

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

Form C-101
 Revised October 18, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 6 Copies
 Fee Lease - 5 Copies

OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, NM 87505

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address. TMBR/Sharp Drilling, Inc. P. O. Drawer 10970 Midland, TX 79702		² OGRID Number 036554
		³ API Number 30 - 025-35104
⁴ Property Code 26356	⁵ Property Name TMBR State #10 State	⁶ Well No. 1

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	Count
L	10	14S	34E		2630	South	713	West	Lea

⁸ Proposed 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	Count

⁹ Proposed Pool 1 Bough "C" SAUNDERS PERMO PENN, EAST	¹⁰ Proposed Pool 2
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¹¹ Work Type Code N	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 4123
¹⁶ Multiple No	¹⁷ Proposed Depth 11,500	¹⁸ Formation Bough "C"	¹⁹ Contractor TMBR/Sharp	²⁰ Spud Date 7/22/00

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17½"	13¾"	48	400	385 SX	Surface
11"	8¾"	32	4,500	1235 SX	Surface
7¾"	5½"	17	11,500	500 SX	9,000

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

It is proposed to drill a 17½" hole to ±400' with FW, set 13¾" casing and cement casing back to surface. An 11" intermediate hole will then be drilled to ±4,500' w/brine-cut brine system and an 8¾" casing string will be set and cemented back to surface. A 3000 psi annular preventer and 3000 psi dual ram BOP will be used on the intermediate hole. A 7¾" hole will be drilled to an approximate TD of 11,500' w/FW mud. The 5½" casing will be set at TD and cemented back to the intermediate casing @ 5,000'. A 3000 psi annular preventer and a 5000 psi dual ram BOP will be used on the 7¾" hole. Mud up will occur between 9,000' and 11,000' and several DST's are planned.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>Jeffrey D. Phillips</i>	OIL CONSERVATION DIVISION	
	Approved by:	
Printed name: Jeffrey D. Phillips	Title:	
Title: Vice President	Approval Date:	Expiration Date:
Date: July 20, 2000	Phone: (915) 699-5050	Conditions of Approval: <i>cannot produce until NSL Attached <input type="checkbox"/> (and NSP approved in Santa Fe)</i>

C-101 Instructions

Measurements and dimensions are to be in feet/inches. Well locations will refer to the New Mexico Principal Meridian.

Permit Expires 1 Year From Approval Date Unless Drilling Underway

[Handwritten initials]

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
State Lease - 4 Copies
Fee Lease - 3 Copies

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

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

OIL CONSERVATION DIVISION

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-35104	Pool Code 54960	Well Name SAUNDERS PER. NO PENN, EAST Bough "C"
Property Code 26356	Property Name TMBR STATE 10 STATE	Well Number 1
OGRID No. 036554	Operator Name TMBR/SHARP DRILLING, INC.	Elevation 4123

