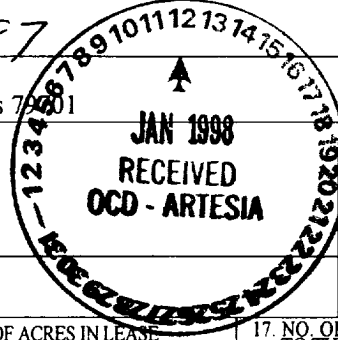


UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK <b>DRILL</b> <input checked="" type="checkbox"/> <b>DEEPEN</b> <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NM-29234
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. NAME OF OPERATOR Sonat Exploration Company 109487		7. UNIT AGREEMENT NAME
3. ADDRESS AND TELEPHONE NO. 110 West Louisiana, Suite 500, Midland, Texas 79701		8. FARM OR LEASE NAME, WELL NO. 16320 Lotos Federal # 803
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 1980' FNL & 1980' FWL of Section 8 At proposed prod. zone W. F		9. API WELL NO. 30-215-30042
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE. 25 miles east of Loving, N.M.		10. FIELD AND POOL, OR WILDCAT Wildcat (Delaware/B.S.)
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drilg. unit line, if any) 1980'	16. NO. OF ACRES IN LEASE 1400	11. SEC., T., R., OR BLK. AND SURVEY OR AREA Section 8, T-24S, R-31E
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1320'	19. PROPOSED DEPTH 8500'	12. COUNTY OR PARISH Eddy Co.
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3497' Ground Level		13. STATE N.M.
23. PROPOSED CASING AND CEMENTING PROGRAM		20. ROTARY OR CABLE TOOLS Rotary
22. APPROX. DATE WORK WILL START* Last quarter of 1997		



SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
14-3/4"	11-3/4" WC-40	42#	400'	Sufficient to circulate
11"	8-5/8" M-50TS	23# 24#	4300'	Sufficient to circulate
7-7/8"	5-1/2" J-55	17 & 15.5#	8500'	2150 sx

The Operator proposes to drill to a depth sufficient to test the Delaware and Bone Springs for oil. Specific programs are outlined in the following attachments:

DRILLING PROGRAM  
SURFACE USE AND OPERATING PLAN  
EXHIBIT "A" - ROAD MAP  
EXHIBIT "B" - EXISTING WELL MAP  
EXHIBIT "C" - LOCATION AND DEDICATION PLAT  
EXHIBIT "C-1" - TOPO MAP  
EXHIBIT "D" - DRILLING RIG LAYOUT  
EXHIBIT "E" - 3M BOP EQUIPMENT

SUBJECT TO  
LIKE APPROVAL  
BY STATE

posted ID-1  
H & API  
1-30-98

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 deeper directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED K. Glenn Carter TITLE Drilling Superintendent DATE 11/26/97  
Sr. Drilling & Production Engineer 11/12/97

(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

APPROVED BY /s/ Richard A. Whitney TITLE Acting State Director DATE 12-30-97

\*See Instructions On Reverse Side

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.

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 Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised February 10, 1984  
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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name LOTOS FEDERAL	Well Number 803
OGRID No.	Operator Name SONAT EXPLORATION COMPANY	Elevation 3497

