Form 3160-3 (July 1089) (formerly 9--331C)

L.ITED STATES DEPARTMENT OF THE INTERIOR

ARTESIANMI

BLM Roswell District Modified Form No. NM060-3160-2

5. LEASE DESIGNATION AND SERIAL NO. BUREAU OF LAND MANAGEMENT LC-029395B APPLICATION FOR PERMIT TO DRILL, DEEPEN, 6. IF INDIAN, ALLOTTER OR TRIBE NAME OR PLUG BACK 1a. TYPE OF WORK DRILL X DEEPEN | 7. UNIT AGREEMENT NAME PLUG BACK b. TYPE OF WELL WELL X WELL SINGLE MULTIPLE ZONE OTHER S. FARM OR LEASE NAME 2. NAME OF OPERATOR 3a. Area Code & Phone No. LEE FEDERAL Marbob Energy Corporation 505-748-3303 9. WELL NO. 3. ADDRESS OF OPERATOR 1 P. O. BOX 227 Artesia, NM 88210 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*) 10. FIELD AND POOL, OR WILDCAT WILDCAT; YESO 11. SEC., T., R., M., OR BLE. AND SURVEY OR AREA 2310 FNL 2160 FEL SAME UNIT G SEC. 20-T17S-R31E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE 12. COUNTY OR PARISH | 13. STATE EAST OF ARTESIA ON U.S. 82 APPROX. 30.1 MILES **EDDY** NM 15. DISTANCE FROM PROPUSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, F 16. NO. OF ACRES IN LEASE 17. NO. OF ACRES ASSIGNED TO THIS WELL (Also to nearest drig. unit line, if any) 2160 1800 18. DISTANCE FROM PROPOSED LOCATION®
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT. 40 19. PROPOSED DEPTH 20. ROTARY OR CABLE TOOLS 6000' ROTARY

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

3666' GR 23.

22. APPROX. DATE WORK WILL START*

MAY 1, 1998

PROPOSED CASING AND CEMENTAR PARTIES AND ATEN AN

HOLE SIZ	C404110 0155			180000000000000000000000000000000000000				
		ME IGHT/FOOT	GRADE	THREAD TYPE	BETTING DEPTIL			
12 1/4"	8 5/8"	24#			BETTING BEFTI	QUANTITY OF CEMENT		
7 7/8"		2711	J-55	LT&C	450'	3 TIRES IRC		
/ //0		17#	J-55	LT&C				
				LIGC	6000'	1100 SX, ATTEMPT		
	ĺ					TO CIPC		
	J .	J	· ·	1	1	TO CIRC		
		•	•	4				

PAY ZONE WILL BE SELECTIVELY PERFORATED AND STIMULATED AS NEEDED FOR OPTIMUM PRODUCTION.

Posled ID., NL & API

ATTACHED ARE:

- ACREAGE DEDICATION PLAT 1.
- 2. SUPPLEMENTAL DRILLING DATA
- SURFACE USE PLAN

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposent is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout 24.

SIGNED Chorda Nulson	J	DATE 4/9/98
(This space for Federal or State office use)		
PERMIT NO.	APPROVAL DATE	
APPROVED BY	TITLE ACTIONS ADM MINERALS	DATE

DISTRICT I P.O. Bez 1980, Hobbs, NM 88241-1980 State of New Mexico -

Energy, Minerals and Natural Resources Depart

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 68211-0719

DISTRICT III 1000 Rio Brazos Rd., Aztec. NM 67410

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

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			
		WILDCAT; YESO			
Property Code	Property Name LEE FEDERAL	Weil Number			
ogrid No. 14049	Operator Name MARBOB ENERGY CORPORATION	Elevation 3666			

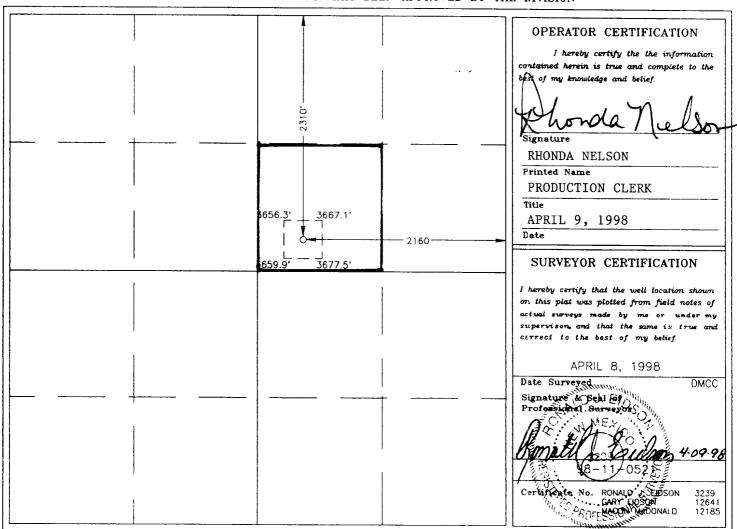
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	20	17 S	31 E		2310	NORTH	2160	EAST	EDDY

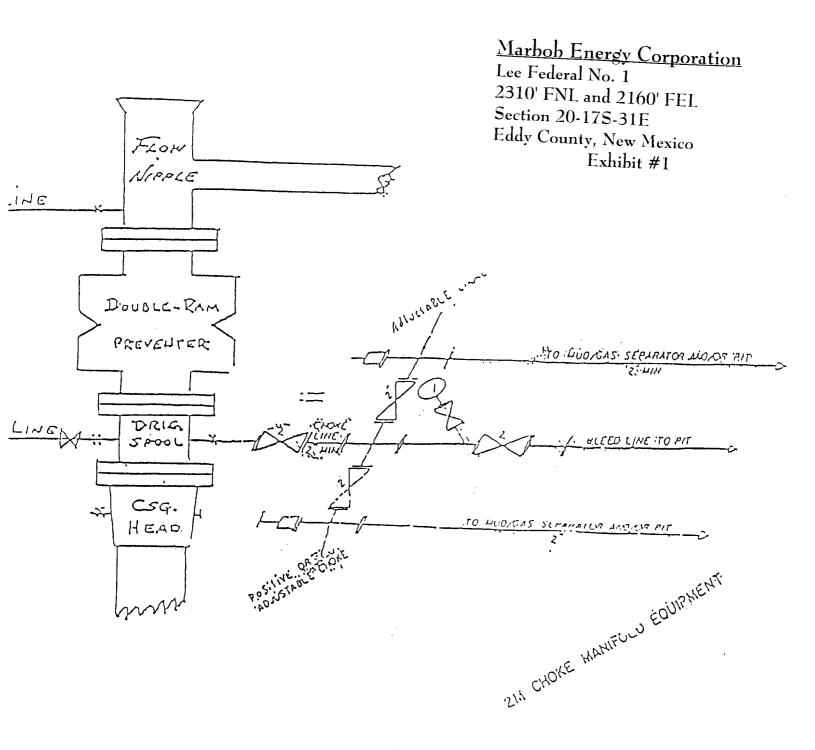
Bottom Hole Location If Different From Surface

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 o	r Infill Co	nsolidation (Code Or	der 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



10"/900 Cameron SS Space Saver 3000# Working Pressure 3.000# Working Pressure Choke Manifold



Attachment to Exhibit #1 NOTES REGARDING THE BLOWOUT PREVENTERS

- I. 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.
- II. 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.