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

Form 3160-3
(September 2001)

FORM APPROVED
OMB No. 1004-0136
Expires January 31, 2004

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.: NM-19142
6. If Indian, Allottee or Tribe Name:
7. If Unit or CA Agreement, Name and No.:

1a. Type of Work: ☐ DRILL ☒ REENTER

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

8. Lease Name and Well No.: 32724 Rio Blanco "4" Fed Com No. 2

2. Name of Operator: Robert E. Landreth 25827

9. API Well No.: 30-025-34605

3a. Address: 505 N. Big Spring, Ste. 507, Midland, Texas 79701

3b. Phone No. *(include area code)*: (432) 684-4781

10. Field and Pool, or Exploratory: Undesignated

4. Location of Well *(Report location clearly and in accordance with any State requirements.*)*
At surface 660' FSL & 660' FWL of Section 4 (M)
At proposed prod. zone

11. Sec., T., R., M., or Blk. and Survey or Area: Sec. 4, T23S-R34E, N.M.P.M.

14. Distance in miles and direction from nearest town or post office*: 20 miles West of Jal, NM

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)	16. No. of Acres in lease	17. Spacing Unit dedicated to this well
660'	160	NA

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth	20. BLM/BIA Bond No. on file
NA	6116'	NM 2925

21. Elevations (Show whether DF, KDB, RT, GL, etc.)	22. Approximate date work will start*	23. Estimated duration
3419' GL	March 23, 2004	10 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.

RECEIVED MAR 2004 Hobbs OCD

25. Signature	Name *(Printed/Typed)*	Date
W. Kurt Finkbeiner	W. Kurt Finkbeiner	1/23/2004

Title: Operations Engineer

Approved by *(Signature)*	Name *(Printed/Typed)*	Date
/S/ JOE G. LARA	/S/ JOE G. LARA	MAR 12 2004

Title	Office
FIELD MANAGER	CARLSBAD FIELD OFFICE

Application approval does not warrant or certify the 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 reverse)*

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

Kz

DISTRICT I
P. O. Box 1980
Hobbs, NM 88241-1980

DISTRICT II
P. O. Drawer DD
Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd.
Aztec, NM 87410

DISTRICT IV
P. O. Box 2088
Santa Fe, NM 87507-2088

State of New Mexico
Energy, Minerals, and Natural Resources Department

OIL CONSERVATION DIVISION
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Form C-102
Revised 02-10-94

Instructions on back

Submit to the Appropriate District Office
State Lease - 4 copies
Fee Lease - 3 copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code	³ Pool Name
30-025-34605	NEW: NA 71920	NEW: UNDESIGNATED North Bell Lake - Morrow

⁴ Property Code	⁵ Property Name	⁶ Well Number
23743	RIO BLANCO "4" FEDERAL	2

⁷ OGRID No.	⁸ Operator Name	⁹ Elevation
20305	NEW: ROBERT E. LANDRETH SANTA FE ENERGY RESOURCES, INC.	3419'

¹⁰ SURFACE LOCATION

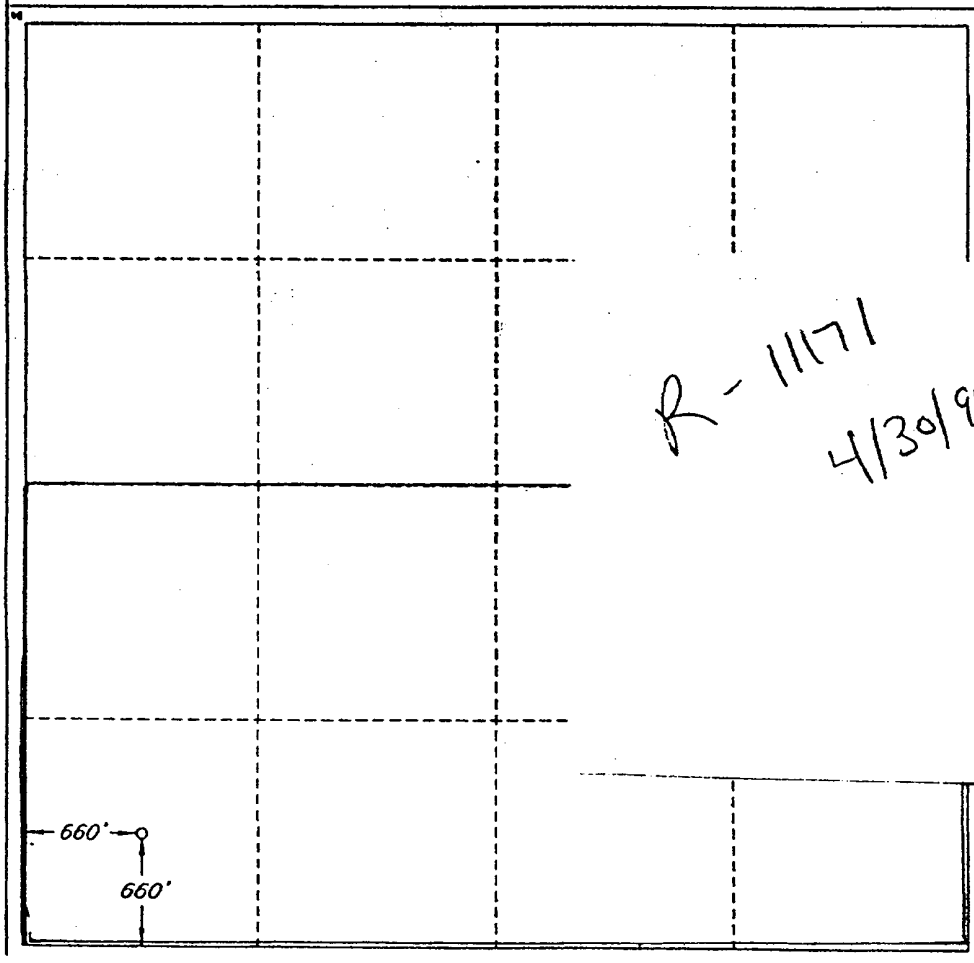
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
M	4	23 SOUTH	34 EAST, N.M.P.M.		660'	SOUTH	660'	WEST	LEA

