FORM APPROVED

DEPARTMENT OF TH BUREAU OF LAND M	IE INTERIOR ANAGEMENT	OMB No. 1004-0136 Expires November 30, 2000 5. Lease Serial No. NMLC028784B 6. If Indian, Allottee or Tribe Name
1a. Type of Work: ☑ DRILL ☐ REENTER		7. If Unit or CA Agreement, Name and No. NMNM88525X
th Type of Well: ☑ Oil Well ☐ Gas Well ☐ Othe	r 🔀 Single Zone 🔲 Multiple Zone	8. Lease Name and Well No. BURCH KEELY UNIT 902 6497
LINITED STATES Express November 30, 2000		30-015-32698
P O BOX 227	Ph: 505.748.3303	GRBG JACKSON SR Q GRBG SA
4. Location of Well (Report location clearly and in accordan	Septemberts *)	11. Sec., T., R., M., or Blk. and Survey or Area
At surface NWSW Lot L 1980FSL 1295	FWL / 🔊 🛕	Sec 23 T17S R29E Mer NMP
•	5FWL / 8 MAP 2003 4	.\
14. Distance in miles and direction from nearest town or post of	ffice* on DECEIVED .	EDDY
lease line, ft. (Also to nearest drig. unit line, it any)	1264.00	40.00
 Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 	19. Proposed Depth	
	03/01/2003	21 DAYS
	24. Attachments Leswell Cor	trolled Water Basin
The following completed in accordance with the requirements of	Onshore Oil and Gas Order No. 1, shall be attached to t	his form:
Well plat certified by a registered surveyor. A Drilling Plan. A Surface Use Plan (if the location is on National Forest Systems).	4. Bond to cover the operation Item 20 above). 5. Operator certification 6. Such other site specific integrals.	ns unless covered by an existing bond on file (see
	Name (Printed/Typed) DIANA CANNON	
Title AUTHORIZED REPRESENTATIVE		
Approyed by (Signature) /S/ LESLIE A. THEISS	Name (Printed/Typed) LESLIE A. THE	EISS MAR 2 4 2003
FIELD MANAGER	CARLSBAD FIE	LD OFFICE

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lead 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.

Additional Operator Remarks (see next page)

Electronic Submission #18138 verified by the BLM Well Information System

APPROVAL SUBJECT TO For MARBOB ENERGY CORPORATION, sent to the Carlsbad

Committed to AFMSS for processing by Armando Lopez on 01/31/2003 (03AL0128AE) SPECIAL STIPULATIONS ATTACHED

** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ** REVISED **

Additional Operator Remarks:

12 1/4" HOLE - 8 5/8" J55 24# CSG SET @ 350' - CMT W/ 300 SX 7 7/8" HOLE - 5 1/2" J55 17# CSG SET @ 4800'- CMT SUFFICIENT TO COVER 200' ABOVE ALL KNOWN OIL & GAS HORIZONS.

PAY ZONE WILL BE SELECTIVELY PERFORATED AND STIMULATED AS NEEDED FOR OPTIMUM PRODUCTION.

MASTER SURFACE USE PLAN ON FILE AT BLM ROSWELL.

INCLUDED IN THE ATTACHMENT ARE:
1. WELL LOCATION & ACREAGE DEDICATION PLAT
2. DRILLING PROGRAM & SURFACE USE PLAN
3. SUPPLEMENTAL DRILLING DATA (EXHIBITS #1 (2 PGS), #2, #3, & #4)

JAN 08 2003

DISTRICT I P.O. Box 1980, Hobbs, NM 56241-1980

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102 Revised February 10, 1994 Submit to Appropriate District Office

State Lease - 4 Copies Fee Lease - 3 Copies

DISTRICT II P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

1000 Rio Brazos Rd., Aztec, NM 87410
DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

pon							
API Number	Pool Code	Pool Name					
20.015	28509	GRAYBURG JACKSON SR Q	GRBG SA				
30-015-	Property	y Name	Well Number				
Property Code	BURCH KE	ELY UNIT	902				
6497			Elevation				
OGRID No.	Operato		3590'				
14040	MARBOB ENERGY	CORPORATION	3390				
14049							

Surface Location

,			· = · · · ·	N	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	ı
	UL or lot No.	Section 2.3	Township	Range 29 - F	LOC MID	1980	SOUTH	1295	WEST	EDDY	
-	L.	25	17 3	25 -						<u> </u>	,

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
1									L
Dedicated Acres	Joint o	or Infill Co	nsolidation (Code Or	der 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

(R A NON-STANDARD I	ONIT HAS BEEN	APPROVED DI	1110 Dividadi
				OPERATOR CERTIFICATION
	`			I hereby certify the the information
	į.	•		contained herein is true and complete to the best of my knewledge and belief.
				Signature Carra
	_ ·			DIANA J. CANNON Printed Name
	1	ı		PRODUCTION ANALYST
				JANUARY 31, 2003
	1	1		SURVEYOR CERTIFICATION
3591.8′	3596.3'			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
1295'				correct to the best of my belief.
3585.7	3589.7'	,		JANUARY 5, 2003
				Date Surveyed L.A. Signature & Seal of Professional Stirveyor
1980				Romald 10 11 107/03
		-		Certificate No. RONALD 4 EDSON 3239 GARY EDSON 12641

