Form 3160-3
(July 1992)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

5. LEASE DESIGNATION AND SERIAL NO.
LC-028775A

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

1a. TYPE OF WORK
DRILL XX DEEPEN

7. UNIT AGREEMENT NAME 16436
Robinson Jackson Unit

b. TYPE OF WELL
OIL WELL XX GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

8. FARM OR LEASE NAME, WELL NO.
Tract 1 #35

2. NAME OF OPERATOR
Vintage Drilling LLC 22164

9. API WELL NO.
30-015-31128

3. ADDRESS AND TELEPHONE NO.
P.O. Box 158 Loco Hills, N.M. 88255

10. FIELD AND POOL, OR WILDCAT
Grayburg-Jackson (Keelly)

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface 1120' FSL 330' FEL
At proposed prod. zone
Same Unit P

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
S-27 T-17S R-29E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
East of Artesia on Hwy 82 Appx. 20.7 Miles

12. COUNTY OR PARISH
Eddy

13. STATE
N.M.

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT (Also to nearest drlg. unit line, if any)
330' FEL

16. NO. OF ACRES IN LEASE
1520

17. NO. OF ACRES ASSIGNED TO THIS WELL
40

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH
3500'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
3561 GR

22. APPROX. DATE WORK WILL START*
Feb. 25, 2000

23. PROPOSED CASING AND CEMENTING PROGRAM

ROSWELL CONTROLLED WATER BASIN

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	J-55, 8 5/8"	24#	350'	300 Sx Circ. WITNESS
7 7/8"	J-55, 5-1/2"	17#	~~5000~~ 3500'	800 Sx Circ.

PayZone will be selectively perforated and stimulated as needed for optimum production.

Attached are:

1. Location & Acreage dedication plat.
2. Supplemental Drilling Data
3. Surface use plan

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

IN ABOVE SPACE DESCRIBE PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED [signature] TITLE Owner DATE 2/10/00

(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 subject lease which would entitle the applicant to conduct operations thereon.
CONDITIONS OF APPROVAL, IF ANY:

ACTING DISTRICT MANAGER

Assistant Field Manager,
Lands And Minerals

APPROVED BY TITLE DATE

*See Instructions On Reverse Side

APPROVED 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 1980, Hobbs, NM 88241-1980

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

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

DISTRICT IV
P.O. Box 2088, Santa Fe, NM 87504-2088

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

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	Pool Name

Property Code	Property Name	Well Number
	RJU TRACT 1	35
OGRID No.	Operator Name	Elevation
	VINTAGE DRILLING, LLC	3561

Surface Location

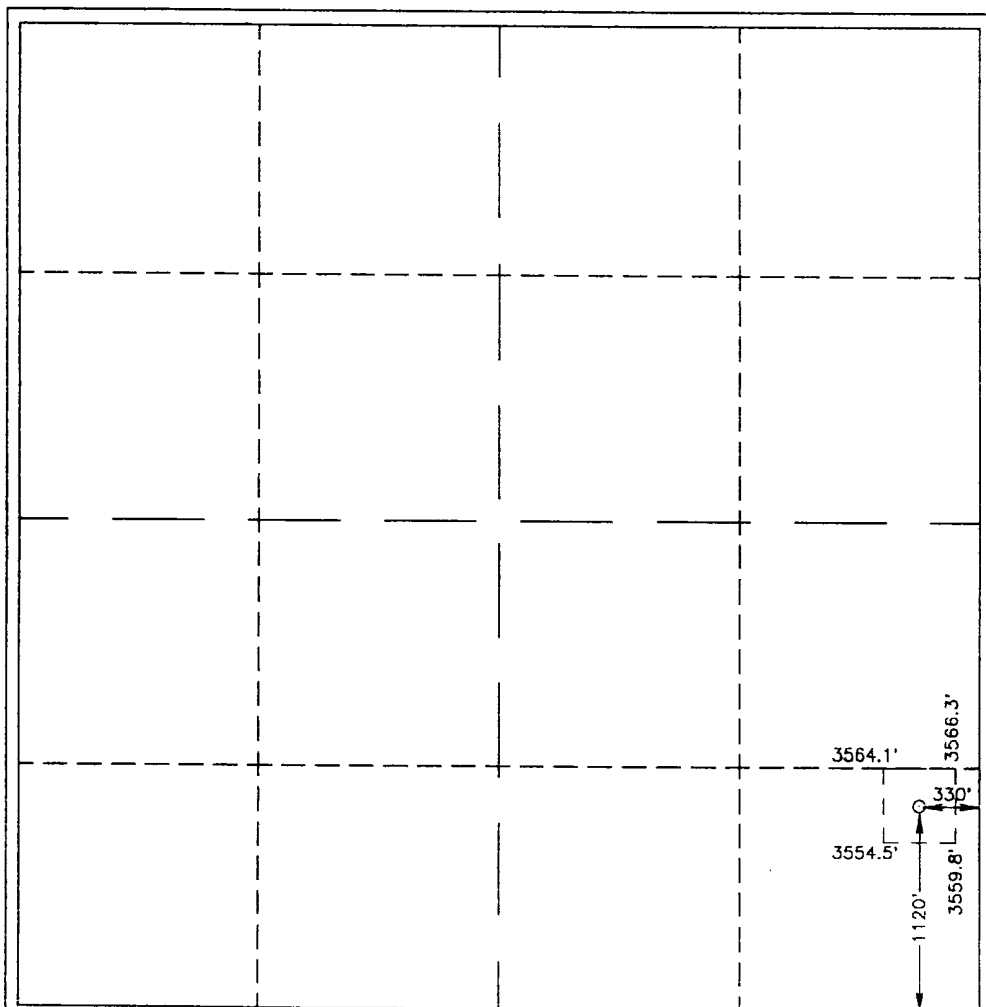
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	27	17 S	29 E		1120	SOUTH	330	EAST	EDDY