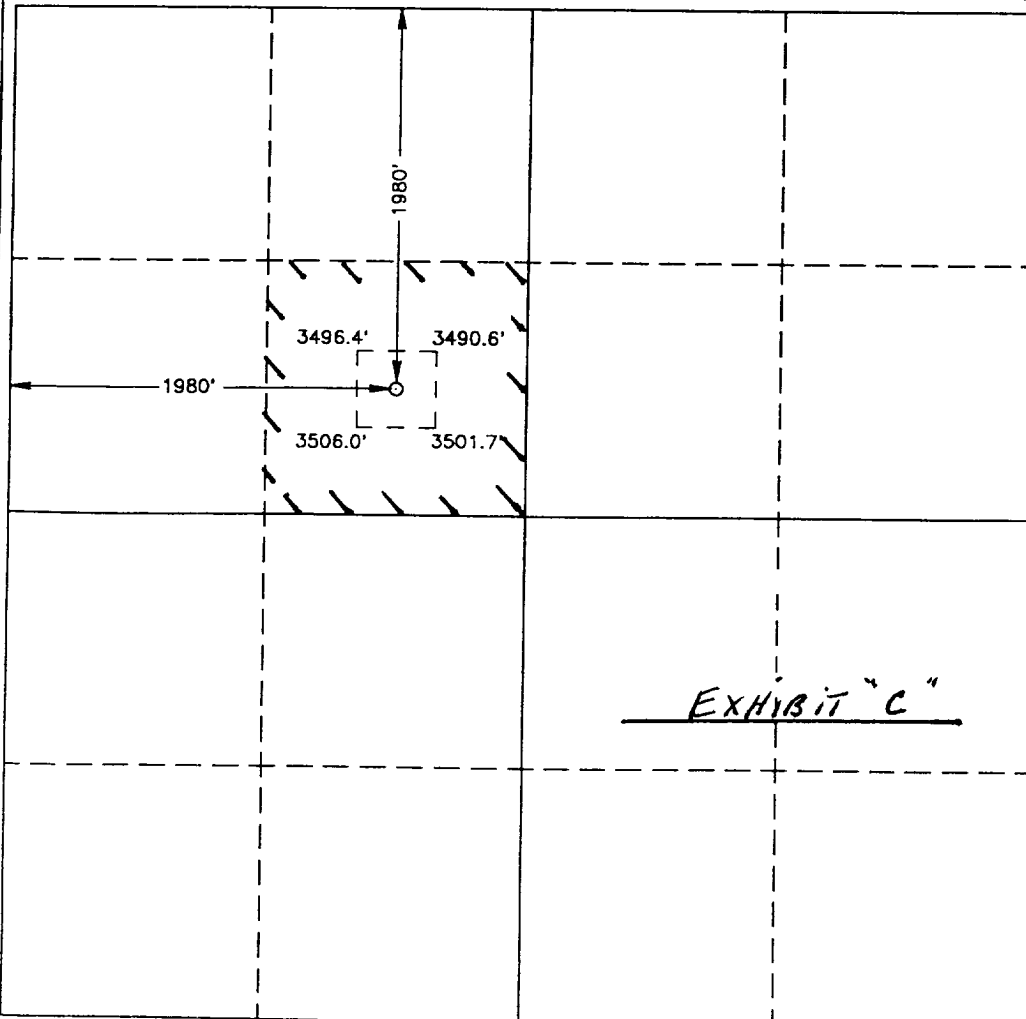
Surface Location

UL or lot No. F	Section 8	Township 24 S	Range 31 E	Lot Idn	Feet from the 1980	North/South line NORTH	Feet from the 1980	East/West line WEST	County EDDY
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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 40	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

	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><u>K. Glenn Carter</u> Signature</p> <p><u>K. GLENN CARTER</u> Printed Name Drlg Supt.</p> <p><u>SR. Drlg &amp; Prod. Engineer</u> Title</p> <p><u>11/12/97</u> Date</p> <p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>OCTOBER 3, 1997 Date Surveyed</p> <p><u>[Signature]</u> Signature &amp; Seal of Professional Surveyor</p> <p><u>W.O. Num. 97-11-1789</u> W.O. Num.</p> <p>Certificate No. RONALD J. EDSON, 3239 GARY G. EDSON, 12641 MADON McDONALD, 12185</p>
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**SONAT EXPLORATION****West ~~SONAT~~ TEXAS BUSINESS UNIT****Minimum Requirements for a 3,000 psi BOP  
Stack Manifold & Closing System**

BOP'S AND ALL  
REMOTE CONTROL VALVES  
CONTROLLED FROM RIG FLOOR.

