

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
DRILL **DEEPEIN**

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

2. NAME OF OPERATOR
 Fasken Oil and Ranch, Ltd.

3. ADDRESS AND TELEPHONE NO.
 303 W. Wall Ave., Suite 1800, Midland, TX 79701-5116 (915) 687-1777

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface 1300' FNL and 660' FEL
 At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 11 miles Southwest from Lakewood

10. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 660'

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 2532'

16. NO. OF ACRES IN LEASE 599.2

19. PROPOSED DEPTH 9850'

17. NO. OF ACRES ASSIGNED TO THIS WELL 320

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3632' GR

22. APPROX. DATE WORK WILL START* May 15, 2001

5. LEASE DESIGNATION AND SERIAL NO
 NM-0488813

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.
 Cameron "31" Federal No. 2

9. # WELLS

10. FIELD AND POOL, OR WILDCAT
 Cemetary - Morrow

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 Sec. 31, T20S, R25E

12. COUNTY OR PARISH Eddy **13. STATE** NM

23. PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | GRADE SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|----------------------|-----------------|---------------|-------------------------------|
| 17½" | 13-3/8", H40 | 48.0 | 400' | 450 sx, circulate to surface |
| 12½" | 9-5/8", J-55 | 36.0 | 3000' | 1050 sx, circulate to surface |
| 8 3/4" | 4½", N-80 | 11.6# | 9850' | 1075 sx, TOC est. 6000' |

The operator proposes to drill to a depth sufficient to test the Morrow formation. If productive, 4½" casing will be set at TD and cemented back to approximately 6000'. If non-commercial, the well will be plugged and abandoned in accordance with Federal regulations.

- Drilling Program**
 Surface Use and Operating Plan
 Exhibit #1 - Area Map
 Exhibit #2 - One-Mile Radius Map
 Exhibit #3 - Hydrogen Sulfide Drilling Operations Plan
 Exhibit #4 - Well Site Layout
 Exhibit #5 - Blowout Preventor Equipment

24. IN ABOVE SPACE DESCRIBE PROPOSED 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.

SIGNED Tommy G. Taylor TITLE Drilling and Production Engineer DATE 3/27/01

(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 le
 CONDITIONS OF APPROVAL, IF ANY:

Exhibit 8

APPROVED BY _____ TITLE _____

District I
 PC Box 1980, Hobbs, NM 88241-1980
 District II
 PO Drawer DD, Artesia, NM 88211-0719
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department

Form C-102
 Revised February 21, 1994

OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

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 | | 2 Pool Code 74640 | | 3 Pool Name Cemetery (Morrow) | |
| 4 Property Code | | 5 Property Name CAMERON "31" FEDERAL | | | 6 Well Number 2 |
| 7 OGRID No. 151416 | | 8 Operator Name FASKEN OIL & RANCH, LTD | | | 9 Elevation 3632 |

10 Surface Location

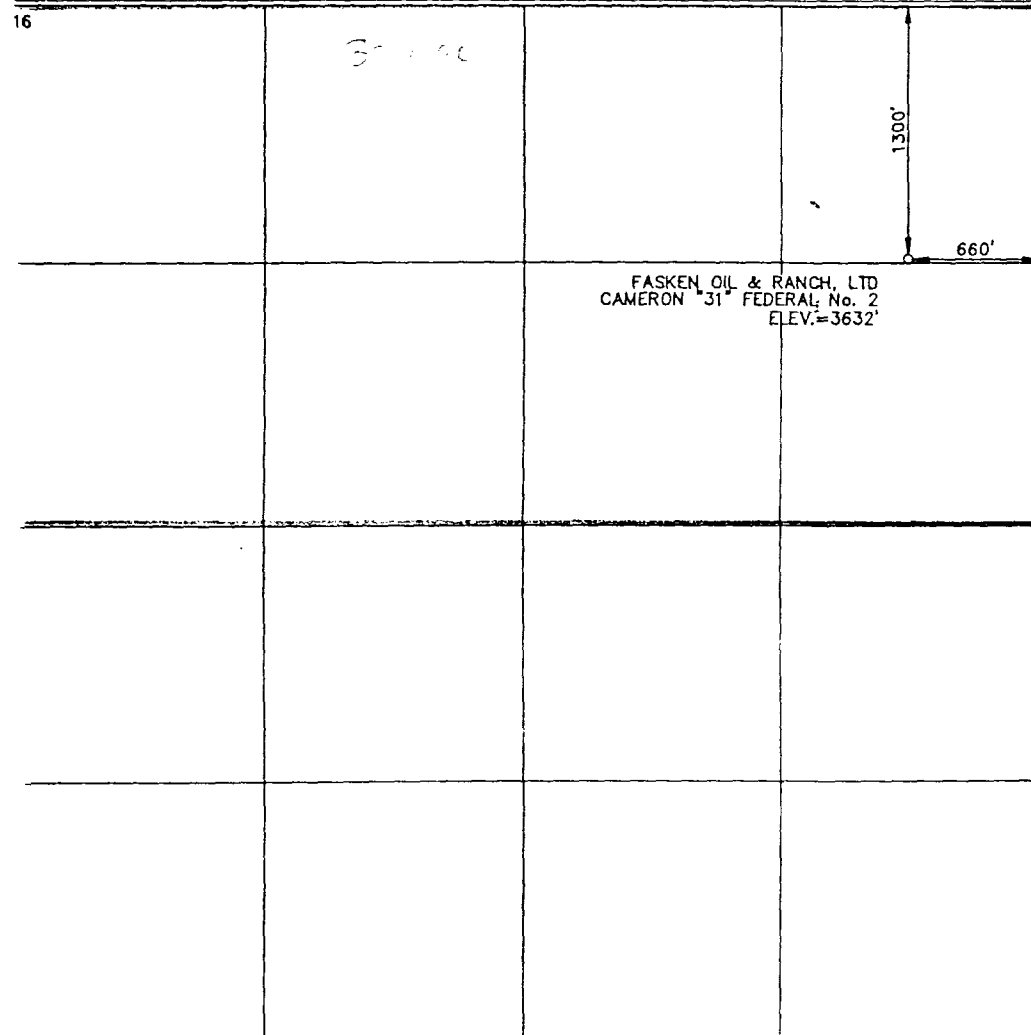
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| A | 31 | 20 | 25 | | 1300 | NORTH | 660 | EAST | EDDY |

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 | | 13 Joint or Infill | | 14 Consolidation Code | | 15 Order No. Com. Agreement SW-888 | |
|---------------------------|--|--------------------|--|-----------------------|--|---------------------------------------|--|

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



17 OPERATOR CERTIFICATION
 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Tommy E. Taylor
 Signature
 Tommy E. Taylor
 Printed Name
 Drilling and Production Engineer
 Title
 3/27/01
 Date

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

OCTOBER 4, 2000
 Date of Survey
 Signature and Seal of Registered Professional Surveyor:
James E. Tompkins
 Certificate Number 14729

STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS

Fasken Oil and Ranch, Ltd. accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described below:

LEASE NO.: NM-0488813

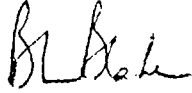
LEGAL DESCRIPTION: Sec.31, T-20-S, R-25-E.

