

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMLC031844
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" 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 BP AMERICA PRODUCTION COMPANY		7. If Unit or CA Agreement, Name and No.
Contact: SHERYAL JOSEPH E-Mail: JOSEPHSA@BP.COM		8. Lease Name and Well No. HUMMINGBIRD FEDERAL 1
3a. Address HOUSTON, TX 77253	3b. Phone No. (include area code) Ph: 281-366-4493 Fx: 281-366-7688	9. API Well No. 30-015-33992
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface NWSE Lot J 1900FSL 1550FEL 32.51490 N Lat, 103.49080 W Lon At proposed prod. zone NWSE Lot J 1900FSL 1550FEL 32.51490 N Lat, 103.49080 W Lon		10. Field and Pool, or Exploratory FREN
14. Distance in miles and direction from nearest town or post office* 3 MILES WEST OF MALJAMAR, NEW MEXICO		11. Sec., T., R., M., or Blk. and Survey or Area Sec 1 T17S R31E Mer NMP SME: FEE
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1090	16. No. of Acres in Lease 519.95	12. County or Parish EDDY
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 0	19. Proposed Depth 12550 MD 12550 TVD	13. State NM
21. Elevations (Show whether DF, KB, RT, GL, etc.) 4025 GL	22. Approximate date work will start 03/01/2005	17. Spacing Unit dedicated to this well 319.90
20. BLM/BIA Bond No. on file		23. Estimated duration

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 (Electronic Submission)	Name (Printed/Typed) SHERYAL JOSEPH Ph: 281-366-4493	Date 12/13/2004
Title AUTHORIZED REPRESENTATIVE		
Approved by (Signature) /s/ Tony J. Herrell	Name (Printed/Typed) /s/ Tony J. Herrell	Date MAR 07 2005
Title FIELD MANAGER	Office CARLSBAD FIELD OFFICE	

Application approval does not warrant or certify 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.

Electronic Submission #51808 verified by the BLM Well Information System
For BP AMERICA PRODUCTION COMPANY, sent to the Carlsbad
Committed to AFMSS for processing by LINDA ASKWIG on 12/13/2004 (05LA0180AE)APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHEDWitness Surface Casing
Revised Controlled Water Basin

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000**SUNDRY NOTICES AND REPORTS ON WELLS**
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMLC031844
2. Name of Operator BP AMERICA PRODUCTION COMPANY		6. If Indian, Allottee or Tribe Name
Contact: SHERYAL JOSEPH E-Mail: josephsa@bp.com		7. If Unit or CA/Agreement, Name and/or No.
3a. Address PO BOX 3092 HOUSTON, TX 77253	3b. Phone No. (include area code) Ph: 281-366-4493 Fx: 281-366-7688	8. Well Name and No. HUMMINGBIRD FEDERAL 1
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 1 T17S R31E NWSE Lot J 1900FSL 1550FEL 32.51490 N Lat, 103.49080 W Lon		9. API Well No.
		10. Field and Pool, or Exploratory FREN
		11. County or Parish, and State EDDY COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Change to Original A
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	PD

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

This notice is being filed to amend surface location. Correct location for this well is 1880' FSL & 1550 FEL.

14. I hereby certify that the foregoing is true and correct. Electronic Submission #53392 verified by the BLM Well Information System For BP AMERICA PRODUCTION COMPANY, sent to the Roswell Committed to AFMSS for processing by ARMANDO LOPEZ on 01/25/2005 (05AL0104SE)	
Name (Printed/Typed) SHERYAL JOSEPH	Title PERMITTING REPRESENTATIVE
Signature (Electronic Submission)	Date 01/25/2005

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>/s/ Tony J. Herrell</u>	Title <u>FIELD MANAGER</u>	Date <u>MAR 07 2005</u>
Conditions of approval, if any, are attached. Approval of this notice 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.		Office <u>CARLSBAD FIELD OFFICE</u>

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.