"BOTTOM HOLE LOCATION IF DIFFERENT FROM SURFACE

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
320			

NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



R-11171
4/30/99

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: James P. "Phil" Stinson

Printed Name: James P. "Phil" Stinson

r Santa Fe Energy

22-99

'OR CERTIFICATION

certify that the well shown on this plat was om field notes of actual made by me or under ervision, and that the true and correct to the ny belief.

rvey
NUARY 8, 1999

and Seal of Professional Surveyor
ROGER M. ROBBINS
NEW MEXICO
12128
REGISTERED PROFESSIONAL SURVEYOR

Roger M. Robbins

Certificate No. ROGER M. ROBBINS PS #12128

JOB #61961 / 46 SW / V.H.B.

STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS

Robert E. Landreth accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described below:

LEASE NO:	NM-19142
LEGAL DESCRIPTION:	SW/4 Section 4, T-23-S, R-34-E Lea County, New Mexico
FORMATION(S):	All
BOND COVERAGE:	$25,000
BLM BOND FILE:	NM2925

Robert E. Landreth
By:

Robert E. Landreth
Owner

Date: January 23, 2004

STATEMENT OF SURFACE OWNER/OPERATOR AGREEMENT

RIO BLANCO "4" FED COM NO. 2
Section 4, T-23-S, R34-E
Lea County, New Mexico

Mr. Jim Keller, 1021 CR CC, Oakley, Kansas 67748 is the surface owner of all the lands that will be used for the location and access road to re-enter the Rio Blanco "4" Fed Com No. 2. Robert E. Landreth through his agent and co-working interest owner, EGL Resources, Inc., has reached an agreement with Mr. Keller as to the requirements for the protection of surface resources and reclamation of disturbed areas and/or damages in lieu thereof.

By:

Robert E. Landreth
Owner

Date: January 23, 2004

DRILLING PROGRAM

ROBERT E. LANDRETH
RIO BLANCO "4" FED COM NO. 2
660' FSL & 660' FWL, Section 4, T-23-S, R34-E
Lea County, New Mexico

The operator proposes to reenter this well, drill out cement plugs and complete in the open hole interval from 5061' to 6116'. The well will then be utilized for saltwater disposal. In conjunction with Form 3160-3, Application for Permit to Reenter Robert E. Landreth submits the following items of pertinent information in accordance with Onshore Oil & Gas Order No. 1, and with all other applicable Federal and State regulations.

1. **Geologic Name of Surface Formation**: Alluvium

2. **Estimated Tops of Significant Geologic Markers:**

Rustler	1,540'
Salado	1,855'
Capitan Reef Porosity	4,290'
Delaware	5,000'
Total Depth	**6,116'**

3. **The estimated depths at which water, oil or gas formations are expected:**
No water, oil or gas should be encountered in this reentry. Casing is set @ 5,061', and the open hole interval that will be completed for water disposal (5061' – 6116'), did not have any shows when it was originally drilled.

4. **Proposed Casing Program: (Existing)**
See Exhibit "A"

5. **Pressure Control Equipment:**
A Blow-out Preventer rated to 3,000 psi WP will be installed on the 9 5/8" casing and operational to drill out the interval from the surface to 6116'. The casing and BOP will be tested before drilling out cement plugs. The BOP will be tested daily.
See Exhibit "B"

6. **Proposed Cementing Program: (None)**
The existing casing that has already been cemented in place will be utilized. The completion for water disposal will be in the open hole interval from 5061' to 6116'.
See Exhibit "C".

7. **Mud Program:**
Fresh water will be used to drill out the cement plugs and to clean-out the open hole interval from 5061' – 6116'. It is not anticipated that any additives will be required for the clean-out fluid.

8. **Testing, Logging and Coring Program:**
None Planned

9. **Abnormal Conditions, Pressures, Temperatures & Potential Hazards:**
No abnormal conditions, pressures, temperatures or potential hazards are anticipated. No hydrogen sulfide or other hazardous gases are anticipated based on the drilling history of this well.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

ROBERT E. LANDRETH
RIO BLANCO "4" FED COM NO. 2
660' FSL & 660' FWL, Section 4, T-23-S, R34-E
Lea County, New Mexico

This plan is submitted as an attachment to Form 3160-3, Application for Permit to Reenter, covering the above described well.

1. Existing Roads

A. Exhibit "D" is a topographic map which shows the location of the old wellsite and access road as well as existing roads in the vicinity. The proposed location is situated approximately 20 miles west of Jal, New Mexico.

B. Exhibit "E" is a Lea County Road Map that shows the existing roads in the general area of the proposed Reentry.

C. Directions: From the intersection of State Hwy 128 & CR-21, follow CR-21 North 8.0 miles and then back East 1.7 miles, turn North and go 0.1 mile to the plugged and abandoned well.

2. Planned Access Road

A. Exhibit "F" shows the old access road and the wellsite as they were originally staked and built.

B. The old access road will be restored and will be approximately 500' in length lying in a north-south direction from the point of origin to the edge of the pad.

C. The reconstructed road will be crowned and ditched to a 14' wide travel surface with a 30' right-of-way. At the point or origin, adjacent to CR-21, additional width will be provided to allow heavy trucks and equipment to turn.

D. The gradient on all roads will be less than 1.00%.

E. No turnouts will be needed.

F. If needed, the road will be surfaced with a minimum of 6" of compacted caliche. The ripped material along the old access road will be used, and if necessary additional material will be obtained from a local source.

