

OCD-HOBBS

Form 3160-3  
(April 2004)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED  
OMB No 1004-0137  
Expires March 31, 2007

5 Lease Serial No. **LC-032233 A** **BA**

6 If Indian, Allottee or Tribe Name

1a. Type of work: ☒ DRILL ☐ REENTER

1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone

2 Name of Operator  
Texland Petroleum-Hobbs, LLC

3a. Address 777 Main Street, Suite 3200  
Fort Worth, Texas 76020

3b. Phone No. (include area code)  
817-336-2751

4. Location of Well (Report location clearly and in accordance with any State requirements\*)  
At surface 1294' FSL & 533' FEL, Unit P  
At proposed prod. zone same

UNORTHODOX  
LOCATION

7 If Unit or CA Agreement, Name and No.

8. Lease Name and Well No.  
Bowers "A" Federal #41 <25070>

9. API Well No.  
30-025- 30750

10. Field and Pool, or Exploratory  
Hobbs, Blinbry

11. Sec., T. R. M. or Blk. and Survey or Area  
Sec. 30, T18S, R38E

14 Distance in miles and direction from nearest town or post office\*  
approx 2 miles west of Hobbs, New Mexico

12. County or Parish  
Lea County

13. State  
NM

15. Distance from proposed\*  
location to nearest  
property or lease line, ft.  
(Also to nearest drig. unit line, if any) 127'

16. No. of acres in lease  
300

17. Spacing Unit dedicated to this well  
40

18. Distance from proposed location\*  
to nearest well, drilling, completed,  
applied for, on this lease, ft. 372'

19. Proposed Depth  
6070'

20 BLM/BIA Bond No. on file NM 2754  
588064 DOLED BA

21. Elevations (Show whether DF, KDB, RT, GL, etc.)  
3646' GL

22. Approximate date work will start\*  
ASAP

23. Estimated duration  
20 days

24. Attachments

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

1. Well plat certified by a registered surveyor.

2. A Drilling Plan.

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).

4 Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).

5. Operator certification

6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature

Vickie Smith

Name (Printed/Typed)

Vickie Smith

Date

02/28/2008

Title

Regulatory Analyst

Approved by (Signature)

/s/ Don Peterson

Name (Printed/Typed)

/s/ Don Peterson

Date

APR 11 2008

Title

FOR 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 TWO YEARS

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)

LEA COUNTY CONTROLLED WATER BASIN

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

RECEIVED

APR 16 2008

HOBBS OCD

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS  
AND SPECIAL STIPULATIONS  
ATTACHED

**TEXLAND PETROLEUM, L.P.**

EXPLORATION AND PRODUCTION

777 MAIN STREET, SUITE 3200

FORT WORTH, TEXAS 76102

(817) 336 2761

March 18, 2008

Ms. Tessa Cisnersos / Mr. Don Peterson  
Bureau of Land Management  
620 East Green Street  
Carlsbad, New Mexico 88220

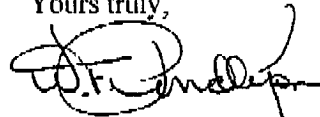
Re: Notice of Surface Use Agreement  
SE/4 Sec. 30, T18S R38E  
Bowers 'A' Federal #41 Well  
Lea County, New Mexico

Gentlemen:

In regard to Texland's proposed drilling of the Bowers' A' Federal #41 well on the captioned land, please be advised that Texland previously entered into a Surface Use Agreement with the surface owner. Our agreement with the surface owner provides for compensation for damages and other measures to limit injury to the surface owner's property.

If you have specific questions regarding our Surface Use Agreement, please call or write.

Yours truly,



W. Frank Pendleton  
Manager, Land and Legal

WFP/mn

minK \MyFiles-2008-legal\MyFiles-2008\01-27-08\blm-bowers 'a' fed 41 wpd

PSOA  
Address and phone  
on Surface Use Plan  
#11.

United States Department of the Interior  
Bureau of Land Management  
Carlsbad District  
620 East Greene Street  
Carlsbad, New Mexico 88220

