

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM 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 Designation and Serial No. NMST078476 NMNM 019403	
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 PHOENIX HYDROCARBONS OPERATING CORPORATION		7. If Unit or CA, Agreement, Name and No. 26 854	
3a. Address P O BOX 3638, MIDLAND, TX 79705		8. Lease Name and Well No. LARGO FEDERAL #3A	
3b. Phone Number 915 682-1186		9. API Well No. 30-045-30804	
4. Location of Well (Footage, Sec., T. R., M., or Survey Description) At surface: 1845' FSL & 1165' FEL; I; SEC 14; T-27N; R-8W At proposed prod. Zone: Same		10. Field and Pool, or Exploratory BLANCO MESAVERDE	
11. Sec., T., R., M., or Blk. and Survey or Area SEC 14; T-27N; R-8W		12. County or Parish. SAN JUAN	
13. State New Mexico		14. Distance in miles and direction from nearest town or post office* 20 MILES SOUTH OF BLANCO	
15. Distance from proposed* N/A location to nearest property or lease line, ft. (Also to nearest drig. Unit line, if any)		16. No of Acres in lease 960	
17. Spacing Unit dedicated to this well 320 E/2		18. Distance from proposed* N/A location to nearest property or lease line, ft.	
19. Proposed Depth 5530'		20. BLM/BIA Bond No. on file BLM NM2887	
21. Elevation (Show whether DF, KDB, RT, GL, etc.) GL 6635'		22. Approximate date work will start* 10/1/01	
23. Estimated duration 8 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

Size of Hole	Grade, Size of Casing	Weight per Foot	Setting Depth	Quantity of Cement
11"	8-5/8"	24#	230'	100 SKS HALLIBURTON CLASS "B"; CIR TO SURF
7-7/8"	4-1/1"	10.50#	5530'	1445 sks Halliburton Class "A" w/2% CaCl2, circ to surf

SEE ATTACHED APD INFORMATION

25. Signature <i>Gregg Biano</i>	Name (Printed/Typed) GREGG BIANO	Date 8/20/01
Title ENGINEER		
Approved by (Signature) <i>Jim Lovato</i>	Name (Printed/Typed)	Date NOV - 7
Title	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.

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)

This action is subject to technical and procedural review pursuant to 43 CFR 3155.3 and 43 CFR 3155.4.

NMOCD

DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS"

MAY 07 2001

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised October 18, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-30804	² Pool Code 72319	³ Pool Name BLANCO MESAVERDE
⁴ Property Code 26854	⁵ Property Name LARGO FEDERAL	⁶ Well Number 3A
⁷ OGRID No. 188483	⁸ Operator Name PHOENIX HYDROCARBONS OPERATING CORP.	⁹ Elevation 6635

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	14	27N	8W		1845	SOUTH	1165	EAST	SAN JUAN

¹¹ 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

¹² Dedicated Acres 320 EA	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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

<div data-bbox="651 1144 971 1461"> </div>	<h3>¹⁷ OPERATOR CERTIFICATION</h3> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p>Signature <u>Gregg Baiano</u> Printed Name ENGINEER Title Date <u>8/20/01</u></p>	
	<h3>¹⁸ SURVEYOR CERTIFICATION</h3> <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>Date of Survey <u>April 3, 2001</u> Signature and Seal of Professional Surveyor: Certificate Number <u>9672</u></p>	

IF THIS IS AN AMENDED REPORT, CHECK THE BOX LABELED "AMENDED REPORT" AT THE TOP OF THIS DOCUMENT.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed contact the appropriate OCD district office. Independent subdivision surveys will not be acceptable.

1. The OCD assigned API number for this well
2. The pool code for this (proposed) completion
3. The pool name for this (proposed) completion
4. The property code for this (proposed) completion
5. The property name (well name) for this (proposed) completion
6. The well number for this (proposed) completion
7. Operator's OGRID number
8. The operator's name
9. The ground level elevation of this well
10. The surveyed surface location of this well measured from the section lines NOTE: If the United States government survey designates a Lot Number for this location use that number in the 'UL or lot no.' box. Otherwise use the OCD unit letter.
11. Proposed bottom hole location. If this is a horizontal hole indicate the location of the end of the hole.
12. The calculated acreage dedicated to this completion to the nearest hundredth of an acre
13. Put a Y if more than one completion will be sharing this same acreage or N if this is the only completion on this acreage
14. If more than one lease of different ownership has been dedicated to the well show the consolidation code from the following table:

