Form 3160-3
(April 2004)

Barry N.M. Oil Cons. DIV-Dist. 2 E05-43
1301 W. Grand Avenue
Artesia, NM 88210

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No. **NM 24160**

6. If Indian, Allotee or Tribe Name

1a. Type of work: ☑ DRILL ☐ REENTER

7. If Unit or CA Agreement, Name and No. **Parkway Delaware Unit**

1b. Type of Well: ☑ Oil Well ☐ Gas Well ☐ Other ☐ Single Zone ☐ Multiple Zone

8. Lease Name and Well No. **PDU, Wel # 514** 19265

2. Name of Operator **St Mary Land & Exploration Company** 154903

9. API Well No. 30-015-34130

3a. Address **580 Westlake Park Blvd., Suite 600 Houston, TX 77079**

3b. Phone No. *(include area code)* **281-677-2800**

10. Field and Pool, or Exploratory **Parkway Delaware** 49625

4. Location of Well *(Report location clearly and in accordance with any State requirements.*)*
At surface **(O), 1210' FSL & 2065' FEL**
At proposed prod. zone "
Secretary's Potash

11. Sec., T. R. M. or Blk. and Survey or Area **Sec 35, T19S, R29E**

14. Distance in miles and direction from nearest town or post office* **17 miles NE of Carlsbad**

12. County or Parish **Eddy**

13. State **NM**

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) **1210'**

16. No. of acres in lease **920**

17. Spacing Unit dedicated to this well **20**

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 150'

19. Proposed Depth **4600'**

20. BLM/BIA Bond No. on file **6041872**

RECEIVED
MAY 19 2005
OCD-ARTESIA

21. Elevations *(Show whether DF, KDB, RT, GL, etc.)* **3316'**

22. Approximate date work will start* **05/01/2005**

23. Estimated duration **15 days**

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature [signature] Name *(Printed/Typed)* **Alan D. Means** Date 3/29/05

Title **Operations Engineer**

Approved by *(Signature)* /S/ Linda S. C. Rundell Name *(Printed/Typed)* /S/ Linda S. C. Rundell Date MAY 17 2005

Title STATE DIRECTOR Office **NM STATE OFFICE**

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, are attached. APPROVAL FOR 1 YEAR

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

*(Instructions on page 2)

Capitan Controlled Water Basin

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

WITNESS SURFACE & INTERMEDIATE & CHANGE TO FRESH WATER MUD

Sec. 29

Dr., Hobbs, NM 88240
Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87504

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-144
June 1, 2004

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Registration or Closure

Is pit below-grade tank covered by a "general plan" Yes ☐ No ☒
Type of action: Registration of a pit or below-grade tank X Closures of a pit of below-grade tank ☐

Operator: St Mary Land & Exploration Company Telephone: _____ e-mail address: _____
Address: 580 Westlake Park Blvd,#600, Houston, TX 77079 30-015-34130
Facility or well name: Parkway Delaware 514 API 4- pendings U/L or Qtr/Qtr O Sec 35 T 19 R 29
County: Lea Latitude plats attached Longitude NAD: 1927 ☐ 1983 ☐ Surface Owner Federal X State ☐ Private ☐ Indian ☐
Section 35, T19S, R29E, Wells #514, 402; 206; 207

Pit
Type: Drilling X Production ☐ Disposal ☐
Workover ☐ Emergency ☐
Lined ☒ Unlined ☐
Liner type: Synthetic X Thickness 12 mil Clay ☐
Pit Volume 3500 bbl

Below-grade tank
Volume: _____ bbl Type of fluid: _____
Construction material: _____
Double-walled, with leak detection? Yes 0 If not, explain why not.

Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.) 400'	Less than 100 feet 100 feet or more, build less than 100 feet 100 feet or more 100 ft.	(20 points) (10 points) (0 points) 0
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes No No	(20 points) (0 points) 0
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet 200 feet or more, but less than 1000 feet 1000 feet or more 1000 ft or more	(20 points) (10 points) (0 points) 0
	Ranking Score (Total Points)	0 Points

Is this an oil closure, (I) attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: (check the onsite box if you are burying in place) onsite: ☐ offsite O If offsite, name of facility (3) Attach a general description of remedial action taken including remediation start date and end date (4) Groundwater encountered: No 0 Yes ☐ If yes, show depth below ground surface I'L and attach sample results. (:,)

Attach soil sample results and a diagram of sample locations and excavations.

Additional Comments:

I hereby certify that the information above is true and complete to the best of my knowledge and belief. **I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines X , a general permit, , or an (attached) alternative OCD-approved plan .**
Date: 3/29/05
Printed Name/Title Alan D. Means, Operations Engineer Signature

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any *other federal*, state, or local laws and/or regulations.

Approval:
Printed Name/Title [illegible] Signature [illegible] Date: MAY 17 2005

As per Guidelines, a detailed closure plan must be submitted prior to closure.