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	Joint or Infill	Consolidation Code	Order No.
40			

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 hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

Signature

Printed Name

Title

Date 2/04/00

SURVEYOR CERTIFICATION

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 supervison, and that the same is true and correct to the best of my belief.

JANUARY 18, 2000

Date Surveyed JLP

Signature & Seal of Professional Surveyor

01-21-2000

W.O. Num. 00-11-0075

Certificate No. RONALD J. EIDSON, 3239
GARY L. EIDSON, 12641
MACON McDONALD, 12185

DRILLING PROGRAM

Attached to Form 3160-3
Vintage Drilling, L.L.C.
RJU Tract 1-35
1120' FSL and 330' FEL
Section 27-17S-29E
Eddy County, New Mexico

1. Geologic Name of Surface Formulation:

   Permian

2. Estimated Tops of Important Geologic Markers:

Permian	Surface
Salt	360'
Base of Salt	780'
Yates	930'
Seven Rivers	1145'
Queen	1815'
Grayburg	2140'
San Andres	2510'

3. Estimated Depths of Anticipated Fresh Water, Oil or Gas:

Upper Permian Sands	100'	Fresh Water
Yates	930'	Oil
Seven Rivers	1145'	Oil
Queen	1815'	Oil
Grayburg	2140'	Oil
San Andres	2510'	Oil

No other formations are expected to give up oil, gas or fresh water in measurable quantities. The surface fresh water sands will be protected by setting 8 5/8 casing at 350' and circulating cement back to the surface. Any shallower zones above TD which contain commercial quantities of oil and/or gas will have cement circulated across them by inserting a float shoe joint into the 5 1/2" production casing which will be run at TD.

4. Casing Program:

Hole Size	Interval	OD csg	Weight, Grade, JT. Cond. Type			
12 1/4"	0-350'	8 5/8"	24#	J-55	LTC NEW	R-3
7 7/8"	0-TD	5 1/2"	17#	J-55	LTC NEW	R-3

Cement Program:

8 5/8" Surface Casing: Cemented to surface with 300sx of Class C w/2% cc.

5 ½" Production Casing: Cemented with 800sx Class C. Will attempt to circulate to surface

5. Minimum specifications for Pressure Control:

The blowout preventer equipment (BOP) shown in Exhibit #1 will consist of a double ram-type (3000 psi wp) preventer. This unit will be hydraulically operated and the ram-type preventer will be equipped with blind rams on top and 4-1/2" drill pipe rams on bottom. This BOP will be nippled up on the 8 5/8" surface csg and used continuously until TD is reached. All BOP's and accessory equipment will be tested to 1000 psi before drilling out of surface casing.

Pipe rams will be operationally checked each 24 hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. A 2" kill line and a 3" choke line will be included in the drilling spool located below the ram-type BOP. Other accessories to the BOP equipment will include a kelly cock and floor safety valve (inside BOP) and choke lines and choke manifold with 3000 psi WP rating.

6. Types and Characteristics of the Proposed Mud System:

The well will be drilled to TD with cut brine. The applicable depths and properties of this system are follows:

Depth	Type	Weight (ppg)	Viscosity (sec)	Waterloss (cc)
0-350'	Fresh Water (Spud)	8.5	28	N.C.
350'-3500'	Brine	9.8-10.2	40-45	N.C.

7. Auxiliary Well Control and Monitoring Equipment:

(A) A kelly cock will be kept in the drill string at all times

(B) A Full opening drill pipe stabbing valve (inside BOP) with proper drill pipe connections will be on the rig floor at all times.

8. Logging, Testing, and Coring Program:

(A) No Drillstem tests are anticipated.

(B) The electric CSNG/Dual Spaced Neutron Log and Depth Control Log.

(C) No conventional coring is anticipated.