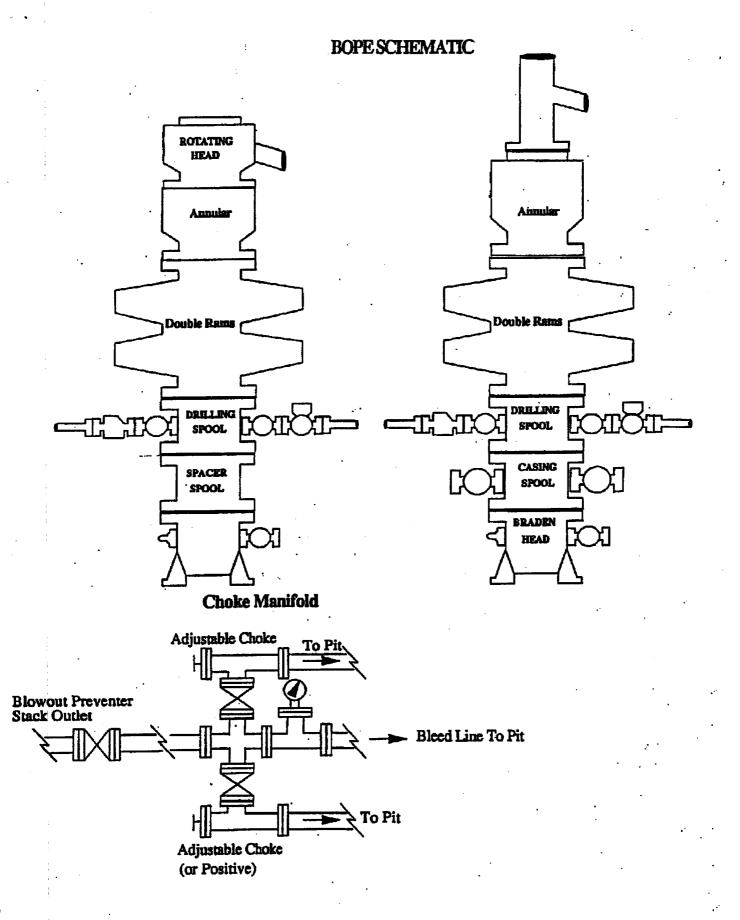
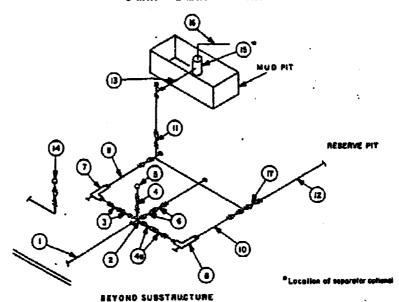


Exhibit One

MINIMUM CHOKE MANIFOLD 3,000, 5,000 and 10,000 PSI Working Pressure

3 MWP - 5 MWP - 10 MWP



			MINE	MUM REQL	JIREMENT	S				
	1		3,000 MWP		5,000.MWP					
No.		I.D.	NOMINAL	RATING	I.D.	NOMINAL	RATING	1.D.	NOMINAL	RATING
1	Line from drilling spool		3*	3,000		3*	5,000		3.	10,000
2	Cróss 3"x3"x3"x2"			3,000			5,000			
•	Cross 3"x3"x3"x3"									10,000
3	Valves(1) Gate □ Plug □(2)	3-1/8"		3,000	3-1/8*	·	6,000	3-1/8"		10,000
4	Valve Gate □ Plug □(2)	1-13/16*		3,000	1-13/16"		5,000	1-13/16*		10,000
44	Valves(1)	2-1/16"		3,000	2-1/16"		5.000	3-1/6"		10,000
5	Pressure Gauge			3,000		·	5,000			10,000
6	Valves Gate ☐ Plug ☐(2)	3-1/8*		3,000	3-1/8"		5,000	3-1/8"		10.000
7	Adjustable Choke(3)	20		3,000	2"		5,000	2-	<u>:</u>	10,000
ä	Adjustable Choke	1*		3,000	1"		5,000	_ <u>2.</u>		10,000
	Line		3.	3,000		3*	5,000	<u> </u>	3"	10,000
10	Line		2*	3,000		2-	5,000		3-	10,000
11	Valves Gate []	3-1/8"		3,000	3-1/8"		5,000	3-1/8*		10,000
12	Lines	T	3"	1,000		3"	1,000	•	3"	2,000
13	Lines		3*	1,000		3*	1,000		3-	2,000
14	Remote reading compound standpipe pressure gauge			3,000	•		5,000	•		10,000
15	Gas Separator		2'x5'			2'x5'			2,72,	
16	Line		4"	1,000		4"	1,000		4"	2,000
17	Valves Gate ☐ (2)	3-1/8"		3,000	3-1/6"		5,000	3-1/6"		10,000

- (1) Only one required in Class SM.
- (2) Gata valves only shall be used for Class 10M.
- (3) Remote operated hydrautic choke required on 5,000 pai and 10,000 pai for drilling.

EQUIPMENT SPECIFICATIONS AND INSTALLATION INSTRUCTIONS

- 1. All connections in choke munitoid shall be welded, studded, flanged or Carneron clamp of comparable rating.
- 2. All franges shall be API 68 or 68X and ring gaskets shall be API RX or 8X. Use only 8X for 10 MWP.
- 3. All lines shall be securely anchored.
- 4. Chakes shall be equipped with tungstan carbide seats and needles, and replacements shall be available.
- 5. Choke manifold pressure and standpipe pressure gauges shall be available at the choke manifold to sealet in regulating chokes. As an attemate with automatic chokes, a choke manifold pressure gauge shall be located on the rig floor in conjunction with the standpipe pressure gauge.
- Line from drilling spool to choke manifold should be as straight as possible. Lines downstream from chokes shall make turns by large bends or 90° bends using bull plugged tees.