RE: Bowers "A" Federal #41  
Sec. 30, T18S, R38E  
Lea County, New Mexico

**STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS**

**OPERATOR NAME:** Texland Petroleum-Hobbs, LLC  
**ADDRESS:** 777 Main Street, Suite 3200  
Fort Worth, Texas 76102

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

**LEASE NO:** USA LC-032233

**LEGAL DESCRIPTION:** SE/4 of Sec. 30, T18S, R38E, N.M.P.M.  
Lea County, New Mexico

**FORMATIONS:** All depths, except the San Andres  
formation, and from the surface to the  
base of the Oglala.

**BOND COVERAGE:** State of New Mexico

**BLM BOND FILE NO:** #588064 DOC ID  
BOND # NM2754  
Texland Petroleum-Hobbs, LLP

**AUTHORIZED SIGNATURE:**

by:   
Greg Mendenhall

**TITLE:** Drilling and Production Manager  
**DATE:** February 28, 2008

*TEXLAND PETROLEUM, L.P.*

EXPLORATION AND PRODUCTION

777 MAIN STREET, SUITE 3200

FORT WORTH, TEXAS 76102

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(817) 336-2751

March 31, 2008

Bureau of Land Management  
Carlsbad District  
Attn: Martin Stein/Tessa Cisneros  
620 East Greene Street  
Carlsbad, New Mexico 88220

Re: **Bowers "A" Federal #41**  
**Sec. 30, T18S, R38E**  
**Lea County, New Mexico**

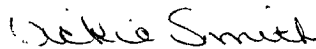
To Whom It May Concern:

Per my conversation with Archaeological Survey Consultants, the above captioned well does not need an archaeological survey. The well pad area is covered by current Block Area Survey #02-602, dated 2002.

Please attach this notice to the previously submitted APD dated 2/28/08, under "Multi-Point Surface Use & Operations Plan", #12. F.

If you have any questions or need further information, please do not hesitate to give me a call.

Sincerely,



Vickie Smith  
Regulatory Analyst

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 October 12, 2005  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

EXHIBIT "A"

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025 - 39750	Pool Code 31680	Pool Name Hobbs, <sup>Upper</sup> Blinebry
Property Code 025070	Property Name BOWERS A FEDERAL	Well Number 41
OGRID No. 113315	Operator Name TEXLAND PETROLEUM-Hobbs, LLC	Elevation 3646'

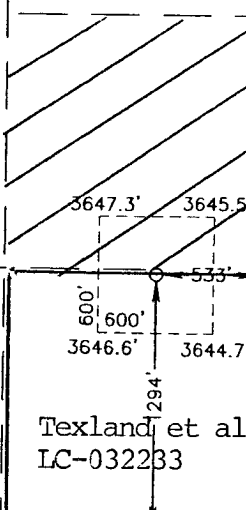
Surface Location

UL or lot No. P	Section 30	Township 18-S	Range 38-E	Lot Idn	Feet from the 1294	North/South line SOUTH	Feet from the 533	East/West line EAST	County LEA
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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 40	Joint or Infill	Consolidation Code	Order No. NSL-5802						

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

GEODETTIC COORDINATES NAD 27 NME  Y=625583.1 N X=854586.9 E  LAT.=32.714524° N LONG.=103.180488° W			
			

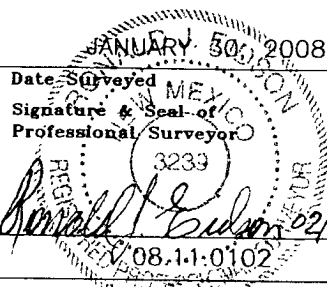
OPERATOR CERTIFICATION

I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Vickie Smith  
Signature Date  
Vickie Smith 2/28/08  
Printed Name

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

  
Date Surveyed  
Signature & Seal of Professional Surveyor  
Certificate No. GARY EIDSON 12641

### Attachment 3160-3

Texland Petroleum-Hobbs, LLC

Bowers "A" Federal #41

1294' FSL & 533' FEL, Sec. 30, T18S, R38E, Lea County, New Mexico

Federal Lease No. LC-032233

**PROPOSED TD:** 6070' TVD

**BOP PROGRAM:** 0 - 1530' None  
1530' - 6070' 11" 3 M Double Ram BOP, Pressure test prior to drill out, and function test one (1) every 24 hrs.  
See **Exhibit "E"** for BOP design.

#### CASING:

Surface: 12 1/4" hole, 8 5/8" 24# J-55 ST&C new csg w/2.2 collapse design, 4.7 burst design, & 4.7 tension design safety factors, Set @ 1530',

Production: 7 7/8" hole, 5 1/2" 15.5# & 17# ~~N80~~ LT&C new csg w/1.4 collapse design, 3.7 burst design & 2.9 tension design safety factors, Set @ 6070'

#### CEMENT:

Surface: Circ cmt w/550 sks 35:65:6 Poz C gel w/3% salt (12.6 ppg, 1.95 yd), followed w/250 sks Cl "C" (14.8 ppg, 1.34 yd)  
Production: Cmt w/750 sks Cl H w/2% salt (15.6 ppg, 1.19 yd), follow w/1100 sks 50:50 Poz C w/8% salt (11.9 ppg, 2.42 yd)  
Est TOC @ surface