FORMATION(S): All depths.

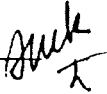
BOND COVERAGE: \$25,000

BLM BOND FILE: NM0152

Fasken Oil and Ranch, Ltd.
by: Fasken Management, LLC
Its General Partner



Benjamin L. Blake
Vice-President



Date: 3/09/01

SURFACE USE PLAN

FASKEN OIL AND RANCH, LTD.
CAMERON "31" FEDERAL NO. 2
1300' FNL & 660' FEL
Sec. 31, T20S, R25E
Eddy County, New Mexico

1. EXISTING ROADS - Area map, Exhibit #1, is a reproduction of the U.S.G.S., Foster Ranch Quadrangle. Existing and proposed roads are shown on the exhibit. All roads shall be maintained in a condition equal to that which existed prior to start of construction.
 - A. Exhibit #1 shows the proposed development well site as staked.
 - B. From Carlsbad, New Mexico, travel North on U.S. Highway 285, turn West on White Pine road and go 8 miles. Turn North on calchie road 1-1/2 miles to location.
2. PLANNED ACCESS ROADS - 1238' of new access road will be constructed. The new access road consists of 662' on State Lands and 576' on Federal Lands.
3. LOCATION OF EXISTING WELLS IN A ONE-MILE RADIUS.
 - A. Water wells - Howell Ranch house in S/2 Sec 32, T20S, R25E.
 - B. Disposal wells - None Known.
 - C. Drilling wells - Fasken Oil and Ranch, Ltd. Neely Com. No. 1.
 - D. Producing wells - As shown on Exhibit #2

| | |
|-----------------------------|-------------------------|
| Fasken Oil and Ranch, Ltd.: | Howell State Com. No. 1 |
| Fasken Oil and Ranch, Ltd.: | State "32" No. 1 |
| Fasken Oil and Ranch, Ltd.: | Howell Federal No. 1 |
 - E. Abandoned wells - As shown on Exhibit #2.

| | |
|---------------------|----------------------------|
| Mobil: | Federal "W" No.1 |
| Read and Stevens: | Allirish No.1 |
| Castle and Wigzell: | No. National Federal No. 1 |
| Whiting and Grant: | Howell No. 1 |
4. If, upon completion, the well is a producer Fasken Oil and Ranch, Ltd. will furnish maps or plats showing "On Well Pad Facilities" and "Off Well Pad Facilities" (if needed) on a Sundry Notice before construction of these facilities starts.

5. LOCATION AND TYPE OF WATER SUPPLY

Fresh and Brine water will be purchased locally from a private source and trucked over the access roads.

6. SOURCE OF CONSTRUCTION MATERIALS

If needed, construction materials will be obtained from the drill sites excavations or from a local source. These materials will be transported over the access roads as shown on Exhibit #1.

7. METHOD FOR HANDLING WASTE DISPOSAL

- A.
1. Drill cuttings will be disposed of in the reserve pit.
 2. Trash, waste paper, and garbage will be contained in a trash trailer and disposed of in an approved public landfill.
 3. All mud materials including salts will be picked up by the mud supplier and transported back to their warehouse facilities.
 4. Sewage from trailer houses will drain into hole with a minimum depth of 10'. A "Porta John" will be provided for the rig crews. This will be properly maintained and removed after drilling operations are completed.
 5. Chemicals remaining after completion of the well will be stored in the manufacturer containers and picked up by the supplier.
- B. Remaining drilling fluids will be allowed to evaporate in the reserve pit until the pit is dry enough for backfilling. In the event drilling fluids will not evaporate in a reasonable period of time, they will be transported by tank truck to a state approved disposal site.

Water produced during testing of the well will be disposed of in the reserve pit. Oil produced during the testing of the well will be stored in test tanks until sold and hauled from the site.

8. ANCILLARY FACILITIES

No camps or airstrips will be constructed.

9. WELL SITE LAYOUT

- A. Exhibit #3 is the H₂S Drilling Operations Plan.
- B. Exhibit #4 (Scale 1" = 50') shows the proposed well site layout.

- C. This exhibit indicates the proposed location of reserve pit, trash trailer and living facilities.
- D. Mud pits in the active circulation system will be steel pits.
- E. The reserve pit will be lined with a polyethylene liner. The pit liner will be a minimum of 2' over the reserve pit walls where the liner will be anchored down.
- F. The reserve pit will be fenced on three sides with four strands of barbed wire during drilling and completion operations. The fourth side will be fenced after drilling has been completed. If the well is a producer, the reserve pit fence will be torn down. The reserve pit and those areas of the location not essential to production facilities will be reclaimed and seeded per BLM requirements.

10. PLANS FOR RESTORATION OF SURFACE

Rehabilitation of the location and reserve pit will start in a timely manner after all drilling operations cease. The type of reclamation will depend on whether the well is a producer or a dry hole.

However, in either event, the reserve pit will be allowed to dry properly, and fluid removed and disposed of in accordance with Article 7.B as previously noted. The pit area will then be leveled and contoured to conform to the original and surrounding area. Drainage systems, if any, will be reshaped to the original configuration with provisions made to alleviate erosion. These may need to be modified in certain circumstances to prevent inundation of the location pad and surface facilities. After the area has been shaped and contoured, top soil from the spoil pile (if any) will be placed over the disturbed area to the extent possible. Revegetation procedures will comply with BLM standards.

If the well is a dry hole, the pad and road area will be recontoured to match the existing terrain. Topsoil will be spread to the extent possible. Revegetation will comply with BLM standards.

