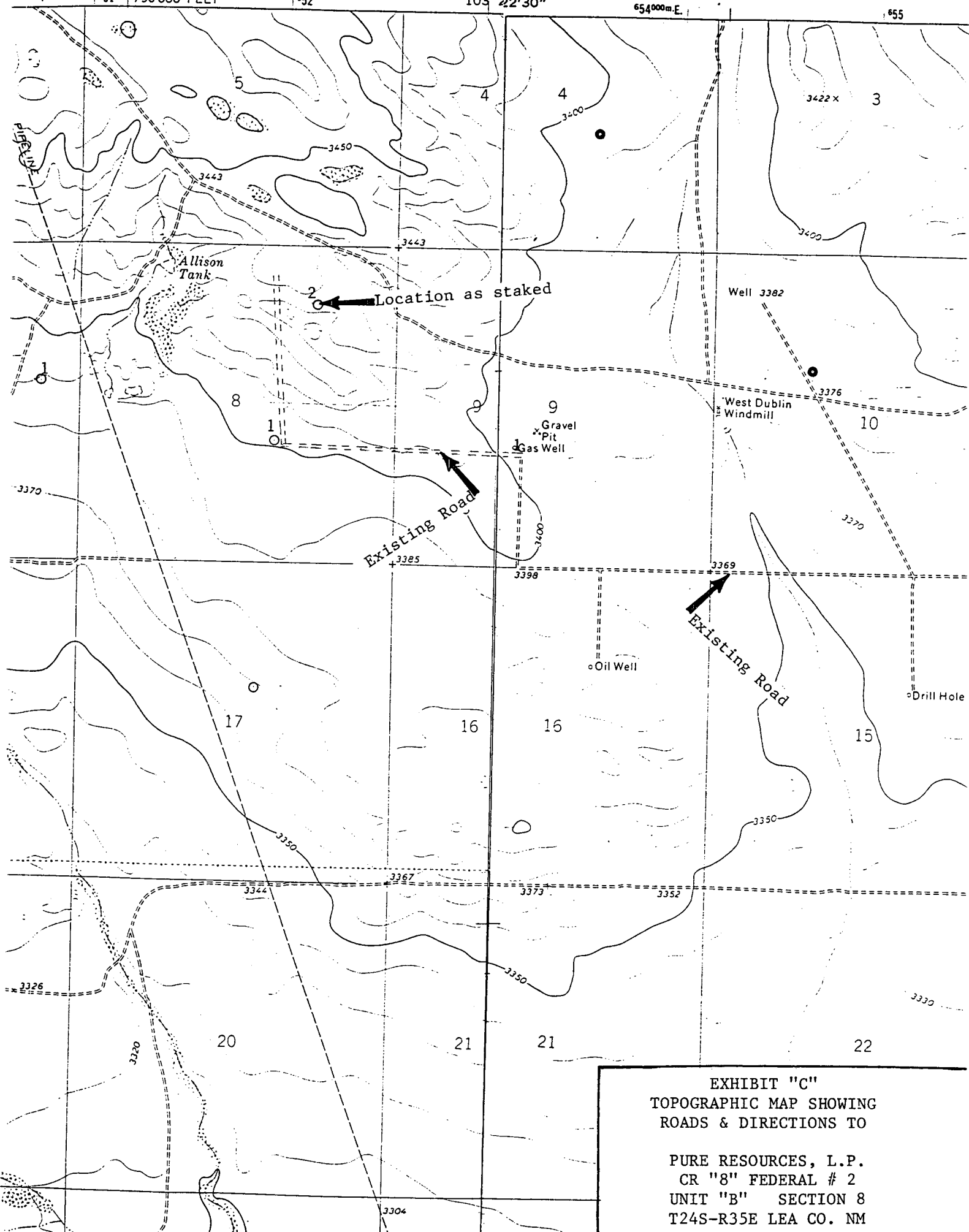


EXHIBIT "C"  
TOPOGRAPHIC MAP SHOWING  
