

(July 1992)

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
 1801 W. Grand Avenue
 ALBUQUERQUE, NEW MEXICO 88210

(Other instructions on reverse side)

OMB NO. 1004-0136
Expires: February 28, 1995**APPLICATION FOR PERMIT TO DRILL OR DEEPEN**

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>			5. LEASE DESIGNATION AND SERIAL NO. NM-13406		
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER 168 489 SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME		
2. NAME OF OPERATOR RICKS EXPLORATION, INC. (ERICK NELSON 915-683-7443)			7. UNIT AGREEMENT NAME 26055		
3. ADDRESS AND TELEPHONE NO. 110 WEST LOUISIANA SUITE 410 MIDLAND, TEXAS 79701 915-683-7443			8. FARM OR LEASE NAME, WELL NO. FEDERAL "BN" # 2		
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 2365' FWL & 2215' FNL SEC. 17 T22S-R26E EDDY CO. NM At proposed prod. zone 660' FSL & 1310' FEL SEC. 17 T22S-R26E SUBJECT TO LIKE APPROVAL BY STATE			9. AP WELL NO. 30-015-32721		
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE Approximately 4 miles West of Carlsbad New Mexico			10. FIELD AND POOL, OR WILDCAT HAPPY VALLEY-MORROW		
15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 660'			11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA SEC. 17 T22S-R26E		
16. NO. OF ACRES IN LEASE 320			12. COUNTY OR PARISH EDDY CO.		
17. NO. OF ACRES ASSIGNED TO THIS WELL 320			13. STATE NEW MEXICO		
18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 2540'			19. PROPOSED DEPTH 11,900 TVD		
20. ROTARY OR CABLE TOOLS ROTARY			21. APPROX. DATE WORK WILL START WHEN APPROVED		
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3682' GR Carlsbad Controlled Water Basin					

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
25"	Conductor	NA	40'	Cement to surface with Radi-mix.
17½"	H-40 13 3/8"	48	750'	600 Sx. circulate to surface
12½"	S-80, J-55 9 5/8"	40	2700'	800 Sx. " " "
8 3/4"	S-95, N-80 5½"	17	12,400'	1050 Sx. Est. top of cement 700'

1. Drill 25" hole to 40'. Set 40' of 20" conductor pipe and cement to surface with Radi-mix.
2. Drill 17½" hole to 750'. Run and set 750' of 13 3/8" 48# H-40 ST&C casing. Cement with 600 Sx. of Class "C" cement + 2% CaCl, + ¼# Floceles/Sx. Circulate cement to surface.
3. Drill 12½" hole to 2700'. Run and set 2700' of 9 5/8" 40# S-80 & J-55 ST&C casing. Cement with 600 Sx. of Light Class "C" cement + additives, tail in with 200 Sx. of Class "C" cement + 2% CaCl, + ¼# Flocele/Sx. Circulate cement to surface.
4. Drill 8 3/4" hole to 12,400' MD. Run and set 12,400' of 5½" casing as follows: 2400' of 17# S-95 LT&C, 8900' of 17# N-80 LT&C, 1100' of 17# N-80 Buttress Thread. Cement with 550 Sx. of Class "H" Light weight cement + additives, tail in with 500 Sx. of Class "H" Premium Plus cement + additives, estimate top of cement 7000'. from surface.

**APPROVAL SUBJECT TO
 GENERAL REQUIREMENTS AND
 SPECIAL STIPULATIONS**

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present well, zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measurements. If proposal is to install a water control program, if any.

24. **SIGNED** Joe T. Jimica **TITLE** Agent **DATE** 11/11/02

(This space for Federal or State office use)

PERMIT NO. _____ **APPROVAL DATE** _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subsurface which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY /S/ JOE G. LARA

ACTING
FIELD MANAGER

DATE MAR 31 2003

***See Instructions On Reverse Side APPROVAL FOR 1 YEAR**

Title 18 U.S.C. Section 1001, makes 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
P.O. Box 1982, Hobbs, NM 88241-1982

State of New Mexico
Energy, Minerals and Natural Resources Department

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

DISTRICT II
P.O. Drawer 80, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Artesia, NM 87410

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 78060	Pool Name HAPPY VALLEY-MORROW GAS
Property Code	Property Name FEDERAL BN	Well Number 2
OGRID No. 168489	Operator Name RICKS EXPLORATION	Elevation 3682'

Surface Location

UL or lot No. F	Section 17	Township 22-S	Range 26-E	Lot Idn	Feet from the 2215'	North/South line NORTH	Feet from the 2365'	East/West line WEST	County EDDY
--------------------	---------------	------------------	---------------	---------	------------------------	---------------------------	------------------------	------------------------	----------------