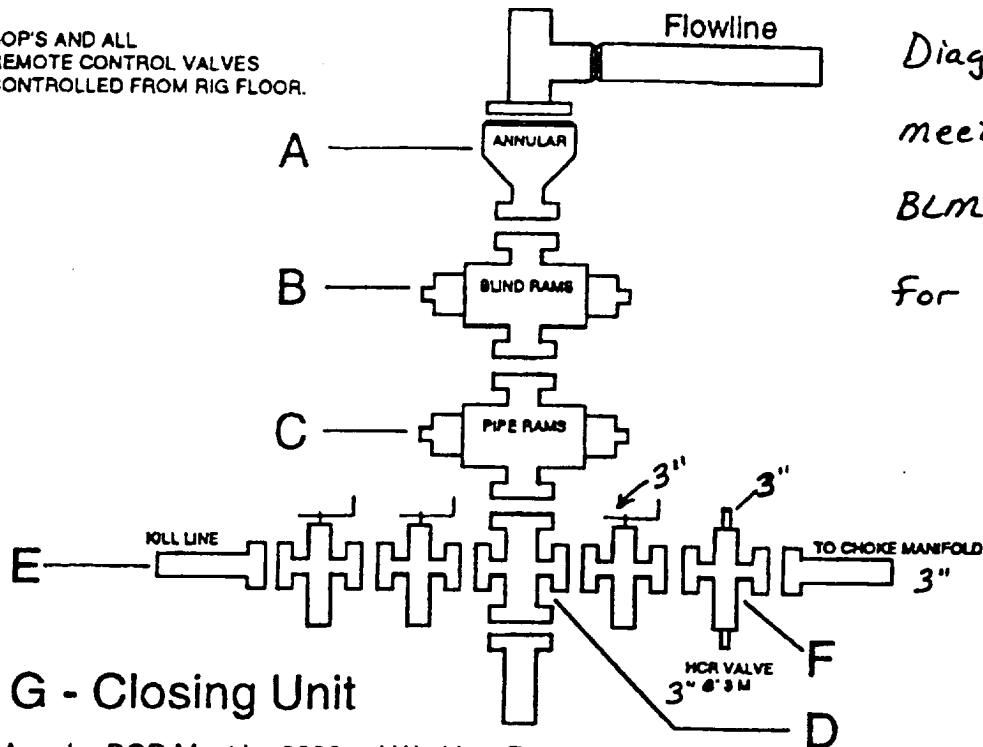


Diagram as shown  
meets the minimum  
BLM requirements  
for a 3M stack.

