Form 3160-3 (July 1992)	UNITED DEPARTMENT OF BUREAU OF LAN	STATES F THE INTER MANAGEMENT	NOR 581		FORM APP OMB N(). 10 Expires: Februa 5. LEASE DESIGNATION A LC-02377	04-0136 iry 28, 1995 ND SERIAL NO. 5A	
	LICATION FOR PERI	MIT TO DRI	LL OR DEEPEN		6. IF INDIAN, ALLOTTEE O	R TRIBE NAME	
1a. TYPE OF WORK b. TYPE OF WELL OIL WELL X 2. NAME OF OPERATOR		DEEPEN [7. UNIT AGREEMENT NAME 2317 8. FARM OR LEASE NAME, WELL NO. B 440 FEDERAL #5			
3. ADDRESS AND TELEF P.O. BOX 227	ERGY CORPORATION PHONE NO. 7, ARTESIA, NM 88210 50 (Report location clearly and in accordance v	5-748-3303	<u>4049</u>		9. API WELL NO. 30-015 10. FIELD AND POOL OR EAST EMPIRE	- 30755 MILDCAT YESO 96610	
At surface 990 FS At proposed prod. z SAME	SL 330 FEL	>			11. SEC. T. R. M., OR BLI AND SURVEY OR AREA SEC. 27-T17S 12. COUNTY OR PAR SH	-R29E	
	TESIA ON HWY 82 APPRO	(20.2 MILES	6. NO OF ACRES IN LEASE		EDDY	13. STATE NM	
PROPERTY OR LEAS (Also to nearest drig. u 18. DISTANCE FROM PR	ELINE, FT 99 nit line, if any) OPOSED LOCATION* DRILLING, COMPLETED, N THIS LEASE, FT.	90'	400 9. proposed depth 5000'	TO THIS	41) OR CABLE TOOLS ROTARY 22. APPROX. DATE WOR		
3557' GR					06/21/99		
23.		PROPOSED CASIN	IG AND CEMENTING PROGRA	М			
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOO		•••••••	QUANTITY OF CEMEN		
12 1/4" 7 7/8"	J-55 J-55	17#			300 SX, CIRC SUFFICIENT TO COVER 200' ABOVE ALL KNOWN OIL & GAS HORIZONS		
ATTACHED ARE: 1.	SELECTIVELY PERFORATED AND LOCATION & ACREAGE DEDICAT 2. SUPPLEMENTAL DRILLING DAT 3. SURFACE USE PLAN	ION PLAT	EEDED FOR OPTIMUM PRODU	ICTION.		10-10-19 -10-99 01 + 200 -10-1112 -10-19 -10-19 -10-19 -10-19 -10-19 -10-19 -10-19 -10-99 	
deepen directionally, gi 24. SIGNED	SCRIBE PROGRAM: If proposal is to ve pertinent data on subsurface loca	tions and measured	and true vertical depths. Give bi	owout preventer	DATE 05/20/9	9	
Application approval do	es not warrant or certify that the applicant h	olds legal or equitable ti	APFIROVAL DATE				
CONDITIONS OF APPROVAL, IF ANY /S/LARRY D. BRAY APPROVED BY					DATE 9-1-	<u>ک ک</u>	
		See instruction	IS UN 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



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 PE, N.M. 87504-2088

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State of New Mexico

Energy, Minerals and Natural Resources Departme

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

MAY 1 4 1999

I AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	9661	Pool Code ()		Pool Name EAST EMPIRE YESO										
Property Code 23171	1		roperty Nam 40 FEDE		Well Number 5									
ogrid no. 14049			perator Nam		Elevation 3557									
Surface Location														
UL or lot No. Section Townsl		1 1	from the	North/South line	Feet from the	East/West line	County							
P 27 17			990	SOUTH	330	EAST	EDDY							
Bottom Hole Location If Different From Surface														
	p Range	Lot lan Feet	from the	North/South line	Feet from the	East/West line	Count y							
Dedicated Acres Joint or Infill	Consolidation	Code Order No		<u></u>										
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														
			50.1 ¹	SEE DETAIL	I hereby contained herein best of my known ROBIN COO Printed Name PRODUCTIO Title 5/20/99 Date SURVEYOI I hereby certify on this plat was actual surveys supervison, and correct to the Date Signature & Professional OMA Date Surveys	CCKRUM CKRUM ON ANALYST R CERTIFICAT that the well locati s plotted from field made by me or	ION notes of under my true and DMCC							





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

Exhibit One

B 440 Federal No. 5 990' FSL & 330' FEL Section 27; T17s – R29e Eddy County, New Mex

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.
- IO. 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.