

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NM-95641
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 Ray Westall 18862		7. If Unit or CA Agreement, Name and No.
3a. Address Box 4, Loco Hills, NM 88255		8. Lease Name and Well No. Lusk 8 Federal #1 34823
3b. Phone No. (include area code) 505.677.2370		9. API Well No. 30-025-3725
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 1980' FNL & 1980' FWL At proposed prod. zone same 'F'		10. Field and Pool, or Exploratory Lusk Bone Springs 41440
14. Distance in miles and direction from nearest town or post office* 18 miles SW Loco Hills, NM		11. Sec., T. R. M. or Blk. and Survey or Area Sec. 8, T19S-R32E
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 660'	16. No. of acres in lease 160	12. County or Parish L & A
17. Spacing Unit dedicated to this well 40	18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	13. State NM
19. Proposed Depth 9500'	20. BLM/BIA Bond No. on file NM0322	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3627.7 GL	22. Approximate date work will start* 07/01/2005	23. Estimated duration 14 days

24. Attachments

Capitan Controlled Water Basin

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature 	Name (Printed/Typed) Randall L Harris	Date 03/03/2005
Approved by (Signature) /s/ Joe G. Lara	Name (Printed/Typed) /s/ Joe G. Lara	Date MAY 17 2005
Title FIELD MANAGER	Office CARLSBAD FIELD OFFICE	

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

APPROVAL FOR 1 YEAR

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 page 2)

DECLARED WATER BASIN
CEMENT BEHIND THE 13 3/8
CASING MUST BE CIRCULATED

WITNESS

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Bruma Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30.025		2 Pool Code 41440		3 Pool Name Lusk; Bone Spring	
4 Property Code 34823		5 Property Name Lusk 8 Federal			6 Well Number 1
7 OGRID No. 18862		8 Operator Name Ray Westall Operator			9 Elevation 3627.7

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	8	19 S	32 E		1980	North	1980	West	Lea

11 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

12 Dedicated Acres 40	13 Joint or Infill	14 Consolidation Code	15 Order No.
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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>16</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature: <i>[Signature]</i> Printed Name: <i>Ray Westall</i> Title: <i>Operator</i> Date: <i>3/8/05</i></p>
	<p>18 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>February 23, 2005</p> <p>Date of Survey: <i>February 23, 2005</i> Signature and Seal of Professional Surveyor: <i>[Signature]</i> Certifying Number: <i>8112</i></p>

Attached to Form 3160-3
Ray Westall
Lusk 8 Federal No.1
1980' FNL & 1980' FWL
Section 8-19S-32E
Lea County, New Mexico

- ## Permian

- | | | | |
|--------------|---------|--------------|------|
| Permian | Surface | Delaware | 5300 |
| Rustler | 850 | Bone Springs | 6940 |
| Yates | 2630 | | |
| Seven Rivers | 2850 | | |

- | | | |
|-------------|-----|------|
| Yates | Oil | 2630 |
| Delaware | Oil | 5300 |
| BoneSprings | Oil | 6490 |

insurable
8 casing and

- | Hole Size | Interval | OD Casing | Wt. | Grade | Type |
|-----------|-----------------------|-----------|-----|-------|------|
| 17 1/2" | 0-900' <i>975'</i> | 13 3/8" | 48# | H-40 | STC |
| 12 1/4" | <i>975'</i> 900-4100' | 8 5/8" | 32# | J-55 | STC |
| 7 7/8" | 4500-9500' | 5 1/2" | 17# | J-55 | LTC |

Cement Program:

- 13 3/8 Surface Casing: Cemented to surface with 450 sx of Class C w/2% cc.
- 8 5/8 Intermediate Casing: Cemented to surface with 2200 sx of Class C w/2% cc.
- 5 1/2 Production Casing: Cemented sufficient to cover 200' above all oil and horizons.

5. Minimum Specifications for Pressure Control:

The blowout preventer equipment (BOP) will consist of a double ram-type preventer. The unit will be hydraulically operated and will be equipped with blind rams and 5 1/2" drill pipe rams. A 3000 psi WP BOP will be installed on the 13 3/8" casing and tested per order #2 to 70% of casing burst. As per BLM Drilling Operations Order #2, prior to drilling out the 8 5/8" casing shoe, the BOP will be tested.

Pipe rams will be operationally checked each 24 hour period and each time the drill pipe is out of the hole. These functional tests will be documented on the daily drillers log. A 2" kill line and choke line will be incorporated in the drilling spool below the ram type BOP. Other accessory BOP equipment will include a Kelly cock, floor safety valve, choke lines and choke manifold having 5000 psi WP rating.