Should the well be a producer, the previously noted procedures will apply to those areas which are not required for production facilities.

11. OTHER INFORMATION

- A. The topography is of hilly terrain with vegetation of sagebrush and native grasses. The soils are silty and very shallow.
- B. The surface is used for livestock grazing. The surface is leased by Richard Howell, P.O. Box 94, Lakewood, NM 88256.
- C. An archeological study will be sent to the BLM when completed.
- D. There are no buildings of any kind in the area.

12. OPERATOR'S REPRESENTATIVE - Field representative for contact regarding compliance with the Surface Use Plan is:

Before, during & after Construction:

Tommy E. Taylor
303 W. Wall Ave., Suite 1900
Midland, Texas 79701-5116
(915) 687-1777

13. CERTIFICATION - I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exists; that the statements made in this plan are to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Fasken Oil and Ranch, Ltd. and its contractors/subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

NAME: Tommy E. Taylor
DATE: 3/27/2001
TITLE: Drilling and Production Engineer

TET
(Cameron322apd)

APPLICATION FOR PERMIT TO DRILL
FASKEN OIL AND RANCH, LTD.
CAMERON "31" FEDERAL NO. 2
1300' FNL & 660' FEL
SEC.31, T20S, R25E
EDDY COUNTY, NM

In conjunction with Form 3160-3, Application for Permit to Drill, Fasken Oil and Ranch, Ltd. submits the following items of pertinent information in accordance with Onshore Oil & Gas Order Nos. 1 & 2, and with all other applicable federal and state regulations.

1. The geologic surface formation is of Permian age.
2. Estimate tops of geologic markers are as follows:

| | |
|------------------|-------|
| San Andres | 747' |
| Glorietta | 2383' |
| Bone Springs | 3536' |
| 3rd Bone Springs | 6240' |
| Wolfcamp | 6353' |
| Cisco | 7133' |
| Canyon | 7559' |
| Strawn | 8121' |
| Atoka | 8882' |
| Morrow Clastics | 9162' |
| Lower Morrow | 9492' |
| Barnett Shale | 9558' |

3. The estimated depths at which water, oil or gas formation are expected to be encountered:

| | | |
|--------|-------|-----|
| Strawn | 8121' | Gas |
| Atoka | 8882' | Gas |
| Morrow | 9162' | Gas |

* Groundwater to be protected by 13-3/8" surface casing with cement circulated to the surface.

** Potentially productive horizons to be protected by 4-1/2" production casing with cement top at 6000'.

4. Proposed Casing Program:

| <u>String</u> | <u>Footage</u> | <u>Size</u> | <u>Weight</u> | <u>Grade</u> | <u>Thread</u> |
|---------------|----------------|-------------|---------------|--------------|---------------|
| Surface | 400' | 13-3/8" | 48.00# | H-40 | ST&C |
| Intermediate | 3,000' | 9-5/8" | 36.00# | J-55 | ST&C |
| Production | 9,850' | 4-1/2" | 11.60# | N-80 | LT&C |
| Tubing | 9,750' | 2-3/8" | 4.70# | N-80 | EUE 8rd |

Proposed Cementing Program:

Cement 13-3/8" casing with 450 sx Class "C" cement with 2% CaCl₂ (s.w. 14.8 ppg, yield 1.32 cuft/sx).

Cement 9-5/8" casing with 850 sx Class "C" with 4% gel and 2% CaCl₂ (s.w. 13.51 ppg, yield 1.74 ft³/sx) plus 200 sx Class "C" with 2% CaCl₂ (s.w. 14.8 ppg, yield 1.34 ft³/sx).

Cement 4-1/2" production casing (resin coated and centralized through pay zones) with 150 bbls 3% KCl water containing 15 gallons packer fluid, 375 sx BJ Lite "C" with 0.3% FL-52 (s.w. 12.4 ppg, yield 2.0 ft³/sx) plus 700 sx Super "C" Modified (CSE) with 3% KCl, 0.6% FL-25 and 0.6% FL-52 (s.w. 13.2 ppg, yield 1.59 ft³/sx).

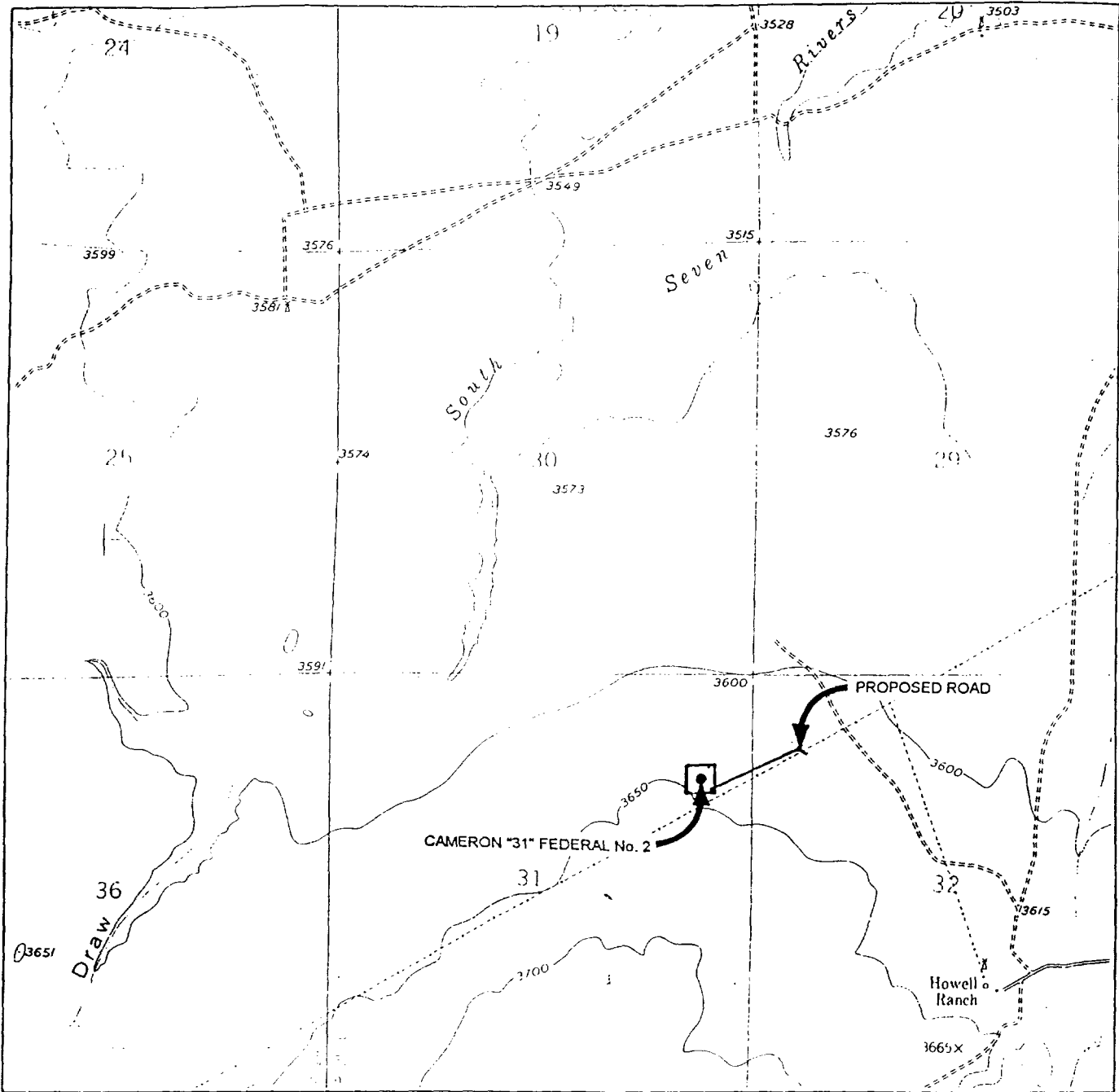
5. Pressure Control Equipment: See Exhibit #5. Operator proposes to pressure test BOP stack with rig pump to 1500 psig prior to drilling out the 9-5/8" casing shoe. BOP hydrotest will be conducted on first bit trip or prior to drilling the Wolfcamp formation. Operator proposes to use only one ram type or annular type preventor to drill the intermediate hole to 3000'.