G. Culverts should not be required in the access road.

H. Fence cuts will not be required; therefore, no gates or cattleguards will be installed.

3. Location of Existing Wells Within a One-Mile Radius

A. Water wells – none in immediate vicinity.

B. Disposal wells – none known.

C. Drilling wells – None.

D. Producing wells – as shown on Exhibit "G".

E. Abandoned wells – As shown on Exhibit "G".

4. Location of Existing and/or Proposed Facilities

A. After completion and evaluation of the Rio Blanco "4" Fed Com No. 2 as a water disposal well, Robert E. Landreth will furnish maps or plats showing "On Well Pad Facilities" and "Off Well Pad Facilities" (if needed) on a Sundry Notice, Form 3160-5, before construction of these facilities starts.

5. Location and Type of Water Supply

A. It is planned to drill out cement plugs and clean out the well with fresh water. The water will be hauled to the location by truck over existing roads and the Planned Access Road described in item 2 above. It will be obtained from commercial sources.

6. Sources of Construction Materials

A. Any caliche required for construction of the drilling pad will be obtained from the original drill site or from a local source. If additional material is needed, it will be transported over existing roads and the Planned Access Road described in Item No. 2 above.

7. Methods of Handling Waste Disposal

A. Cement cuttings and drilling mud will be disposed of in the workover pit.

B. Fluids will be allowed to evaporate in the workover pit until the pit is dry enough for backfilling. In the event fluids will not evaporate in a reasonable period of time, they will be transported by tank truck to a State approved disposal site.

C. No water is expected to be produced during the reentry operation.

D. No oil is expected to be produced during the reentry operation.

E. A "Porta John" will be provided for the workover rig crews. This will be properly maintained and removed after operations are completed.

F. Trash, waste paper, garbage, and junk will be collected in trash containers and disposed of in an approved waste facility such as a land fill. The trash containers will be constructed to contain and prevent the scattering of material by the wind.

G. All trash and debris will be removed from the wellsite within 30 days after finishing reentry and/or completion operations.

8. Ancillary Facilities

A. No camps or airstrips will be constructed.

9. Wellsite Layout

A. Exhibit "H" shows the proposed wellsite layout.

B. A steel pit will be used in the active circulation system..

C. The workover pit will be lined with a polyethylene liner that will be 6 mils in thickness. The pit liner will extend a minimum of 2' over the pit walls so that it can be anchored down.

D. The workover pit will be fenced on three sides with four strands of barbed wire during reentry and completion operations. When reentry operations have been completed, the fence will be torn down. The workover pit and those areas of the location not essential to salt water disposal facilities will be reclaimed and seeded per BLM requirements.

10. Plans for Restoration of Surface

Rehabilitation of the workover pit will start in a timely manner after all reentry operations cease. The workover pit will be allowed to dry properly, or fluid will be removed and disposed of in the manner as previously noted in Item No. 7B. The pit area will then be leveled and contoured to conform to the original and surrounding area. After the area has been shaped and contoured, topsoil will be placed over the disturbed area to the extent possible. Revegetation procedures will comply with BLM standards.

The previously noted procedures will apply to those areas that are not required for salt water disposal facilities. No more of the old drilling pad will be restored than the surface area required for reentry operations and salt water disposal facilities.

11. Other Information

A. The topography is relatively flat. The topsoil adjacent to the old access route and wellsite pad is sand. Vegetation is moderately sparse and consists of mesquite, shinnery oak and prairie grasses..

B. The surface ownership at the well location and of the lands that the access road will cross is privately owned by Jim Keller, 1021 CR CC, Oakley, Kansas 67748.

C. The land is used for oil and gas production and livestock grazing.

D. An archaeological survey was conducted for the original location and access road. A copy of this report is on file with the BLM.

E. There are no buildings of any kind in the area.

12. Operator's Representative

A. The field representative responsible for assuring compliance with the approved surface use plan is:

W. Kurt Finkbeiner
Operations Engineer
Robert E. Landreth
505 N. Big Spring, Suite 507
Midland, Texas 79701
432/684-4781

13. Certification

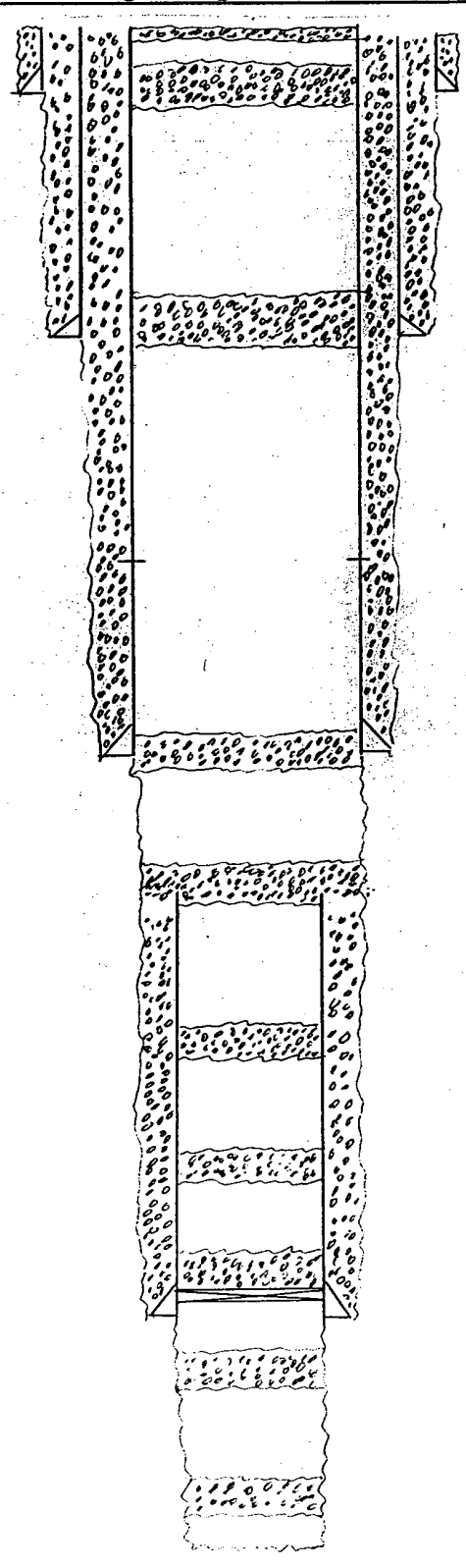
I hereby certify that I, or persons under my direct supervision, have inspected the proposed reentry site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Robert E. Landreth and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Name: W. Kurt Finkbeiner
W. Kurt Finkbeiner

