

PLEASE EXPEDITE

UNITED STATES

DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

N.M. Oil Co.

1901 W. Grand

Artesia, NM 88210

TRIPPLICATE

Instructions on

reverse side

FORM APPROVED
OMB NO. 1004-0136

Expires: February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

12. TYPE OF WORK

DRILL ☒DEEPEN ☐

b. TYPE OF WELL

OIL
WELL ☐GAS
WELL ☒

OTHER

SINGLE
ZONEMULTIPLE
ZONE

2. NAME OF OPERATOR

RICKS EXPLORATION, INC.

(915-683-7443)

RICK NELSON

3. ADDRESS AND TELEPHONE NO.

110 WEST LOUISIANA SUITE 410 MIDLAND, TEXAS

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)

At surface 660' FSL & 1830' FEL SEC. 33 T17S-R27E EDDY CO. NM

At proposed prod. zone SAME

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE

Approximately 10 miles East of Artesia New Mexico

15. DISTANCE FROM PROPOSED

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any)

660'

16. NO. OF ACRES IN LEASE

320

17. NO. OF ACRES ASSIGNED

TO THIS WELL

320

18. DISTANCE FROM PROPOSED LOCATION

TO NEAREST WELL, DRILLING COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

215'

19. PROPOSED DEPTH

9900'

20. ROTARY OR CABLE TOOLS

ROTARY

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

3513' GR.

Koswell Controlled Water Basin

22. APPROX. DATE WORK WILL START

WHEN APPROVED

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
25"	20"	NA	40'	Cement to surface with Redi-mix
17 1/2"	H-40 13 3/8"	48	350'	400 Sx. circulate cement to sur
12 1/4"	J-55 8 5/8"	32	2600'	1000 Sx. " " " "
7 7/8"	N-80 5 1/2"	17	9900'	700 Sx. estimate top cement 600

1. Drill 25" hole to 40'. Set 40' of 20" conductor and cement to surface with Redi-mix.
2. Drill 17 1/2" hole to 350'. Run and set 350' of 13 3/8" 48# H-40 ST&C casing. Cement with 400 Sx. of Class "C" cement + 1/2# Flocele/Sx., + 2% CaCl circulate cement to surface.
3. Drill 12 1/4" hole to 2600'. Run and set 2600' of 8 5/8" 32# J-55 ST&C casing. Cement with 800 Sx. of Class "C" Light cement + 1/2# Flocele/Sx., + 5# Gilsonite/Sx, tail in with 200 Sx. of Class "C" cement + 2% CaCl, circulate cement to surface.
4. Drill 7 7/8" hole to 9900'. Run and set 9900' of 5 1/2" 17# N-80 LT&C casing. Cement with 300 Sx. of Class "H" Light weight cement + additives, tail in with 400 Sx. of Class "H" Premium Plus cement + additives. Estimate top of cement 6000' from surface.

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present production 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

East Jackson

TITLE Agent

DATE 09/17/02

(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:

FOR

APPROVED BY /s/ Mary J. Rugwell

TITLE

FIELD MANAGER

DATE OCT 21 2002

*See Instructions On Reverse Side

APPROVAL FOR 1 YEAR

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
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 and Natural Resources Department

Form C-102
Revised March 17, 1999

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 80400	Pool Name LOGAN DRAW-MORROW
Property Code	Property Name FEDERAL "Z"	Well Number 2
OGRID No. 168489	Operator Name RICKS EXPLORATION INC.	Elevation 3513'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	33	17 S	27 E		660	SOUTH	1830	EAST	EDDY

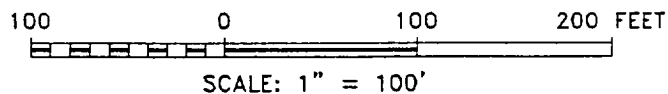
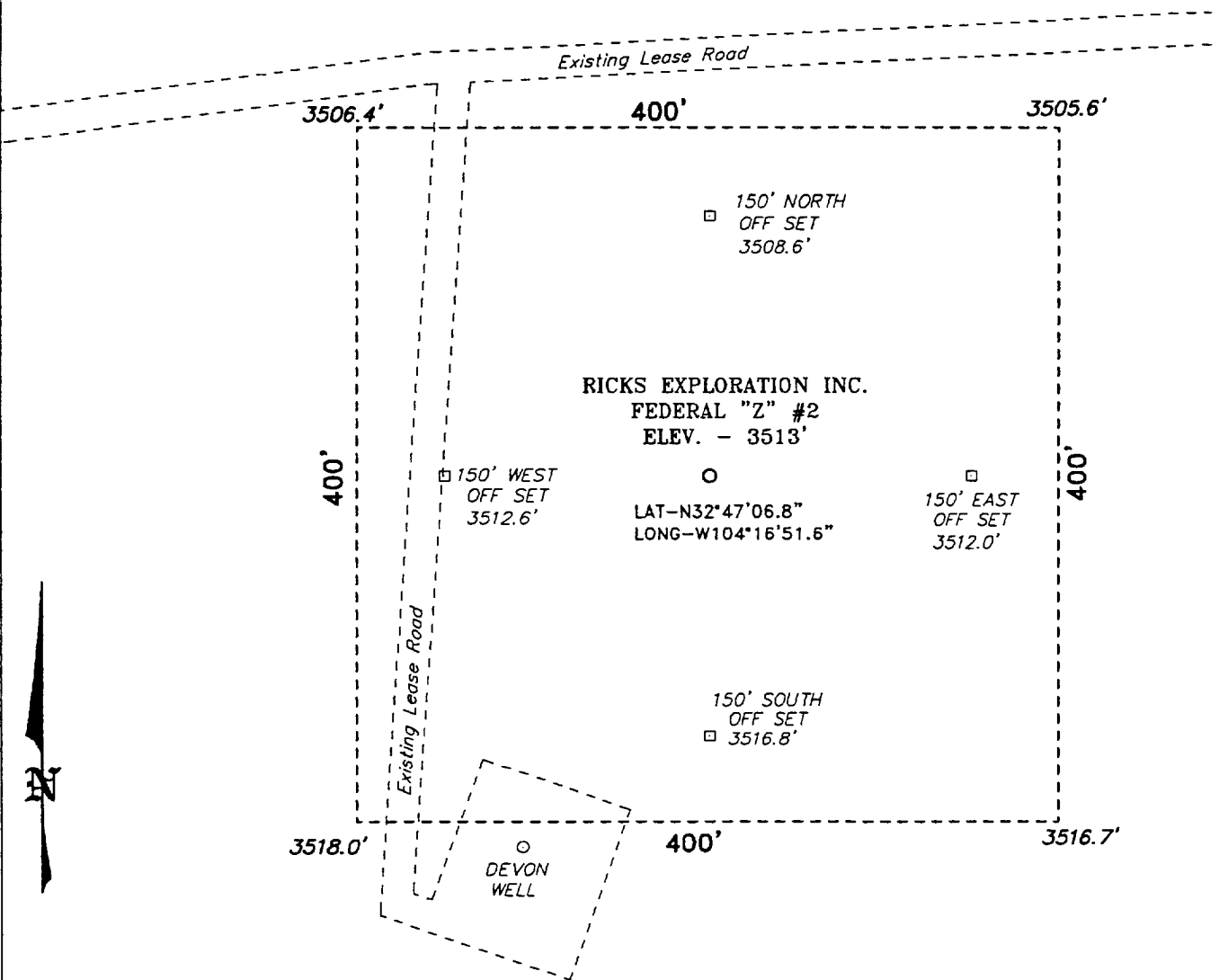
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.						