(D) Further testing procedures will be determined after the 5 1/2" production casing has been cemented at TD based on drill shows, log evaluation and drill stem test results.

9. Abnormal Conditions, Pressures, Temperatures, & Potential Hazards:

No abnormal pressures or temperatures are anticipated. The estimated bottom hole temperature (BHT) at TD is 104° and estimated bottom hole pressure (BHP) is 2225 psig.

10. Anticipated Starting Date and Duration of Operations:

Location and road work will not begin until approval has been received from the BLM. The anticipated spud date is February 25, 2000. Once commenced, the drilling operation should be finished in approximately 15 days. If the well is productive, an additional 30 to 60 days will be required for completion and testing before a decision is made to install permanent facilities.

VINTAGE DRILLING, L.L.C.

HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

No H_2S is expected in this well as the offset well (only 130' south) encountered no when it H_2S was drilled through our zones last summer.

SURFACE USE OPERATING PLAN

Attached to Form 3160-3
Vintage Drilling L.L.C.
RJU Tr 1-35
1120' FSL and 330' FEL
Section 27-17S-29E
Eddy County, New Mexico

1. Existing Roads:

   A. The well Site and elevation plat for the proposed well is shown in Exhibit #2. It was staked by John West Engineering.

   B. All roads to the location are shown in Exhibit #3. The existing roads are illustrated in red and are adequate for travel during drilling and production operations. No Upgrading of the roads prior to drilling will be necessary.

   C. Directions to location From Artesia, proceed East on US 82 for 20.7 miles. Turn South on Standard Road and proceed 1.3 miles. Turn east on lease road to location. The lease road dead ends on location.

   D. Routine grading and maintenance of existing roads will be conducted as necessary to maintain their condition as long as any operations continue on this lease.

2. Proposed Access Road:

   No new access road will be necessary because well will be on an existing location.

3. Location of Existing Wells:

   Exhibit #4 shows all existing wells within on-half mile radius of this well.

4. Location of Existing and/or Proposed Facilities:

   A. Vintage Drilling, LLC has a collection facility set up for this lease located at approximately 1280' FNL and 1345' FWL, Section 27-17S-29E, Eddy County.

   B. If the well is productive, a 3" plastic flowline (grade SDR 7@ 265 psi) will be laid on the surface following the existing lease road Right-of-Way to the tank battery. Anticipated pressures in the flow line should not exceed 75 psi.

   C. If the well is productive, power will be obtained from Central Valley Electric. Central Valley Electric will apply for ROW for their power lines.

   D. If the well is productive, rehabilitation plans are as follows:

      (1.) The reserve pit will be back-filled after the contents of the pit are dry (within 10 months after the well is completed).

      (2.) Topsoil removed from the drill site will be used to recontour the pit area and any unused portions of the drill pad to the original natural level, as nearly as possible, and reseeded as per BLM specifications.

5. Locations and Type of Water Supply:

The well will be drilled with a combination brine and fresh water mud system as outline in the drilling program. The water will be obtained from commercial water stations in the area and hauled to the location by transport truck over the existing and proposed access roads shown in Exhibit #3. If a commercial fresh water source is nearby, fasline may be laid along existing road ROW's and fresh water pumped to the well. No water well will be drilled on the location.

6. Source of Construction Materials:

Only minor new construction will be necessary on the north side of location, and Drilling pits on the East side of location, as we will be using a location built by Marbob Energy Corporation for their B440 Federal #5, Marbob Energy has given us their permission to use this pad. All caliche required for new construction of the drill pad will be obtained from a BLM-approved caliche pit.

7. Methods of Handling Water Disposal:

A. Drill cuttings not retained for evaluation purposes will be disposed into the reserve pit.

B. Drilling fluids will be contained in lined working pits. The reserve pit will contain any excess drilling fluid or flow from the well during drilling, cementing and completion operations. The reserve pit will be an earthen pit, approximately 50' X 100' X 6' deep. The reserve pit will be plastic lined to minimize loss of drilling fluids and saturation of the ground with brine water.

C. Water produced from the well during completion may be disposed into the reserve pit.

D. Garbage and trash produced during drilling or completion operations will be hauled off. All waste material will be contained to prevent scattering by the wind. All water and fluids will be disposed of into the reserve pit. Salts and other chemicals produced during drilling or testing will be disposed into the reserve pit. No toxic waste or hazardous chemicals will be produced by this operation.

E. After the rig is moved out and the well is either completed or abandoned, all waste materials will be cleaned-up within 30 days. No adverse materials will be left on location.
The reserve pit will be completely fenced until it has dried. When the reserve pit is dry enough to breakout and fill, the reserve pit will be leveled and reseeded as per BLM specifications. In the event of a dry hole, the location will be ripped and seeded as per BLM Specifications and a dry hole marker will remain.

8. Ancillary Facilities:

No airstrip, campsite or other facilities will be built as a result of the operations on this well.