6. Types and Characteristics of the Proposed Mud System:

Depth	Type	Weight	Viscosity	Waterloss
0- 900 ⁵⁵⁵ 975'	Fresh Water	8.5	28	N.C.
^{975'} 900 -4100	(Spud) Brine	9.8-10.2	28-36	N.C.
4500-TD	Cut Brine	8.6-9.4	28-36	N.C.

7. Auxiliary Well control and Monitoring Equipment:

- A. A kelly cock will be kept in the drill string at all times.

8. Logging, Testing, and Coring Program:

- A. There will be no DST's



B. The electric logging program will consist of Dual Laterolog Micro S.L., and Neutron Density Log.

C. No conventional coring is anticipated.

D. Further testing procedures will be determined after the 5 ½" production casing has been cemented at TD based on drill shows, and log evaluation, and drill stem test results.

9. Abnormal Conditions, Pressures, Temperatures, and Potential Hazards:

No abnormal pressures or temperatures are anticipated. The estimated bottom hole temperature (BHT) at TD is 135 and estimated bottom hole pressure (BHP) is 3700 psig.

10. Anticipated Starting Date and Duration of Operations:

Location and road work will not begin until approval has been received from the BLM. Once commenced, the drilling operation should be finished in approximately 15 days. If the well is productive, an additional 30 days will be required for completion and testing before a decision is made to install permanent facilities.



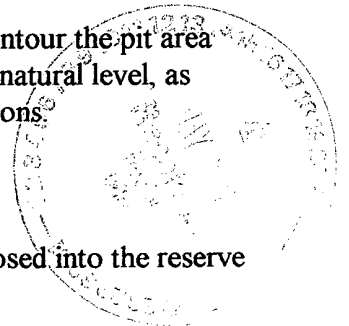
SURFACE USE AND OPERATING PLAN

Attached to form 3160-3

Ray Westall

Lusk 8 Federal #1

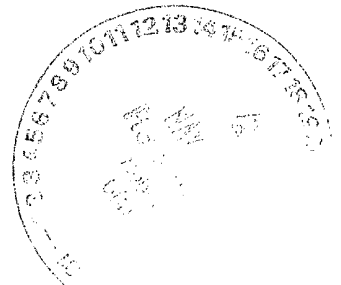
1. Existing Roads:
 - A. All roads to the location are shown in Exhibit #2. The existing roads are illustrated in read and are adequate for travel during drilling and production operations. Upgrading of the road prior to drilling will be done where necessary as determined during the onsite inspection.
 - B. Directions to location: From Loco Hills proceed east on US 82 5.6 miles to state road 529. Proceed southeast on NM 529 7.0 miles. Turn south on Lea county road #126(Malजार Road) and proceed south 9 miles. Turn east on lease road and proceed for .75 miles.
 - C. Routine grading and maintenance of existing roads will be conducted as necessary to maintain their condition as long as any operations continue on this lease.
2. Proposed Access Road: No additional road will be necessary.
3. Location of Existing and/or Purposed Facilities:
 - A. Ray Westall will construct facilities on well pad if well is productive.
 - B. If the well is productive, rehabilitation plans are as follows:
 1. The reserve pit will be back-filled after the contents of the pit are dry (within 10 months after the well is completed)
 2. Topsoil removed from the drill site will be used to recontour the pit area and any unused portions of the drill pad to the original natural level, as nearly as possible, and reseeded as per BLM specifications.
4. Methods of Handling Water Disposal:
 - A. Drill cuttings not retained for evaluation purposes will be disposed into the reserve pit.



- B. Drilling fluids will be contained in lined working pits. The reserve pit will contain any excess drilling fluid or flow from the well during drilling, cementing, and completion operations. The reserve pit will be an earthen pit, approximately 100' x 50' x 6' deep. The reserve pit will be plastic-lined to minimize loss of drilling fluids and saturation of the ground with brine water.
 - C. Water produced from the well during completion may be disposed into the reserve pit.
 - D. Garbage and trash produced during drilling or completion operations will be hauled off. All waste material will be contained to prevent scattering by the wind. All water and fluids will be disposed of into the reserve pit. Salts and other chemicals produced during drilling or testing will be disposed into the reserve pit. No toxic waste or hazardous chemicals will be produced by this operation.
 - E. After the rig is moved out and the well is either completed or abandoned, all waste materials will be cleaned up within 30 days. No adverse materials will be left on location.
 - F. The reserve pit will be completely fenced until it has dried. When the reserve pit is dry enough to breakout and fill, the reserve pit will be leveled and reseeded as per BLM specifications. In the event of a dry hole, the location will be ripped and seeded, as per BLM specifications, and a dry hole marker will remain.
5. Well Site Layout:
- A. The drill pad layout, is shown in Exhibit #3. Dimensions of the pad and pits are shown. Top soil, if available, will be stockpiled per BLM specifications as determined at the on-site inspection.
 - B. The reserve pit will be lined with a high-quality plastic sheeting.

