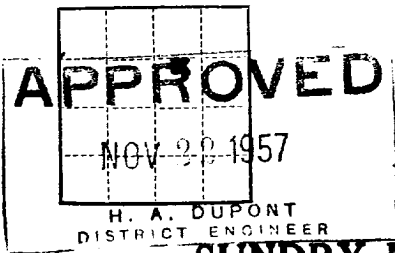


(SUBMIT IN TRIPLICATE)

Land Office Las Cruces

Lease No. N.M. 001

Unit Lease



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

ETC 5 21 7. 40

SUNDRY NOTICES AND REPORTS ON WELLS

NOTICE OF INTENTION TO DRILL.....	<input checked="" type="checkbox"/>	SUBSEQUENT REPORT OF WATER SHUT-OFF.....	
NOTICE OF INTENTION TO CHANGE PLANS.....		SUBSEQUENT REPORT OF SHOOTING OR ACIDIZING.....	
NOTICE OF INTENTION TO TEST WATER SHUT-OFF.....		SUBSEQUENT REPORT OF ALTERING CASING.....	
NOTICE OF INTENTION TO RE-DRILL OR REPAIR WELL.....		SUBSEQUENT REPORT OF RE-DRILLING OR REPAIR.....	
NOTICE OF INTENTION TO SHOOT OR ACIDIZE.....		SUBSEQUENT REPORT OF ABANDONMENT.....	
NOTICE OF INTENTION TO PULL OR ALTER CASING.....		SUPPLEMENTARY WELL HISTORY.....	
NOTICE OF INTENTION TO ABANDON WELL.....			

(INDICATE ABOVE BY CHECK MARK NATURE OF REPORT, NOTICE, OR OTHER DATA)

Ballard

November 20, 1957

Well No. 1 is located 1980 ft. from N line and 1980 ft. from E line of sec. 27

34/4 Section 27
(1/4 Sec. and Sec. No.)

203
(Twp.)

34 E
(Range)

N 27 W
(Meridian)

Lynch
(Field)

Lee
(County or Subdivision)

New Mexico
(State or Territory)

The elevation of the derrick floor above sea level is 3691 ft.

DETAILS OF WORK

(State names of and expected depths to objective sands; show sizes, weights, and lengths of proposed casings; indicate mudding jobs, cementing points, and all other important proposed work)

We propose to drill at the above location with cable tools to an approximate depth of 3700 feet in the Seven Rivers. 13 3/8 inch casing will be cemented at approximately 70 feet with 100 sacks of cement. A string of 10 3/4 inch casing will be mudded at 750 feet and 8 5/8 inch casing at 1290 feet. The oil string of 5 1/2 inch casing will be landed at approximately 3650 feet. The 10 3/4 inch and 8 5/8 inch casing will be pulled and the 5 1/2 inch casing cemented to surface with approximately 1500 sacks cement. The well will be tested natural and if necessary will be treated with 1000 gallons regular acid.

I understand that this plan of work must receive approval in writing by the Geological Survey before operations may be commenced.

Company Drilling & Exploration Company, Inc.

Address Box 2075

Hobbs, New Mexico

By D. C. Wells

Title Division Prod. Superintendent

NEW MEXICO OIL CONSERVATION COMMISSION
Well Location and Acreage Dedication Plat

Section A.