C	Communitization
U	Unitization
F	Forced pooling
O	Other
P	Consolidation pending

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15. Write in the OCD order(s) approving a non-standard location, non-standard spacing, or directional or horizontal drilling
16. This grid represents a standard section. You may superimpose a non-standard section over this grid. Outline the dedicated acreage and the separate leases within that dedicated acreage. Show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. (Note: A legal location is determined from the perpendicular distance to the edge of the tract.) If this is a high angle or horizontal hole show that portion of the well bore that is

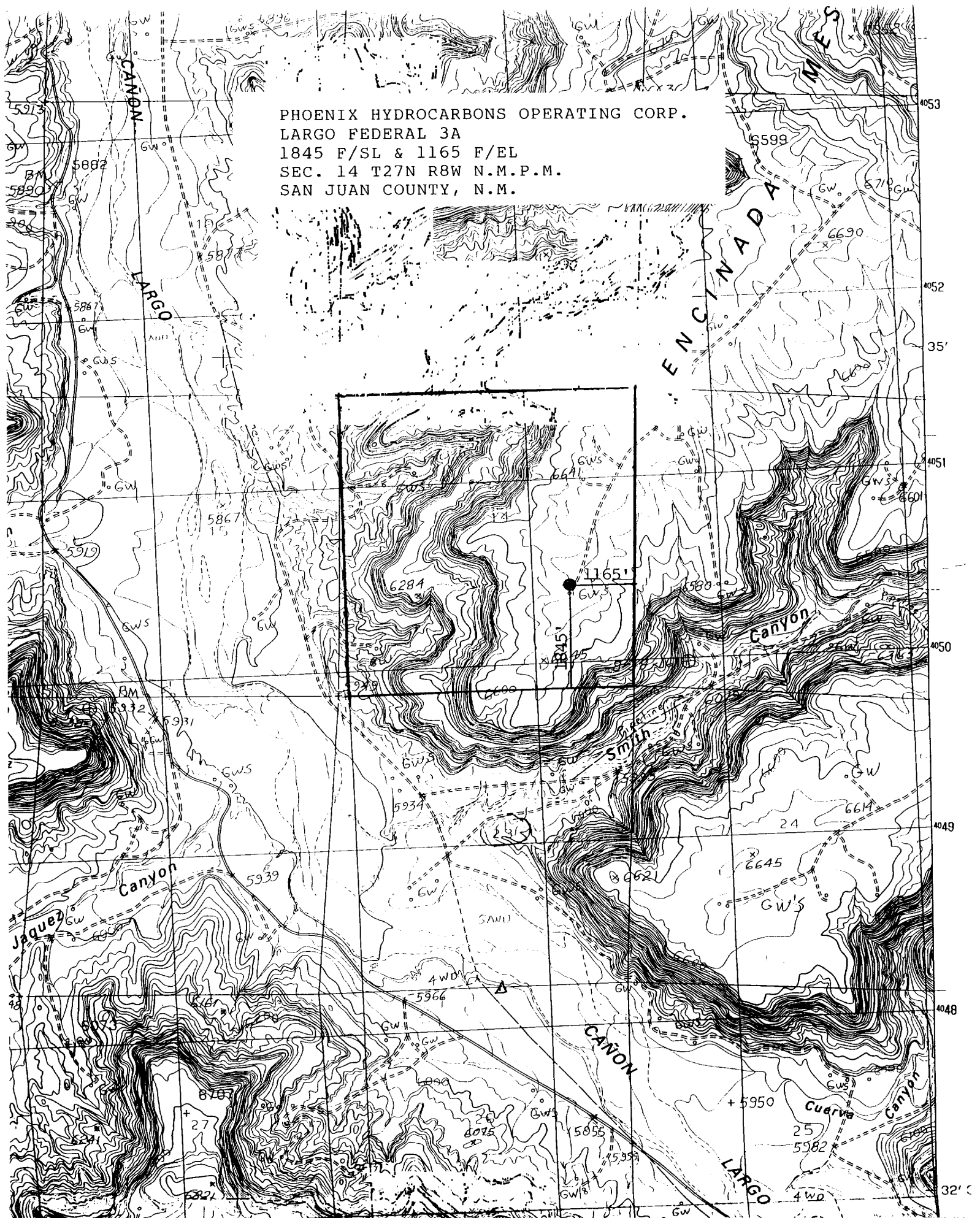
open within this pool.