#### MUD:

0 - 1530' Drill w/FW for native vis & paper, 8.33 MW, Temp @ 78 deg F, Pressure @ 795#  
1530' - 6070' Drill out w/brine wtr, circ through the reserve pit, use caustic soda for ph control, 10.3 MW, Temp @ 110 deg F, Pressure @ 3250#

*per operator*

*15.5 J-55 LTC/STC  
0-3925*

*17# J-55 LTC/STC  
3925-4635*

*15.5# J-55 LTC/STC 4635-6070*

February 28, 2008

United States Dept. of Interior  
Bureau of Land Management  
Carlsbad District Office  
620 East Greene Street  
Carlsbad, New Mexico

Re: Application for Permit to Drill  
Texland Petroleum - Hobbs L.L.C.  
Bowers "A" Federal #41  
Lea County, New Mexico  
Lease No. LC-032233

Gentlemen:

Texland Petroleum - Hobbs, L.L.C respectfully requests permission to drill our Bowers "A" Federal #41, located 1294' FSL & 533' FEL of Sec. 30, T-18-S, R-38-E, Lea County, New Mexico, Federal Lease No. LC-032233. The proposed well will be drilled to a TD of approximately 6070' (TVD). The location and work area has been staked. It is approximately 2 miles west of Hobbs, New Mexico.

In accordance with requirements stipulated in Federal Onshore Oil & Gas Order No. 1 under 43 CFR 3162.1, our Application for Permission to Drill and supporting evidence is hereby submitted.

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***Application for Permit to Drill: DRILLING PROGRAM***

1. Form 3160.3, Application for Permit to Drill
2. Form C-102 location & acreage dedication plat certified by Ronald Eidson, Registered Land Surveyor No. 3239, in State of New Mexico dated January 30, 2008.
3. Elevation of the unprepared ground is 3646' above sea level.
4. Geologic name of surface formation is Tertiary.
5. Rotary drilling equipment will be utilized to drill the well to TD 6070' (TVD), and run casing. This equipment will then be rigged down and the well will be completed with a well servicing unit.
6. Proposed total depth is 6070' TVD.

7. Estimated tops of important geologic markers.

Rustler 2080' TVD  
Yates 3250' TVD  
San Andres 3950' TVD  
Blinebry 5750' TVD

8. Estimated depths at which anticipated water, oil, gas or other mineral bearing formations are expected to be encountered:

Primary objective: Blinebry 5750' TVD — 016

9. The proposed casing program is as follows:

Surface: 12 1/4" hole, 8 5/8" 24# J-55 ST&C new csg w/2.2 collapse design, 4.7 burst design & 4.7 tension design safety factors, Set @ 1530'  
Production: 7 7/8" hole, 5 1/2" 15.5# & 17# N80 LT&C new csg w/1.4 collapse design, 3.7 burst design & 2.9 tension design safety factors, Set @ 6070'

10. Casing setting depth and cementing program:

Surface: Circ cmt w/550 sks 35:65:6 Poz C gel w/3% salt (12.6 ppg, 1.95 yd), followed by 250 sks Cl "C" (14.8 ppg, 1.34 yd)

If cement does not circulate, a temperature survey will be run to find the TOC and then finish cementing to surface through 1" using Class C with 2% CaC12.

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Production: Cmt w/750 sks Cl-H w/2% salt (15.6 ppg, 1.19 yd), follow w/1100 sks 50:50 Poz C w/8% salt (11.9 ppg, 2.42 yd)

Estimated top of cement is surface.

Note: Cement volumes will be adjusted based on experience and fluid caliper

11. Pressure Control Equipment

0 - 1530' None

1530' - 6070' 11" 3M Hydraulically Actuated Double Ram BOP with blind rams and one set pipe rams and a choke Manifold and accumulator with remote operating station. Pressure test prior to drill out and function test one (1) every 24 hrs. See **Exhibit "E"** for BOP diagram.



After setting the 8-5/8" casing, the blowout preventer and related control equipment shall be pressure tested to 1000 psi. Any equipment failing to test satisfactorily shall be repaired or replaced. Results of the BOP test will be recorded in the Driller's Log The BOP will be maintained ready for use until drilling operations are completed.

See  
CWA

BOP drills will be conducted as necessary to assure that equipment is operational and each crew is properly trained to carry out emergency duties.

Accumulator shall maintain a pressure capacity reserve at all times to provide for the close-open-close sequence of the blind and pipe rams of the hydraulic preventers.