State of New Mexico

Energy, Minerals and Natural Resources Department

DISTRICT I
[illegible] FRENCH DR., HOBBS, NM 88240

DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised JUNE 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name

Property Code	Property Name	Well Number
	PDU	514

OGRID No.	Operator Name	Elevation
	ST. MARY LAND & EXPLORATION COMPANY	3329'

Surface Location

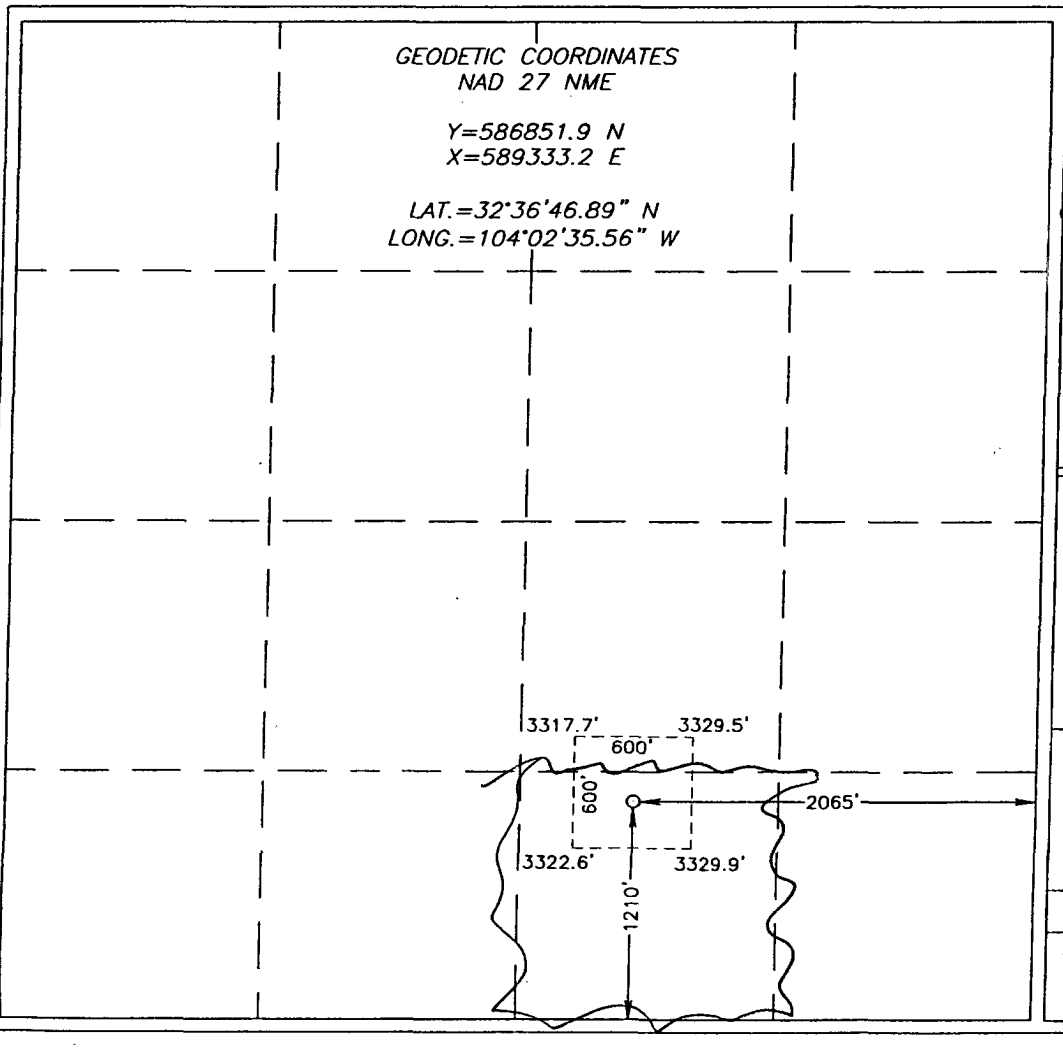
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	35	19-S	29-E		1210	SOUTH	2065	EAST	EDDY

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 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 contained herein is true and complete to the best of my knowledge and belief.

Signature

Alan D. Means

Printed Name

Agent

Title

3/29/05

Date

SURVEYOR CERTIFICATION

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 supervison, and that the same is true and correct to the best of my belief.

