## OCD-ARTESIA H **UNITED STATES**

DEPARTMENT OF THE INTERIOR

FORM APPROVED OMB No. 1004-0136 Expires November 30, 2000

| BUREAU OF LAND M   | 5. Lease Senal No.<br>NMLC026874F   |  |                |  |
|--|---|--|----------------|--|
| APPLICATION FOR PERMIT 1   | 6. If Indian, Allottee or Tribe Name  |  |                |  |
| 1a. Type of Work: ☑ DRILL ☐ REENTER  |   | 7. If Unit or CA Agreement, Name and  3. Lease Name and Well No.                   | I No.          |  |
| 1b. Type of Well: Oil Well Gas Well Oth  |   | WEST RIBBON FEDERAL 1  9. API Well No.   |                |  |
| 2. Italie of Operator  | AMY 1. SPANG<br>E-Mail: amy.t.spang@bp.com  | 30-015-3   | 2717           |  |
| 3a. Address<br>501WESTLAKE PARK BLVD M C 5.172<br>HOUSTON, TX 77079  | 3b. Phone No. (include area code) Ph: 281.366.7655 Fx: 281.366.7688                           | es. Legan Draw.  | Merro          |  |
| Location of Well (Report location clearly and in accorded     At surface SENE 1387FNL 1062FEL     At proposed prod. zone SENE 1387FNL 1062FEL  | mice with any State regulariments.  | Sec., T., R., M., or Bik. and Supre<br>Sec 6 T18S R27E Mer NMP                     |                |  |
| 14. Distance in miles and direction from nearest town or post  | office ARIESIA  | EDDY   | 3. State<br>NM |  |
| <ol> <li>Distance from proposed location to nearest property or<br/>lease line, ft. (Also to nearest drig. unit line, if any)<br/>1062'</li> </ol>   | 16. No. of Acres in Case 520.96  521 11 01 68   | 17. Spacing Unit dedicated to this well 320.00                                     | I              |  |
| 18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.  | 9700 MD   | 20. BLM/BIA Bond No. on file   |                |  |
| 21. Elevations (Show whether DF, KB, RT, GL, etc. 3466 GL  | 22. Approximate date work will start 03/01/2003   | 23. Estimated duration<br>60 DAYS  |                |  |
|  |   | ntrolled Water Basin   |                |  |
| The following, completed in accordance with the requirements   | of Onshore Oil and Gas Order No. 1, shall be attached t                                       | this form:   |                |  |
| <ol> <li>Well plat certified by a registered surveyor.</li> <li>A Drilling Plan.</li> <li>A Surface Use Plan (if the location is on National Forest Sys SUPO shall be filed with the appropriate Forest Service On the Surface Use Plan (if the location is on National Forest Sys Supo shall be filed with the appropriate Forest Service On the Supplementary Plant Supplementary Pl</li></ol> | Item 20 above).  5. Operator certification 6. Such other site specific in authorized officer. | ons unless covered by an existing bond or formation and/or plans as may be require |                |  |
| 25. Signature<br>(Electronic Submission)   | Name (Printed/Typed) AMY T. SPANG   | Date<br>02/19  | 9/2003         |  |
| REGULATORY COMPLIANCE ANALYST  |   | ·  |                |  |
| Approved by (Signature) /s/ LESLIE A. THEISS   | Name (Printed/Typed) /S/ LESLIE A. TI   | HEISS MAR  | 2 5 200.       |  |
| FIELD MANAGER  | CARLSBAD FIE  |  |                |  |
| Application approval does not warrant or certify the applicant to operations thereon.  Conditions of approval, if any, are attached.   | olds legal or equitable title to those rights in the subject                                  | VAL FOR 1 YEAR   | o conduct      |  |

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.

Additional Operator Remarks (see next page)

Conditions of approval, if any, are attached.

APPROVAL SUBJECT Electronic Submission #18698 verified by the BLM Well Information System GENERAL REQUIREMENTS OF PRODUCTION CO, sent to the Carlsbad GENERAL REQUIREMENTS for processing by Linda Askwig on 02/19/2003 (03LA0335AE) SPECIAL STIPULATIONS ATTACHED

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

#### State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102 Revised February 10, 1994 Submit to Appropriate District Office

DISTRICT- II P.O. Brewer DD, Artesia, NM 68211-0719

### OIL CONSERVATION DIVISION

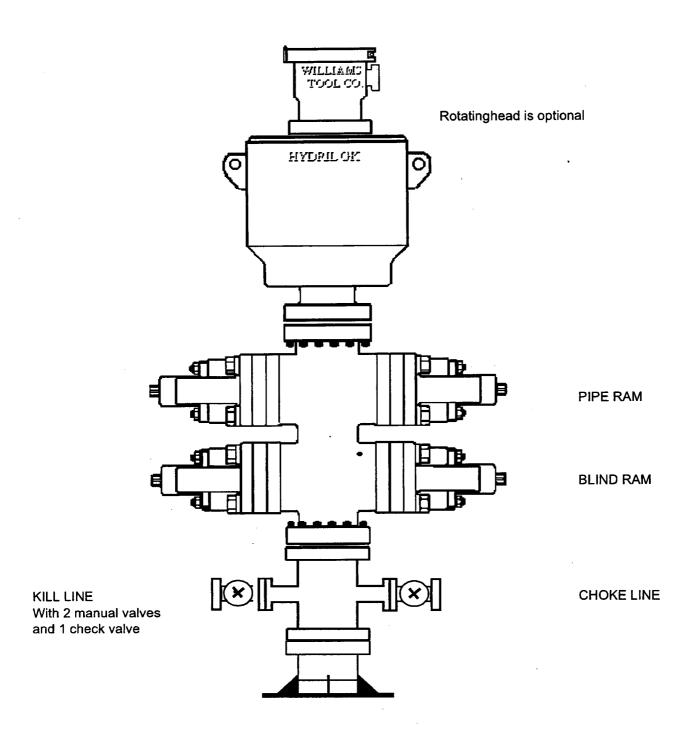
State Lease - 4 Copies Fee Lease - 3 Copies