Surface Location

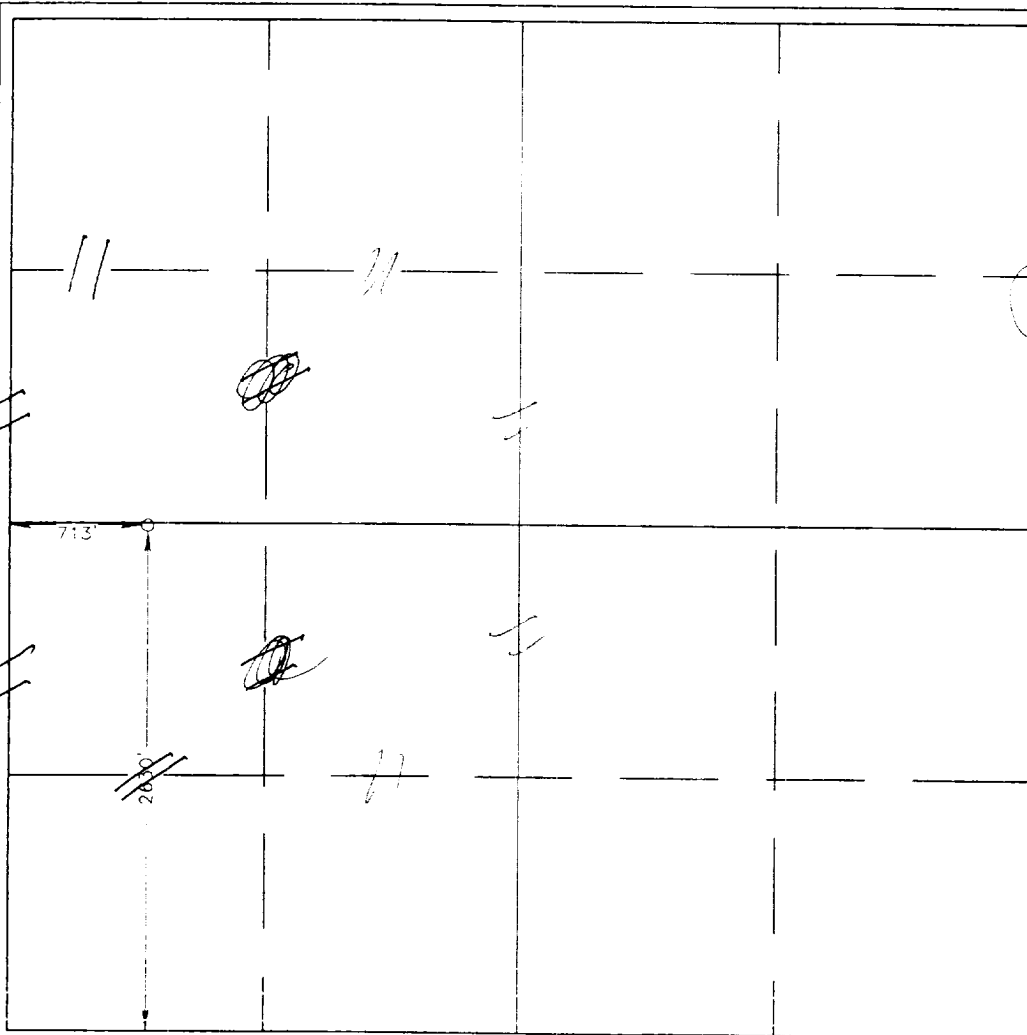
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	10	14 S	34 E		2630	SOUTH	713	WEST	LEA

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 80/60	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



OPERATOR CERTIFICATION	
<i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>	
<i>Jeffrey D. Phillips</i> Signature	
Jeffrey D. Phillips Printed Name	
Vice President Title	
July 20, 2000 Date	
SURVEYOR CERTIFICATION	
<i>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.</i>	
July 17, 2000	
Date Surveyed	DC
Signature & Seal of Professional Surveyor	
<i>Ronald J. Eidson</i> 7/18/00 09-11-0894	
Certificate No.	RONALD J. EIDSON 3239 GARY EIDSON 12641 MACQUEL McDONALD 12185

TIMBER/SHARP DRILLING

B.O.P. Equipment Intended for use on Rig # 23

Well To Be drilled for Timber/Sharp Drilling, Inc.

' All B.O.P equipment is H2S Trim '

' All Accumulators are Kookey Type-80 : Dual Power Electric/Air '

' Choke Manifold: " See sheet 2

4" Valves : Cameron F/FC, Shaffer DB Hydraulic

2" Check Valve: Cameron Type R

2" Valves : Cameron or Shaffer

Annular: ✓ Type: Hydril

Annular PSI: 3000

(If Shaffer: Spherical , If Hydril: Type GK)

BOP Type LWS

(If Shaffer: LWS or SL, If Cameron: Type U)

