| . orm 3160-3 (July 1992) | (| April | / | I. M. Oil Co Stilic M | ARIF 3+ | FORM APPI OMB NO. 1 | 004-0136 |
|---|--|--------------------------|-----------|--------------------------|---|---|---------------|
| ., | DEPARTMEN BUREAU OF | | INT | | 002010-2004 | Expires: Febru 5. LEASE DESIGNATION AN NM 22080 6. IF INDIAN, ALLOTTEE O | TO SERIAL NO. |
| APPI | | | D DR | ILL OR DEE | PEN | | |
| 1a. TYPE OF WORK | RILL X | DEEPEN | | | | 7. UNIT AGREEMENT NAM | E |
| | GAS OTHER | | 5 | 70NE 70 | | 8. PARM OR LEASE NAME BARCLAY FEDERA | |
| 2. NAME OF OPERATOR | 00- | | 1 | t t | | 2086 | |
| ARCO Permian | 990 |) | [. | FFB 1400 | | 9. API WELL NO. | |
| 3. ADDRESS AND TELEPHON P.O. BOX 1610. | | | | OFICEIVE | ୁ 5 -1688-5570 | 30-019- | 300800 - |
| | port location clearly and in accords | ance with any State re | equiremen | ts) OCD - AITT | 25000-3210 | LIVINGSTON RIC | |
| 1980'FNL, 760'FEL, LOT H At proposed prod. zone | | | | | 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA 10, 2025 215 | | |
| SAME | DIRECTION PROM NEAREST TOW | N OB BOST OFFICE | | | | 12-235-31E | 13. STATE |
| 21 MILES EAST FI | | N OR FOST OFFICE | | | | EDDY | NM |
| 15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, PT. (Also to nearest drig, unit line, if any) 760* | | | | OF ACRES IN LEASE | | 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, PT. 1200* | | 19. proposed d 8450 ° | | | | 20. ROTARY OR CABLE TOOLS ROTARY | |
| 21. ELEVATIONS (Show wh 3507 | ether DF,RT, GR, etc.) | | | | | 22. APPROX. DATE WOR 12/97 | K WILL START* |
| 23. | I | PROPOSED CASING | AND C | EMENTING PROGRAM | | | |
| SIZE OF HOLE | GRADE SIZE OF CASING | WEIGHT PER FOO | т | SETTING DEPTH | | QUANTITY OF CEN | (ENT |
| 17-1/2 | 13-3/8 H-40 | 48 ST&C | ; | 860 | 700 | | |
| 11 | 8-5/8 J-55 | 32 ST&C | | 4600 | 1300 | | |
| 7-7/8 | 5-1/2 J-55 | 15.5 # L1 17# LT& | _ | 0-6700 6700-8450 | 935 | | |
| 3,000 PSI B ATTACHMENTS 1. CERTIFIE 2. DRILLING | L IS PLANNED AS A 84 OPE WILL BE USED FRO ARE AS FOLLOWS: D LOCATION PLAT PLAN WITH ATTACHMEN USE PLAN WITH ATTACHMEN | M 860' TO TD | | | | Post IP 2-27- HFI + | |

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.

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| SIGNED Clingaluck h Casheer | TITLE REGULATORY COMPLIANCE | |
|--|--|-------------------------------------|
| (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 appli | cant to conduct operations thereon. |
| CONDITIONS OF APPROVAL, IP ANY: | | |
| | THE SEMTE DIVELTON | DATE 1 |

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.

BOSPELL OFFICE

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DISTRICT I

P.A. Box 1988, Hobbs, Mi 80541-1880

DISTRICT II F.S. Branner HD, Artonia, HDK 58211-0718

DISTRICT III 1000 Rie Brases Bd., Asteo, NM 87410

DISTRICT IV P.O. Ber 2006, Santa Fe, KM 87504-2058 State of New Mexico

orgy, Musruls and Natural Resources Department

Form C-102 Bevised 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

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

Pool Code API Number Pool Name <u>39360</u> RIDCE (DEL IVINGSTON Property Code **Property** Name Well Number 20860 BARCLAY FEDERAL 13 OGRID No. **Operator** Name Elevation 000990 ARCO PERMIAN 3507 Surface Location UL or lot No. Section Township Range Lot Idn Feet from the North/South line Past from the East/West line County 12 23 S Η 31 E 1980 NORTH 760 EAST EDDY Bottom Hole Location If Different From Surface UL or lot No. Section Lot Idn Fost from the Township Bange 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 d herein is true and complete to the of my knowledge and bellef. 980. hers Signature LAURIE Printed Name 3505.1' 3508.5' REG COMP Title +760 Ō 197 11 3503.7 3510.9 Det SURVEYOR CERTIFICATION I hereby certify that the well location she on this plat was plotted from field notes of actual surveys made by the or under my supervison, and that the same is true and correct to the best of my ballef. AUGEST 1, 1997 Date Surgered JLP Signation & Shall of Professional Surveyer. W.N.EX 8-05.97 W.O. Kum. 97-15 £1284 JOHN WEST Certificate No. 676 Mannanne. CALLES CARE C. EDSON, 3239 12641

EXHIBIT 1

DRILLING OPERATIONS CLASS -1: NORMAL PRESSURE < 10PPG OPTION - 2: MMS STANDARD; SINGLE SIZE DRILL STRING





BLOWOUT PREVENTION EQUIPMENT SPECIFICATIONS

- 1. All BOP equipment shall be fluid and/or mechanically operated.
- 2. BOP's and all fittings will be in good working condition.
- 3. Equipment through which the bit must pass shall be at least as large as the casing size being drilled.
- 4. The nipple above the BOP shall be at least the same size as the last casing set.
- 5. The upper kelly cock with handle and lower kelly cock shall be rated at the BOP working pressure.
- 6. A floor safety valve (full opening) or drill string BOP with appropriate pressure ratings shall be available on the rig floor with connections or subs to fit any tool joint in the string.
- 7. The minimum size choke line shall be 3 inches nominal diameter, with a minimum size for vent lines downstream of chokes of 2 inches nominal, and vent lines which by-pass shall be a minimum of 3 inches nominal and as straight as possible.
- 8. All valves, fittings and lines between the closing unit and the blowout preventer stack should be of steel construction with rated working pressure at least equal to working pressure rating of the stack. Lines shall be bundled and protected from damage.
- 9. Minimum size for kill line is 2 inches nominal.
- 10. Ram type preventers shall be equipped with extension hand wheels or hydraulic locks.