JANUARY 20, 2005

Date Surveyed

Signature & Seal of Professional Surveyor

GARY G. EIDSON
NEW MEXICO
12641
GARY L. JONES
STATE OF NEW MEXICO
7977

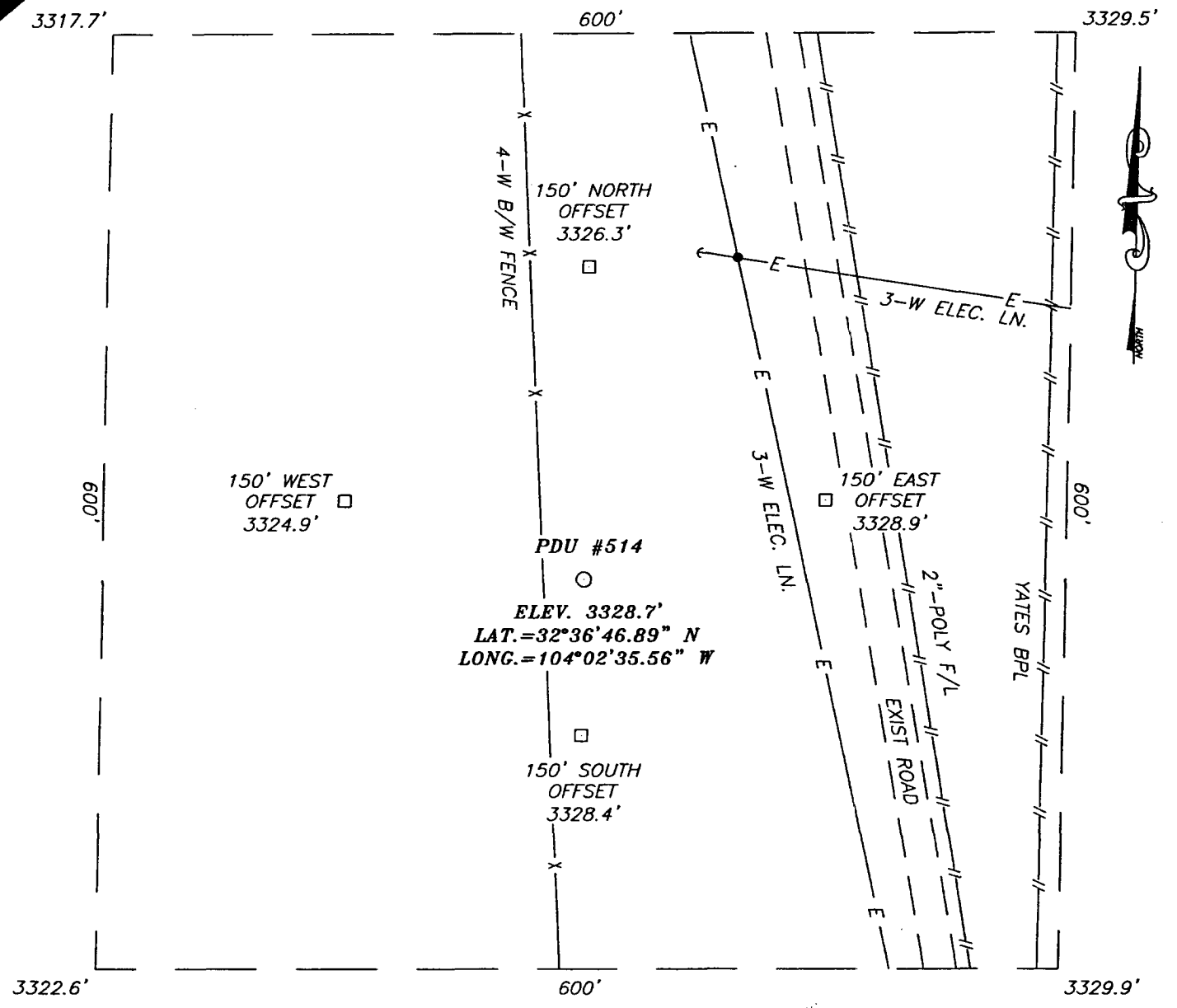
Gary G. Eidson 2/21/05

08.11.0261

Certificate No. GARY EIDSON 12641

ION 35, TOWNSHIP 19 SOUTH, RANGE 29 EAST, N.M.P.M.,

EDDY COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF U.S HWY. 62-180 AND CO. RD. #238 (BURTON FLAT) GO NORTH ON CO. RD. #238 FOR APPROX. 2.0 MILES. ROAD VEERS LEFT, CONTINUE NORTHWESTERLY ON ROAD FOR APPROX. 4.1 MILES. TURN RIGHT (EAST) AND GO APPROX. 1.2 MILES. TURN RIGHT (SE) AND GO APPROX. 0.1 MILES. PROPOSED LOCATION IS APPROX. 200' WEST.

100 0 100 200 Feet

Scale: 1"=100'

ST. MARY LAND & EXPLORATION COMPANY

PDU #514 WELL
LOCATED 1210 FEET FROM THE SOUTH LINE
AND 2065 FEET FROM THE EAST LINE OF SECTION 35,
TOWNSHIP 19 SOUTH, RANGE 29 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.