9. Well Site Layout:

A. The drill pad layout, staked by John West Engineering, as shown in Exhibit #5. Dimensions of the pad and pits are shown. Top soil, if available, will be stockpiled per BLM specifications as determined at the on-site inspection.

B. The reserve pit will be lined with a high quality plastic sheeting.

10. Plans for Restoration of the Surface:

A. Upon finishing drilling and/or completion operation, all equipment and other material not needed for operations will be removed.

All trash, garbage and pit lining will be hauled away in order to leave the location in an aesthetically pleasing condition. All pits will be filled and the location leveled within 10 months after abandonment.

B. Three sides of the reserve pit will be fenced prior to and during drilling operation. At the time that the rig is removed, the reserve pit will be fenced on the rig (fourth) side. The fencing will remain in place until the pit area is cleaned-up and leveled. No oil will be left on the surface of the fluid in the pit.

C. Upon completion of the proposed operations, if the well is completed, the reserve pit area will be treated as outlined above within the same prescribed time. Any additional caliche required for facilities will be obtained from a BLM - approved caliche pit. Topsoil removed from the drill site will be used to recontour the pit area to the original natural level and reseeded as per BLM specifications.

11. Surface Ownership:

The wellsite and lease is located on Federal Surface.

A. The area around the well site is grassland and the top soil is sandy. The vegetation is native scrub grasses with abundant oakbrush, sagebrush, yucca and prickly pear.

B. A Cultural Resources Examination has been completed and a copy forwarded to your office by Marbob Energy when they drilled the B440 Federal #5. Marbob Energy has given us their permission to use this information.

12. Lessee's and Operator's Representative:

The Vintage Drilling LLC representative responsible for assuring compliance with the surface use plan is as follows:

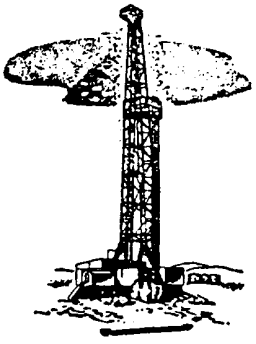
Sonny Hope
Vintage Drilling LLC
2711 West Grand, Artesia, NM 88210
P. O. Box 158
Loco Hills, NM 88255
Phone: 505-748-2941
505-365-6510

Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed by Vintage Drilling LLC and its contractors and subcontractors in conformity with this plan and the provisions of 18 U.S.C. 1991 for the filing of a false statement

Date: 2/10/00

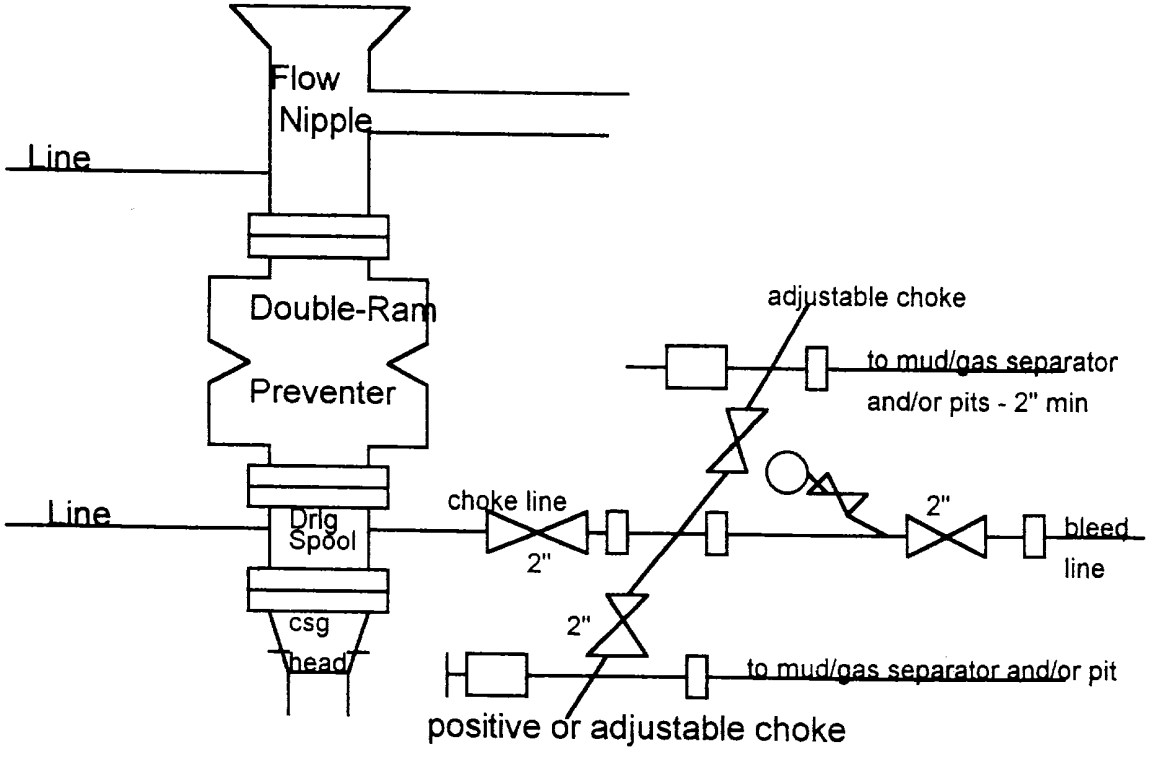
Signed: Sonny Hope
C. E. "Sonny" Hope
Owner



