

Form 3160-3
(August 2007)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0137
Expires July 31, 20105. Lease Serial No.
NMNM 1165656. If Indian, Allottee or Tribe Name
N/A7. If Unit or CA Agreement, Name and No.
N/A8. Lease Name and Well No.
Peacemaker Fed 25 2H9. API Well No.
30-015-3898810. Field and Pool, or Exploratory
North Seven Rivers Glorieta Yeso11. Sec., T. R. M. or Blk. and Survey or Area
Sec. 25, T. 19 S., R. 25 E12. County or Parish
Eddy13. State
NM1a. Type of work: ☒ DRILL ☐ REENTER1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone

2. Name of Operator Marshall & Winston Incorporated

3a. Address P.O. Box 50880,
Midland, TX 79710-00803b. Phone No. (include area code)
(432) 684-63734. Location of Well (Report location clearly and in accordance with any State requirements)
At surface 2480' FNL & 1700' FWL (F) UNORTHODOX
At proposed prod. zone 330' FSL & 1700' FWL (N) LOCATION14. Distance in miles and direction from nearest town or post office*
Approximately 17 miles north of Carlsbad, NM15. Distance from proposed*
location to nearest
property or lease line, ft.
(Also to nearest drig. unit line, if any)
Horizontal section is anticipated
to be 2530 ft. in length.16. No. of acres in lease
120 acres17. Spacing Unit dedicated to this well
80 acres18. Distance from proposed location*
to nearest well, drilling, completed,
applied for, on this lease, ft.
1370 ft. east of
Peacemaker 25 1H19. Proposed Depth
2730
2780' TVD
5013 MD20. BLM/BIA Bond No. on file
NMB # 088721. Elevations (Show whether DF, KDB, RT, GL, etc.)
3426'22. Approximate date work will start*
05/15/201123. Estimated duration
21-28 days

24. Attachments

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

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

25. Signature
*Vernon D. Dyer*Name (Printed/Typed)
Vernon D. DyerDate
02/07/2011Title
AGENT: Please contact Mr. Dyer at (575) 420-0355 or Mr. Gourley at (575) 623-5880 for any further necessary requirements Re: APD.Approved by (Signature) */s/ Don Peterson*

Name (Printed/Typed)

Date

Title
FIELD MANAGER

Office

CARLSBAD FIELD OFFICE

APR 13 2011

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 TWO YEARS

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.

(Continued on page 2)

Roswell Controlled (Instructions on page 2)

SEE ATTACHED FOR
CONDITIONS OF APPROVALAPPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED

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DRILLING PROGRAM
Marshall & Winston Inc.
Peacemaker Federal 25 2H
U/L F to N, Sec. 25 T-19-S, R-25-E

1. Geologic Name of Surface Formation:

- a. Permian Quaternary Alluvium Deposits

2. Estimated Tops of Geological Markers & Depths of Anticipated Fresh Water, Oil or Gas:

- | | | |
|-----------------------|---------------|----------------------------|
| a. Red Beds scattered | 375' to 460' | |
| b. Grayburg (Traces) | 400' to 600' | No fresh water anticipated |
| c. San Andres | 930' to 1500' | No H-C anticipated |
| d. Glorieta | 2513' | No oil, water or gas * |
| e. Yeso | 2650' | Oil |

No other formations are anticipated to yield oil, gas or fresh water in measureable volumes. The surface hole shall be drilled using fresh water spud mud and a 9 5/8" surface casing shall be set at 1000' into the top of the San Andres and circulated to surface with cement. There is no evidence that a significant anhydrite formation is present.

* There are no records to indicate that the Glorieta formation yields hydrocarbons, H₂S, water at this location. A H₂S contingency plan (attached) shall be incorporated prior to drilling below the surface casing shoe.

3. Casing Program:

Interval	Size (Inches)		Pipe Specs			Safety	Factors	
(Feet)	Hole	Casing	Wt(#/ft)	Grade	Type	Collapse	Burst	Tension
0-1000	12 1/2	9 5/8	40.0	N-80	LTC	6.02	4.29	22.9
1000-2139	8 3/4	5 1/2	17.0	J-55	LTC	2.6	5.7	5.18
2139-5053	7 7/8	5 1/2	17.0	J-55	LTC	2.6	5.7	5.18
Alternative Casing :								
1000-3067	8 3/4	7	26.0	J-55	LTC	3.31	5.42	4.71/3.64*
3067-5052	6 1/8	* 4 1/2	11.6	N-80	LTC	5.22	14.7	12.11

*Liner w/ top @ 2867 per cmfg plan.