12. Mud Program:

0 - 1530' Drill w/FW for native vis & paper, 8.33 MW, Temp @ 83 deg F, Pressure @ 795#

1530' - 6070' Drill out w/brine wtr, circ through the reserve pit, use caustic soda for ph control, 10.3 MW, Temp @ 110 deg F, Pressure @ 3250#

13. Testing, logging and Coring Program:

Logging Program: Cased hole - GR/CLL/Neutron

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No abnormal temperatures or pressures anticipated. Estimated BHP 2598 psi, and estimated BHT 110 deg. H2S detection and monitoring equipment will be installed and will be in compliance with NMOCD. Contingency Plan is attached.

15. Anticipated starting date is ASAP. It should take approximately 20 days to drill the well and another 15 days to complete.

16. The multi-point surface use & operation plan is attached.

If the Bureau of Land Management needs additional information to evaluate this application, please advise.

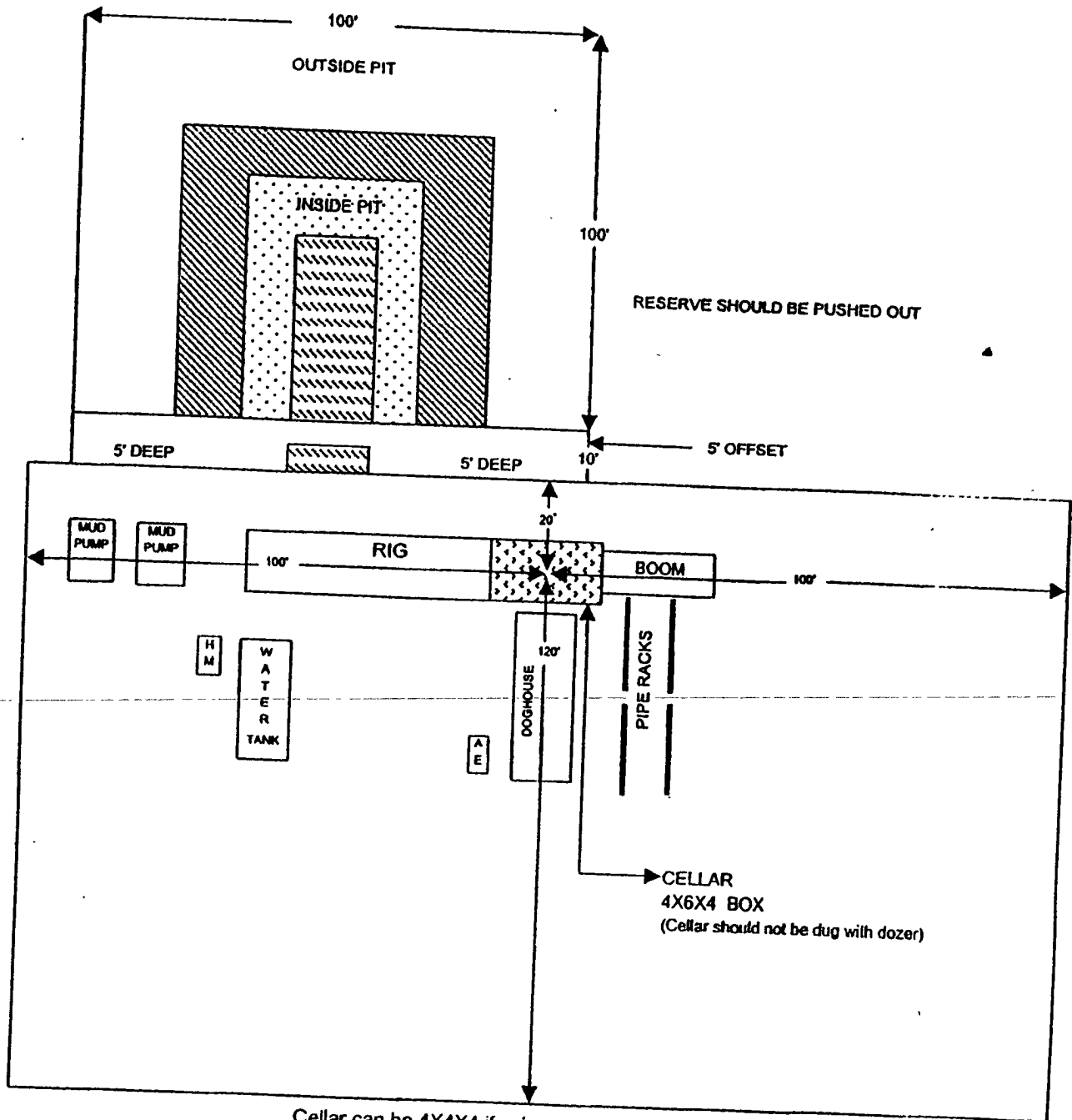
Sincerely,

*Vickie Smith*

Vickie Smith  
Regulatory Analyst

CapStar Drilling, Inc.  
LOCATION SPECIFICATIONS AND RIG LAYOUT  
FOR EARTH PITS

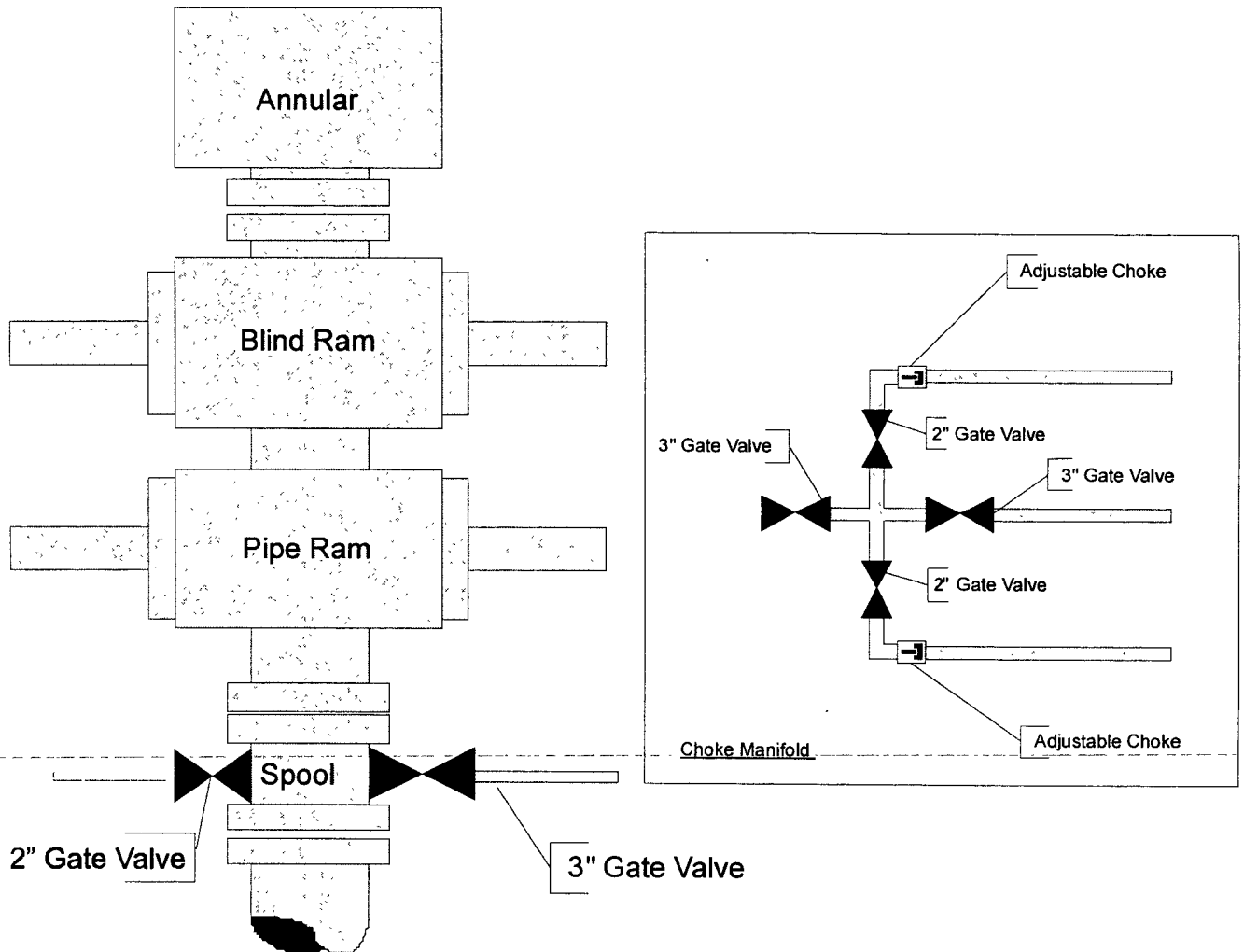
EXHIBIT "F"