DISTRICT I
1855 N. French Dr., Hobbs, NM 88240

Energy, Minerals & Natural Resources Department

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer 80, Aramis, NM 88211-0710

DISTRICT III
1000 E. Bruce Rd., Artesa, NM 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

☐ AMENDED REPORT**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number	Pool Code 96663	Pool Name Fren (Morrow)
Property Code	Property Name HUMMINGBIRD FEDERAL	Well Number 1
OWNER No.	Operator Name BP AMERICA PRODUCTION COMPANY	Elevation 4023'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	1	17 S	31 E		1880	SOUTH	1550	EAST	EDDY

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 32.0	Joint or Infill	Consolidation Code	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>NOTE:</p> <p>1) Plane Coordinates shown hereon are Transverse Mercator Grid and Conform to the New Mexico Coordinate System, New Mexico East Zone, North American Datum of 1927. Distances shown hereon are mean horizontal surface values.</p>	<p>319.8 AC.</p> <p>Plane Coordinate X = 657,912.9 Y = 677,509.6</p> <p>4024.6' 4026.9' 1550' 4019.4' 4025.9' 1880'</p>	<p>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><i>Sue Sellers</i> Signature SUE SELLERS Printed Name Regulatory Rep. Title 03/04/05 Date</p> <p>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>January 12, 2005 Date Surveyed Signature & Seal of Professional Surveyor LVA W.O. Num. 2004-0750 Certificate No. MACON McDONALD 12185</p>
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**Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505**

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: <u>BP America Production Company</u> Telephone: <u>432-688-5799</u> e-mail address: <u>lowemj1@bp.com</u> Address: <u>PO Box 1610</u> <u>Midland, TX 79702</u> Facility or well name: <u>Hummingbird Federal 1</u> API #: <u>30-015-33792</u> U/L or Qtr/Qtr _____ Sec <u>1</u> T <u>17S</u> R <u>31E</u> County: <u>Eddy</u> Latitude <u>32° 51' 42.39"</u> Longitude <u>103° 49' 8.63"</u> NAD: 1927 <input checked="" type="checkbox"/> 1983 <input type="checkbox"/> Surface Owner: Federal <input checked="" type="checkbox"/> State <input type="checkbox"/> Private <input type="checkbox"/> Indian <input type="checkbox"/>		
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>14000</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 50 feet or more, but less than 100 feet 100 feet or more	(20 points) (10 points) (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 No	(20 points) (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 200 feet or more, but less than 1000 feet 1000 feet or more	(20 points) (10 points) (0 points) 0
Ranking Score (Total Points)		0

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

Date: 3/4/2005

Printed Name/Title Margaret J Lowe Sr. Environmental Engineer

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:

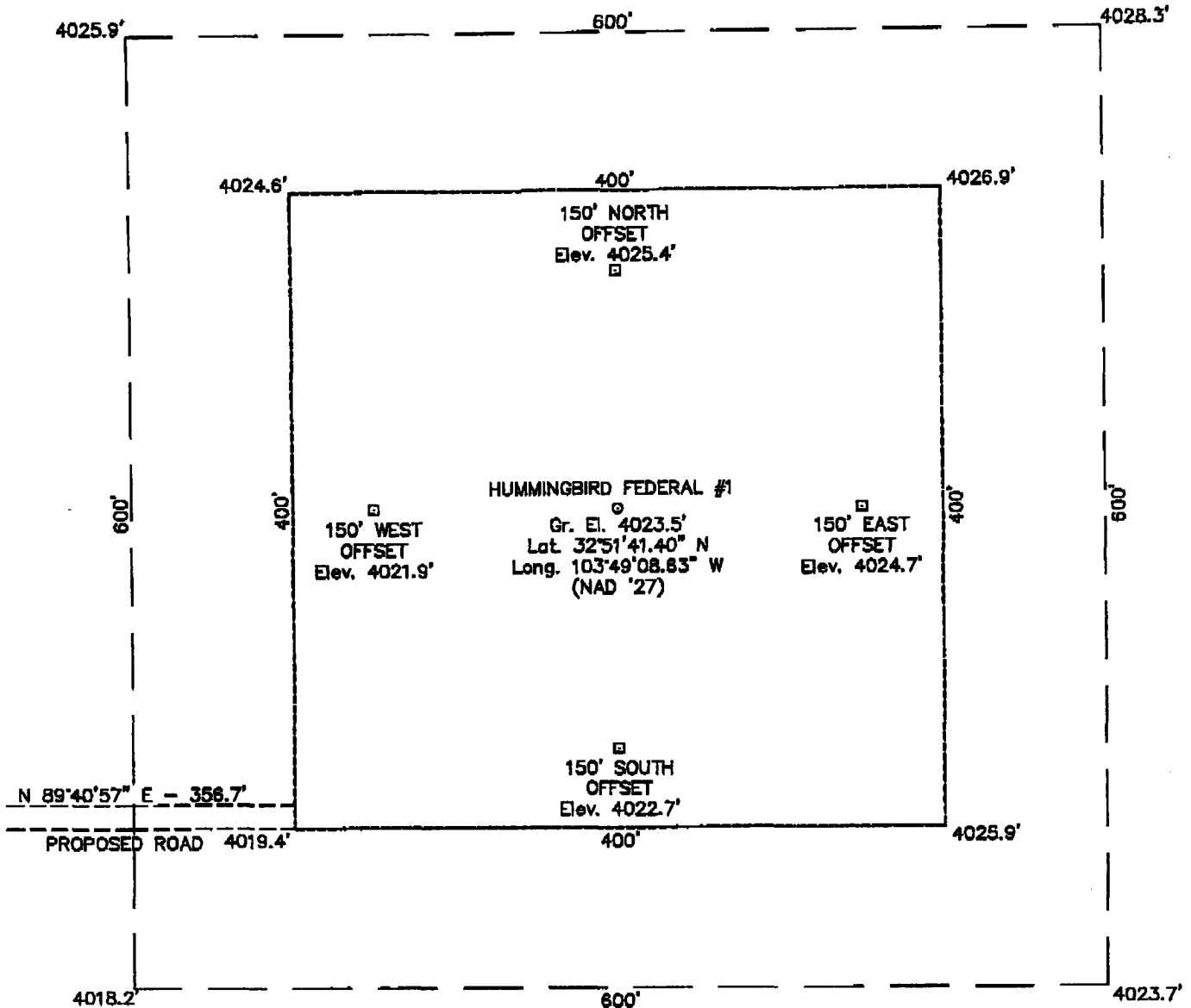
Printed Name/Title

Signature

MAR 8 2005
Date:

SECTION 1, TOWNSHIP 17 SOUTH, RANGE 31 EAST, 14. 14. 1 - 14. 14. 1
EDDY COUNTY NEW MEXICO

2004-0750-A

**DRIVING DIRECTIONS**

FROM THE INTERSECTION OF STATE HIGHWAY 33 AND U.S. HIGHWAY 82 IN MALJAMAR, NM GO WEST ON SAID U.S. HIGHWAY 82 1.9 MILES TO A ROADSIDE PARK ON NORTH SIDE OF HIGHWAY ALSO BEING SUPEE ROAD THEN GO NORTHEAST ALONG SAID SUPEE ROAD 1.4 MILES TO COUNTY ROAD 252, THEN GO WEST ON SAID COUNTY ROAD 252 0.7 MILE TO A POINT PREDETERMINED BY BP REPRESENTATIVES AS A PROPOSED LEASE ROAD THEN GO SOUTH ALONG SAID PROPOSED ROAD 0.4 MILE TO AN EXISTING WELL PAD FOR WEBB OIL COMPANY'S, ARCO FED #2 WELL THEN CONTINUE SOUTH ALONG A 10' WIDE CALICHE ROAD 0.3 MILE TO A POINT PREDETERMINED BY BP REPRESENTATIVES AS THE BEGINNING OF A PROPOSED LEASE ROAD THEN GO EAST ALONG SAID PROPOSED LEASE ROAD 388 FEET TO THE PROPOSED SOUTHWEST WELL PAD CORNER FOR THE PROPOSED LOCATION.