6. Mud Program:

| <u>Depth</u> | <u>Type</u> | <u>Weight</u> | <u>Viscosity</u> | <u>Waterloss</u> |
|---------------|-------------|---------------|------------------|------------------|
| 0-400' | Fresh Water | 8.5 | 40 | N.C. |
| 400'-3000' | Fresh Water | 8.5 | 28 | N.C. |
| 3000'-5000' | Fresh Water | 8.5 | 28 | N.C. |
| 5000'-8700' | Cut Brine | 9.0 | 29 | N.C. |
| 8700' - 9850' | XCD/Pac | 9.5-10.0 | 36 | 10 cc |

7. Auxiliary Equipment: Upper Kelly Cock, Full Opening Stabbing Valve, PVT.
8. Testing Logging and Coring Programs:
 - DST's: DST any mudlog shows.
 - Logging: 2-man Mudlogging unit from 6000' to T.D.
 - Electric Logs: Platform Express with CNL-LDT, DLL-MSFL, GR and Caliper.
 - Coring: None anticipated
9. Abnormal Pressure, Temperatures or Other Hazards: Lost circulation is anticipated in the surface. Maximum bottomhole pressure is estimated to be 4300 psig.
10. Anticipated Starting Date: May 15, 2001.

LOG, ION VERIFICATION M 3



SCALE: 1" = 2000'
WTC 46032

SEC. 31 TWP. 20-S RGE. 25-E

SURVEY N.M.P.M

COUNTY EDDY STATE NM

DESCRIPTION 1300' FNL & 660' FEL

ELEVATION 3632

OPERATOR FASKEN OIL & RANCH, LTD.

LEASE CAMERON *31* FEDERAL No. 2

USGS TOPO MAP FOSTER RANCH, NEW MEXICO.

CONTOUR INTERVAL 10'

WEST TEXAS CONSULTANTS, INC.