BOP Size: 11 " - 5000 PSI

Rotating Head Type Williams

Rot-Head Furnished By Operator

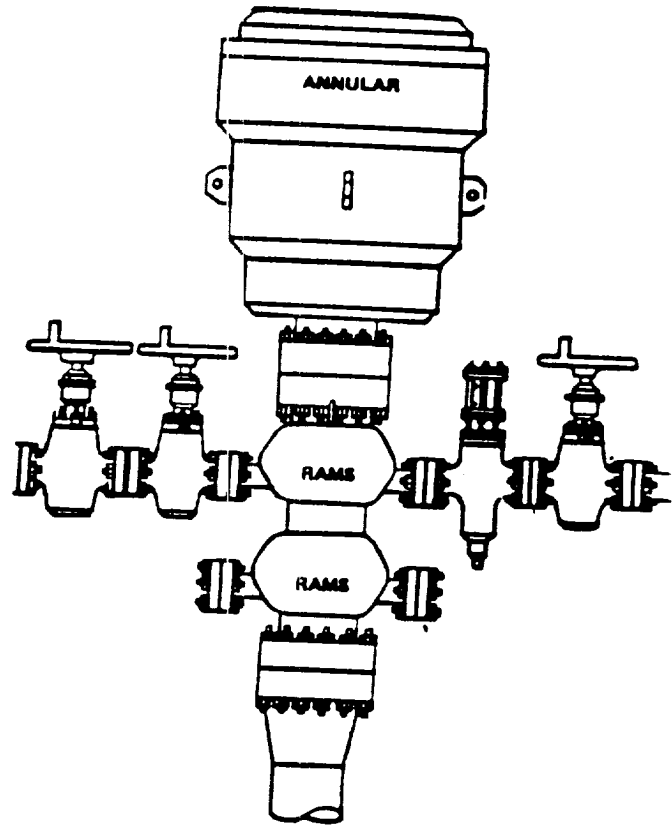
Rams in top gate: 4 1/2

Rams in bottom: Blinds

Side Outlets used:

Bottom Top ✓

4" Valves on Tee



TIMBER/SHARP DRILLING

B.O.P. Equipment Intended for use on Rig # 23

Well To Be drilled for Timber/Sharp Drilling, Inc.

' All Valves (H2S) '

Choke Manifold:

Pressure Rating 3,000 or 5,000 (as Req.)

1 - 4" Valves (2 if Required)

4 - 2" Valves

2 - 2" Adjustable Chokes

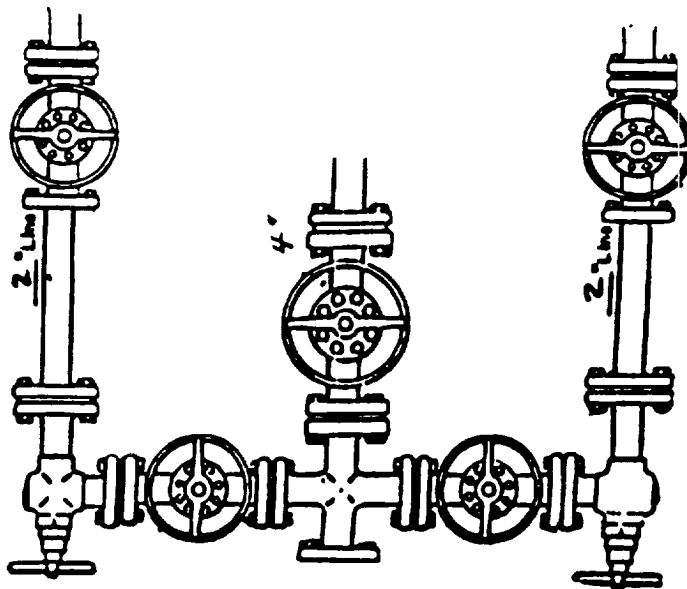
Valve Types Used:

Cameron - F or FC

Shaffer - B Floseal

WKM - type 2

Chokes - Cameron H2 or TC unbolt



ELF 10/9/69
ABOVE DATE DOES NOT
INDICATE WHEN
CONFIDENTIAL LOGS
WILL BE RELEASED