ROADS & DIRECTIONS TO

PURE RESOURCES, L.P.  
CR "8" FEDERAL # 2  
UNIT "B" SECTION 8  
T24S-R35E LEA CO. NM

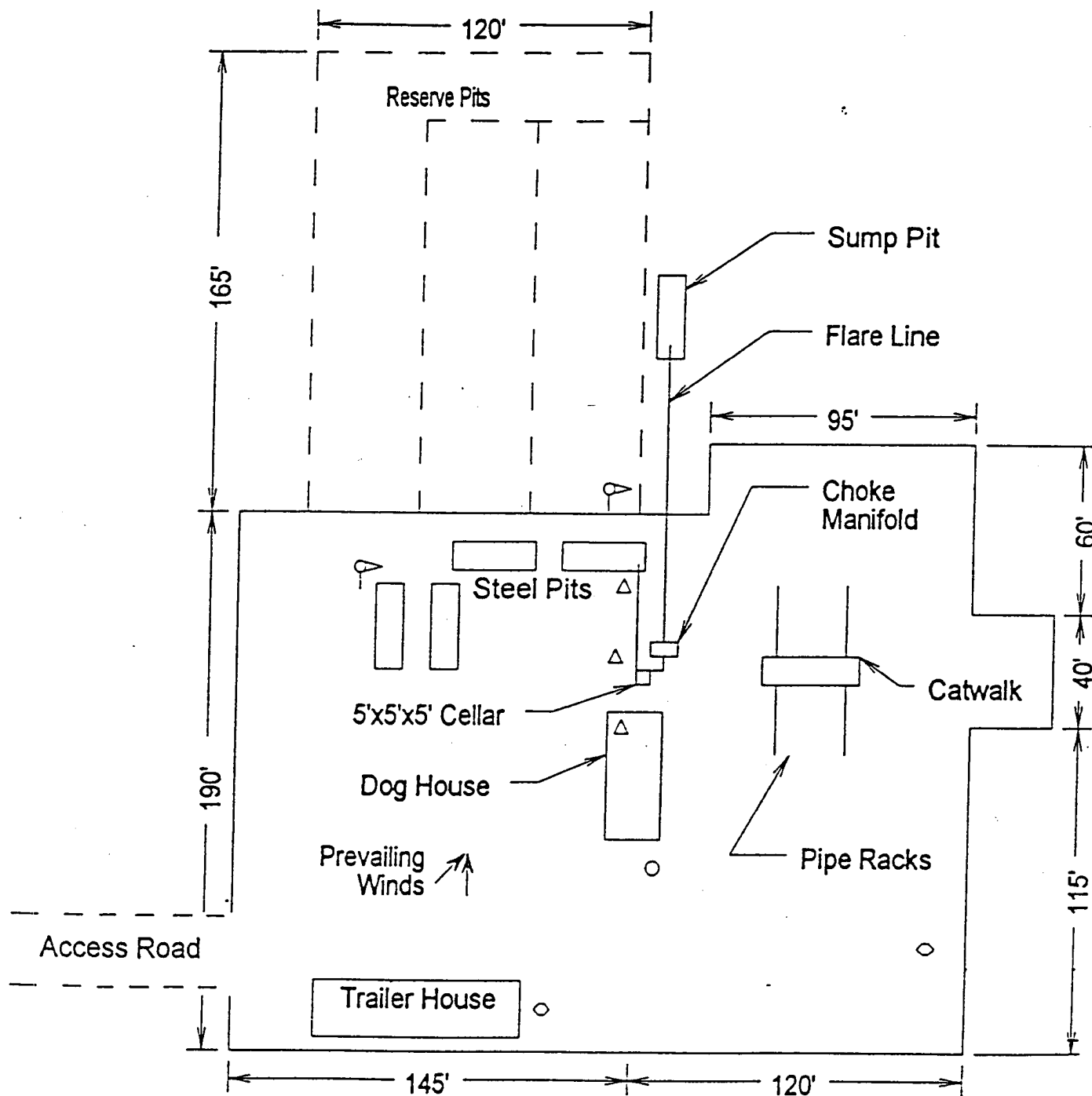
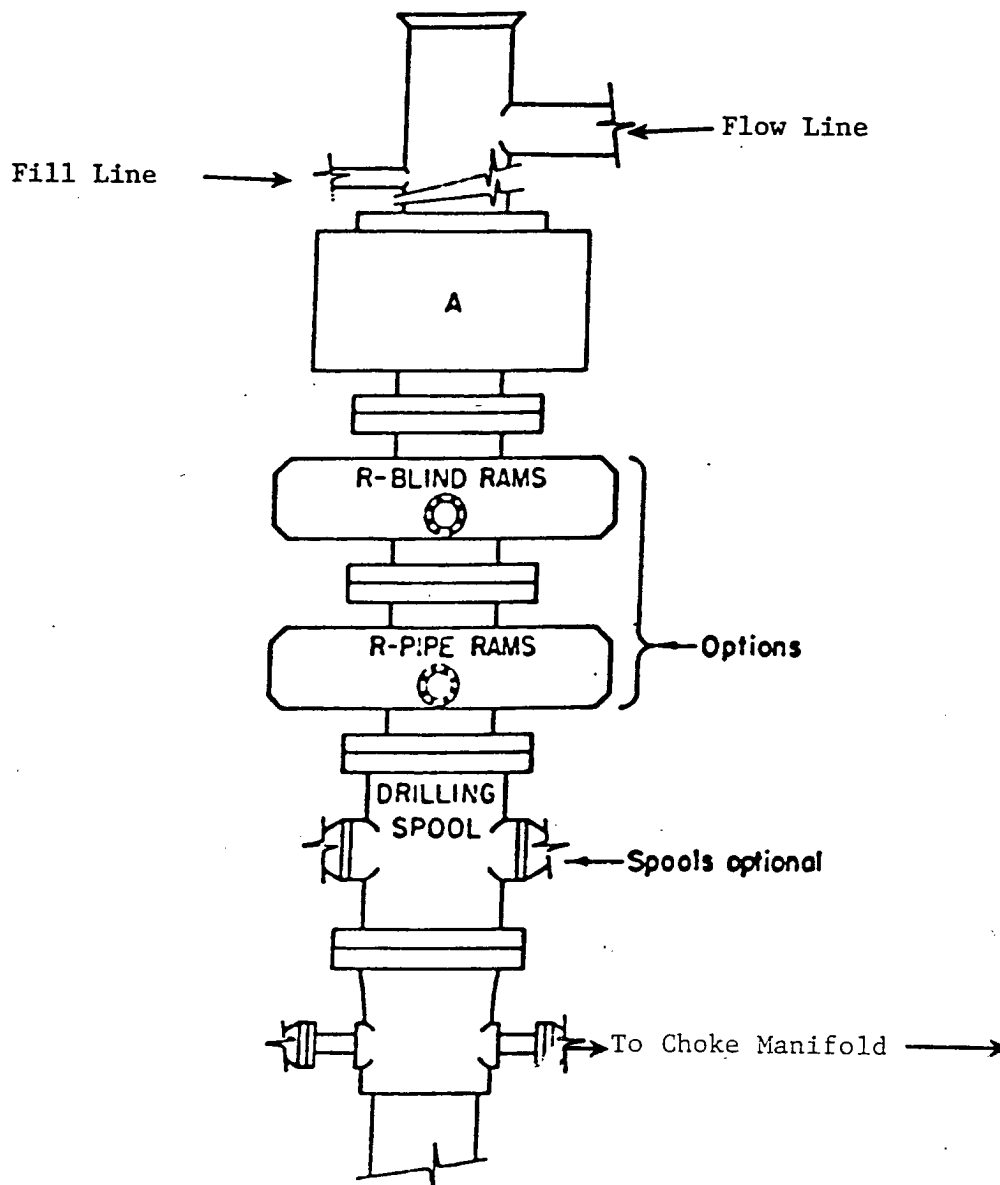