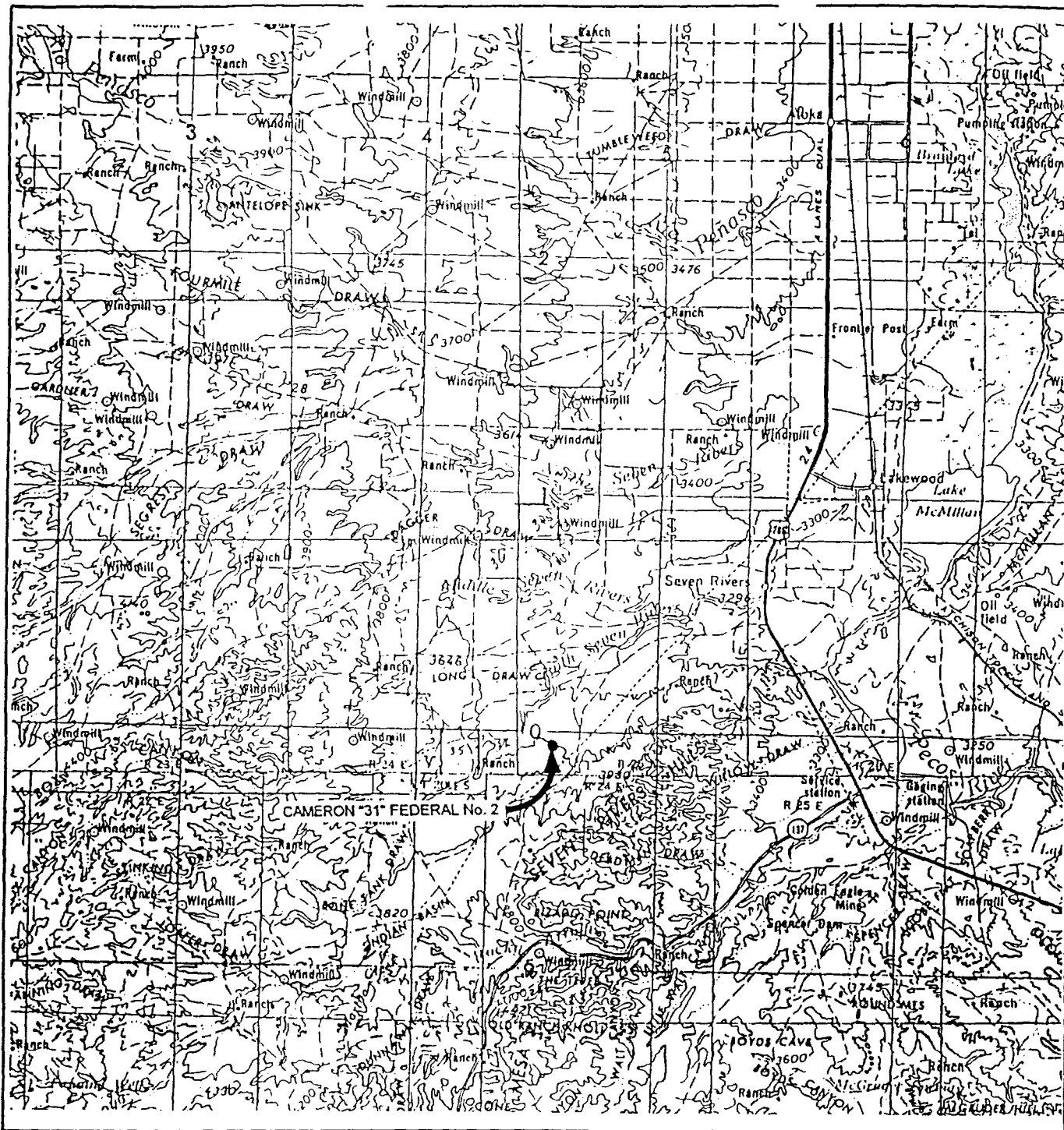
ENGINEERS-PLANNERS-SURVEYORS

MIDLAND, TEXAS

915-685-3800

Exhibit # 1

VICINITY MAP



SCALE: 1" = 4 MILES

WTC 46032

SEC. 31 TWP. 20-S RGE. 25-E

SURVEY N.M.P.M.

COUNTY EDDY STATE NM

DESCRIPTION 1300' FNL & 660' FEL

ELEVATION 3658'

OPERATOR FASKEN OIL & RANCH, LTD.

LEASE CAMERON 31 FEDERAL No. 2

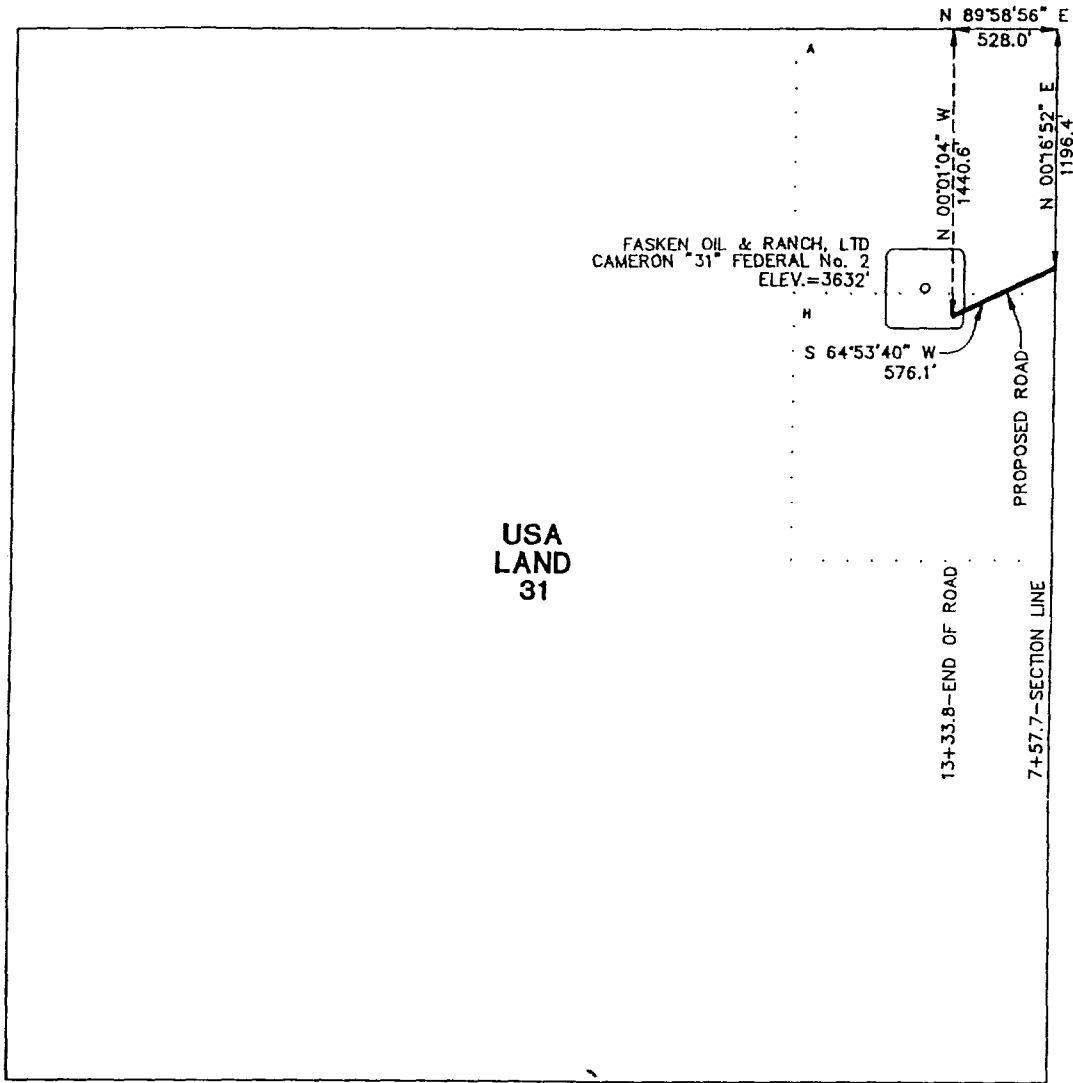
WEST TEXAS CONSULTANTS, INC.

ENGINEERS-PLANNERS-SURVEYORS

MIDLAND, TEXAS

915-685-3800

SECTION 31, TOWNSHIP 20 SOUTH, RANGE 25 EAST, N.M.P.M.
EDDY COUNTY, NEW MEXICO



CENTERLINE DESCRIPTION OF A PROPOSED ROAD:

BEGINNING at a point in the east line of Section 31, T-20-S, R-25-E, N.M.P.M., Eddy County, New Mexico, from which point the northeast corner of said Section 31 bears N 00° 16' 52" E, 1196.4 feet;
THENCE S 64° 53' 40" W, with the centerline of proposed road, 576.1 feet to a point in the southeast corner of a well pad for Fasken Oil & Ranch, Ltd., CAMERON "31" FEDERAL No. 2, for the end of this road, from which point the northeast corner of said Section 31 bears N 00° 01' 04" W, 1440.6 feet and N 89° 58' 56" E, 528.0 feet.

