

Blowout Preventer
3000 psi working pressure

Pertinent Lease Data

BRAN OIL CORPORATION
Bran-Bettis Federal No. 1
660' FSL & 660' FEL
Sec. 11, T24S, R31E
Eddy County, N.M.

Located: 18 air miles east of Malaga, New Mexico

Lease Number: NM-29234

Lease Issued: January 1, 1977

Record Lessee: TEXACO, INC.

Operator's Authority: Designation of Operator from record lessee

Bond Coverage: \$150,000.00 Nationwide Bond of Record Lessee

Acres in Lease: 1280

Surface Ownership: Federal

Grazing Permittee: Snyder Ranches, Ltd.

Pool: Wildcat

Exhibits: A. Directional highway map
B. Land plat
C. Topographic map displaying access roads
D. Wellsite plat
E. B.O.P. diagram

SUPPLEMENTAL DRILLING DATA

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Eddy County, N.M.
NM-29234

The following information is in accordance with 'Onshore Oil and Gas Order' No. 1:

1. Geologic Name of Surface Formation: Recent

2. Estimated Geological Marker Tops:

Base Salt	4261'
T/Delaware Lime	4487'
T/Delaware Sand	4526'

3. Estimated Depths to Oil, Gas and Water:

Water: Approximately 260'
Oil & Gas: 4500-4700'

4. Proposed Casing and Cement Program:

Surface Casing - Set approximately 400', 8 5/8", 24.0#, J-55, ST&C casing. Cement to surface with 250 sx Class 'H' cement.

Production Casing - Set to total depth, 5 1/2", 14.0#, K-55, ST&C casing. Cement to isolate all oil, gas and water zones.

5. Proposed Mud Program:

0-400' - Native mud.

400-T.D. - Salt mud with the following properties; mud weight 33-35, viscosity 36-38, water loss under 10cc.

6. Pressure Control Equipment: A 3000 psi working pressure B.O.P. will be installed after the 8 5/8" casing is set and cemented.

7. Proposed Testing, Logging, and Coring Programs:

Testing: None anticipated.

Logging: CNL-FDC with gamma ray and caliper, DLL-MSFL.

Coring: Cores from approximately 4520-4640'.

8. Auxiliary Equipment: A kelly cock will be installed on the rig floor while drilling operations are in progress.
9. Abnormal Pressures or Temperature Zones: No abnormal pressures or temperature zones are anticipated.
10. Anticipated Starting Date: Commence drilling operations December 27, 1986.

SURFACE USE AND OPERATION PLAN

BRAN OIL CORPORATION
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1. Location of Proposed Well:

- A. Exhibit 'A' is a portion of a map displaying the location as staked. Proposed location is approximately 18 air miles east of Malaga, New Mexico.

2. Access Roads to be Constructed and Reconstructed:

- A. Exhibit 'B' displays the existing roads and also the planned access roads.
- B. Proposed newly constructed access roads are color coded in yellow. The newly constructed access roads will measure 15' wide by approximately 1620' in length. The existing road is color coded in red. The existing road measures 15' wide by 1520' in length. The existing road will require minimal watering and compacting. Exhibit 'B' displays these roads.
- C. An off lease right-of-way will be required on new access road.

3. Location of Existing Wells:

- A. Exhibit 'A' also displays the existing wells in the immediate area.

4. Location of Existing and/or Proposed Production Facilities:

- A. If the proposed test well is productive, necessary production equipment will be located on the well pad.

5. Location and Type of Water Supply:

- A. Water necessary for drilling operations will be purchased from a nearby commercial source.

6. Construction Materials:

- A. Construction materials for the proposed drillsite and any repair to any existing roads will be caliche. The source of construction materials is located on federal lands in the NW/4 SW/4, Sec. 7, T24S, R32E, Lea County, New Mexico. An archaeological survey was conducted on subject caliche pit by Archaeological Survey Consultants on November 5, 1986.

7. Methods for Handling Waste Disposal:
- A. Drill cuttings will be disposed of in the reserve pits.
 - B. Drilling fluids will be allowed to evaporate in the reserve pits until dry.
 - C. Water produced during tests will be disposed of in the reserve pits.
 - D. Oil produced during testing operations will be stored in test tanks until sold or transferred to stock tanks.
 - E. All trash will be buried in a separate pit and covered with a minimum of 24 inches of dirt.
 - F. The location will be cleaned of all debris as soon as drilling operations are completed.
8. Ancillary Facilities: None anticipated.
9. Well Site Layout:
- A. Exhibit 'C' displays the well site and rig layout.
10. Plans for Reclamation of the Surface:
- A. After completion of operations, all material not needed for producing the well will be removed. Pits will be filled and the location cleaned of all trash and junk to leave the well site in good condition.
 - B. Any unguarded pits containing fluids will be fenced until dry.
 - C. If the test well results in a non-commercial test, the well pad and new access road will be rehabilitated as to BLM requirements.
11. Surface Ownership: The surface is federal. Grazing allottee:

Snyder Ranches, Ltd.
c/o Larry Squires
P.O. Box 726
Lovington, New Mexico 88260
Telephone: 393-7544
Allotment #7042

12. Other Information:

- A. Topography: Terrain slopes to the northwest.
- B. Soil: Consists of Berino complex sands.
- C. Vegetation: oakbrush, prickly pear, snakeweed, mesquite, buckwheat, croton, three-awn, windmill grass, black gramma, cane bluestem, sand dropseed.
- D. Archaeological Clearance: Archaeological survey performed November 5, 1986 and also November 12, 1986 (the latter survey to change the proposed access road), by Archaeological Survey Consultants, Roswell, New Mexico.

13. Operator's Representative and Certification:

F. Andrew Grooms
P.O. Box 2328
Roswell, New Mexico 88201
Telephone: 623-2840

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; 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 the work associated with operations proposed herein will be performed by BRAN OIL CORPORATION and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

November 14, 1986
Date

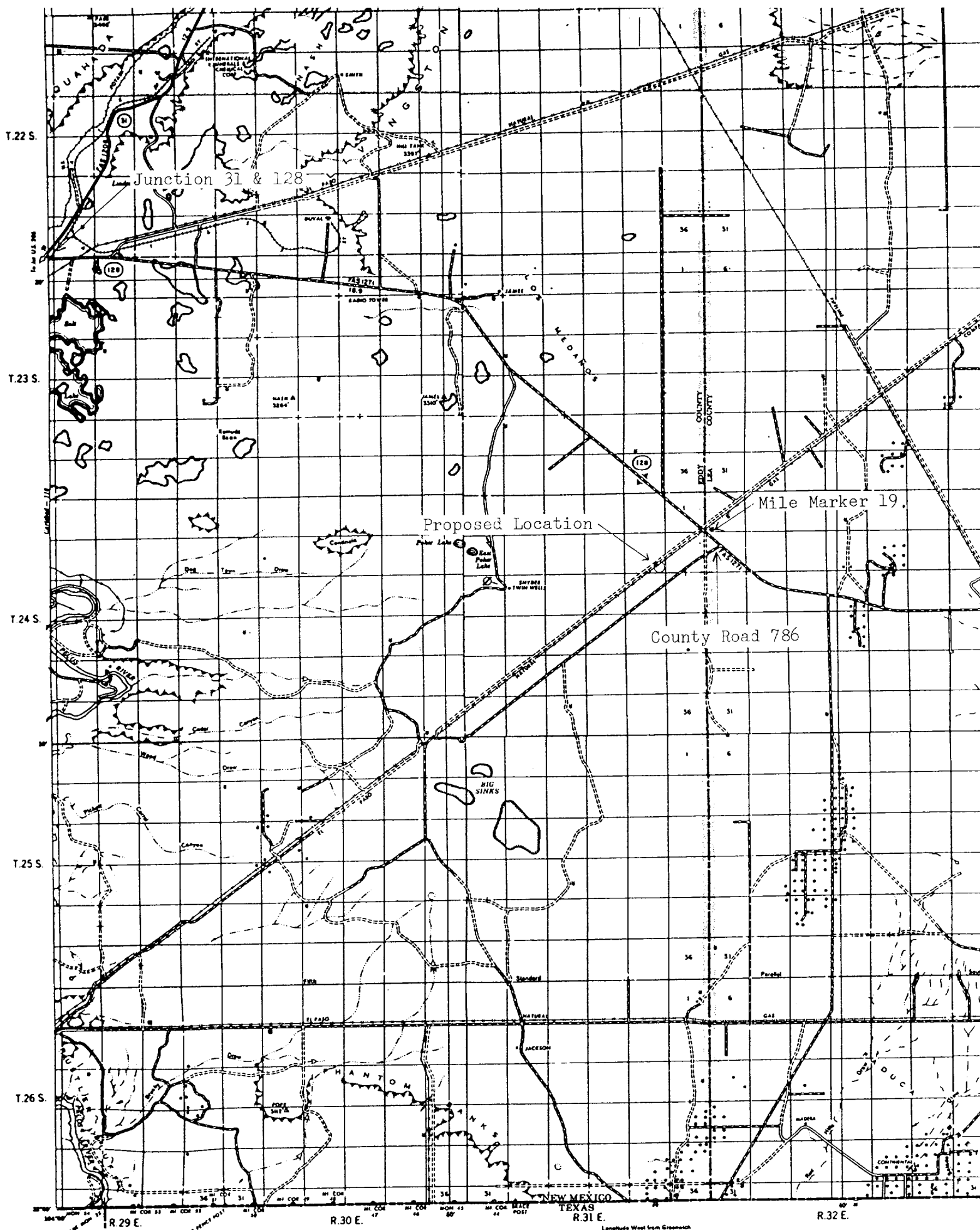
Terry W. Franklin
Terry W. Franklin-Agent