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 Joe T. Janica Printed Name Agent Title 9/17/02 Date	
	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 the best of my belief. SEPTEMBER 6, 2002 Date Surveyed Signature & Seal of Professional Surveyor Certificate No. Ggpy L. Jones 7977 BASIN SURVEYS	

SECTION 33, TOWNSHIP 17 SOUTH, RANGE 27 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



DIRECTIONS TO LOCATION:

FROM THE JUNCTION OF US HWY 82 AND CO. RD. 225(EMPIRE RD.), GO SOUTHWEST ON CO. RD. 225 FOR 2.6 MILES TO A LEASE ROAD; THENCE NORTHEAST ON LEASE ROAD FOR 0.5 MILE AND WEST FOR 0.8 MILE TO A LEASE ROAD; THENCE SOUTH ON LEASE ROAD FOR APPROX. 0.1 MILE TO PROPOSED WELL LOCATION.

BASIN SURVEYS P.O. BOX 1786 - HOBBS, NEW MEXICO

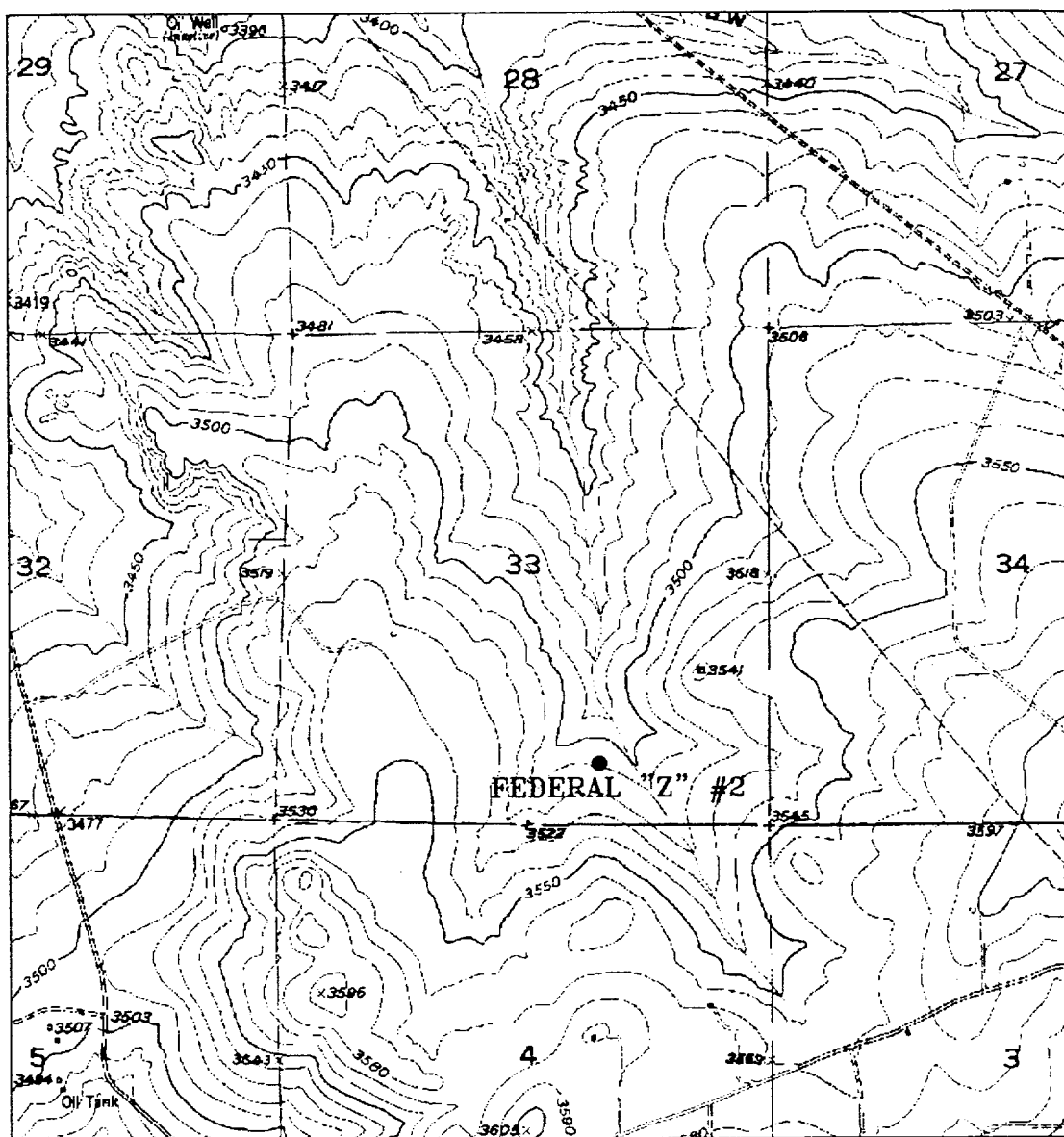
W.O. Number: 2713

Drawn By: K. GOAD

RICKS EXPLORATION INC.

REF: FEDERAL "Z" No. 2 / Well Pad Topo

THE FEDERAL "Z" No. 2 LOCATED 660' FROM THE SOUTH LINE AND 1830' FROM THE EAST LINE OF SECTION 33, TOWNSHIP 17 SOUTH, RANGE 27 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.