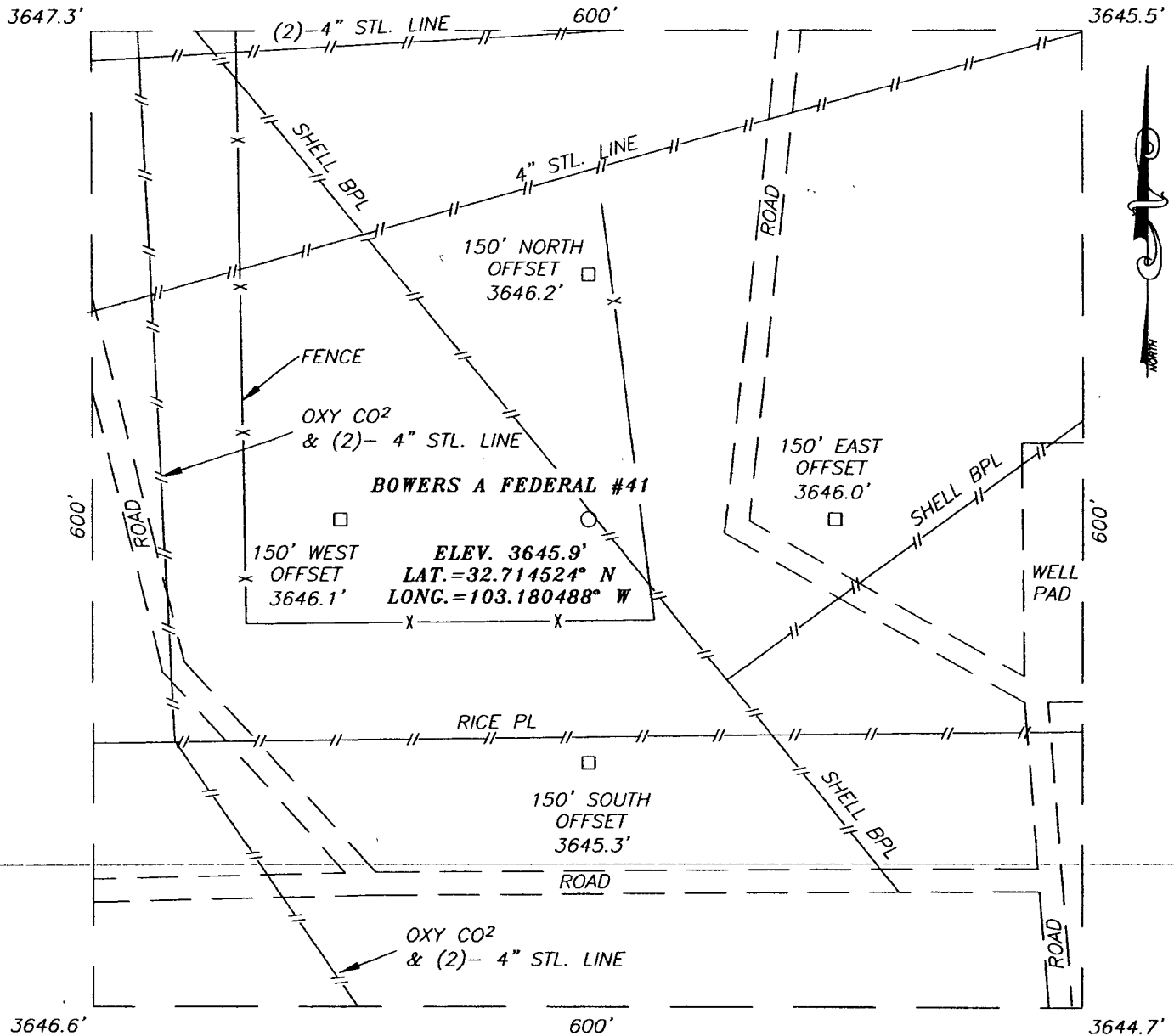
Cellar can be 4X4X4 if using a screw-on wellhead  
Working Pits dug 5' below ground level

3000psi -  
BOPE

EXHIBIT "E"

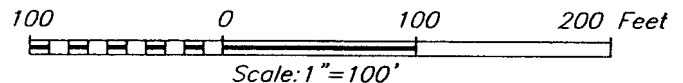


**SECTION 30, TOWNSHIP 18 SOUTH, RANGE 38 EAST, N.M.P.M.,**  
**LEA COUNTY, NEW MEXICO**



**DIRECTIONS TO LOCATION**

FROM THE INTERSECTION OF WEST CO. RD. AND SANGER ST., GO WEST ON CALICHE LEASE RD. 0.2 MILES. TURN RIGHT AND GO NORTHWEST 0.05 MILES. VEER RIGHT AT OXY INJECTION WELL AND GO NORTH 0.2 MILES. TURN LEFT AT "Y" AND GO NORTHWEST 0.1 MILES. VEER RIGHT AT FENCED YARD. THIS LOCATION IS WEST 70' INSIDE FENCED AREA.



**TEXLAND PETROLEUM, LP**

**BOWERS A FEDERAL #41 WELL**  
 LOCATED 1294 FEET FROM THE SOUTH LINE  
 AND 533 FEET FROM THE EAST LINE OF SECTION 30,  
 TOWNSHIP 18 SOUTH, RANGE 38 EAST, N.M.P.M.,  
 LEA COUNTY, NEW MEXICO.