Title: Operations Engineer

Date: January 23, 2004

EXHIBIT "A"
Robert E. Landreth
Rio Blanco "4" Federal Com No. 2
660' FSL & 660' FWL, Sec. 4, T23S,R34E (M)
Lea County, New Mexico
Spud Date: 7-02-99 Plug Date: 8-29-99

Plug Size & Depth	Esixting Casing & Cement Plugs	Bit	Casing	Depth	Cement
10 sks. Surface - 20'					
50 sks. 609'-750'		26"	20"	697'	1200 sks.
50 sks. 2112'-2262'		17 1/2"	13 3/8"	2220'	1125 sks.
			DV Tool	3423'	950 sks. 2nd Stage
100 sks. 4950' (tagged)-5111'		12 3/4"	9 5/8"	5061'	575 sks. 1st Stage
75 sks. 6116'-6350' 7" csg cut @ 6287'				6399'	TOC by temp. sur.
50 sks. 8255'-8519'					
50 sks. 10,270'-10,535'					
CIBP @ 11,850' Capped with 75 sks. cmt. to 11,443'		8 3/4"	7"	11,886'	1000 sks
65 sks. 12,080'-12,280'					
65 sks. 12,700'-13,070'					
		6 1/8"		13,335'	TD

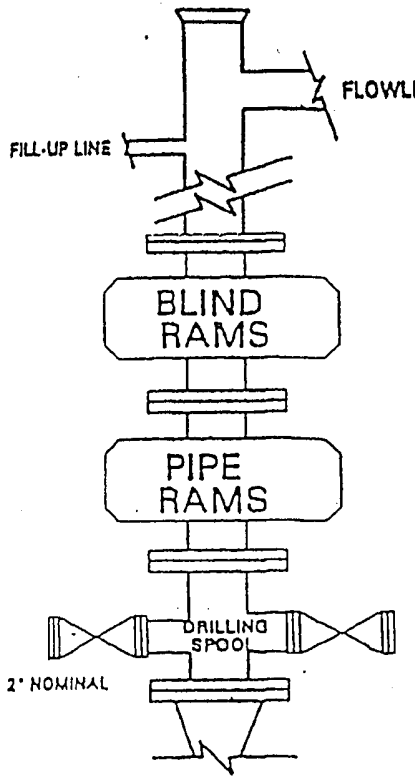
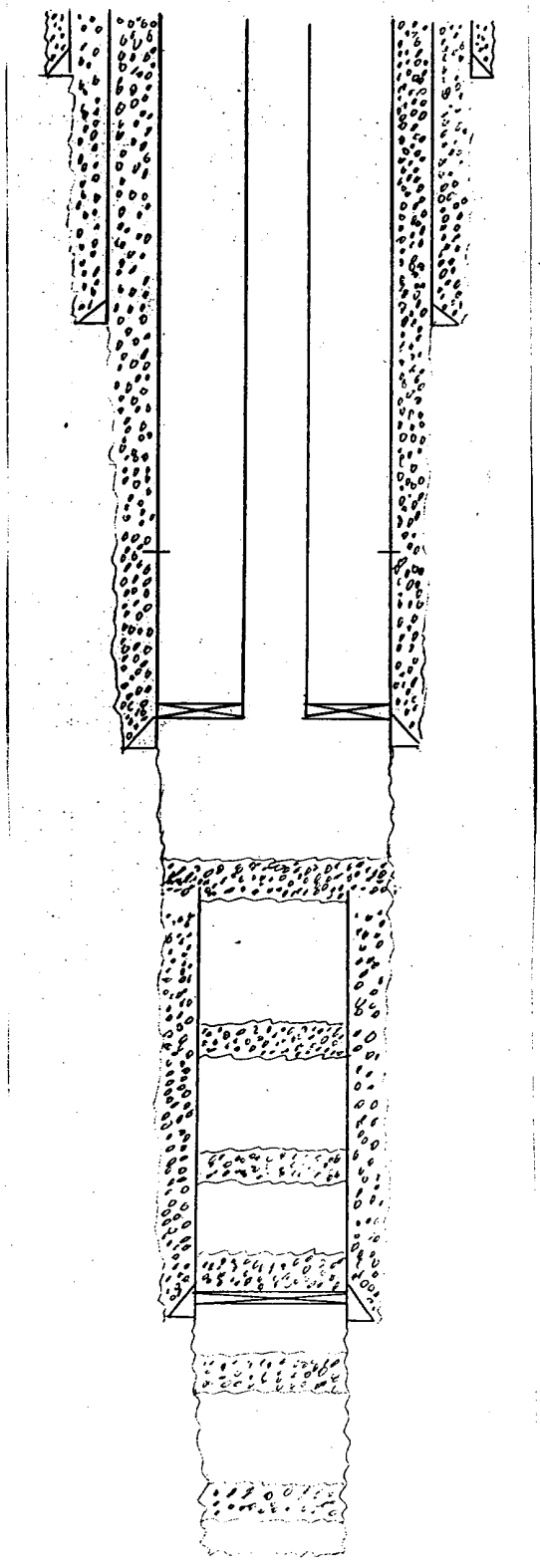


EXHIBIT "B"
PROPOSED 3000 PSI WP BOP

ROBERT E. LANDRETH
RIO BLANCO "4" FED COM NO. 2
660' FSL & 660' FWL, Section 4, T-23-S, R34-E
Lea County, New Mexico

EXHIBIT "C"
Robert E. Landreth
Rio Blanco "4" Federal Com No. 2
660' FSL & 660' FWL, Sec. 4, T23S,R34E (M)
Lea County, New Mexico
Spud Date: 7-02-99 Plug Date: 8-29-99