I hereby certify that this plat was prepared from an actual survey made on the ground and meets or exceeds all requirements for land surveys as specified by the state of New Mexico.



JAMES E. TOMPKINS
Registered Professional Surveyor
New Mexico Certificate No. 14729

PROPOSED ROAD TO SERVE
CAMERON "31" FEDERAL No. 2

FASKEN OIL & RANCH, LTD

576.1 feet of proposed road in
Section 31, T-20-S, R-25-E, N.M.P.M.,
Eddy County, New Mexico

WEST TEXAS CONSULTANTS, INC.

ENGINEERS-PLANNERS-SURVEYORS

MIDLAND, TEXAS

Survey Date: 10-4-00

Date: 10-5-00

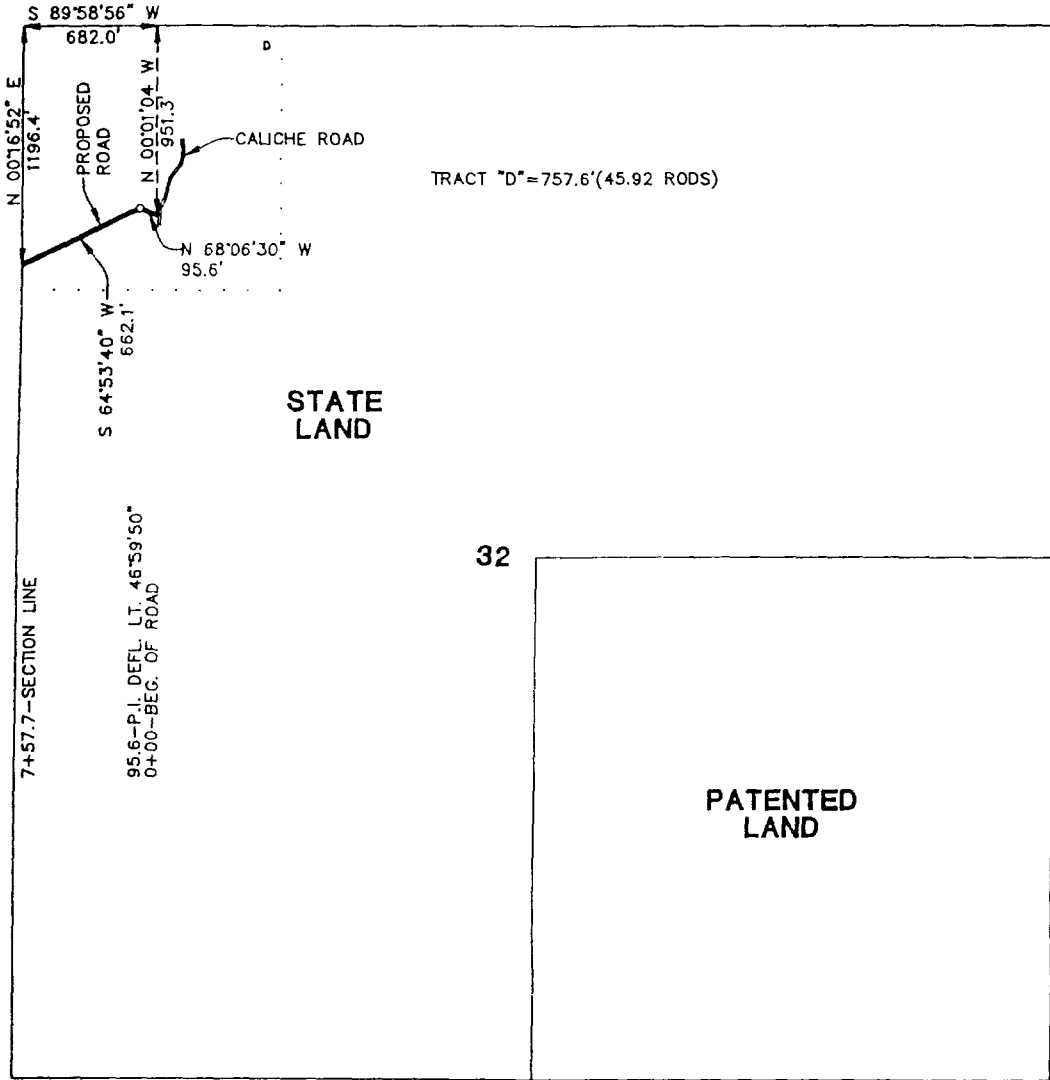
Scale: 1" = 1000'

WTC No.: 46032

Drawn By: JWD

Sheet 2 of 2

SECTION 32, TOWNSHIP 20 SOUTH, RANGE 25 EAST, N.M.P.M.
 EDDY COUNTY, NEW MEXICO



CENTERLINE DESCRIPTION OF A PROPOSED ROAD:

BEGINNING at a point in a caliche road, from which point the northwest corner of Section 32, T-20-S, R-25-E, N.M.P.M., Eddy County, New Mexico, bears N 00° 01' 04" W, 951.3 feet and S 89° 58' 56" W, 682.0 feet;
THENCE N 68° 06' 30" W, with the centerline of proposed road, 95.6 feet to a point for a bend in this road;
THENCE S 64° 53' 40" W, with the centerline of proposed road, 662.1 feet to a point in the west line of said Section 32, for the end of this road, from which point the northwest corner of said Section 32 bears N 00° 16' 52" E, 1196.4 feet.

PROPOSED ROAD TO SERVE
 CAMERON "31" FEDERAL No. 2

FASKEN OIL & RANCH, LTD

757.7 feet of proposed road in
 Section 32, T-20-S, R-25-E, N.M.P.M.,
 Eddy County, New Mexico

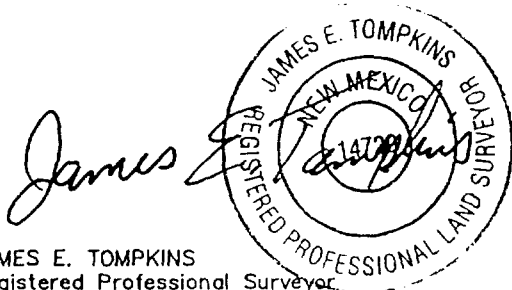
WEST TEXAS CONSULTANTS, INC.