Survey Date: 1/20/05	Sheet 1 of 1 Sheets		
W.O. Number: 05.11.0261	Dr By: J.R.	Rev 1:N/A	
Date: 2/21/05	Disk: CD#5	05110261	Scale: 1"=100'

PROVIDING SURVEYING SERVICES SINCE 1946
JOHN WEST SURVEYING COMPANY
412 N. DAL PASO
HOBBS, N.M. 88240
(505) 393-3117

Nine Point Drilling Plan
(Supplement to BLM 3160-3)

St. Mary Land and Exploration Co.
PDU #514
1210' FSL, 2065' FEL; Sec 35, TI9S, R29E
Parkway Delaware Unit
Parkway (Delaware) Field
Eddy Co., NM
NM-24160

1. Name and estimated tops of geologic horizons

Rustler	146'
Slado	351'
Tansill	1261'
Yates	1513'
Capitan Reef	1695'
Delaware	2698'

2. Protection of possible useable water will be achieved by setting 13.375" surface casing @ 400'+/- and cementing it to surface. Isolation of the productive Delaware-Brushy Canyon will be achieved by setting 4.5" casing @ 4600' +/-, and cementing back to surface.

3. The well control equipment to be employed during the drilling of this well is illustrated on attached EXHIBIT A. This equipment includes a two ram BOP, annular BOP and choke manifold of comparable pressure rating. Equipment will be rated for 3000 PSI and will be tested to 80% of that pressure prior to drilling out of the 13 3/8" surface casing. A hydraulic closing unit will be a part of this equipment and will be function tested daily.

4. The casing strings will consist of the following:

Surface: 13 3/8" OD, 48#/ft, H40, STC, new pipe @ 300 – 400' in 17 ½" hole. WITNESS
Intermediate 1: 9.625" OD, 36#/ft, J55, STC, new pipe @ 1500'+/- in 12.25" hole. WITNESS
Intermediate 2: 7" OD, 23#/ft, J55, STC, new pipe @ 3200'+/- in 8.75" hole.
Production: 4.50" OD, 11.6#/ft, J55, STC, new pipe @ 4600'+/- in 6.25" hole

5. **Cementing programs for the above casing strings are:**

Surface: **Lead Slurry**: 195 sx Class C Cement w/ 4% bwoc Bentonite, 2% bwoc CaCl, .25#/sk celloflake. .004 gps FP-13L mixed at 13.5 ppg, and having a yield of 1.75 cu ft/sk

Tail Slurry: 150 sx Class C Cement w/ 2% bwoc CaCl, .004 gps FP-13L mixed at 14.8 ppg, and having a yield of 1.34 cu ft/sk

The above volume represents 80% excess over calculated hole volume, and will be adjusted to actual setting depth of casing. The slurries will be preceded by a fresh water spacer, and displaced with brine water.

Intermediate 1 @ 1500':

Lead Slurry: 280 sx (50:50) Poz (Fly Ash) : Class C Cement w/ 10% bwoc Bentonite, 5% bwoc CaCl, .25#/sk celloflake, .004 gps FP-13L mixed at 11.9 ppg, and having a yield of 2.37 cu ft/sk

Tail Slurry: 200 sx Class C Cement w/ 2% bwoc CaCl, .004 gps FP-13L mixed at 14.8 ppg, and having a yield of 1.35 cu ft/sk

The above are BJ Services products with 120% excess open hole volume - actual volumes will be adjusted to the open hole caliper of this wellbore. The cement slurries will be preceded by 12 bbls cement wash for mud removal and displaced with fresh water. Equivalent products from another vendor may be substituted for BJ depending on price/availability.

Intermediate 2 @ 3200':

Lead Slurry: 115 sx (50:50) Poz (Fly Ash) : Class C Cement w/ 10% bwoc Bentonite, 5% bwoc CaCl, .25#/sk celloflake, .004 gps FP-13L mixed at 11.9 ppg, and having a yield of 2.37 cu ft/sk

Tail Slurry: 150 sx Class C Cement w/ 2% bwoc CaCl, .004 gps FP-13L mixed at 14.8 ppg, and having a yield of 1.35 cu ft/sk

The above are B J Services products with 60% excess open hole volume - actual volumes will be adjusted to the open hole caliper of this wellbore. The cement slurries will be preceded by 12 bbls cement wash for mud removal and displaced with fresh water. Equivalent products from another vendor may be substituted for B J depending on price/availability.

Production:

Lead Slurry: 145 sx (50:50) Poz (Fly Ash) : Class C Cement w/ 10% bwoc Bentonite, 5% bwoc CaCl, .25#/sk celloflake, .004 gps FP-13L, 5 #/sk LCM-1 mixed at 11.5 ppg, and having a yield of 2.71cu ft/sk

Tail Slurry: 100 sx Class C Cement w/ 12% bwoc CSE-2, 1% bwoc FL-62, .004 gps FP-13L mixed at 13.6 ppg, and having a yield of 1.8 cu ft/sk

The above are B J Services products with 50% excess open hole volume - actual volumes will be adjusted to the open hole caliper of this wellbore. Equivalent products from another vendor may be substituted for BJ depending on price/availability.