Plug Size & Depth	Proposed Completion For Water Disposal	Bit	Casing	Depth	Cement
		26"	20"	697'	1200 sks.
		17 1/2"	13 3/8"	2220'	1125 sks.
			DV Tool	3423'	950 sks. 2nd Stage
9 5/8" LOK-SET Packer & 2 7/8" IPC tbg. set @ ± 5000'		12 3/4"	9 5/8"	5061'	575 sks. 1st Stage
Disposal Interval: 5061' - 6116'					
75 sks. 6116'-6350' 7" csg cut @ 6287'				6399'	TOC by temp. sur.
50 sks. 8255'-8519'					
50 sks. 10,270'-10,535'					
CIBP @ 11,850' Capped with 75 sks. cmt. to 11,443'		8 3/4"	7"	11,886'	1000 sks
65 sks. 12,080'-12,280'					
65 sks. 12,700'-13,070'					
		6 1/8"		13,335'	TD

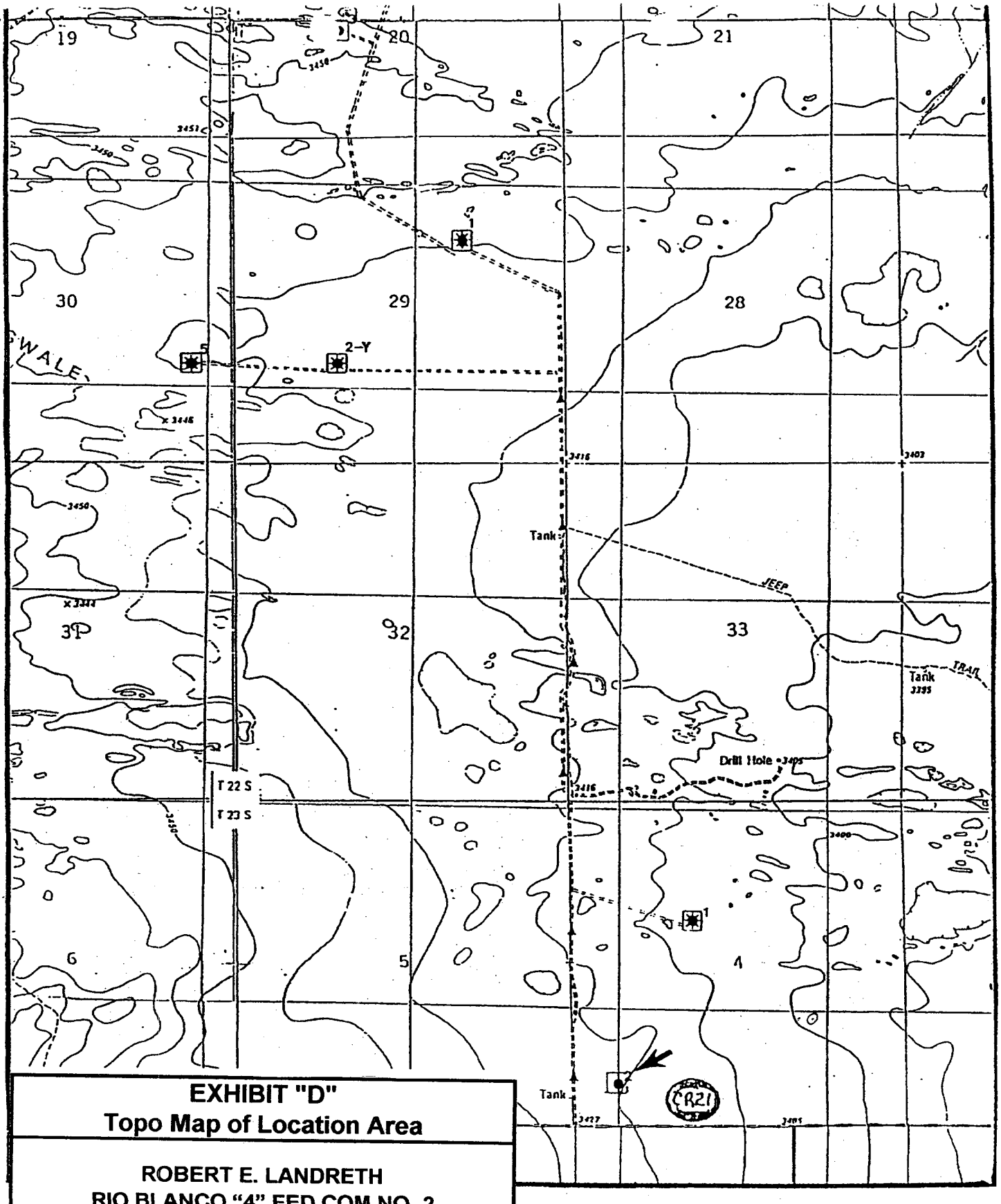


EXHIBIT "D"
Topo Map of Location Area

ROBERT E. LANDRETH
RIO BLANCO "4" FED COM NO. 2
660' FSL & 660' FWL, Section 4, T-23-S, R34-E
Lea County, New Mexico