Graphic Scale in Feet

BP AMERICA PRODUCTION COMPANY**HUMMINGBIRD FEDERAL #1**

Located 1880' FSL & 1550' FEL, Section 1
Township 17 South, Range 31 East, N.M.P.M.
Eddy County, New Mexico

**WEST
COMPANY**
of Midland, Inc.

110 W. LOUISIANA, STE. 110
MIDLAND TEXAS, 79701
(432) 687-0865 - (432) 687-0868 FAX

Drawn By: LVA	Date: October 25, 2004
Scale: 1"=100'	Field Book: 287 / 29-31, 272 / 79-80
Revision Date: 1-13-2005	Quadrangle: Maljamar
W.O. No: 2004-0750	Dwg. No.: L-2004-0750-A

**Attachment to BLM Form 3160-1:
Proposed Surface Use Plan**

Well Name:	Hummingbird Federal #1
Surface / Bottom Hole Location	Section: 1, Township: 17S, Range: 31E 1880' FSL and 1550' FEL
County, State	Eddy County, New Mexico
NM State Plane East Coordinates	X: 657,912.9 Y: 677,509.6
Ground Elevation	4023'
Proposed Depth:	12,550' MD / TVD (Vertical Well)

1. Directions to locations from Existing Roads:

From the intersection of US HWY 33 and U.S Highway 82 in Maljamar, NM go west on U.S. HWY 82 (1.9) miles to a roadside park on North side of HWY 82 also being Supee Road Then Go Northeast along Supee road (1.4 miles) to County Road 252, go west on CR 252 (0.7 miles) to a proposed lease road (not yet built), go south along said proposed lease road (0.4 miles) to an existing well pad for Webb Oil Company's Arco Fed #2 well then continue south along a 10' wide caliche road (0.3 miles) to a marked point as the beginning of a proposed lease road (not built) go east along said proposed lease road (388') to the proposed southwest well pad corner for the proposed location .

2. Planned Access Roads:

Use existing roads and a plan to build access road to pad (shown on plat). Proposed access lease road (388') S 86°09'24" to the proposed southwest well pad corner for the proposed location .

3. Location of Existing Wells:

The existing wells within a 600' rectangle of this location are shown on the attached Survey Plat. No wells are shown. The attached vicinity map shows the existing wells in a 5 mile area.

4. Location of Existing or Proposed Facilities:

- Existing Facilities: No facilities currently exist for this well.
- New Facilities Proposed: If a successful Morrow producer is completed, surface facilities will consist of a Stack Pack, collection tanks for oil and water and possible wellhead compression. The location site for the proposed surface facilities will be on the existing well location.

5. Location and Type of Water Supply:

Fresh and brine water used in drilling and completion operations will be purchased from independent trucking companies located in Lovington, Artesia or Buckeye, New Mexico. The water will be hauled over existing roads to the location.

6. Source of Construction Materials:

Caliche for the well pad construction will be from the designated Caliche pit approximately 2 miles from the proposed location and will be haul on existing roads. This Caliche will be used for the 388' of proposed new road.

7. Methods of Handling Waste Disposal:

- Drill cuttings will be deep buried on location in the proposed reserve pit. The cuttings will be buried 3' or deeper and covered with a 40 mil liner, extending 3' from the edge of the pit (skirted all around pit).
- Trash, waste paper, garbage and junk will be contained in a fenced trash trailer to prevent scattering by the wind and hauled to a municipal sanitary landfill.
- The Mud supplier will pick up all sacked drilling mud. The empty sacks will be hauled off in the above mentioned trash trailer.
- The drilling contractor will haul away any chemicals that they use while drilling.
- Toilet facilities will be provided for human waste. Sewage disposal facilities will be in accordance with State and Local Regulations.
- Drilling fluids will be handled as follows: The free water will be either hauled to the reserve pit of the next drilling well for re-use or hauled to a permitted SWD. Any liquid mud that is hauled away it will be disposed of at an approved mud disposal site.
- Any fluids produced during swab testing the well while the pulling unit is on location will be collected in a test tank. Produced water will be hauled to a permitted SWD. Oil produced will remain in the test tank until sold and hauled from the site.

8. Auxiliary Facilities:

No new facilities will be built during the drilling of this well. A trailer will be used as an office and temporary living quarters for well site supervision.

9. Well site Layout:

- The attached survey plat shows the proposed well site layout and dimensions.
- Major rig components and reserve pits are not shown. The reserved pits are planned on the North side of location. The V-door on the east side of location. The access road on the SW (shown on plat).
- The reserve pits will be $\pm 10'$ deep by 150' North and 100' Wide.
- The reserve pits will be lined with 12 mil web liner.
- Runway for the flare line and burn pit will be located on the North East of the location.
- Living Quarters on the South side of the location.