6. It is anticipated that this well will be drilled to TD utilizing the fluids shown below:

0-400': Gel/Lime "spud mud" 8.6-9.0 PPG. Utilize native solids to maintain sufficient viscosity to clean hole. Mix paper as required to control seepage loss.

300-1800': Brine 9.9 - 10.0 PPG. Circulate thru reserve pit for gravitational solids solids removal. Add paper as required to control seepage loss while maintaining pH at 10.0 – 10.5 using Lime. Brine water will minimize hole wash out in the salt.

1800-3200': Fresh Water 8.3 - 8.5 PPG Loss of circulation is anticipated in the Capitan Reef which will require switching to fresh water and dry drilling to casing point.

3200-3800': Cut Brine 8.5 – 8.9 PPG Pump high-vis sweeps to clean hole.

3800-4600': Cut Brine/Starch 8.7 – 8.9 PPG Maintain water loss @ 10-15 cc. Sweep with high-vis pill to clean hole for logging operations.

7. Auxiliary equipment will include an upper kelly cock valve, safety valve to fit drill pipe and pressure gauges.

8. No drill stem testing, mud logging or coring is planned for this wellbore. A Platform Express Triple Combo electric log suite will be run at TD.

9. The estimated BHP at TD is not expected to exceed 1500 psi, and a BHT of 105 F is anticipated. There is no H2S present in the hydrocarbons being produced from the other wells in this section. Should such unexpected circumstances be encountered the operator and drilling contractor are prepared to take necessary steps to ensure safety of all personnel, and environment. Lost circulation could occur but is not expected to be a serious problem in this area, and hole seepage will be compensated for by additions of small amounts of LCM in the drilling fluid.

It is estimated that this well will be drilled and cased in 10-11 days. Drilling will commence as soon after approval is received and services can be contracted.

Thirteen Point Plan for Surface Use

(Additional data for form 3160-3)

St. Mary Land and Exploration Company

PDU #514

1210' FSL, 2065' FEL; Sec 35, TI9S, R29E

Parkway Delaware Unit

Parkway (Delaware)

Eddy Co., NM

NM-24160

1. EXISTING ROADS - A "VICINITY MAP" and a "LOCATION VERIFCATION MAP" by John West Surveying are attached which show the location of existing roads and the area topography.

   The road log to the location is as follows:

   a) From the Pecos River bridge in Carlsbad, proceed East on US Highway 62-80 for 13.5 miles.

   b) Turn north on County Road 238 and proceed for 2.0 miles.

   c) Where CR 238 turns to the west, turn north on caliche road for 4.1 miles.

   d) Turn east and proceed for 1.2 miles to a caliche road intersection.

   e) Turn southeast and proceed .1 miles on existing caliche road and then 200' west into location.

2. PLANNED ACCESS ROAD —Approximately 200' of new E-W access road will be built from the existing N-S main caliche road to the east.

3. LOCATION OF EXISTING WELLS - EXHIBIT B shows the location of other wells within a mile radius of the proposed location.

4. LOCATION OF EXISTING OR PROPOSED FACILITIES – This production well will be tied into existing PDU facilities.

5. LOCATION AND TYPE OF WATER SUPPLY - All water (fresh or otherwise) needed for the drilling and completion of this well will be purchased from a commercial source and trucked to the location via the existing and proposed access road. No water source wells will be drilled, and no surface water will be utilized.

6. SOURCE OF CONSTRUCTION MATERIALS - Construction material (caliche) required for the preparation of the drill site is available from a local source 3 ½ miles

away. It is not anticipated that a significant amount of material will be required as the terrain is relatively flat. Transportation will be over the existing roads.

7. METHODS FOR HANDLING WASTE DISPOSAL -

• Drill cuttings will be disposed into drilling pits after fluids have evaporated.

• The drilling pits will be lined with a biodegradable plastic liner, and buried as per regulatory requirements. The pits will be located on the #514 drill site.

• Receptacles for solid wastes (paper, plastic, etc) will be provided and equipped to prevent scattering by wind, animals, etc. This waste will be hauled to an approved landfill site.

• Any other waste generated by the drilling, completion, testing of this well will be removed from the site within 30 days of the completion of drilling or testing operations.

• A Porta-John will be provided for the crews. This will be properly maintained during the drilling operations and removed upon completion of the well.

8. ANCILLARY FACILITIES - The drilling, completion, and/or testing of this well will require no ancillary facilities.

9. WELLSITE LAYOUT - Attached, as EXHIBITS C & D are plats showing the anticipated orientation of the drilling rig and the pad. A similar rig may have to be substituted for United Drilling Rig #24 if it is no longer available when approval is granted for this application. Material moved to create the drilling pits will be utilized in the dike around the pits so as to facilitate restoration of the area when operations are completed.

10. PLANS FOR SURFACE RESTORATION - Reclamation of the surface location will be in accordance with the requirements set forth by the BLM. As stated earlier all waste generated by this operation will be disposed of in an approved manner, and the site restored as closely as possible to its pre-operation appearance. Due to the topography of the area no problems are anticipated in achieving this status and no erosion or other detrimental effects are expected as a result of this operation.