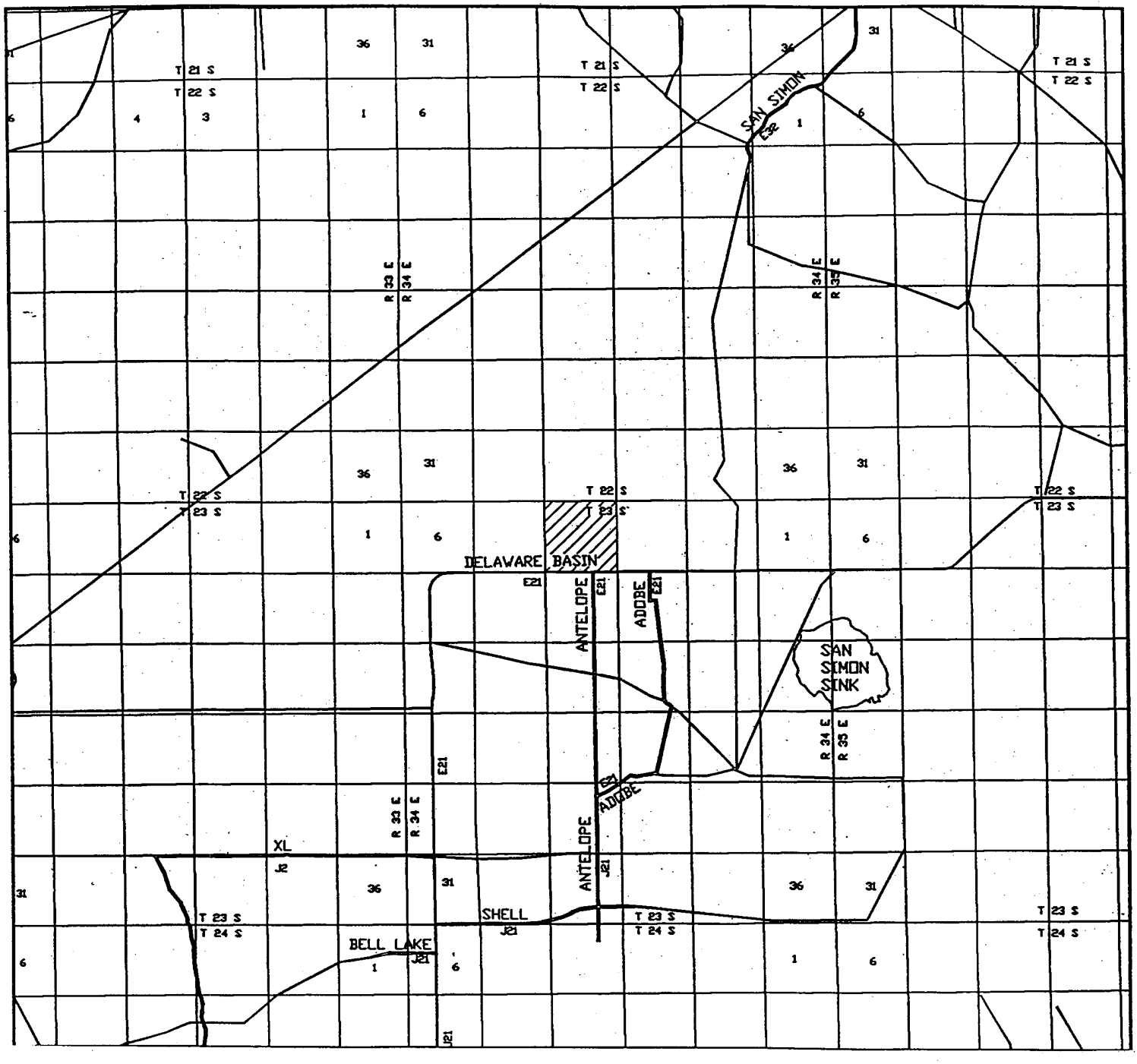
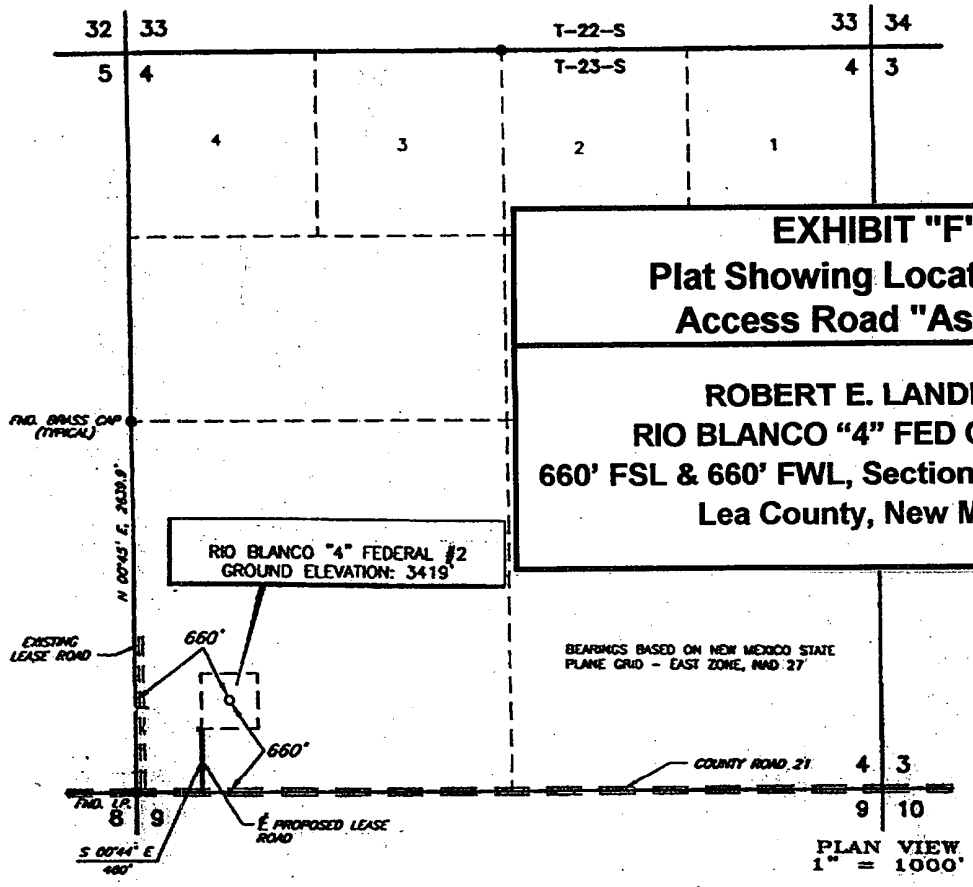