6. Surface Ownership:

The wellsite and lease is located on Federal Surface.



7. Lessee's and Operator's Representative:

The Ray Westall representative responsible for assuring compliance with the surface use plan is as follows:


Ray Westall
P.O. Box 4
Loco Hills, New Mexico 88255
Phone: 505.677.2370 (office)
505.885.3674 (home)



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 currently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed by Ray Westall and its contractors and subcontractors in conformity with this plan and the provision of 18 U.S.C. 1001 for the filing of a false statement.

Date: 3/8/05

Signed: 
Randall L. Harris



STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described below:

Date: March 7, 2005


Lease # NM95641
Lusk 8 Federal

Legal Description: NW/4 Sec. 8-T19S-R32E
Lea County, New Mexico

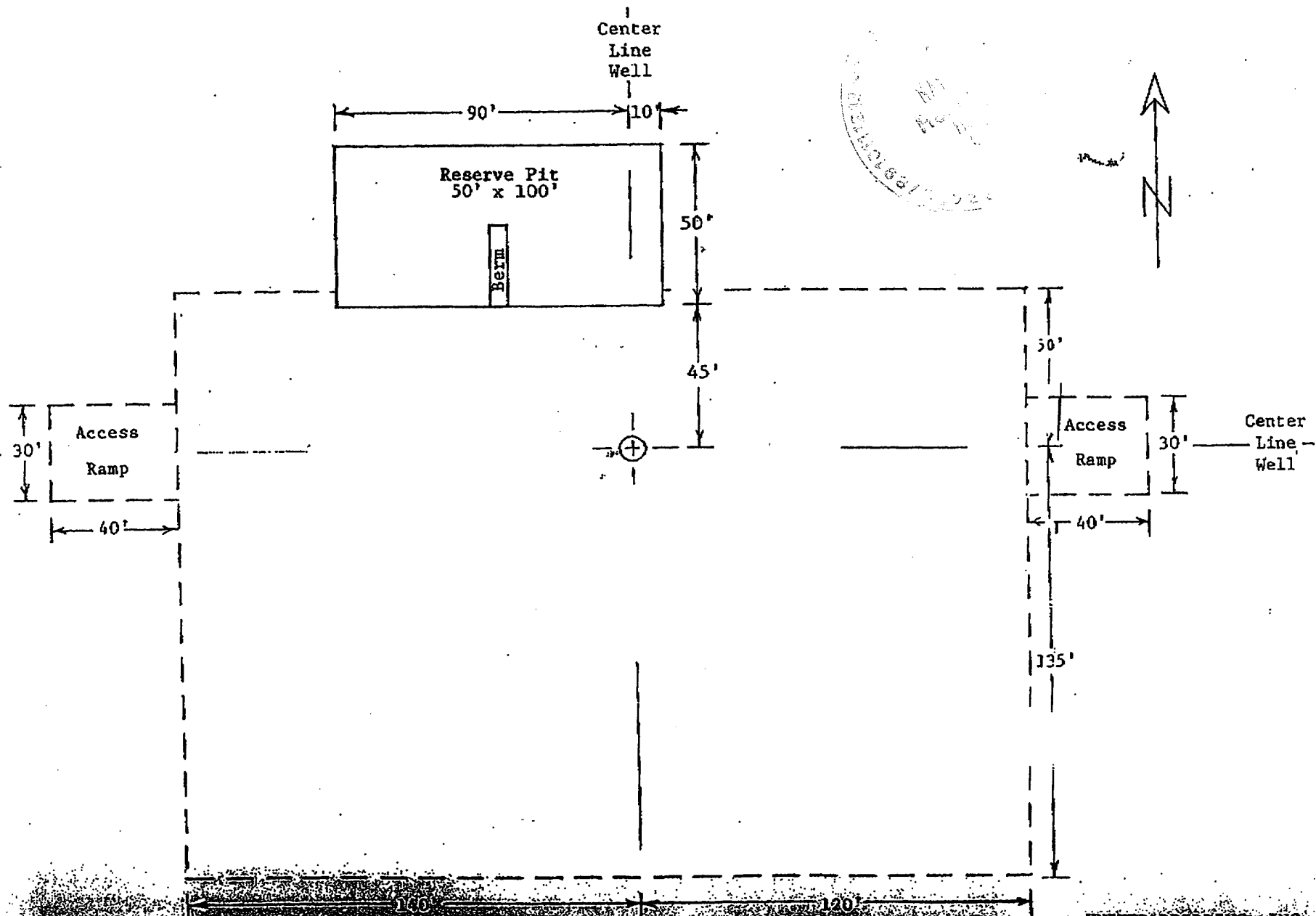
Formations(s): Lusk Bone Springs

Bond Coverage: Statewide

BLM Bond File #: NM0322


Randall L. Harris
Geologist





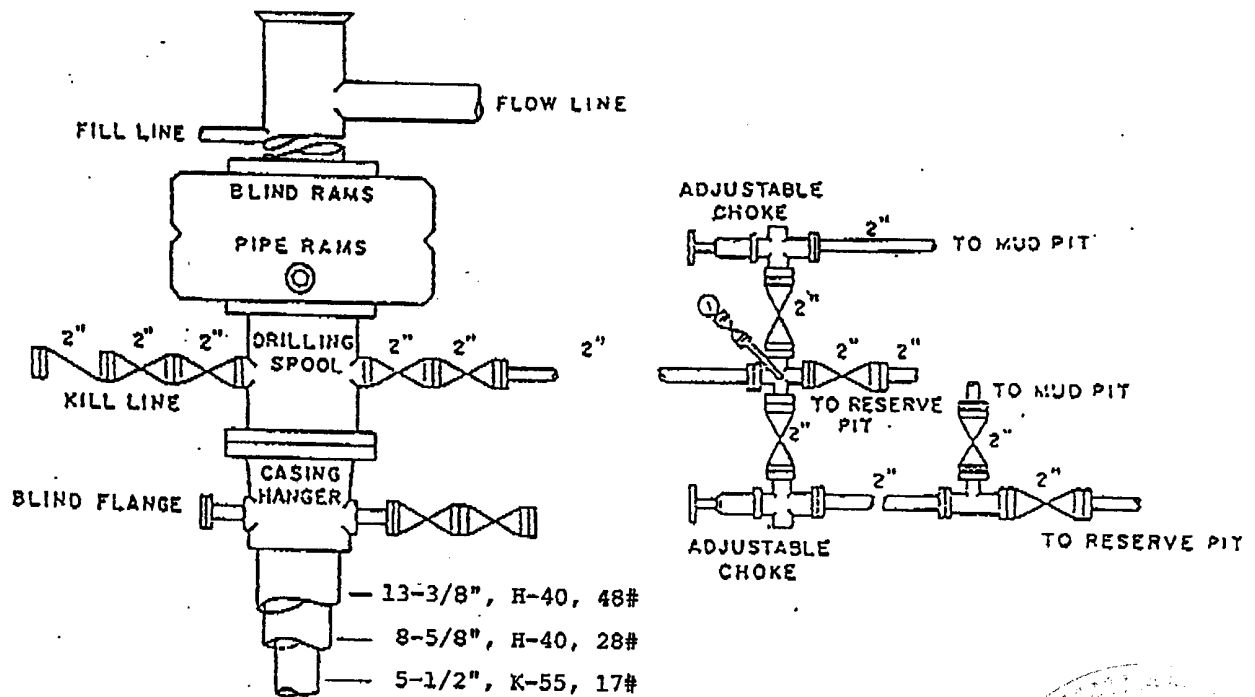
UNITED DRILLING INC.

LOCATION PLAN

FIG. 2

Scale: 1"=40' 1-15-92

Rig 5



BOP DIAGRAM

3000# Working Pressure
Rams Operated Daily

EXHIBIT D

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

For drilling and production facilities, submit to appropriate NMOC 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: RAY WESTALL Telephone: 505 677 2370 e-mail address: r.harris@nm.net