FEDERAL "Z" #2

Located at 660' FSL and 1830' FEL
 Section 33, Township 17 South, Range 27 East,
 N.M.P.M., Eddy County, New Mexico.

basin
surveys

focused on excellence
 in the oilfield

P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (505) 393-7316 - Office
 (505) 392-3074 - Fax
 basinsurveys.com

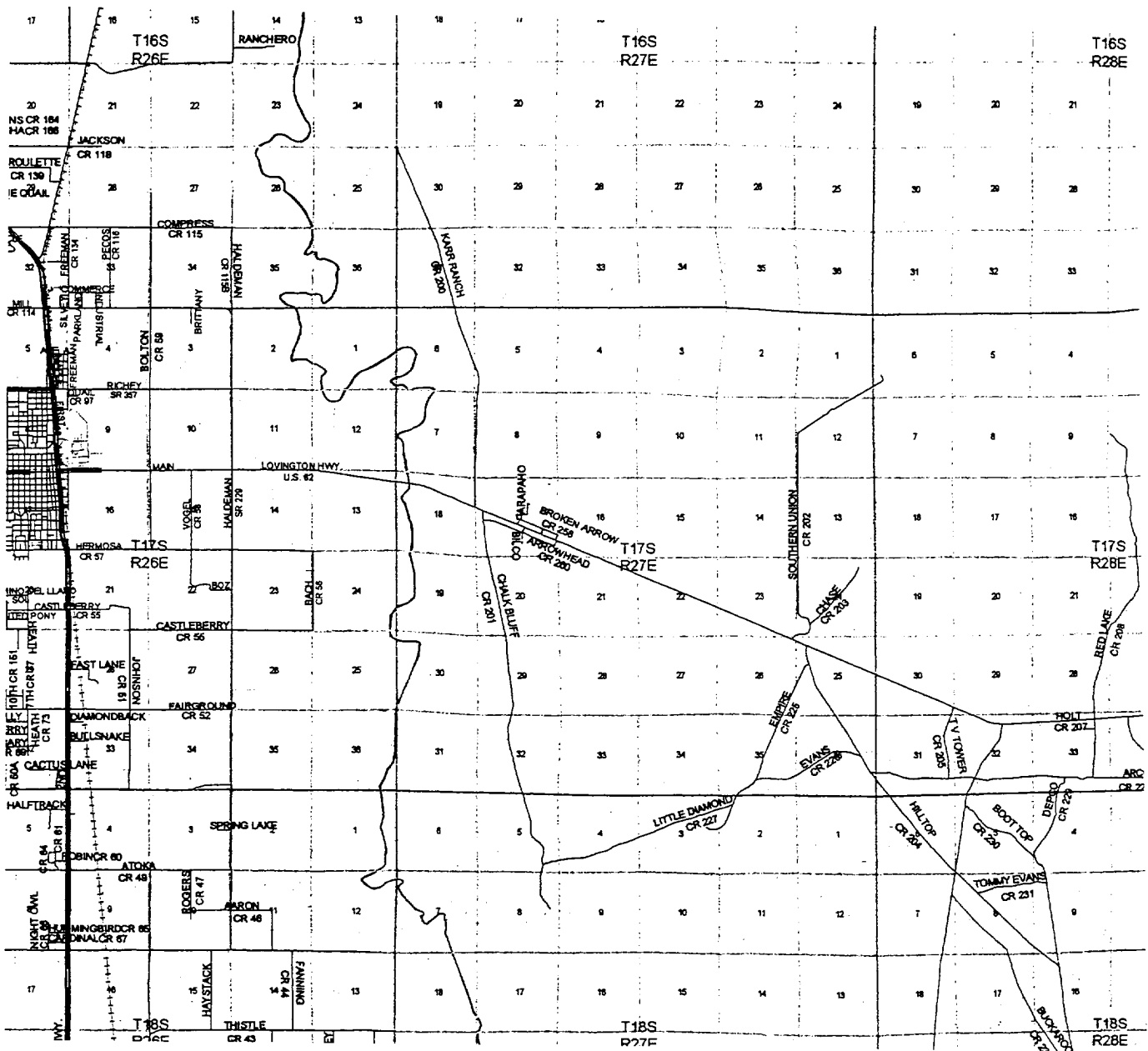
W.O. Number: 2713AA - KJG CD#5

Survey Date: 09-06-2002

Scale: 1" = 2000'

Date: 09-09-2002

RICKS
EXPLORATION
INC.



FEDERAL "Z" #2

Located at 660' FSL and 1830' FEL
Section 33, Township 17 South, Range 27 East,
N.M.P.M., Eddy County, New Mexico.

basin
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P.O. Box 1786
1120 N. West County Rd.
Hobbs, New Mexico 88241
(505) 393-7316 - Office
(505) 392-3074 - Fax
basinsurveys.com

W.O. Number: 2713AA - KJG CD#5

Survey Date: 09-06-2002

Scale: 1" = 2 MILES

Date: 09-09-2002

RICKS
EXPLORATION
INC.

APPLICATION TO DRILL

RICKS EXPLORATION, INC.
FEDERAL "Z" # 2
UNIT "O" SECTION 33
T17S-R27E EDDY CO. NM

In response to questions asked under Section II of Bulletin NTL-6 the following information on the above well is provided for your consideration.

1. Location: 660' FSL & 1830' FEL SEC. 33 T17S-R27E EDDY CO. NM
2. Elevation above Sea Level: 3513' GR.
3. Geologic name of surface formation: Quaternary Aeolian Deposits.
4. Drilling tools and associated equipment: Conventional rotary drilling rig using drilling mud as a circulating medium for solids removal from hole.
5. Proposed drilling depth: 9900'
6. Estimated tops of geological markers:

Queen	860'	Canyon	8225'
San Andres	1575'	Strawn	8565'
Glorietta	2915'	Atoka	9130'
Wolfcamp	6730'	Morrow	9750'
7. Possible mineral bearing formations:

Glorietta	Oil	Strawn	Gas
Wolfcamp	Gas	Atoka	Gas
		Morrow	Gas
8. Casing program:

Hole size	Interval	OD of casing	Weight	Thread	Collar	Grade
25"	0-40'	20"	NA	NA	NA	conductor
17½"	0-350'	13 3/8"	48	8-R	ST&C	H-40
12½"	0-2600'	8 5/8"	32	8-R	ST&C	J-55
7 7/8"	0-9900'	5½"	17	8-R	LT&C	N-80

APPLICATION TO DRILL

RICKS EXPLORATION, INC.
 FEDERAL "Z" # 2
 UNIT "O" SECTION 33
 T17S-R27E EDDY CO. NM

9. CEMENTING & SETTING DEPTH:

20"	Conductor	Set 40' of 20" conductor and cement to surface with Redi-mix.
13 3/8"	Surface	Set 350' of 13 3/8" 48# H-40 ST&C casing. Cement with 400 Sx. of Class "C" cement + 2% CaCl ₂ + 1/4# Flocele/Sx. Circulate cement to surface.
8 5/8"	Intermediate	Set 2600' of 8 5/8" 32# J-55 ST&C casing. Cement with 800 Sx. of Class "C" Light cement + 1/4# Flocele/Sx..5# Gilsonite/Sx. tail in with 200 Sx. of Class "C" cement + 2% CaCl ₂ . Circulate cement to surface.
5 1/2"	Production	Set 9900' of 5 1/2" 17# N-80 LT&C casing. Cement with 300 Sx. of Class "H" Light weight cement + additives, tail in with 400 Sx. of Class "H" Premium Plus cement + additives, Estimate top of cement 6000' from surface.