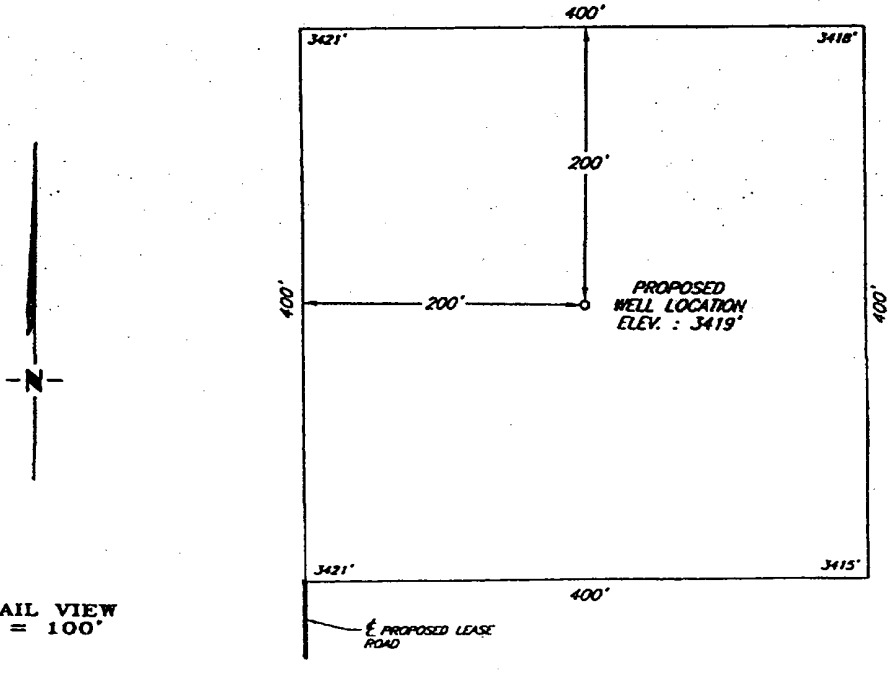
EXHIBIT "E"
Lea County Road Map of the General Area Offsetting the Proposed Reentry

ROBERT E. LANDRETH
RIO BLANCO "4" FED COM NO. 2
660' FSL & 660' FWL, Section 4, T-23-S, R34-E
Lea County, New Mexico

EXHIBIT "F"
Plat Showing Location and Access Road "As Built"

ROBERT E. LANDRETH
RIO BLANCO "4" FED COM NO. 2
660' FSL & 660' FWL, Section 4, T-23-S, R34-E
Lea County, New Mexico