10. Plans for Reclamation of the Surface:

- In a timely manner, after finishing the drilling and / or completion operations all equipment and other material not needed for production operations will be removed. The location will be cleared of all trash and debris. The cellar will be covered with a grating catwalk.
- Upon abandonment of the well, surface restoration will be in accordance with the surface owner requirements and will be accomplished as expediently as possible.

11. Surface Ownership:

The surface owner for the well site locations is Louis Derrick, Bogel Farms, P.O.Box 441, Artesia, NM 88210. Surface owner approval has been obtained. The minerals are administered by the BLM.

12. Additional Information:

- Topography: Gently rolling grassland with cap rock mesa formations.
- Vegetation includes Honey mesquite, creosote, broom snakeweed, various cacti, sand sage, various yucca and mixed grasses.
- Soils are of the Reeves-Gypsum land-Cottonwood association as defined by the Soil Conservation Service of the U.S. Department of Agriculture.

- Primary use of the land is livestock grazing and accessing producing wells.
- There are no dwellings in the vicinity.
- A BLM inspector has visited the proposed location.
- An Archeological Site Survey was done with with a BP company representative present and the land surveyor's present. The original proposed location was moved 100' south to stay clear of some archeological findings (broken pottery).
- The selected dirt contractor will be furnished with an approved copy of the Surface Use Plan and any additional stipulations prior to beginning any work.

13. Operator's Representatives:

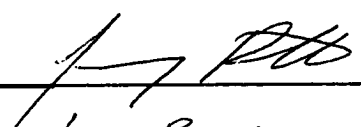
Joey Roth

BP America Production Company

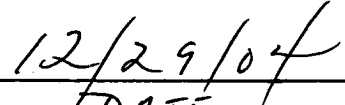
Senior Drilling Engineer
Permian / Onshore U.S. Business Unit
501 Westlake Park Blvd
P.O.Box 3092 Houston, Texas 77253-3092

Work	281 - 366 - 1202
Cell	713 - 203 - 7428
Pager	888 - 903 - 7347

I hereby certify that I, or person under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge true and correct.



Joey Roth
SR. Drllg Engineer



DATE

**Attachment to BLM Form 3160-1:
Proposed Drilling Plan**

Well Name:	Hummingbird Federal #1
Surface / Bottom Hole Location	Section: 1, Township: 17S, Range: 31E 1880' FSL and 1550' FEL
County, State	Eddy County, New Mexico
NM State Plane East Coordinates	X: 657,912.9 Y: 677,509.6
Ground Elevation	4023'
Proposed Depth:	12,550' MD / TVD (Vertical Well)

1. Surface Geological Formation:

Yates Formation (Sand and Anhydrite)

2. Estimated Tops of Geological Markers:

Formation	Estimated Top (MD/ TVD)
Yates (Salt & Sand)	2000'
Queen	3,050'
San Andres	3,740'
Wolfcamp	8,925'
Strawn	11,360'
Atoka	11,640'
Morrow	11,920'
Lower Morrow	12,340'
Mississippian Lime, TD	12,450'

3. Estimated Tops of Possible Water, Oil, Gas or Mineral:

Formation	Estimated Top (MD/ TVD)	Hydrocarbon
Queen	3,050'	Oil
San Andres	3,740'	Oil
Atoka	11,640'	GAS
Morrow	11,920'	GAS
Lower Morrow	12,340'	GAS
Mississippian Lime, TD	12,450'	

4. Pressure Control Equipment:

Interval, (MD/TVD)	Pressure Control Equipment
0' – 400'	No Pressure Control Required
400' – TD (12,450' MD/TVD)	5M psi double ram preventer and 5M psi annular preventer

5. Proposed Casing and Cementing Program:

Casing	Hole Size	Interval MD	Casing Size	Weight / Grade	Cement Sx / type
Conductor	Driven	40' <i>549</i>	16"	42#	Redi-Mix
Surface	17 1/2"	0 – 650' <i>750'</i>	13 3/8"	48 # / H-40 / LTC	290 sx – class "C"
Intermediate	11"	650' – 4,600' <i>750'</i>	8 5/8"	32# / J-55 / LTC	670 sx, 300 sx tail (14.8 ppg)
Production	7 7/8"	4600' – 12,550'	5 1/2"	17# / P-110	700 sx : class H – Poz mix