10. PRESSURE CONTROL EQUIPMENT: Exhibit "E" shows a 1500 Series 5000 PSI working pressure B.O.P. consisting of an annular bag type preventor, middle blind rams and bottom pipe rams. The B.O.P. will be nipped up on the 13 3/8" casing and tested to API specifications. The B.O.P. will be operated at least once in each 24 hour period and the blind rams will be operated when drill pipe is out of hole on trips. Full opening stabbing valve and upper kelly cock will be utilized. Exhibit "E-1" shows a hydraulically operated closing unit and a 2" 5000 PSI choke manifold with dual adjustable chokes. No abnormal pressures or temperatures are expected.

11. PROPOSED MUD CIRCULATING SYSTEM:

DEPTH	MUD WT.	VISC.	FLUID LOSS	TYPE MUD SYSTEM
40-350'	8.4-8.7	29-30	NC	Fresh water spud mud add paper to control seepage.
350-2600'	10.0-10.2	29-34	NC	Brine water add paper to control seepage and use high sweeps to clean hole.
2600'-8500'	10.0-10.3	29-38	NC	SAME AS ABOVE.
500-9900'	10.1-10.3	32-40	10 CC or Less	Add Polymer to system to control water loss and use high viscosity sweeps to clean hole.

Sufficient mud materials will be kept on location at all times in order to combat lost circulation, or unexpected kicks. In order to run DST's, open hole logs, and casing viscosity and/or water loss may have to be adjusted to meet these needs.

APPLICATION TO DRILL

RICKS EXPLORATION, INC.
FEDERAL "Z" # 2
UNIT "O" SECTION 33
T17S-R27E EDDY CO. NM

12. TESTING, LOGGING, & COREING PROGRAM:

- A. Open hole logs: Dual Laterolog, SNP, LDT. Gamma Ray, Caliper from TD back to 2600'. Run Gamma Ray, Neutron from 2600' to surface.
- B. Rig up mud logger on hole at the wish of geologist.
- C. Cores, DST's may be run as shows dictate.

13. POTENTIAL HAZARDS:

No abnormal pressures or temperatures are expected. Hydrogen Sulfide gas may be encountered, H₂S detectors will be in place to detect any presence of unsafe levels of H₂S. No lost circulation is expected to occur. All personnel will be familiar with all aspects of safe operations of all equipment that will be used. Estimated BHP 5000 PSI & estimated BHT 184°.

14. ANTICIPATED STARTING DATE AND DURATION OF OPERATION:

Roads and location construction will begin after the BLM approves the APD. Anticipated spud date will be as soon as pad & road construction has been completed. Drilling time for the well is estimated to take 32 days. If production casing is run an additional 30 days will be required to complete well and construct surface facilities.

15. OTHER FACETS OF OPERATION:

After running production casing, cased hole Gamma-Neutron & Collar logs will be run over all possible pay intervals. If commercial production from the MORROW pay is indicated it will be perforated and stimulated. Then if necessary the pay will be swab tested and completed as a gas well.

HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

1. All Company and Contract personnel admitted on location must be trained by a qualified H₂S safety instructor to the following:
 - A. Characteristics of H₂S
 - B. Physical effects and hazards
 - C. Proper use of safety equipment and life support systems.
 - D. Principle and operation of H₂S detectors, warning system and briefing areas.
 - E. Evacuation procedure, routes and first aid.
 - F. Proper use of 30 minute pressure demand air pack.
2. H₂S Detection and Alarm Systems
 - A. H₂S detectors and audio alarm system to be located at bell nipple, end of bloop line (mud pit) and on derrick floor or doghouse.
3. Windsock and/or wind streamers
 - A. Windsock at mudpit area should be high enough to be visible.
 - B. Windsock at briefing area should be high enough to be visible.
 - C. There should be a windsock at entrance to location.
4. Condition Flags and Signs
 - A. Warning sign on access road to location.
 - B. Flags to be displayed on sign at entrance to location. Green flag, normal safe condition. Yellow flag indicates potential pressure and danger. Red flag, danger, H₂S present in dangerous concentration. Only emergency personnel admitted to location.
5. Well control equipment
 - A. See exhibit "E" & "E-1"
6. Communication
 - A. While working under masks chalkboards will be used for communication.
 - B. Hand signals will be used where chalk board is inappropriate.
 - C. Two way radio will be used to communicate off location in case of emergency help is required. In most cases cellular telephoned will be available at most drilling foreman's trailer or living quarters.
7. Drillstem Testing
 - A. Exhausts will be watered.
 - B. Flare line will be equipped with an electric ignitor or a propane pilot light in case gas reaches the surface.
 - C. If the location is near to a dwelling a closed DST will be performed.

HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

8. Drilling contractor supervisor will be required to be familiar with the effects H₂S has on tubular goods and other mechanical equipment.
9. If H₂S is encountered, mud system will be altered if necessary to maintain control of formation. A mud gas separator will be brought into service along with H₂S scavengers if necessary.

SURFACE USE PLAN

RICKS EXPLORATION, INC.
FEDERAL "Z" # 2
UNIT "O" SECTION 33
T17S-R27E EDDY CO. NM

1. EXISTING ROADS: Area roads, Exhibit "B" is a reproduction of a County General Hiway Map. Exhibit "C" is a reproduction of a USGS Topographic Map, showing existing roads and proposed roads. All existing roads will be maintained in a condition equal to or better than current conditions. Any new roads will be constructed to BLM specifications.
 - A. Exhibit "A" shows the proposed well site location as staked.
 - B. From Artesia New Mexico take U.S. Hi-way 82 East for 9.3± miles- turn South on to CR-204 (Hilltop) bear Right on to CR-225 (Empire Rd.) follow road to Evans Rd. bear Right on to Little Diamond go past pump station 1 mile bear Right go .4 miles turn Left and go .5 miles to location on the South side of road.
2. PLANNED ACCESS ROADS: Approximately 300' of new road will be constructed.
 - A. The access road will be crowned and ditched to a 12' wide travel surface with a 40' Right-of-Way.
 - B. Gradient on all roads will be less than 5%.
 - C. Turnouts will be constructed as required or as directed by the BLM.
 - D. If needed roads will be surfaced with a minimum of 4" of caliche. This material will be obtained from a local source.
 - E. Center line for the new access road has been staked and flagged. Earthwork will be done as required by field and topographic conditions.
 - F. Culverts in the access road will be used where necessary. The road will be constructed to utilize low water crossings for drainage as dictated by the topography.
3. LOCATION OF EXISTING WELLS WITHIN A ONE-MILE RADIUS SHOWN ON EXHIBIT "A-1".