ENGINEERS-PLANNERS-SURVEYORS

MIDLAND, TEXAS

| | | |
|----------------------|---------------|-------------------|
| Survey Date: 10-4-00 | Date: 10-5-00 | Scale: 1" = 1000' |
| WTC No.: 46032 | Drawn By: JWD | Sheet 1 of 2 |

I hereby certify that this plat was prepared from an actual survey made on the ground and meets or exceeds all requirements for land surveys as specified by the state of New Mexico.



JAMES E. TOMPKINS
 Registered Professional Surveyor
 New Mexico Certificate No. 14729

Complex grid of land parcels with various annotations, including owner names like 'Yates Pet. etal', 'Marathon', and 'David Fasken'. Includes a large 'SECREARY' watermark in the center.

Exhibit #2
Fasken Oil and Ranch, Ltd.
Cameron "31" Federal No. 2
Eddy County, NM

Reach D
No. 10
TOSTE
DIA 6.6

HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

EXHIBIT #3

FASKEN OIL AND RANCH, LTD.

CAMERON "31" FEDERAL NO. 2

1300' FNL & 660' FEL

SEC.31, T20S, R25E

EDDY COUNTY, NM

I. Hydrogen sulfide Training.

All personnel, whether regularly assigned, contracted or employed on an unscheduled basis, will receive training from a qualified instructor in the following areas prior to commencing drilling operations on this well:

1. The hazards and characteristics of hydrogen sulfide (H₂S).
2. The proper use and maintenance of personal protective equipment and life support systems.
3. The proper use of H₂S detectors, alarms, warning systems, briefing areas, evacuation procedures, and prevailing winds.
4. The proper techniques of first aid and rescue procedures.

In addition the supervisory personnel will be trained in the following areas:

1. The effects of H₂S on metal components. If high tensile tubulars are to be used, personnel will be trained in their special maintenance requirements.
2. Corrective action and shut-in procedures when drilling or reworking a well and blowout prevention and well control procedures.
3. The contents and requirements of the H₂S Drilling Operations Plan.

There will be an initial training session just prior to encountering a known or probable H₂S zone (within 3 days or 500 feet) and weekly H₂S and well control drills for all personnel in each crew. The initial training session shall include a review of the site specific H₂S Drilling Operations Plan. This plan shall be available at the well site. All personnel will be required to carry documentation that they have received the proper training.

II. H2S Safety Equipment and Systems.

NOTE: All H2S safety equipment and systems will be installed, tested, and operational when drilling reaches a depth of 500 feet above or three days prior to penetration the first zone containing or reasonable expected to contain H2S.

1. Well Control Equipment:
 - A. Flare line.
 - B. Choke manifold.
 - C. Blind rams and pipe rams to accommodate all pipe sizes with properly sized closing unit.
 - D. Auxiliary equipment to include: annular preventer, mud-gas separator (if necessary) and rotating head.
2. Protective equipment for essential personnel:
 - A. 5-minute escape units located in the dog house and 30-minute air units at briefing areas, as indicated on well site diagram.
3. H2S detection and monitoring equipment:
 - A. 3 - portable H2S monitors positioned on location for best coverage and response. These units have warning lights and audible sirens when H2S levels of 20 PPM are reached.
 - B. 1 - portable SO2 monitor positioned near flare line during H2S flaring operations.
4. Visual warning systems:
 - A. Wind direction indicators as shown on well site diagram.
 - B. Caution/Danger signs shall be posted on roads providing direct access to location. Signs will be painted a high visibility yellow with black lettering of sufficient size to be a readable distance from the immediate location.
5. Mud program:
 - A. The mud program has been designed to minimize the volume of H2S circulated to the surface. Proper mud weight safe drilling practices and the use of H2S scavengers when necessary will minimize hazards when penetrating H2S bearing zones.
 - B. A Mud-gas separator will be utilized.

6. Metallurgy:

A. All drill strings, casings, tubing, wellhead, blowout preventors, drilling spools kill lines, choke manifold and lines valves shall be suitable for H₂S service.

B. All elastomers used for packing and seals shall be H₂S trimmed.

7. Communications:

A. Radio communications will be available in company vehicles and rig dog house.

8. Well testing:

A. Drill stem testing will be performed with a minimum number of personnel in the immediate vicinity which are necessary to safely and adequately conduct the test. The drill stem testing of any known formation that contains H₂S will be conducted during daylight hours.