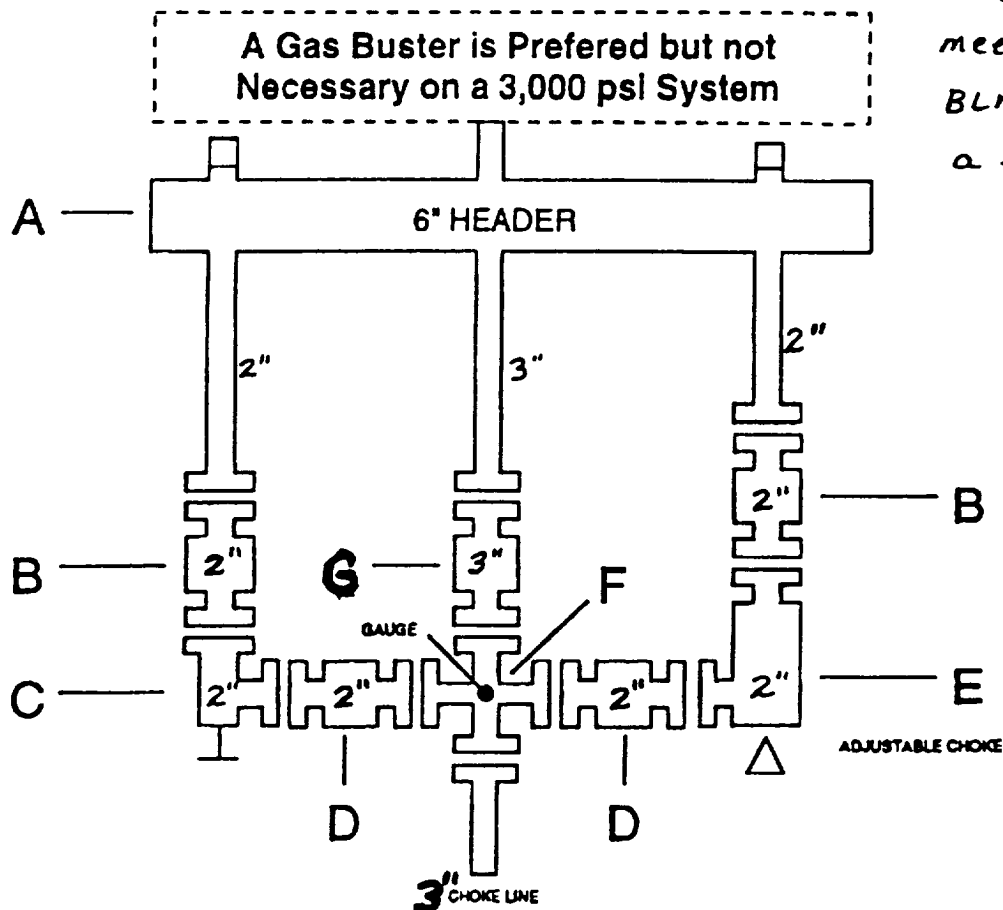
- G - Closing Unit**
- A. Annular BOP Must be 3000 psi Working Pressure.
  - B. Blind Rams Between Annular & Pipe Rams w/ 3000 psi Working Pressure.
  - C. Pipe Rams Below Blind Rams w/ 3000 psi Working Pressure.
  - Note: All Rams & Spools Must Meet Required I.D. for Hole Size.
  - D. Drilling Spool w/ 2 Outlets for Choke Line & Kill Line
  - E. Kill Line 2" 3 M w/ 2 Manual Valves Bolted & Flanged Below Bottom Pipe Rams. Either a Drilling Spool or the Outlet on the BOP Stack can be Used to Accommodate Kill Line and Choke Line.
  - F. Choke Line w/ 3" 3 M Valves. Inside Valve can be Manual but the Outside Valve Must be Hydraulic (HCR). Choke Line Must be 3" 3 M.
  - G. Closing Unit (Kookey) w/ a Primary & Secondary Pressure Supply to Operate the BOP Stack. Also a N<sub>2</sub> Supply will be Provided as a Final Source of Operation to Close the BOP Stack. This Unit is Required to Contain a minimum of 1 1/2 Times the Needed Volume to Operate the BOP Stack at All Times. The Precharge of N<sub>2</sub> will be Checked Prior to Commencing Work for SONAT.

**SONAT EXPLORATION****West ██████████ TEXAS BUSINESS UNIT**

Minimum Requirements for a  
3,000 psi BOP Stack Manifold

A Gas Buster is Preferred but not  
Necessary on a 3,000 psi System

Diagram as shown  
meets the minimum  
BLM requirements +  
a 3m stack.



- A. Header for Gas Expansion 6" O.D. Tube.
- B. 2" 3 M Manual Valves on Down Stream Side of Choke.
- C. 2" 3 M Manual Adjustable or Positive Choke.
- D. 2" 3 M Manual Valve
- E. 2" 3 M Adjustable w/ Remote Station
- F. 3" 3 M Tee w/ Gauge in Top Side 3" Choke Line

Note: All Pipe Will be Flanged & Welded. No Screwed Connections.

G. 3" 3m Manual Valve