A. Water wells	-	None known
B. Disposal wells	-	None known
C. Drilling wells	-	None known
D. Producing wells	-	As shown on Exhibit "A-1"
E. Abandoned wells	-	As shown on Exhibit "A-1"
F. Injection wells	-	None known

SURFACE USE PLAN

RICKS EXPLORATION, INC.
FEDERAL "Z" # 2
UNIT "O" SECTION 33
T17S-R27E EDDY CO. NM

4. If on completion this well is a producer the operator will lay pipelines and construct powerlines along existing road R-O-W's or other existing R-O-W's.

*W/ PRIOR SONDY NOTICE APPROVAL,
TSO*

5. LOCATION AND TYPE OF WATER SUPPLY:

Water will be purchased locally from a commercial source and trucked over the access roads or piped to location in flexible lines laid on top of the ground.

6. SOURCE OF CONSTRUCTION MATERIAL:

If possible construction material will be obtained from the excavation of drill site, if additional material is needed it will be obtained from a local source and transported over the access roads as shown on Exhibit "C".

7. METHODS OF HANDLING WASTE MATERIAL:

- A. Drill cuttings will be disposed of in the reserve pits.
- B. All trash, junk and other waste material will be contained in trash cages or trash bins to prevent scattering. When the job is completed all contents will be removed and disposed of in a approved sanitary land fill.
- C. Salts remaining after completion of well will be picked up by the supplier, including broken sacks.
- D. Waste water from living quaters will be drained into holes with a minium of 10'. These holes will be covered during drilling and will be back filled when the well is completed. A Porto-John will be provided for the rig crews. This equipment will be properly maintained during the drilling and completion operations and will be removed when all operations are complete.
- E. Remaining drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry enough to be broken out for furthed drying. If the drilling fluids do not evaporate in a reasonable time they will be hauled off by transports to a state approve disposal site. Later pips will be broken out to speed drying. Water produced during completion will be put in reserve pits. Oil and condensate produced will be put in storage tanks and sold.

8. ANCILLARY FACILITIES:

- A. No camps or air strips will be constructed on location.

SURFACE USE PLAN

RICKS EXPLORATION, INC.
FEDERAL "Z" # 2
UNIT "O" SECTION 33
T17S-R27E EDDY CO. NM

9. WELL SITE LAYOUT

- A. Exhibit "D" shows the proposed well site layout.
- B. This exhibit indicated proposed location of reserve and sump pits and living facilities.
- C. Mud pits in the active circulating system will be steel pits & the reserve pit is proposed to be unlined unless subsurface condition encountered during pit construction indicate that lining is needed for lateral containment of fluids.
- D. If needed, the reserve pit is to be lined with polyethelene. The pit liner will be 6 mils thick. Pit liner will extend a minimum 2'00" over the reserve pits dikes where the liner will be anchored down.
- E. The reserve pit will be fenced on three sides with four strands of barbed wire during drilling and completion phases. The fourth side will be fenced after all drilling operations have ceased. 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's pad and surface facilities. After the area has been shaped and contoured, topsoil from the spoil pile 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 contoured 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.

SURFACE USE PLAN

RICKS EXPLORATION, INC.
FEDERAL "Z" # 2
UNIT "O" SECTION 33
T17S-R27E EDDY CO. NM

11. OTHER INFORMATION:

- A. Topography consists of sand dunes with a slight dip to the West. Deep sandy soil supports shinners oak, native grasses, and an occasional mesquite tree.
- B. The surface and minerals are owned by The U. S. Department of Interior, and is administered by The Bureau of Land Management. The surface is used for the production of oil and gas in addition to livestock grazing.
- C. An archaeological survey will be conducted on the location and access roads. This report will be filed with The Bureau of Land Management in the Carlsbad field office.
- D. There are no dwellings in the near vicinity of this location.

12. OPERATORS REPRESENTATIVES:

Before construction:

TIERRA EXPLORATION, INC
P.O. BOX 2188
HOBBS, NEW MEXICO 88241
OFFICE Ph. 505-391-8503
JOE T. JANICA

During and after construction:

RICKS EXPLORATION, INC.
110 WEST LOUISIANA SUITE 410
MIDLAND, TEXAS 79701
ERICK NELSON
PHONE 915-683-7443

13. CERTIFICATION: I hereby certify that I, or persons under my direct supervision have inspected the proposed drill site and access roads, and 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 that the work associated with the operations proposed herein will be performed by RICKS EXPLORATION, INC. it's contractors/subcontractors is in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provision of U.S.C. 1001 for the filing of a false report.