VINTAGE DRILLING L.L.C. - ROBINSON JACKSON UNIT, TR 1 #35
S-27 T-17S R-29E
1120' FSL 330'FEL
Exhibit #1 Eddy County, New Mexico

BOP & CHOKE MANIFOLD

2M CHOKE MANIFOLD EQUIPMENT



12" / 900 SHAEFFER TYPE E

3000# WORKING PRESSURE

3000# WORKING PRESSURE CHOKE MANIFOLD

Attachment to Exhibit #1
NOTES REGARDING THE BLOWOUT PREVENTERS

1. Drilling nipple to be so constructed that it can be removed without use of a welder through rotary table opening, with minimum I.D. equal to preventer bore.

2. Wear ring to be properly installed in head.

3. Blow out preventer and all fittings must be in good condition, 1000 psi W.P. minimum.

4. All fittings to be flanged.

5. Safety valve must be available on rig floor at all times with proper connections, valve to be full bore 1000 psi W.P. minimum.

6. All choke and fill lines to be securely anchored, especially ends of choke lines.

7. Equipment through which bit must pass shall be at least as large as the diameter of the casing being drilled through.

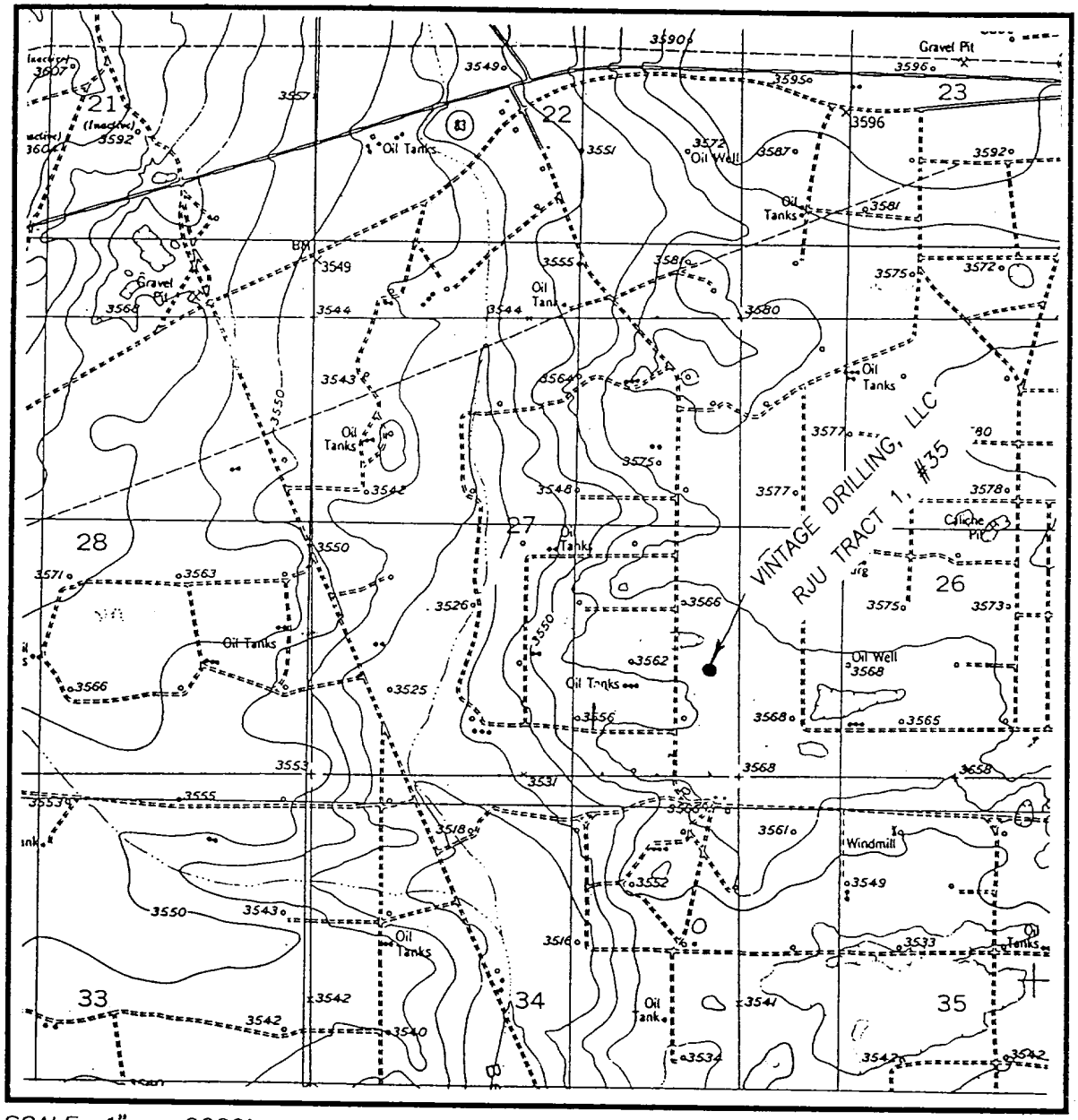
8. Kelly cock on kelly

9. Extension wrenches and hand wheels to be properly installed.

10. Blow out preventer control to be located as close to driller's position as feasible.

11. Blow out preventer closing equipment to include minimum 40 gallon accumulator, two independent sources of pump power on each closing unit installation, and meet all API specifications.

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL – 10'

SEC. 27 TWP. 17-S RGE. 29-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 1120' FSL & 330' FEL

ELEVATION 3561

OPERATOR VINTAGE DRILLING, LLC

LEASE RJU TRACT 1

U.S.G.S. TOPOGRAPHIC MAP
RED LAKE SE, N.M.