Address: Box 4 Loco Hills NM 88255
Facility or well name: Lusk "B" FEO #1 API #: 30-025-3725 U/L or Qtr/Qtr F Sec 8 T 19S R 32E
County: LEA Latitude _____ Longitude _____ NAD: 1927 ☐ 1983 ☐
Surface Owner: Federal ☒ State ☐ Private ☐ Indian ☐

Pit Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input checked="" type="checkbox"/> Thickness <u>12</u> mil Clay <input type="checkbox"/> Pit Volume <u>5400</u> bbl		Below-grade tank Volume: _____ bbl Type of fluid: _____ Construction material: _____ Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not: _____	
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)	Less than 50 feet	(20 points)	
	50 feet or more, but less than 100 feet	(10 points)	<u>0</u>
	100 feet or more	(0 points)	
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)	<u>0</u>
	No	(0 points)	
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)	<u>0</u>
	1000 feet or more	(0 points)	
Ranking Score (Total Points)			<u>0</u>

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 you 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 NMOC District guidelines ☐, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Date: 5/19/05
Printed Name/Title: RANDALL HARRIS Signature: _____

Your certification and NMOC District 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: MAY 20 2005
Printed Name/Title: _____

ORIGINAL SIGNED BY
PAUL F. KAUTZ
Signature: _____
PETROLEUM ENGINEER

Date: MAY 20 2005