NAME : Joe T Janica
DATE : 09/17/02
TITLE : Agent

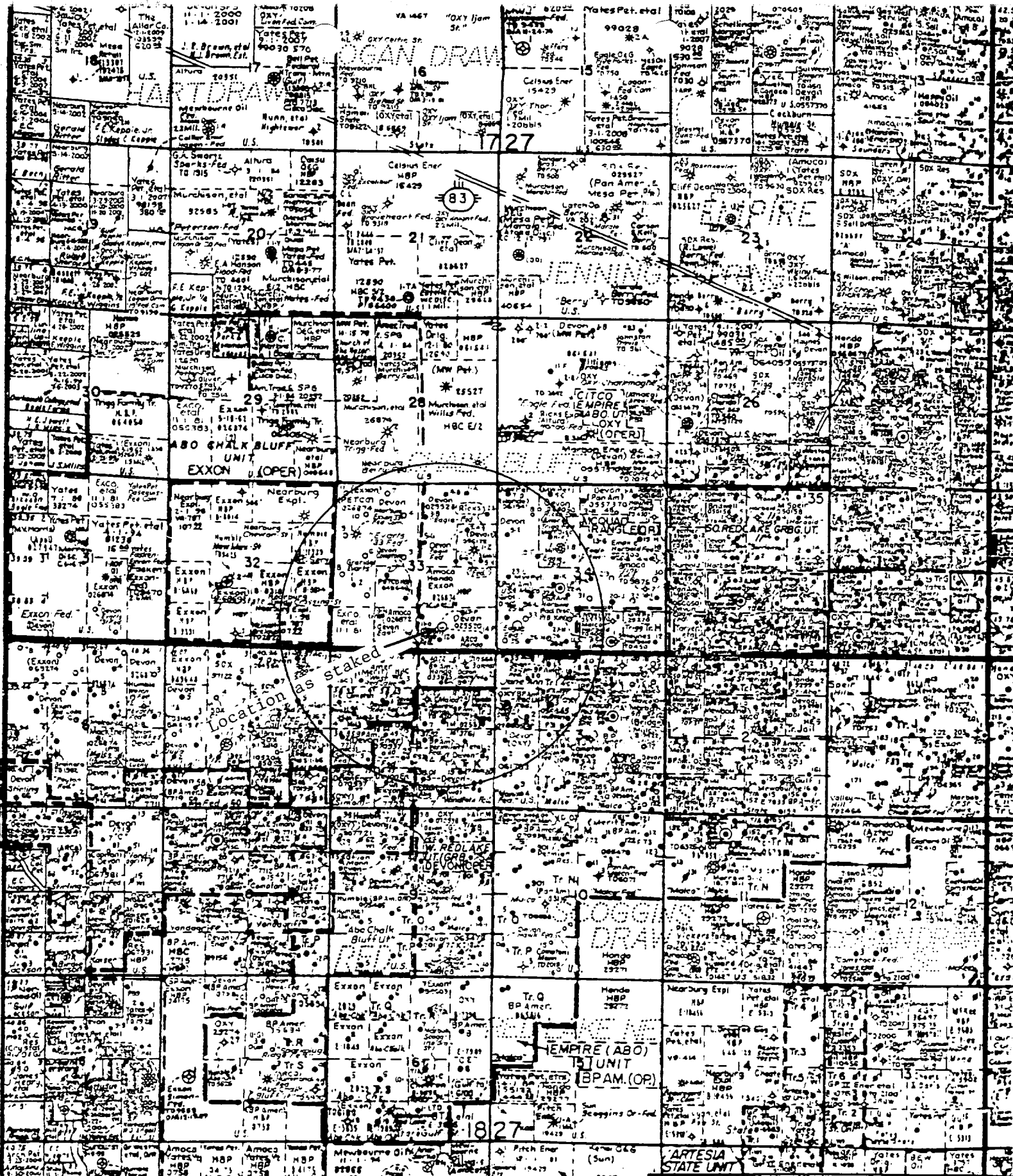


EXHIBIT "A-1"
ONE MILE RADIUS MAP
RICKS EXPLORATION, INC.
FEDERAL "Z" # 2
UNIT "O" SECTION 33
T17S-R27E EDDY CO. NM

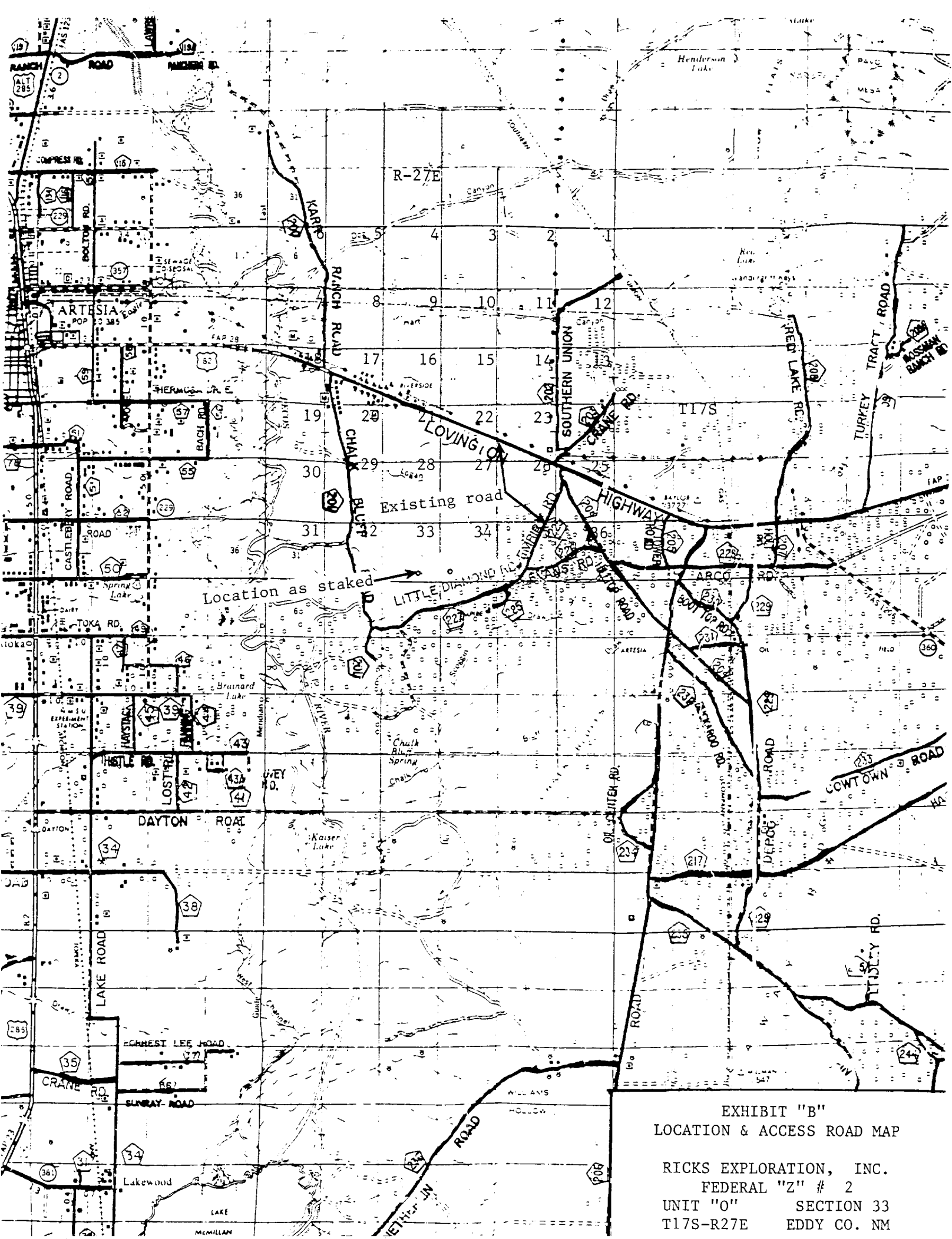
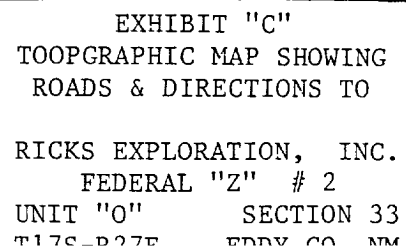
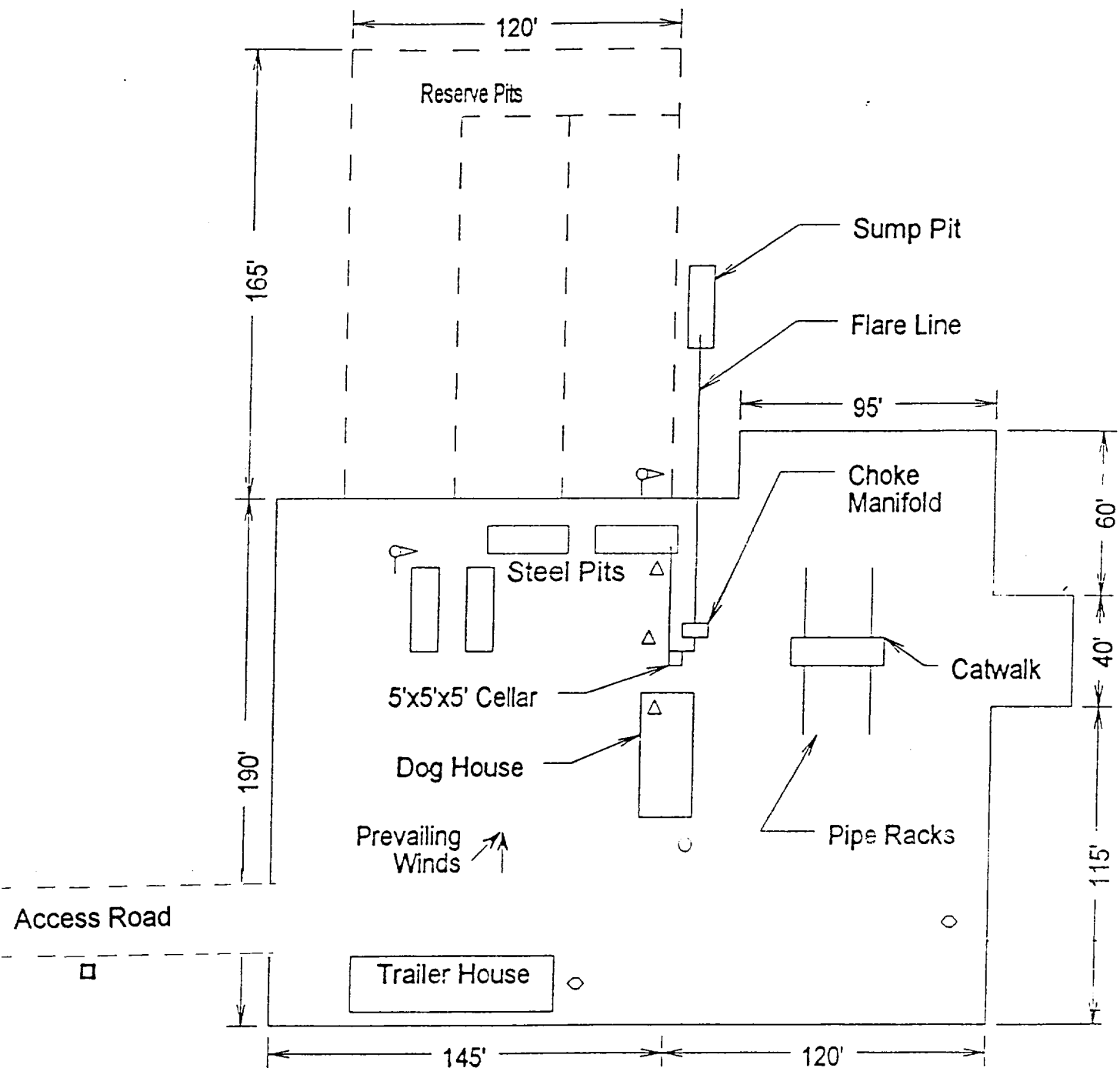