Exhibit #2

JOHN WEST SURVEYING
HOBBS, NEW MEXICO
(505) 393-3117

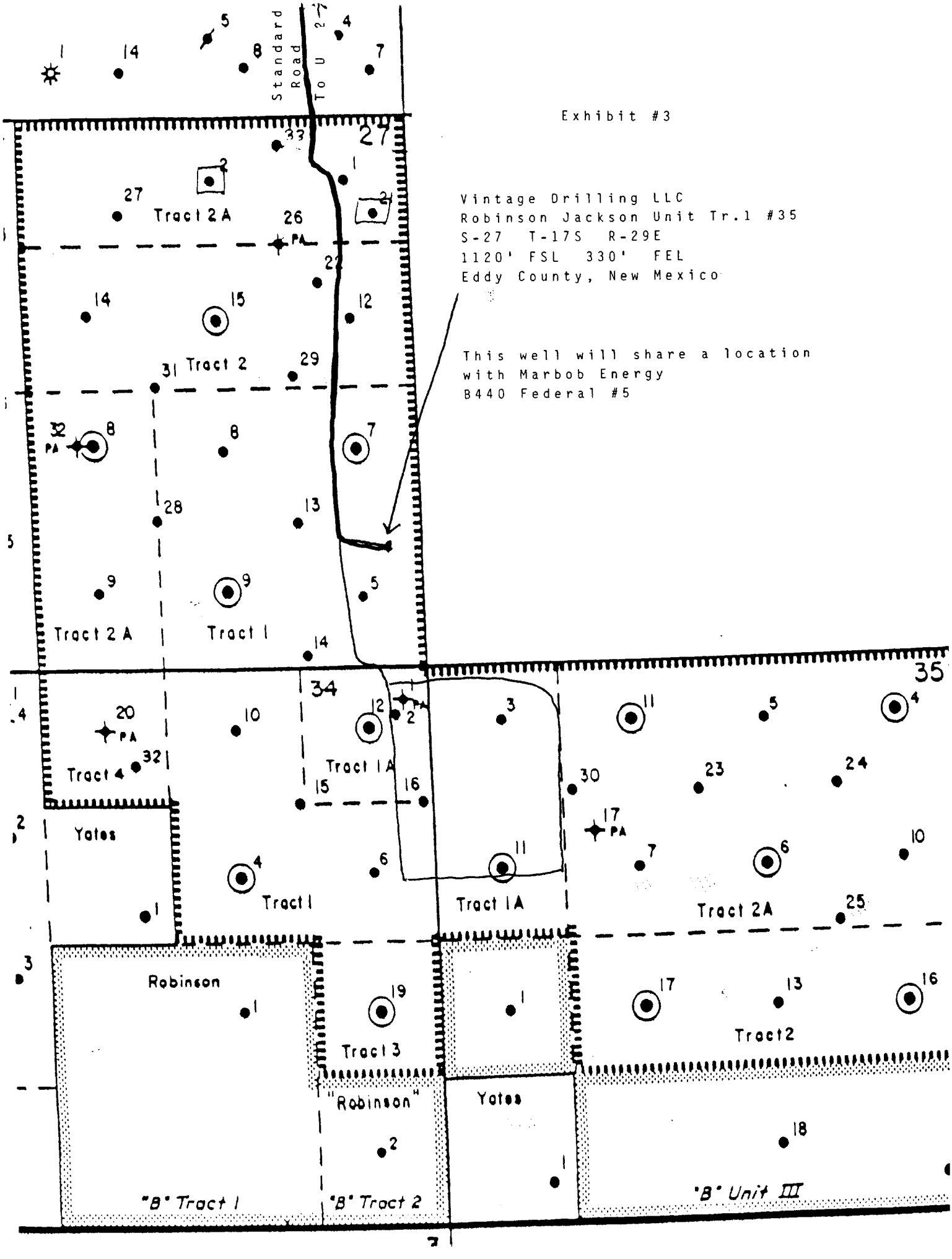
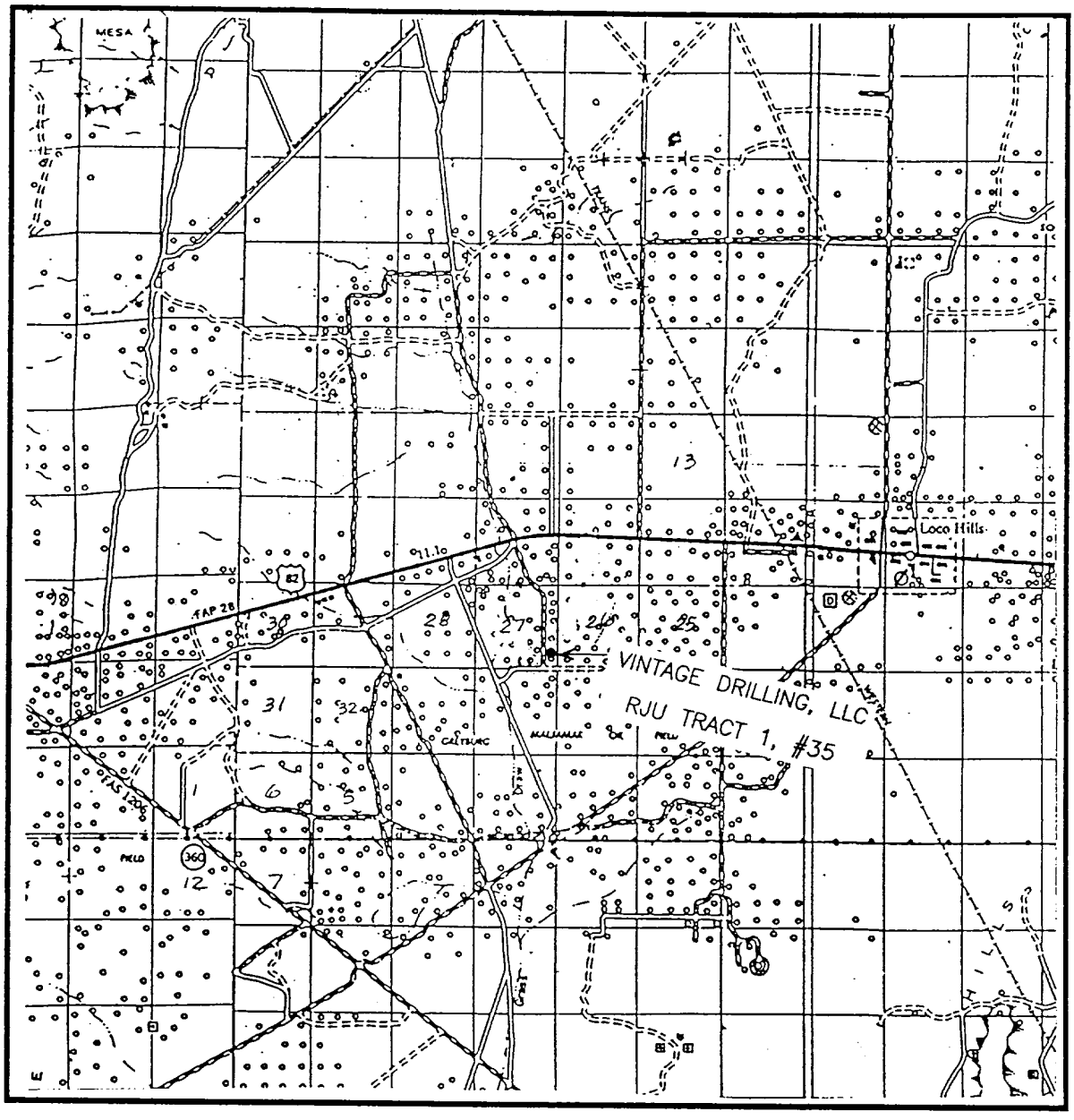


Exhibit #3
Vintage Drilling LLC
Robinson Jackson Unit Tr.1 #35
S-27 T-17S R-29E
1120' FSL 330' FEL
Eddy County, New Mexico
This well will share a location
with Marbob Energy
B440 Federal #5
Standard Road
To U 27
Tract 2A
Tract 2
Tract 1
Tract 1A
Tract 4
Yates
Robinson
Tract 3
"Robinson"
Yates
Tract 2
"B" Tract 1
"B" Tract 2
"B" Unit III
27
34
35