Fasken Oil and Ranch, Ltd.
 Cameron "31" Federal No. 2
 Eddy County, NM

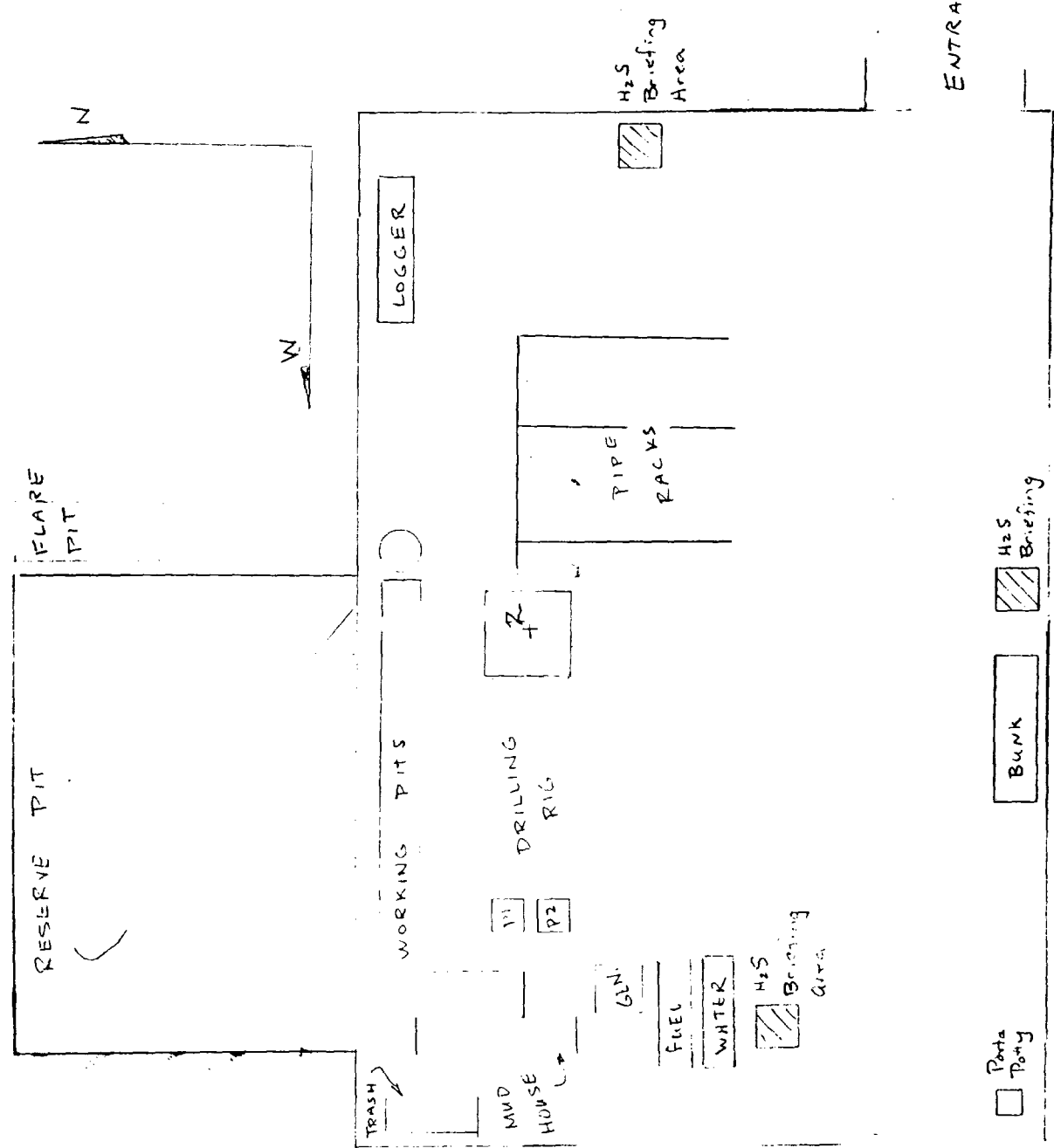
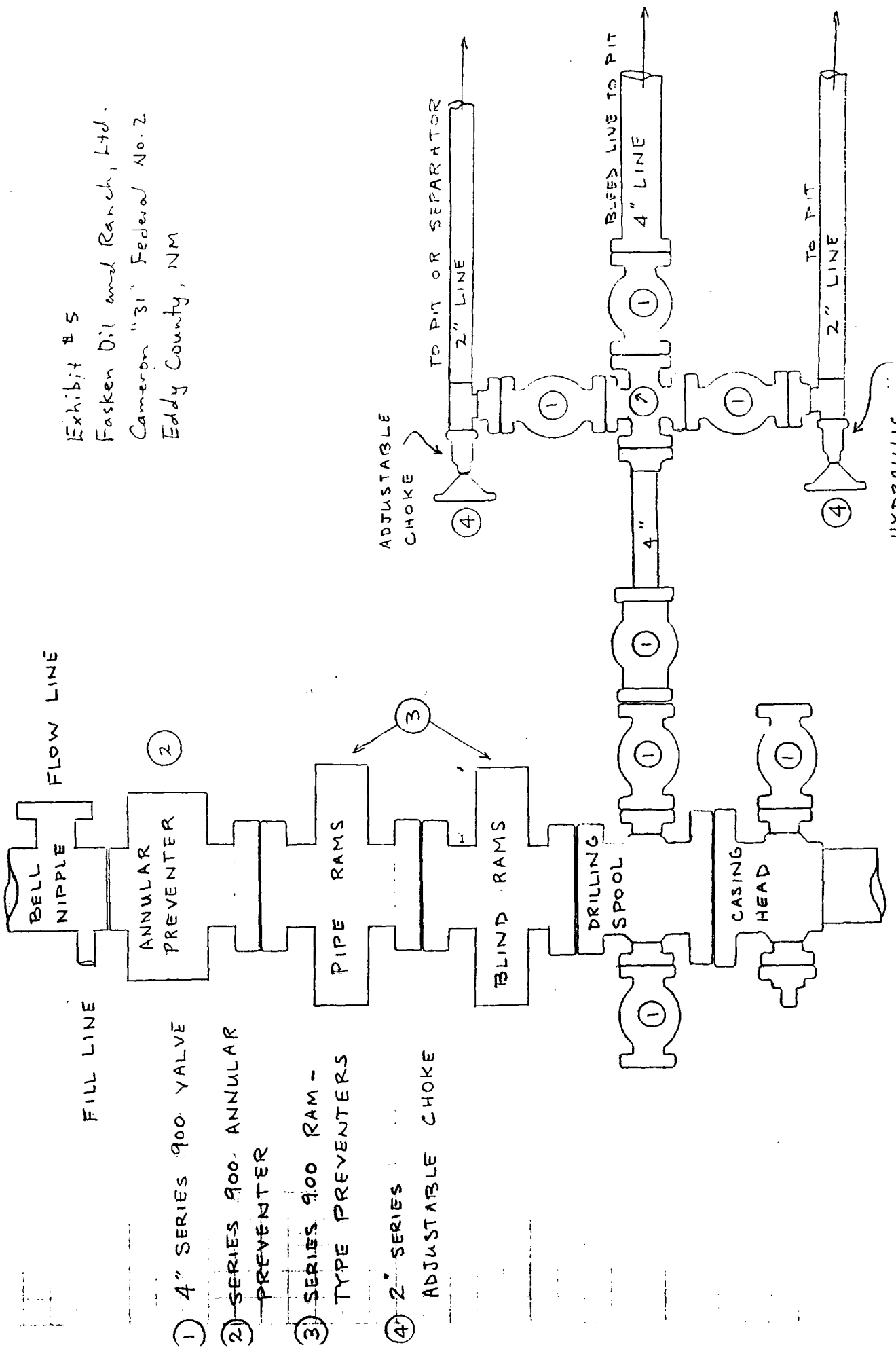


EXHIBIT #4
 SCALE 1" = 50'

Exhibit # 5
 Fasken Oil and Ranch, Ltd.
 Cameron "31" Federal No. 2
 Eddy County, NM



- 1) 4" SERIES 900 VALVE
- 2) SERIES 900 ANNULAR PREVENTER
- 3) SERIES 900 RAM - TYPE PREVENTERS
- 4) 2" SERIES ADJUSTABLE CHOKE

3000 PSI WORKING PRESSURE