EXHIBIT "B"
LOCATION & ACCESS ROAD MAP

RICKS EXPLORATION, INC.
FEDERAL "Z" # 2
UNIT "O" SECTION 33
T17S-R27E EDDY CO. NM

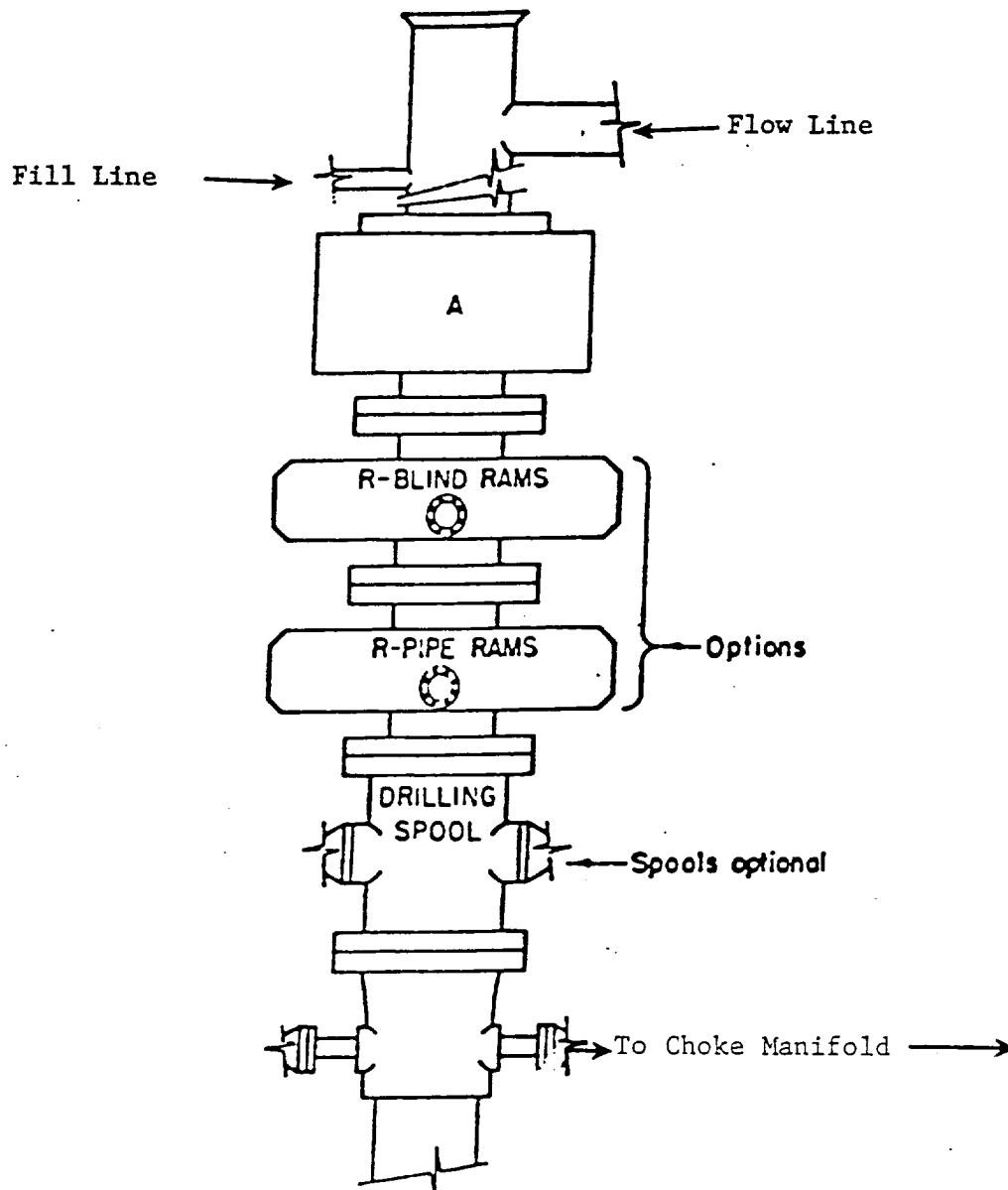




- Wind Direction Indicators
(wind sock or streamers)
- △ H2S Monitors
(alarms at bell nipple and shale shaker)
- Briefing Areas
- Remote BOP Closing Unit
- Sign and Condition Flags