11. OTHER INFORMATION - The surface ownership of the drill site and the access routes are under the control/ownership of:

Bureau of Land Management

P. O. Box 1778

Carlsbad, New Mexico 88221-1778

505-234-5972

The BLM representative for this area is Barry Hunt who can be reached at the above number, or 505-361-4078.

The site was archaeologically surveyed in July 2004. Danny Boone, the registered archeological surveyor, should forward a copy of that report to the BLM.

12. OPERATORS REPRESENTATIVE - St. Mary Land and Exploration is covered by Nationwide Bond No. 6041872. St. Mary Land and Exploration is represented by:

Charles M. Jones, Operations Manager

Dennis Goins, Operations Engineer

580 Westlake Park Blvd., Suite 600

Houston, Texas 77079

281-677-2800 Office

281-677-2774 Direct

918-408-8025 Cell

Alan D. Means, Contract Drilling Engineer
Midland, Tx

432-620-9181 Office

432-664-7052 Cell

432-687-3117 Home

Jackie Herron, Contract Pumper
Hagerman, NM

505-746-7601 Cell

505-752-2701 Home

13. OPERATORS CERTIFICATION

I hereby certify that I, Alan D. Means-Operations Engineer, have inspected the proposed drill site and access route and that I am familiar with the conditions that currently exist; that the statements made in the APD package are to the best of my knowledge true and correct; and that the work associated with operations herein will be performed by ST. MARY LAND & EXPLORATION COMPANY and it's contractors and subcontractors in conformity with the terms and conditions of this APD package. I also certify responsibility for the operations conducted on that portion of the leased lands associated with this application with bond coverage being provided under a BLM nationwide bond.

This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Name and title: Alan D. Means, Consulting Operations Engineer for St. Mary Land & Exploration Company