WITNESS

- All casing strings will be run back to surface.
- Production Hole Section (2 stage cement Job): TOC 8800'

6. Mud Program:

SS 12-14-04

750'

Depth	Mud Type	Weight	Funnel Vis.	Water Loss
0' - 650'	Spud Mud	8.4 - 8.9	29 - 34	NC
650' - 4,600'	Brine & Gel	10.0	28 - 30	NC
4,600' - 11,300'	Fresh Water & Gel	8.5 - 9.0	28 - 29	NC
11,300' - 12,550'	Cut Brine, Gel & Polymer	10.0 - 10.2	34 - 44	8 - 10 cc

7. Auxiliary Equipment:

Upper Kelly Cock, Lower Kelly Cock, and Full Opening Stabbing Valve

8. Evaluation: Testing, Coring and Logging Program:

Evaluation Program		Interval
Open Hole Logs	GR, Density Neutron, Laterolog	4600' to TD (12,550')
Mud Log	10' dry samples	5000' to TD (12,550')
Samples	One set dry samples (10')	5000' to TD (12,550')
Cased Hole Logs	Possible Temperature log and or CBL	As needed at casing points.
DST	None Planned	
Conventional Cores	None Planned	

9. Anticipated Abnormal Temperature, Pressure, or Hazards:

All zones are expected to be normal pressured. Offset data shows 4500 psi @ 170 °F in the Morrow (8.94 ppg EMWT) No anticipated abnormal hazards were found when reviewing the offset well records.

10. Anticipated Starting Date and Duration of Operations:

The Notice to Stake was filed for the surface location and surveyed on 10/25/04. Pending permit approval, construction work on this location would begin in late Jan of 2005. With a planned spud date in early March 2005.