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 27 TWP. 17-S RGE. 29-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 1120' FSL & 330' FEL

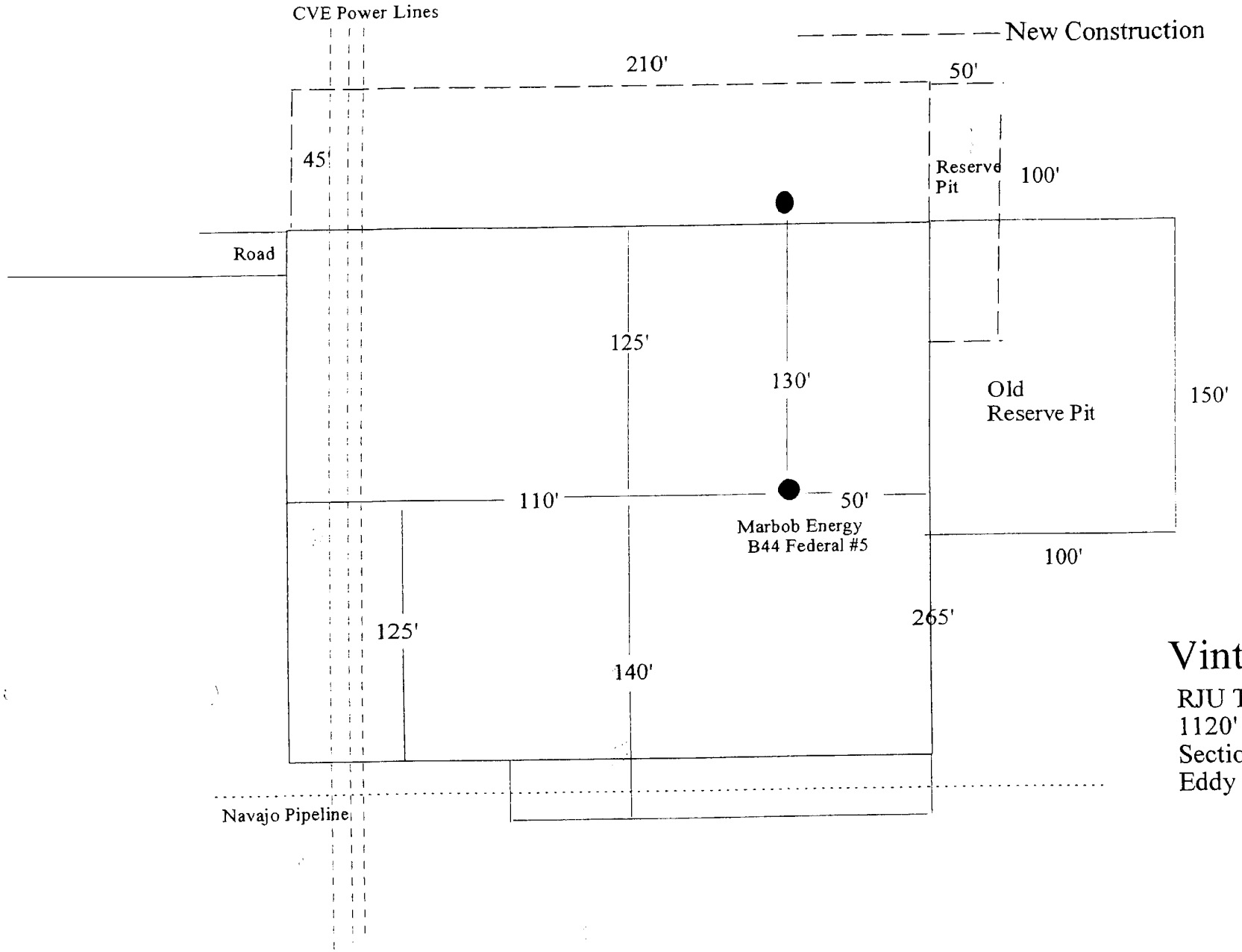
ELEVATION 3561

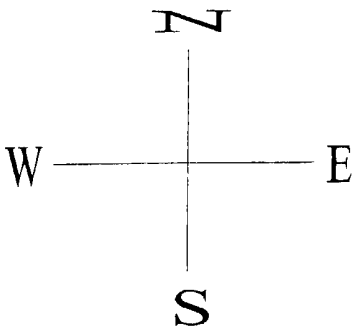
OPERATOR VINTAGE DRILLING, LLC

LEASE RJU TRACT 1

Exhibit #4

JOHN WEST SURVEYING
HOBBS, NEW MEXICO
(505) 393-3117





Vintage Drilling, L.L.C

RJU Tr. 1-35
1120' FSL 330' FEL
Section 27-17S-29E
Eddy County, N.M.

Exhibit #5