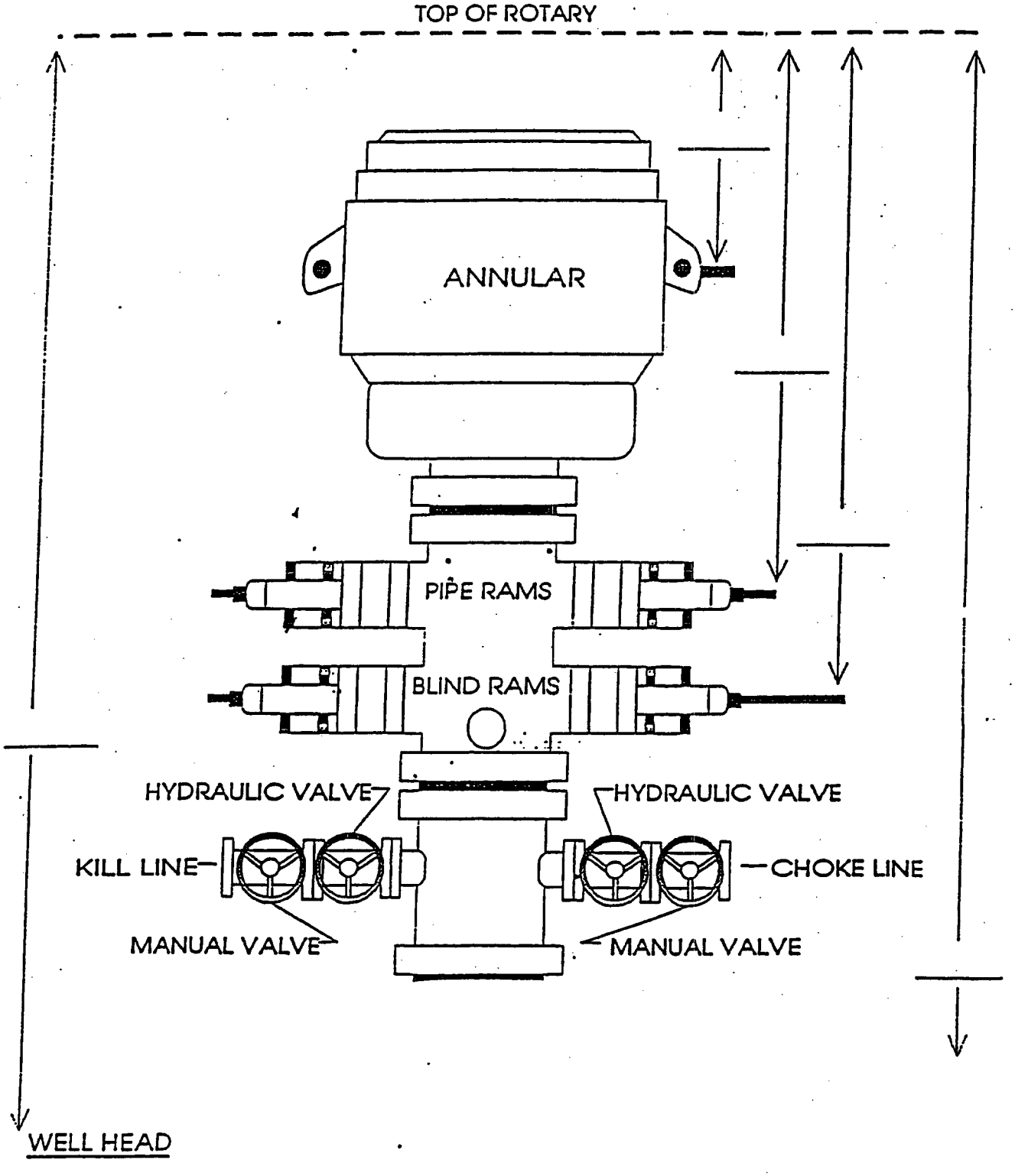
Signature: _____

Date: 4/4/05

EXHIBIT A

B.O.P. STACK SPACING

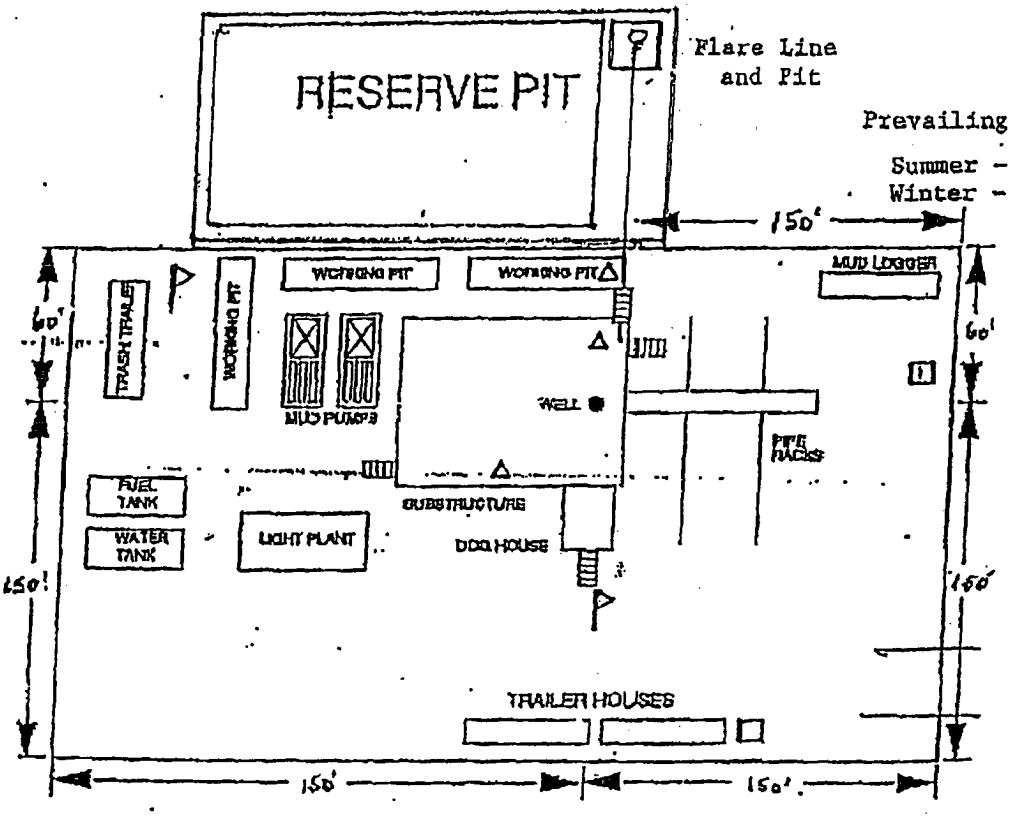
SIZE: 11" 3000#



WELL PDU 512 CONTRACTOR UNITED DRILLING

EXHIBIT C

Typical United Drilling Rig Layout



△ - H2S Monitors with alarms at the bell nipple and shale shaker

⚑ - Wind Direction Indicators

□ - Safe Briefing areas with caution signs and protective breathing equipment. Minimum 150 feet from wellhead. 1 designates primary area.

DISTRICT I
625 N. FRENCH DR., HOBBS, NM 88240

DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised JUNE 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name
30-015	49625	Parkway Delaware