Directions to Location

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Starting point being the junction of highway 31(Loving) & 128(Jal):

- 00.00 Proceed east-southeast on highway 128 for 19.45 miles(.45 miles beyond mile marker 19),
- 19.45 Turn south-southwest on County Road 786 and proceed 1.1 miles,
- 20.55 Turn northwest for .1 mile,
- 20.65 Turn west and proceed .5 mile,
- 21.15 Location



Control by U.S. Coast and Geodetic Survey; U.S. Geological Survey; U.S. Forest Service; Bureau of Land Management and Planning Commission; National Control, Protection Standard; Parallel Survey North American Datum.

Scale 1:100,000 or 1 inch = 3 miles
STATUTE MILES

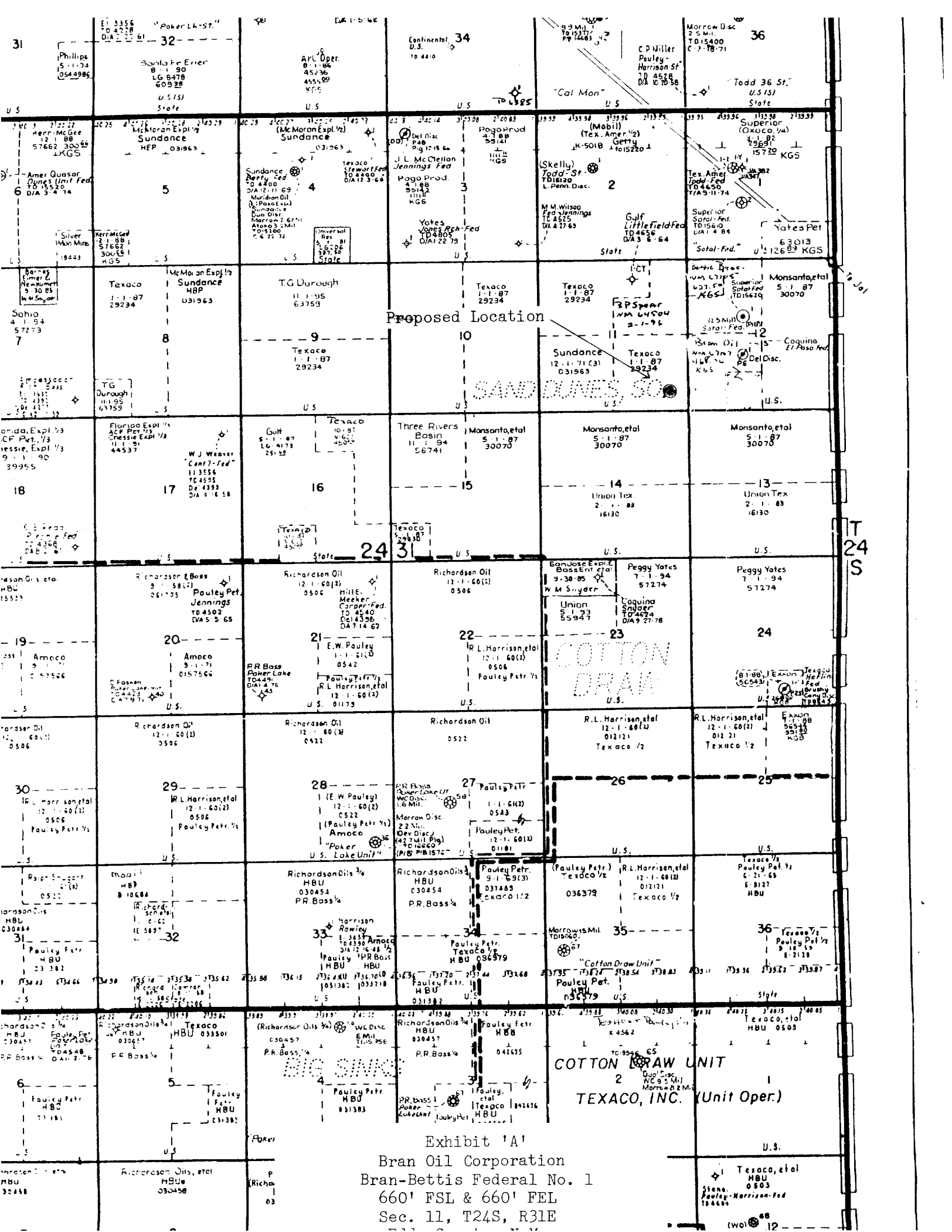


Exhibit 'A'
Bran Oil Corporation
Bran-Bettis Federal No. 1
660' FSL & 660' FEL
Sec. 11, T24S, R31E