EXHIBIT "D"  
RIG LAY OUT PLAT

PURE RESOURCES, L.P.  
CR "8" FEDERAL # 2  
UNIT "B" SECTION 8  
T24S-R35E LEA CO. NM



### ARRANGEMENT SRRA

1500 Series  
5000# Working Pressure

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

PURE RESOURCES, L.P.  
CR "8" FEDERAL # 2  
UNIT "B" SECTION 8  
T24S-R35E LEA CO. NM

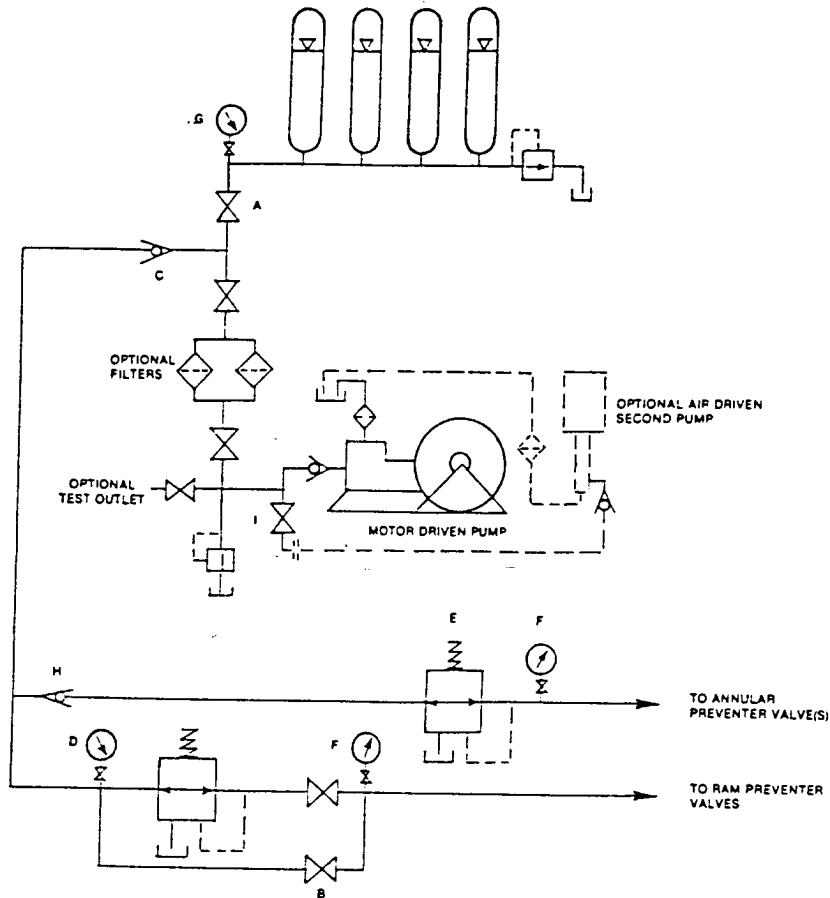


FIGURE K6-1. The schematic sketch of an accumulator system shows required and optional components.

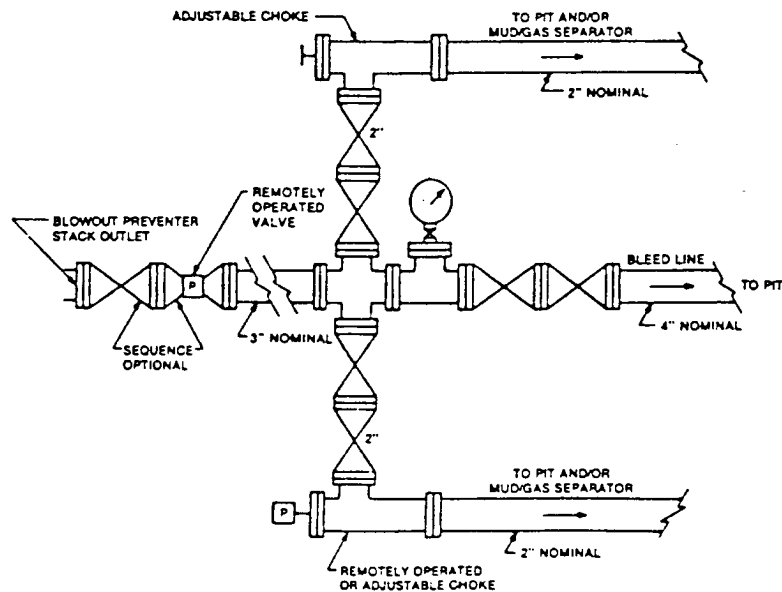


FIGURE K4-2. Typical choke manifold assembly for 5M rated working pressure service — surface installation.

EXHIBIT "E-1"  
CHOKE MANIFOLD & CLOSING UNIT

PURE RESOURCES, L.P.  
CR "8" FEDERAL # 2  
UNIT "B" SECTION 8  
T24S-R35E 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 ☐ No ☐

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

Operator: **PURE RESOURCES, L.P.** Telephone: **432-498-2655** e-mail address: \_\_\_\_\_  
Address: **500 WEST ILLINOIS AVE. MIDLAND, TEXAS 79701**  
Facility or well name: **CR "8" FEDERAL** API # **30-025-37047** U/L or Qtr/Qtr **B** Sec **8** T **24S** R **35E**  
County: **LEA** Latitude **32°14'11.4"** Longitude **104°23'05.4"** NAD: 1927 ☐ 1983 ☐ Surface Owner Federal ☒ State ☐ Private ☐ Indian ☐

**Pit**

Type: Drilling ☒ Production ☐ Disposal ☐

Workover ☐ Emergency ☐

Lined ☒ Unlined ☐

Liner type: Synthetic ☐ Thickness **12** mil Clay ☐

Pit Volume **15M** 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.) **300'**

Less than 50 feet

(20 points)

50 feet or more, but less than 100 feet

(10 points)

100 feet or more **X**

( 0 points)

0

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 **X**

( 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

(20 points)

200 feet or more, but less than 1000 feet

(10 points)

1000 feet or more **X**

( 0 points)

0

**Ranking Score (Total Points)**

**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 ☒, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Date: **01/05/05**

Printed Name/Title **Agent**

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.

Approval:

Printed Name/Title

**PETROLEUM ENGINEER**

Signature *[Signature]*

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

**JAN 13 2005**