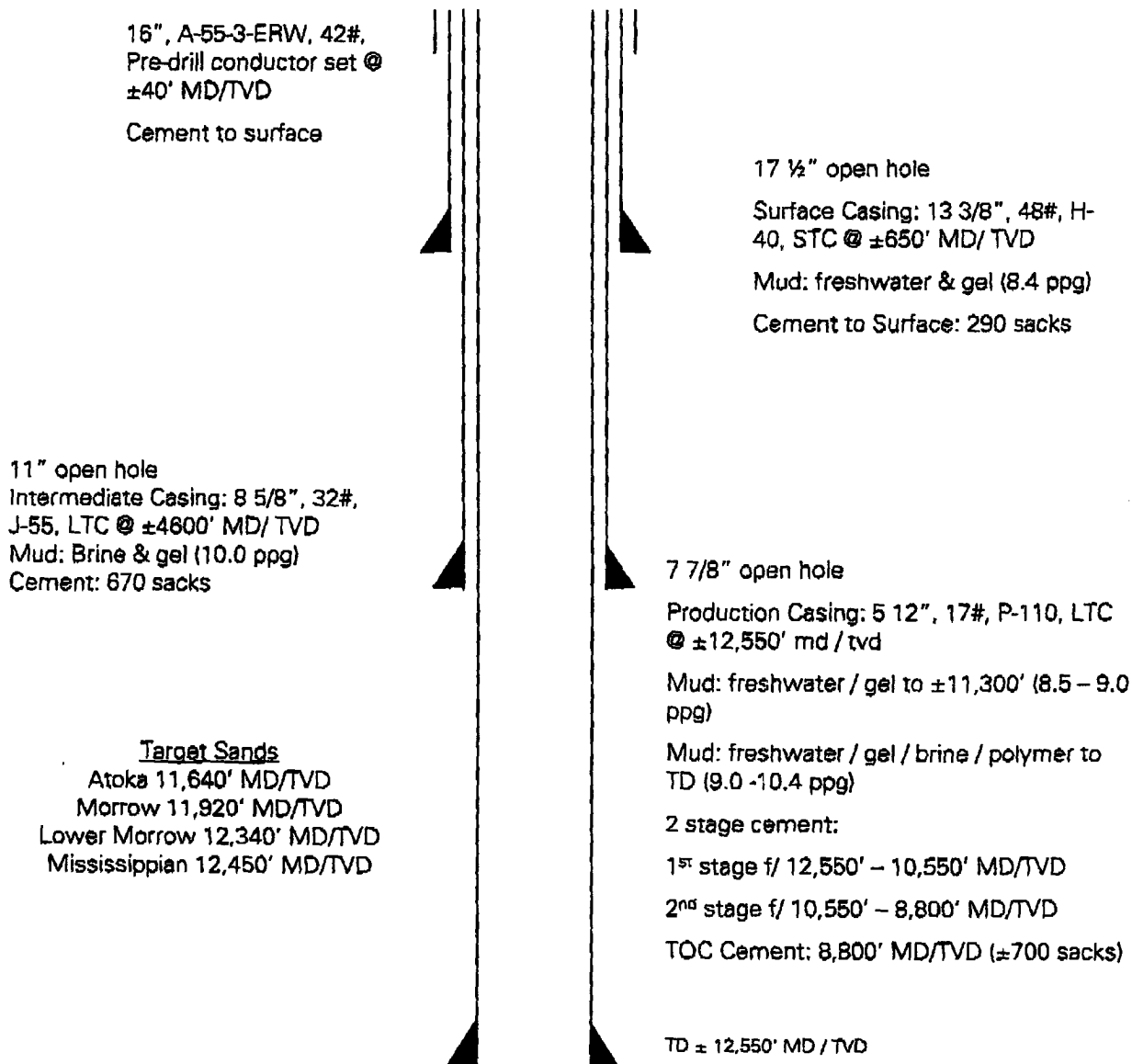
Hummingbird Federal #1

Eddy County, New Mexico
Section 1, T17S, R31E
1880' FSL & 1550' FEL

Proposed Casing Design

(not to scale)

Estimated GL Elevation: 4023'
Estimated RKB: 4038'



revision4jr. 3/5/05

Drilling Procedure Summary

1. Mobilize Nabors 399 to location. Rig up.
2. Drill 17 1/2" Surface hole to $\pm 650'$ md / tvd.
3. Run and cement 13 5/8" surface casing to surface.
4. Nipple up wellhead and 13-5/8" 5M BOP stack
5. Test 13 5/8" 5M BOP stack, 1000 psi.
6. Test 13 3/8" casing to 1000 psi, hold 30 minutes.
7. Drill 11" hole to 4,600' md / tvd.
8. Run and cement 8 5/8" intermediate casing.
9. Nipple up wellhead and 13-5/8" 5M BOP stack
10. Test BOP's to 4000 psi.
11. Test 8 5/8" casing to 2000 psi.
12. Drill 7 7/8" hole to $\pm 12,550'$ md / tvd.
13. Run wireline logs from $\pm 4600'$ md / tvd to TD.
14. Run and cement (2 stages) 5 1/2" Production casing. Planned TOC
 $\pm 8,800'$ md / tvd.
15. Nipple Down BOP&E
16. Install Dry Hole Tree
17. Move Drilling Rig Off location.

Note:

- A separate permit for completion will be filed.

Blowout Prevention and Testing Program

1. Testing BOP's

- Prior to any pressure testing, the area shall be isolated. Personnel shall be notified and / or evacuated.
- All pressure tests shall include a low-pressure test (200 – 300 psi) for 5 minutes before proceeding to the full pressure test.
- A satisfactory pressure test is represented by the test pressure held for a minimum of 5 minutes after the pressure has stabilized.
- The stack will be pressure tested when nipped up.
- The BOP's will be pressure and fully function tested every 14 days.
- All wellhead components and pressure containing connections will be pressure tested upon installation and re-tested on the connection break when changing out rams, any stack repair or installation of spools and section pieces in the wellhead.

2. Drilling Practices:

- All drilling breaks shall be flow checked and reported.
- Prior to tripping out of the hole, the drilling fluid shall be circulated and flow checked before pulling off bottom.
- Flow check well on trips out of the hole at (a) after pulling into the casing shoe and (B) before the BHA enters the stack.
- Hole fill-up volumes shall be monitored on every trip in and out of the hole. Any deviation from expected hole fill-up volumes shall be investigated.
- Slow pump pressures with both pumps should be taken:
 - Once a day when drilling
 - Mud weight Increases
 - BHA changes
 - Prior to drilling out casing.

Blow Out Preventer Stack Arrangement

Nabors Drilling: Rig #399