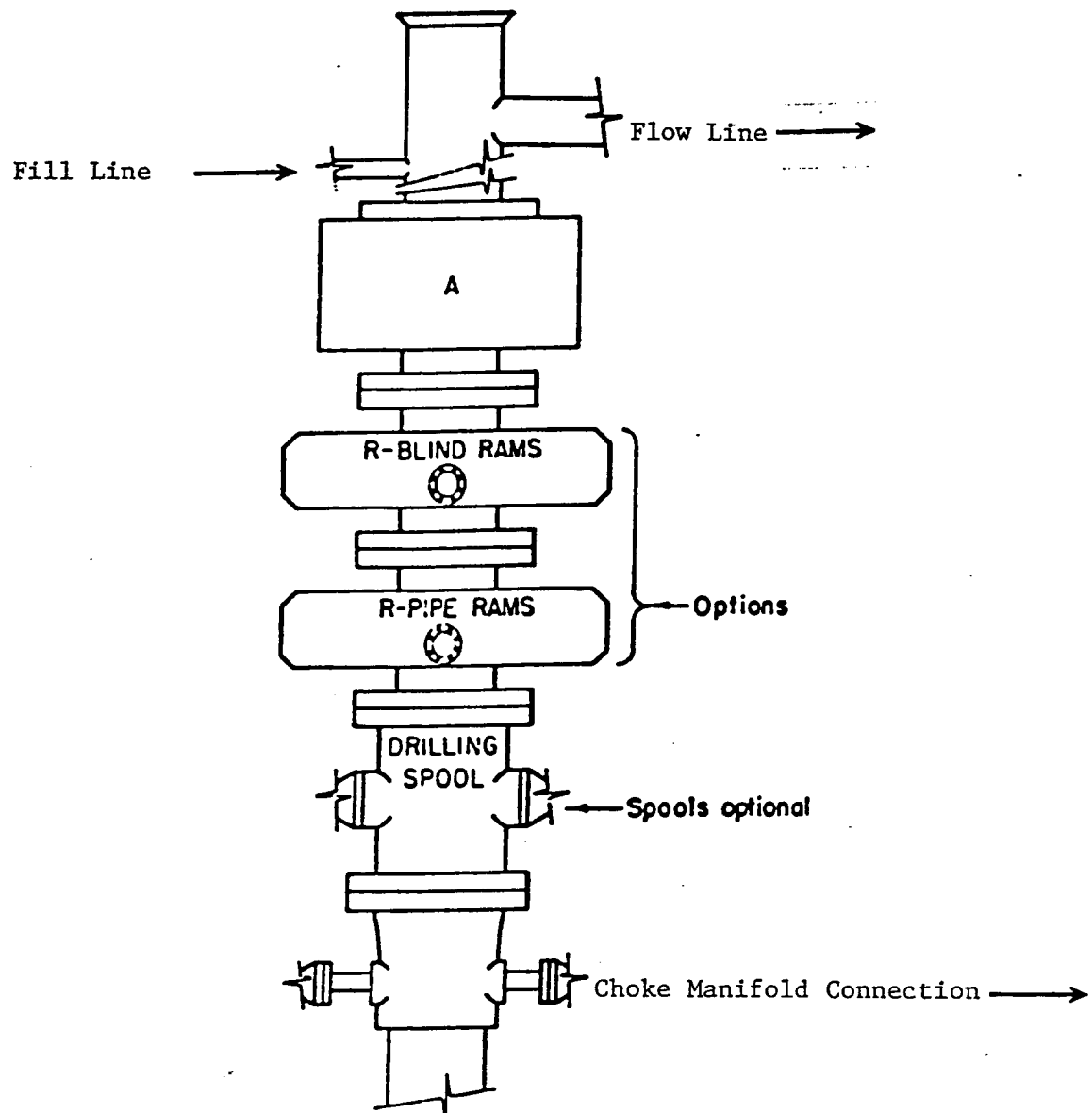
Bottom Hole Location If Different From Surface

UL or lot No. P	Section 17	Township 22-S	Range 26-E	Lot Idn	Feet from the 660'	North/South line SOUTH	Feet from the 1310'	East/West line EAST	County EDDY
Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.						