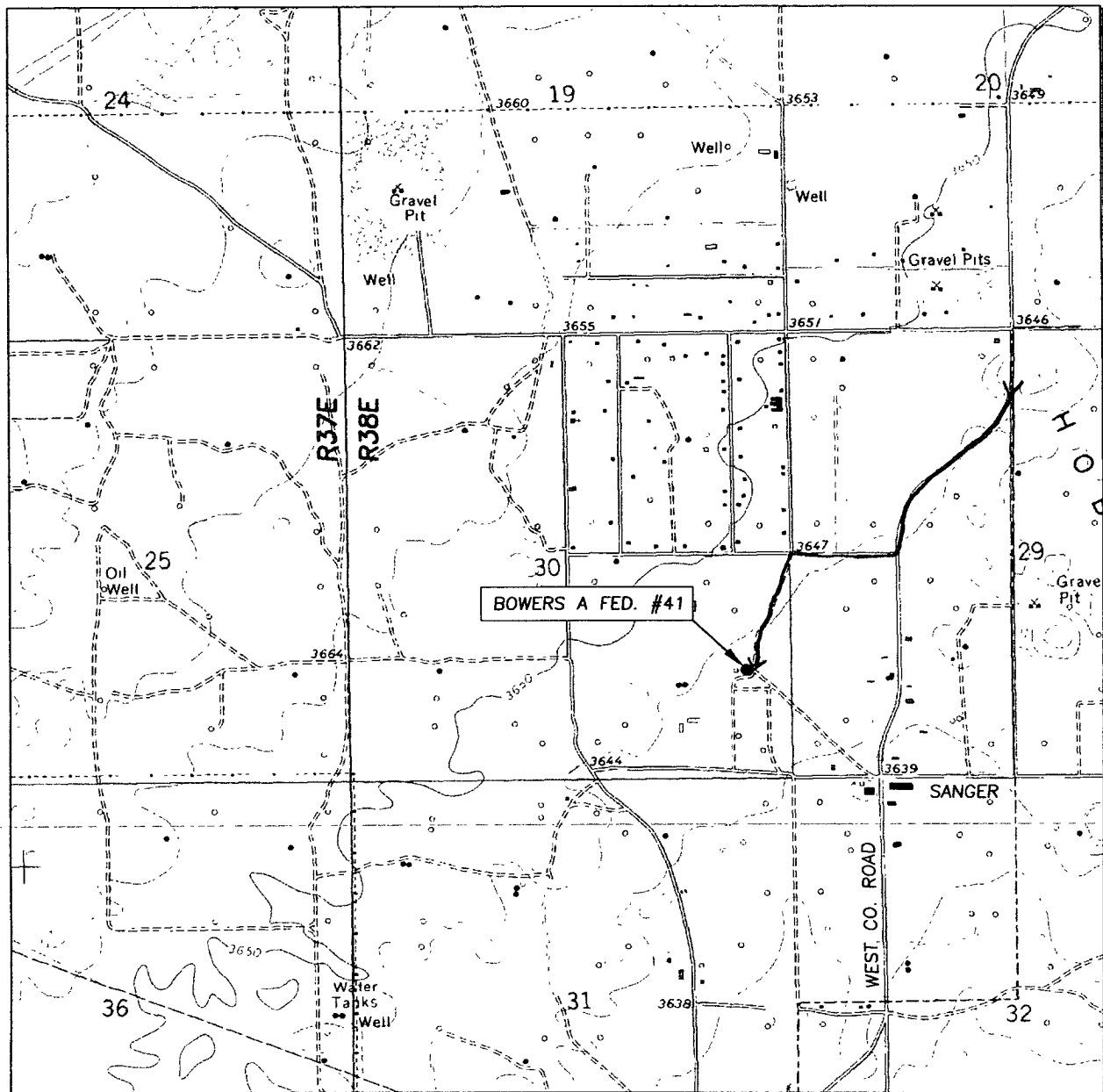
Survey Date: 01/30/08	Sheet 1 of 1 Sheets
W.O. Number: 08.11.0102	Dr By: SW
Date: 02/04/08	08.11.0102
	Scale: 1"=100'



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

# LOCATION VERIFICATION MAP

EXHIBIT "C"



SCALE: 1" = 2000'

CONTOUR INTERVAL:  
HOBBS WEST, N.M. - 5'

SEC. 30 TWP. 18-S RGE. 38-E

SURVEY N.M.P.M.