EXHIBIT "D"
RIG LAY OUT PLAT

RICKS EXPLORATION, INC.
FEDERAL "Z" # 2
UNIT "O" SECTION 33
T17S-R27E EDDY CO. NM



ARRANGEMENT SRRA

1500 Series
5000# Working Pressure

EXHIBIT "E"
SKETCH OF B.O.P. TO BE USED ON

RICKS EXPLORATION, INC.
FEDERAL "Z" # 2
UNIT "O" SECTION 33
T17S-R27E EDDY CO. NM

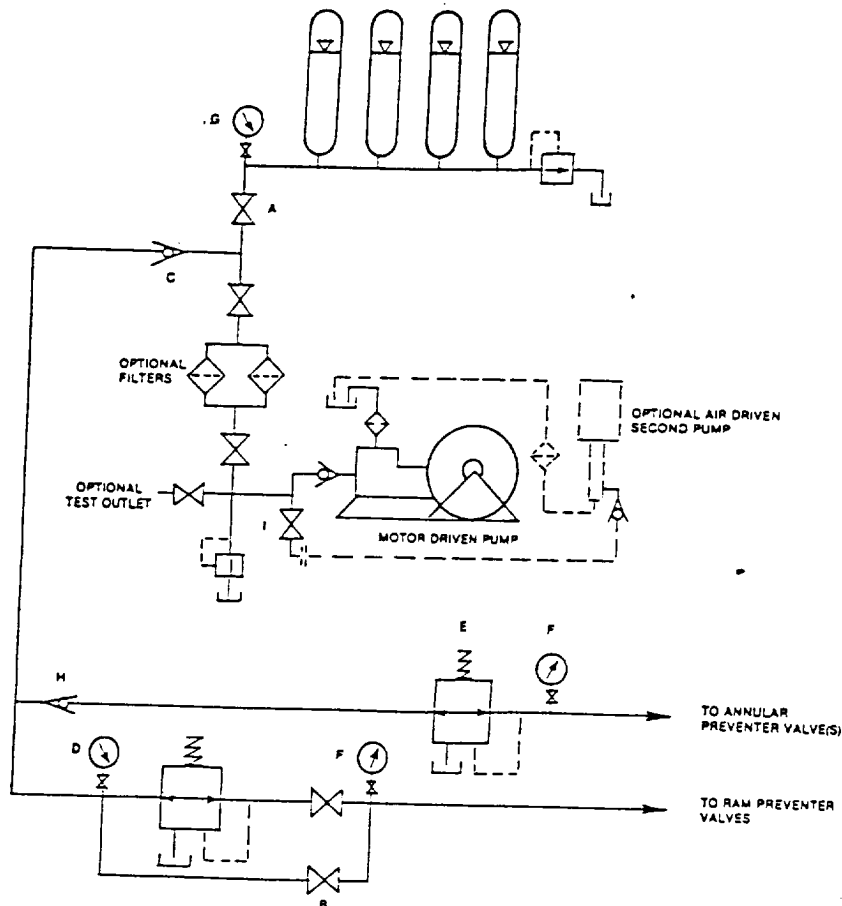


FIGURE K6-1. The schematic sketch of an accumulator system shows required and optional components.

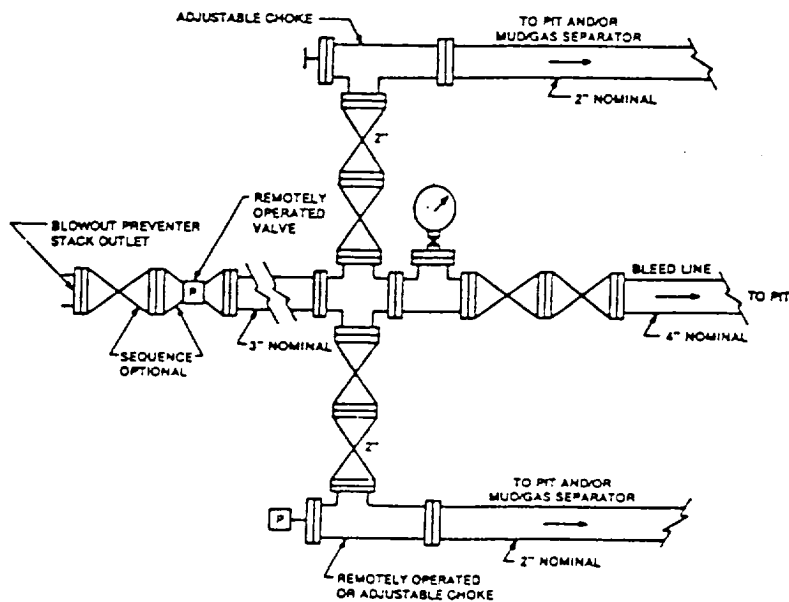


FIGURE K4-2. Typical choke manifold assembly for 5M rated working pressure service — surface installation.

EXHIBIT "E-1"
CHOKE MANIFOLD & CLOSING UNIT

RICKS EXPLORATION, INC.
FEDERAL "Z" # 2
UNIT "O" SECTION 33
T17S-R27E EDDY CO. NM

UNITED STATES DEPARTMENT OF THE INTERIOR
Bureau of Land Management
Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201-1287

Statement Accepting Responsibility for Operations

Operator Name : RICKS EXPLORATION, INC.
Street or Box : 110 W. LOUISIANA, SUITE 410
City, State : MIDLAND, TEXAS
Zip Code : 79701

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described below:

Lease No.: NMNM 025528

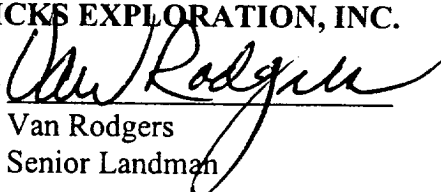
Legal Description of Land: INSOFAR AS SAID LEASE COVERS:
TOWNSHIP 17 SOUTH, RANGE 27 EAST, N.M.P.M.
SECTION 33: S/2SE/4
EDDY COUNTY, NEW MEXICO

Formation(s) (if applicable): FROM THE BASE OF THE SAN ANDRES FORMATION TO
THE BASE OF THE MORROW FORMATION.

Bond Coverage (State if individually bonded or another's bond): INDIVIDUALLY BONDED

BLM Bond File No.: NM 589804

RICKS EXPLORATION, INC.

Authorized Signature: 

Title: Van Rodgers
Senior Landman

Date: September 26, 2002