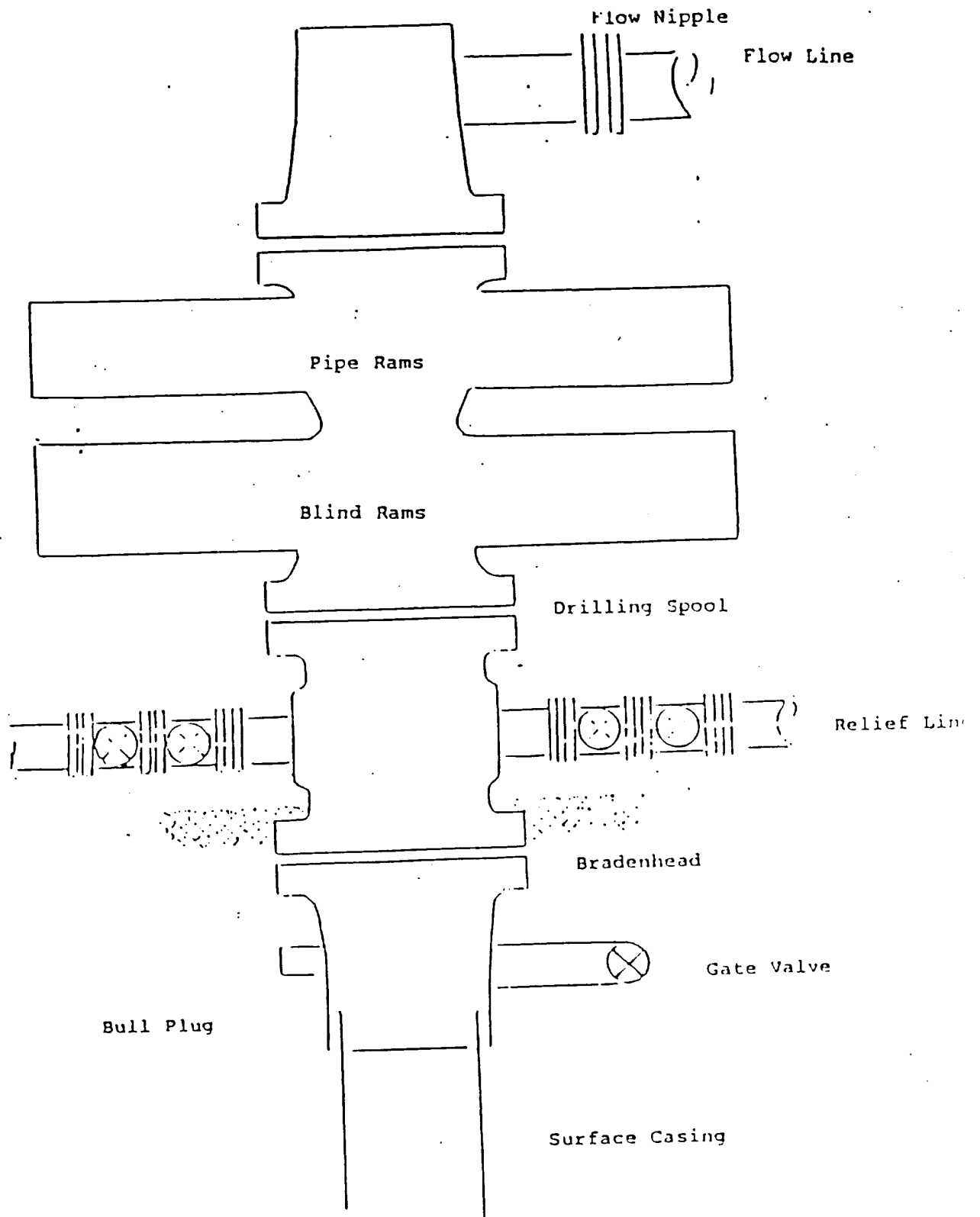
Show all lots, lot numbers, and their respective acreage.

If more than one lease has been dedicated to this completion, outline each one and identify the ownership as to both working interest and royalty.

17. The signature, printed name, and title of the person authorized to make this report, and the date this document was signed.
18. The registered surveyors certification. This section does not have to be completed if this form has been previously accepted by the OCD and is being filed for a change of pool or dedicated acreage.

PHOENIX HYDROCARBONS OPERATING CORP.
LARGO FEDERAL 3A
1845 F/SL & 1165 F/EL
SEC. 14 T27N R8W N.M.P.M.
SAN JUAN COUNTY, N.M.





Series 900 Double Gate BOP, rated at 3000 psi Working Pressure. When gas drilling operations begin a Shaffer type 50 or equivalent rotating head is installed on top of the flow nipple and the flow line is converted into a blowie line.