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>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Joe T. Janica</i> Signature Joe T. Janica Printed Name Agent Title 11/11/02 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>SEPTEMBER 25, 2002</p> <p>Date Surveyed Signature & Seal of Professional Surveyor NEW MEXICO 3239 02.11.07.10 20/23/02</p> <p>Certificate No. RONALD L. KIDSON 3239 GARY KIDSON 12841</p>
--	--

EXHIBIT "A"



ARRANGEMENT SRRA

1500 Series
5000 PSI WP

EXHIBIT "E"
SKETCH OF B.O.P. TO BE USED ON

RICKS EXPLORATION, INC.
FEDERAL "BN" # 2
UNIT "F" SECTION 17
T22S-R26E EDDY CO. NM

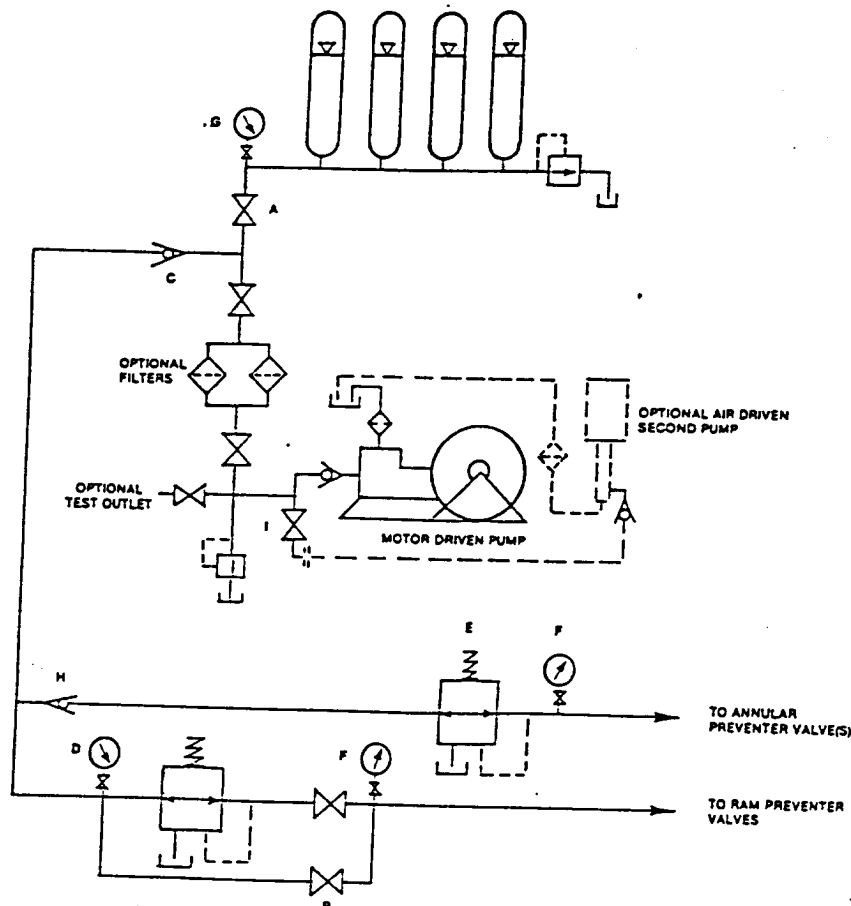


FIGURE K6-1. The schematic sketch of an accumulator system shows required and optional components.

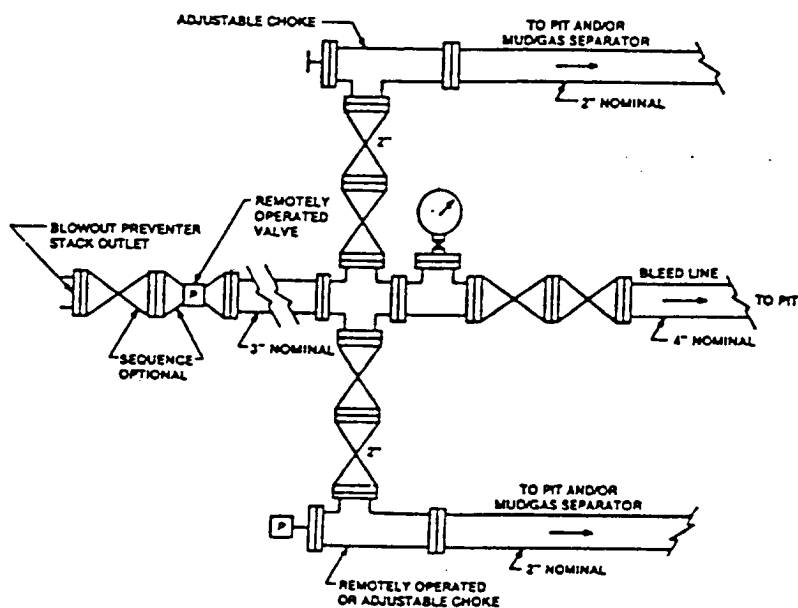


FIGURE K4-2. Typical choke manifold assembly for 5M rated working pressure service — surface installation.

EXHIBIT "E-1"
CHOKE MANIFOLD & CLOSING UNIT

RICKS EXPLORATION, INC.
FEDERAL "BN" # 2
UNIT "F" SECTION 17
T22S-R26E EDDY CO. NM