BIG SINKS QUADRANGLE
NEW MEXICO—EDDY CO.
7.5 MINUTE SERIES (TOPOGRAPHIC)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

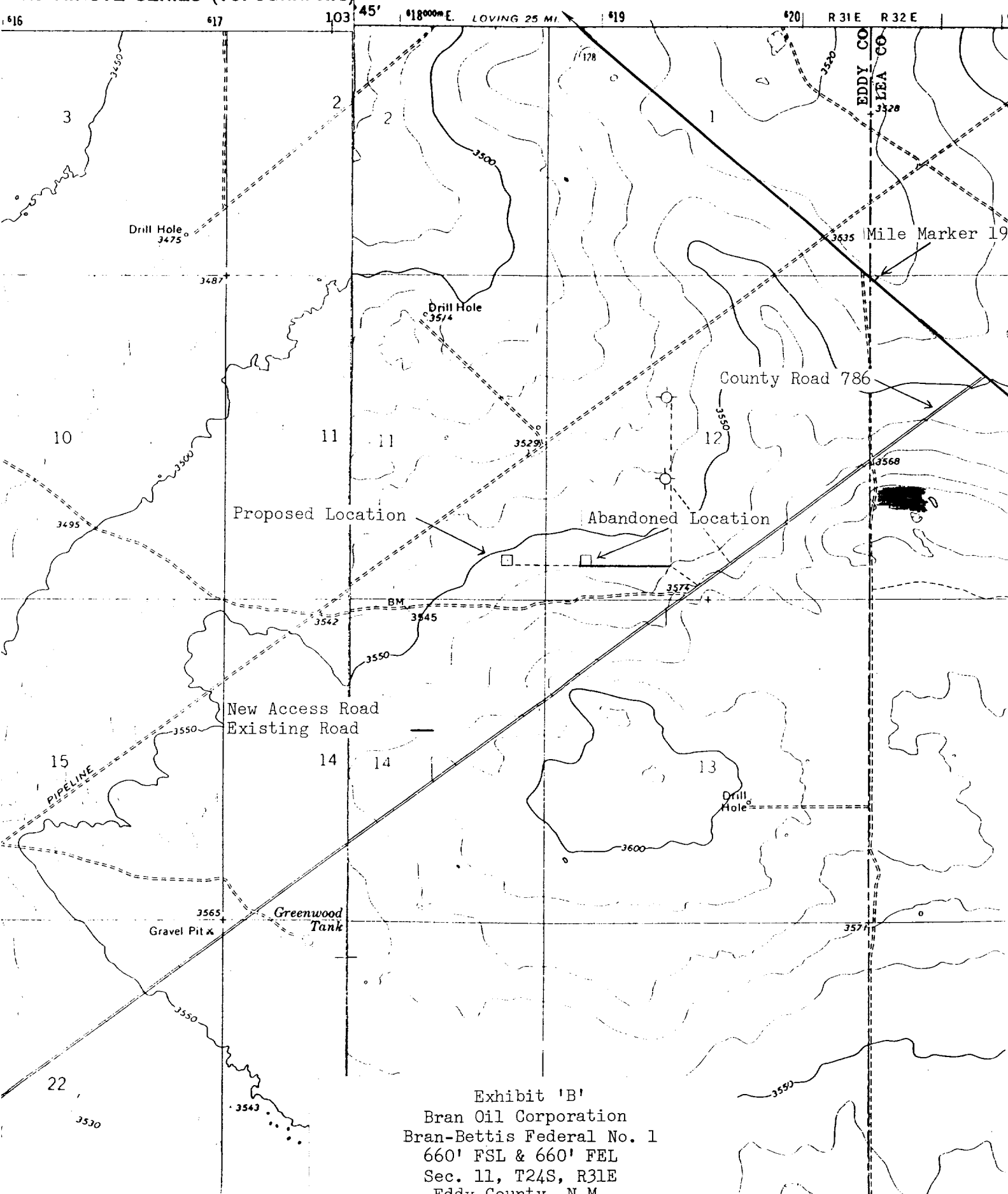


Exhibit 'B'
Bran Oil Corporation
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