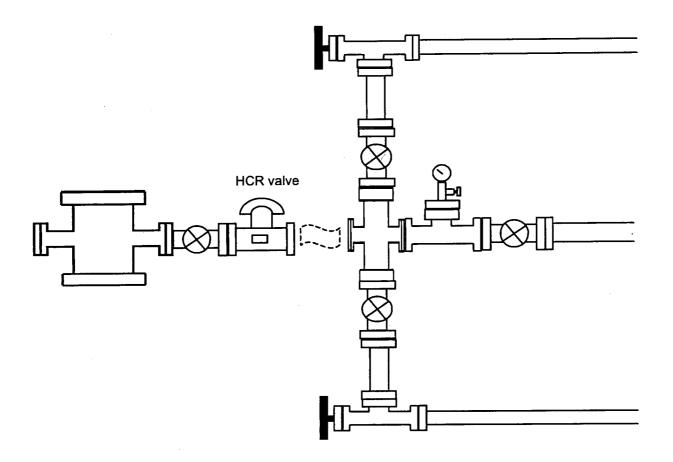
DISTRICT III

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

1000 Rio Brazos Rd., Aztec, NM 87410

| DISTRICT IV<br>P.O. BOX 2068, SANTA P | TR, N.M. 875                                     | i04-2088   | WELL LO                                     | CATION  | AND ACRE      | AGE DEDICATI                          | ON PLAT  | □ AMENDED  | REPORT                                   |
|---------------------------------------|--|--|---|---------|---------------|---------------------------------------|--|--|--|
| API Number Pool                       |  |  | Pool Code                                   |         | Pool Name     |                                       |  |  |  |
| Property Cod                          | Property Code                                    |  |   |         |               | perty Name Well Number BBON FEDERAL 1 |  |  |  |
| OGRID No.                             | OGRID No.  |  | Opera                                       |         |               | erator Name Elevation                 |  |  |  |
|                                       | BP AMERICA PRODUCTION CO. 3466' Surface Location |  |   |         |               |                                       |  |  |  |
| UL or lot No.                         | Section 6  | Township<br>18-S   | Range<br>27-E                               | Lot Idn | Feet from the | North/South line NORTH                | Feet from the  | East/West line<br>EAST   | County                                   |
|                                       |  | 10-5   |   | Hole Io | L             | erent From Sur                        | <u> </u>   | LASI   | LUUI                                     |
| UL or lot No.                         | Section  | Township   | Range                                       | Lot ldn | Feet from the | North/South line                      | Feet from the  | East/West line   | County                                   |
| Dedicated Acres                       | Joint or   | r Infill Con   | nsolidation (                               | Code Or | der No.       | <u> </u>                              |  | <u> </u>   |  |
| 320                                   |  |  |   |         |               |                                       |  |  |  |
| NO ALLOW                              | ABLE W   |  |   |         |               | UNTIL ALL INTER<br>ARPROVED BY        |  | EEN CONSOLIDA  | ATED                                     |
|                                       |  | GEODETIC CC<br>NAD 27<br>Y = 647<br>X = 506<br>LAT. 32'46'<br>LONG. 104'16 | NME<br>7538.3<br>5497.2<br>48.62 <b>"</b> N |         | 3461.2'       | 3464.4'                               | I hereb contained herein hest of my know Signature  Signature  Printed Nam  Title  O2.12.1  Date  SURVEYO  I hereby certify on this plat we actual surveys supervison and correct to the | R CERTIFICAT  that the well locative plotted from field the same is to best of my belief  UARY 6, 2003  d  Seal of the same is to best of the same is to be same is to b | ION  on shown notes of under my true and |





# EXHIBIT 3 BLOWOUT PREVENTION EQUIPMENT SPECIFICATIONS

- 1. All BOP equipment shall be fluid and/or mechanically operated.
- 2. BOP's and all fittings will be in good working condition.
- 3. Equipment through which the bit must pass shall be at least as large as the casing size being drilled.
- 4. The nipple above the BOP shall be at least the same size as the last casing set.
- 5. The upper kelly cock with handle and lower kelly cock shall be rated at the BOP working pressure.
- 6. A floor safety valve (full opening) or drill string BOP with appropriate pressure ratings shall be available on the rig floor with connections or subs to fit any tool joint in the string.
- 7. The minimum size choke line shall be 3 inches nominal diameter, with a minimum size for vent lines downstream of chokes of 2 inches nominal, and vent lines which by-pass shall be a minimum of 3 inches nominal and as straight as possible.
- 8. All valves, fittings and lines between the closing unit and the blowout preventer stack should be of steel construction with rated working pressure at least equal to working pressure rating of the stack. Lines shall be bundled and protected from damage.
- 9. Minimum size for kill line is 2 inches nominal.
- 10. Ram type preventers shall be equipped with extension hand wheels or hydraulic locks.