Date 11-19-57

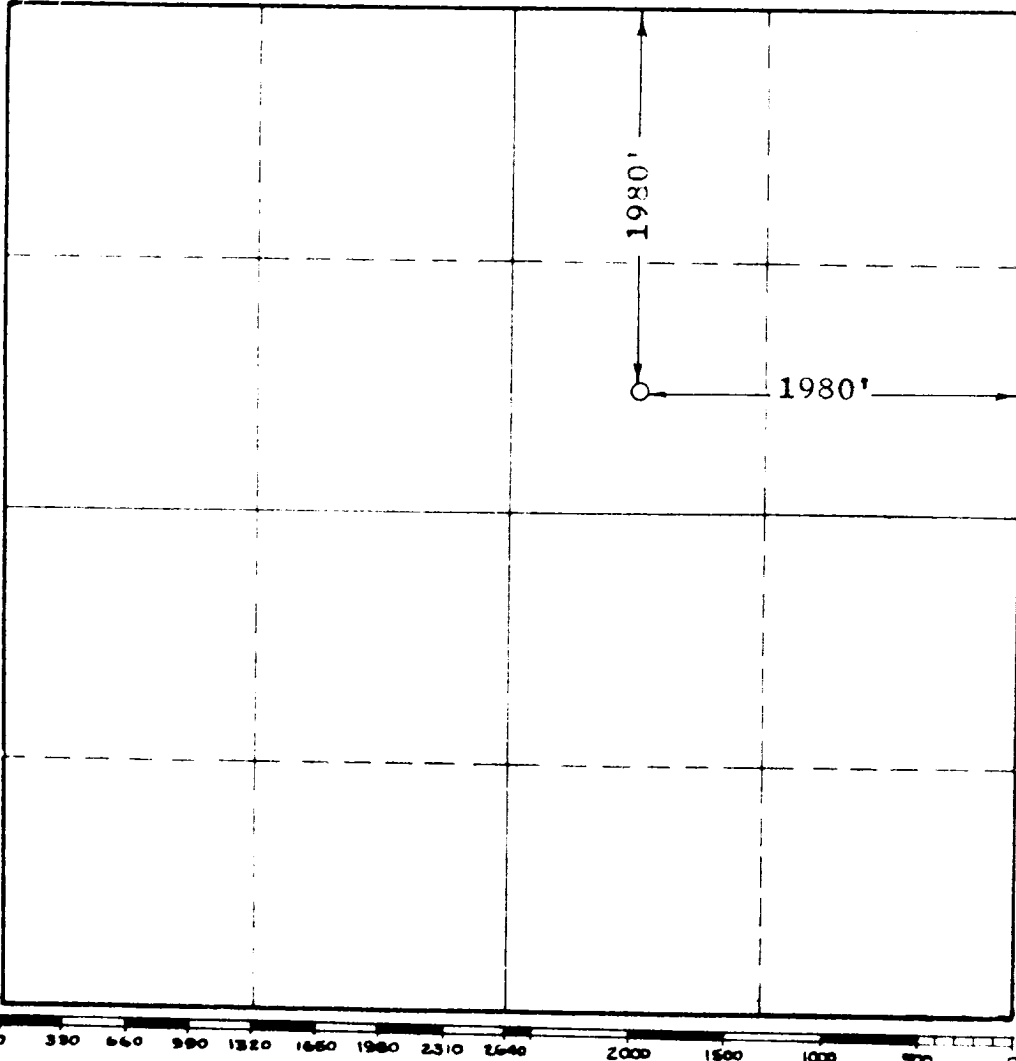
Operator Drilling & Exploration Co Inclease Ballard
Well No. 1 Unit letter G Section 27 Township 20 S Range 34 E NMFM
located 1980 Feet From North Line, 1980 Feet From East Line
County Lea C. L. Elevation 3689.4 Dedicated Acreage 40 Acres
Name of Producing Formation Seven Rivers Pool Lynch

1. Is the Operator the only owner* in the dedicated acreage outlined on the plat below?
Yes No .
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes No . If answer is "yes," Type of Consolidation _____
3. If the answer to question two is "no," list all the owners and their respective interests below:

<u>Owner</u>	<u>Land Description</u>

RECEIVED
NOV 21 1957
U. S. GEOLOGICAL SURVEY
HOBBS, NEW MEXICO

Section B



This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief.

Drilling & Exploration Co., Inc.
(Operator)

D. C. Smith
(Representative)

Box 2075 Hobbs, New Mexico
Address

This is to certify that the well location shown on the plat in Section B 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 knowledge and belief.

Date Surveyed 11-15-57

John W. West
Registered Professional
Engineer and/or Land Surveyor.

Certificate No. 676