COUNTY LEA STATE NEW MEXICO

DESCRIPTION 1294' FSL & 533' FEL

ELEVATION 3646'

OPERATOR TEXLAND PETROLEUM, LP

LEASE BOWERS A FEDERAL #41

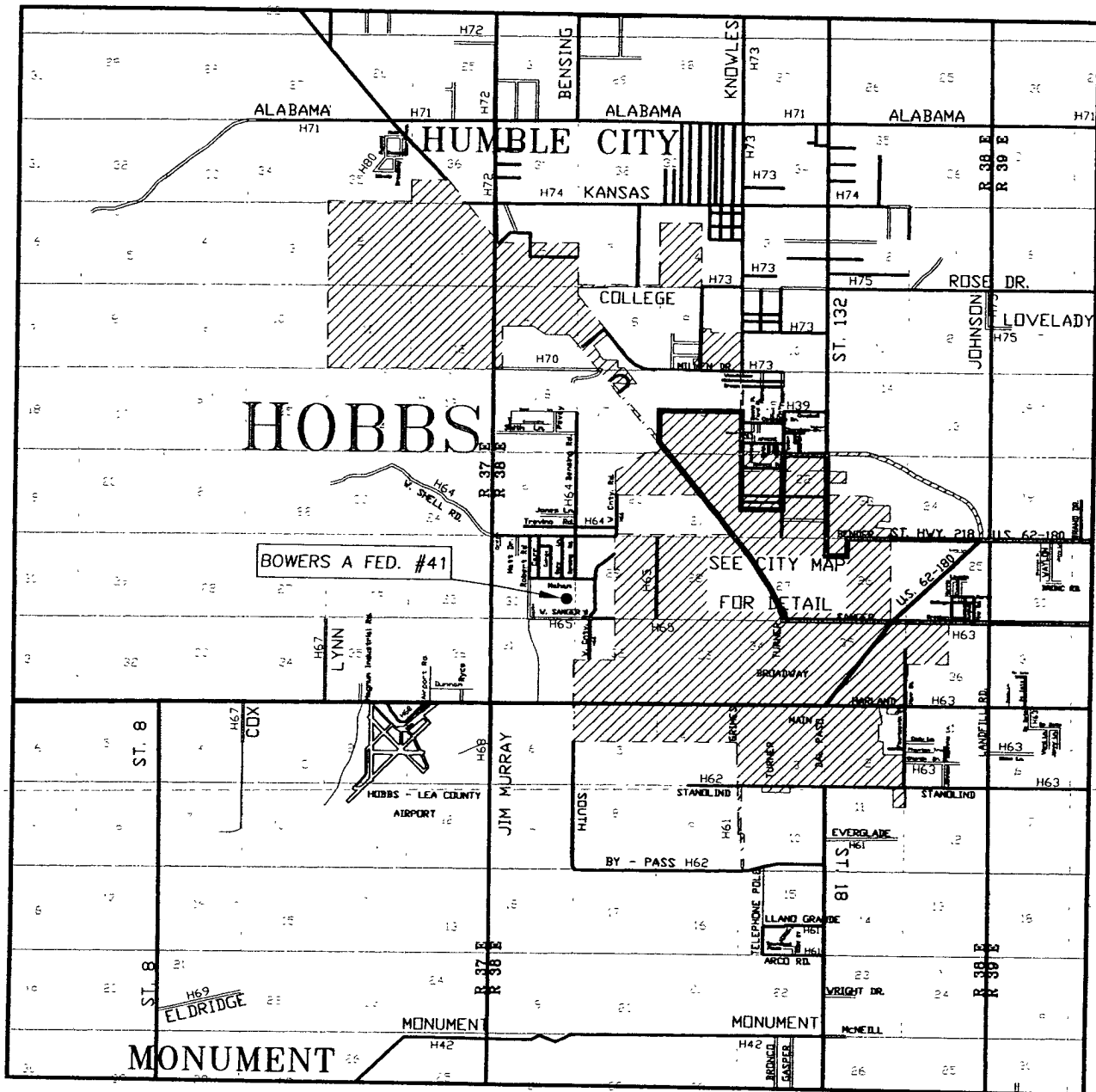
U.S.G.S. TOPOGRAPHIC MAP  
HOBBS WEST, N.M.

← entrance to location



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

EXHIBIT "B"



SCALE: 1" = 2 MILES

SEC. 30 TWP. 18-S RGE. 38-E  
SURVEY \_\_\_\_\_ N.M.P.M. \_\_\_\_\_  
COUNTY LEA STATE NEW MEXICO  
DESCRIPTION 1294' FSL & 533' FEL  
ELEVATION \_\_\_\_\_ 3646' \_\_\_\_\_  
OPERATOR TEXLAND PETROLEUM, LP  
LEASE BOWERS A FEDERAL #41