Property Code	Property Name	Well Number
	PDU	514

OGRID No.	Operator Name	Elevation
	ST. MARY LAND & EXPLORATION COMPANY	3329'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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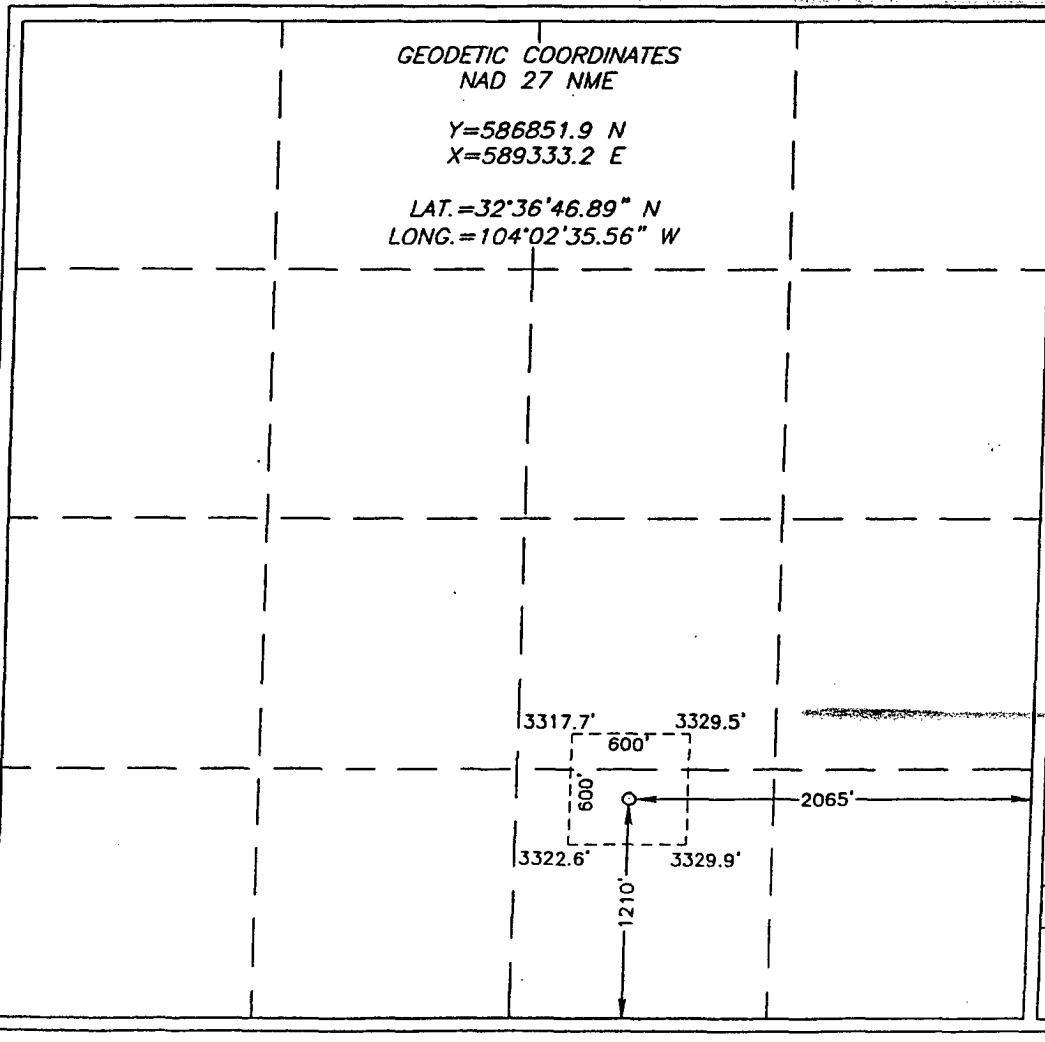
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
10			

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 contained herein is true and complete to the best of my knowledge and belief.

Signature

Alan D. Means
Printed Name

Operations Engineer
Title

3/29/05
Date

SURVEYOR CERTIFICATION

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 supervison, and that the same is true and correct to the best of my belief.

JANUARY 20, 2005
Date Surveyed

Signature & Seal of Professional Surveyor

GARY G. EIDSON JR
NEW MEXICO
12641
PROFESSIONAL SURVEYOR

Gary G. Eidson 2/2/05

Certificate No. GARY EIDSON 12641

1.1.0261

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

May 23, 2005
St. Mary Land & Exploration Company
580 Westlake Parkway Blvd. Suite # 600
Houston, TX 77079
Attn: Mr. Alan Means

Re: **St. Mary Land & Exploration Company's Parkway Delaware Unit Wells: located in the Parkway Delaware Unit Area Unit , Eddy County, New Mexico, NMPM**

Dear Mr. Means or to Whom It May Concern:

In regards with conditions for approval (in part) for the above captioned well, the New Mexico Oil Conservation Division (NMOCD) will require the following:
This is for St. Mary Land & Exploration Company to take samples from the flow line of the drilling mud every 100 'in order to determine the chloride levels staring at the 1st intermediate casing point down through the 2nd intermediate casing point.
In addition, the 2nd intermediate borehole (in drilling the Capitan Reef) is to be drilled with fresh water mud as noted in your APD.
The results of this data are to be submitted to the NMOCD in Artesia and the Bureau of land Management.
Please call our office if you have any questions regarding this matter.

Respectfully yours,
Bryan G. Arrant
PES

CC: Well File
John Simitz-Geologist-Bureau of Land Management/Roswell