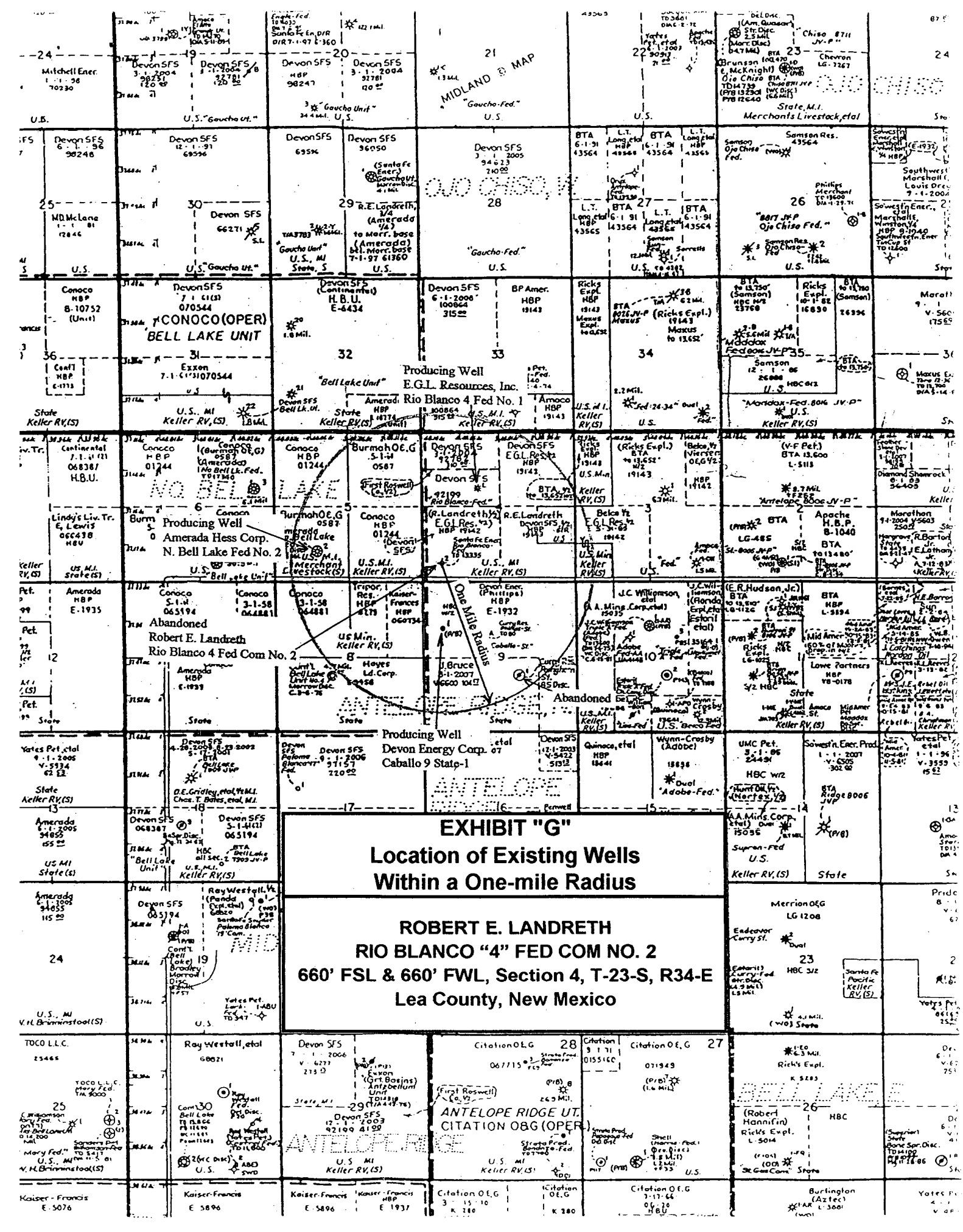
NO.	REVISION	DATE	BY

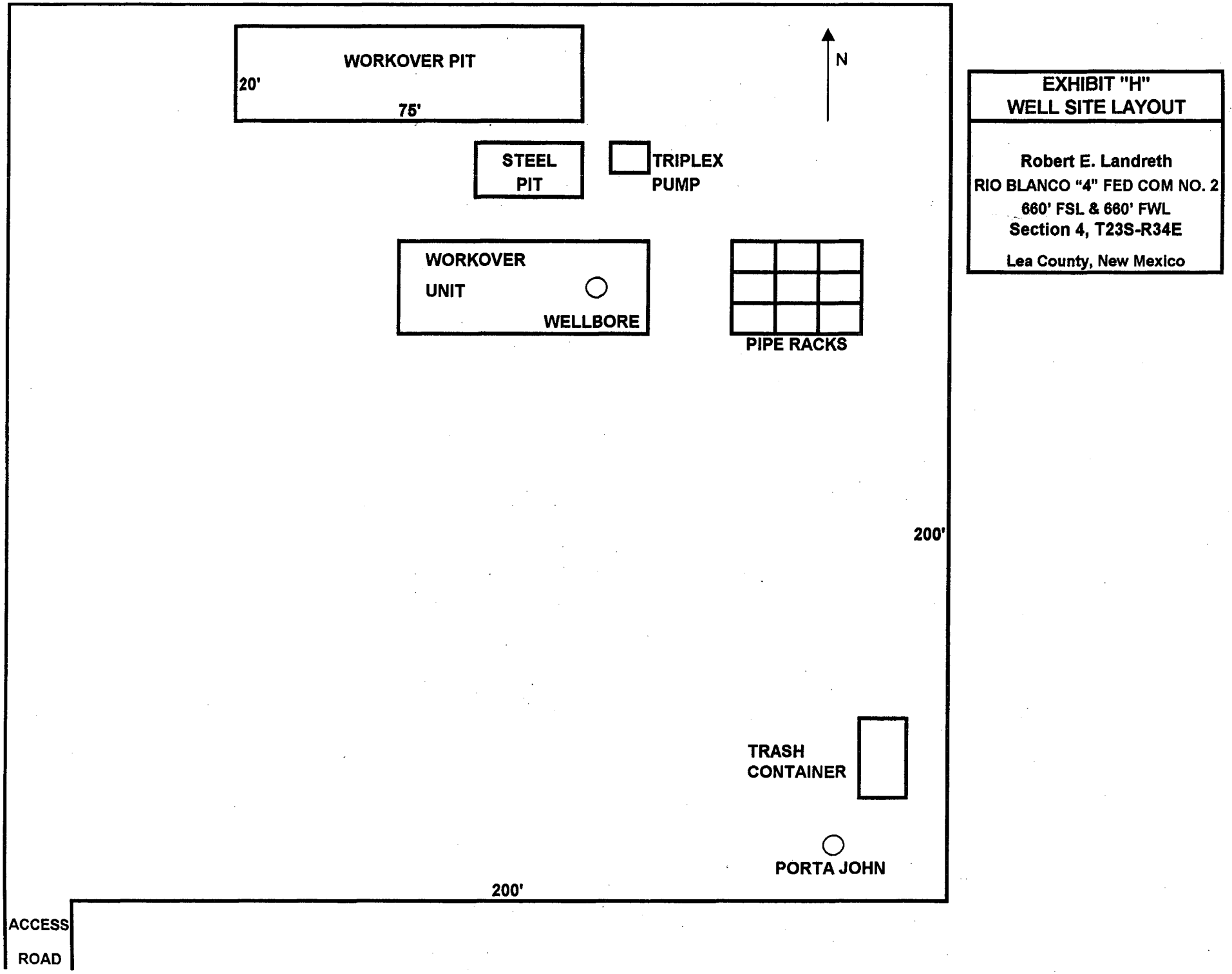
SURVEYED BY: R.M.R.
DRAWN BY: V.H.B.
APPROVED BY: R.M.R.

SANTA FE ENERGY RESOURCES, INC.

SURVEYING AND MAPPING BY
TOPOGRAPHIC LAND SURVEYORS
MIDLAND, TEXAS

SCALE: AS SHOWN
DATE: JANUARY 8, 1999
JOB NO.: 61961-F
QUAD NO.: 46 SW
SHEET : 1 OF 1


MIDLAND MAP
Producing Well
E.G.L. Resources, Inc.
Rio Blanco 4 Fed No. 1
Producing Well
Amerada Hess Corp.
N. Bell Lake Fed No. 2
Abandoned
Robert E. Landreth
Rio Blanco 4 Fed Com No. 2
One Mile Radius
Abandoned
Producing Well
Devon Energy Corp.
Caballo 9 State-1
EXHIBIT "G"
Location of Existing Wells
Within a One-mile Radius
ROBERT E. LANDRETH
RIO BLANCO "4" FED COM NO. 2
660' FSL & 660' FWL, Section 4, T-23-S, R34-E
Lea County, New Mexico


WORKOVER PIT
20'
75'
N
EXHIBIT "H"
WELL SITE LAYOUT
Robert E. Landreth
RIO BLANCO "4" FED COM NO. 2
660' FSL & 660' FWL
Section 4, T23S-R34E
Lea County, New Mexico
STEEL PIT
TRIPLEX PUMP
WORKOVER UNIT
WELLBORE
PIPE RACKS
200'
TRASH CONTAINER
PORTA JOHN
200'
ACCESS ROAD