All casing will be new and API approved. The minimum safety factors for the casing strengths according to Onshore Orders are Collapse 1.125, Burst 1.0, Tension 1.8.

If wellbore problems are encountered during the directional drilling, an *alternative casing* design may be necessary. If so, it will consist of a 7.0 inch string in place of the 5 ½ inch and in addition will use a 4 ½ inch production string.

* The S.F. regarding tension on the 7.0 inch indicates weight with and w/o the 4 ½ inch liner in a vertical non buoyant environment.

4. Cement Program:

Surface 9 5/8": The surface casing shall be cemented to surface (TOC at 0').

The lead mixture will be consist of 300 sacks of Class C cement + 2% bwoc Calcium Chloride+.025 lbs/sack Cello Flake+ 4% bwoc bentonite + 81.3% water. Weight of 13.0 ppg, Yield 1.75 cf/sk.

The Tail mixture shall consist of 150 sacks of Class C cement+2% bwoc Calcium Chloride+.025lbs/sack Cello Flake + 56.2 % fresh water. Weight 14.8 ppg, Yield 1.35 cf/sk.

The surface displacement mixture shall be in 100% in excess of the calculated annulus volume.

Production 5 ½": The production string shall be cemented to surface (TOC at 0').

The lead mixture shall consist of 215 sacks of 50/50 Poz (Fly Ash) Class C cement +5% bwow Sodium Chloride +10% bwoc Bentonite +139.7% Fresh water. Weight of 11.80ppg, Yield 1.30 cuft/sk.

The tail mixture will consist of 615 sacks of Class C cement +5% bwow Sodium Chloride +6%bwoc CD-32 +2% bwoc Bentonite +0.6% bwoc Sodium Metasilicate +0.4% bwoc FL-52A +58.4% fresh water. Weight of 14.22 ppg Yield 1.30 cuft/sk. The production displacement mixture shall be in 40% of excess of the calculated annulus volume. 2.44

4. a. Alternative Casing Cementing Program.

Intermediate 7.0": The 7.0 inch shall be cemented to the surface (TOC at 0'). The lead mixture shall consist of 285 sx of Class C cement +0.25 lbs/sk Cello Flake, +4% bwoc Bentonite +80.8% fresh water. Weight of 11.8 ppg, Yield 1.72 cuft/sk.

The tail mixture shall be pumped to approximately 2454'. It shall consist of 315 sacks of 50/50 POZ (FlyAsh) Class H cement +3% bwoc Sodium Chloride +0.15% bwoc R-3 +0.2% bwoc CD-32+2% bwoc Bentonite+0.15% bwoc Sodium Metasilicate +0.5% bwoc FL-52A +61.1% fresh water. Weight 14.80 ppg, Yield 1.33 cuft/sk. The alternative intermediate displacement shall be 33% in excess of the calculated annulus volume.

Production 4 1/2": Cement shall be pumped to the top of the liner estimated (at 2867'). The mixture shall consist of 315 sx of 50/50 Poz (FlyAsh) Class H cement +0.15% bwoc R-3 +0.2% bwoc CD-32+2% bwoc Bentonite +0.15% bwoc Sodium Metasilicate +0.5% bwoc FL-52A +3% bwoc Sodium Chloride + 61.1% fresh water. Weight 14.0 ppg, Yield 1.33 cuft/sk. The displacement shall be 95% in excess of the calculated annulus volume.

5. Pressure Control Equipment:

see COA [The blowout preventor equipment (BOPE) attached as Exhibit 8 will consist of a Schaffer 11"x 3M (3,000 psi) double ram type, (i.e. 4 1/2" closing ram on the bottom), and a 11"x 3,000 psi Hydril annular. The drilling head will be installed on the 9 5/8" surface casing through out the endurance of the hole.* A variance is requested to test the casing head to 1500 psi is requested. A variance is requested to test the annular Hydril and the ram preventers individually to 1500 psi prior to drilling below the 9 5/8" casing shoe as described in Onshore Order 2.

*Should the alternative 7.0 inch casing is used, then the BOPE will be refitted for the 7.0 inch casing and tested prior to commencement of drilling in accordance to the Conditions of Approval and as described in Onshore Order 2. (A variance is test BOPE to 1500 psi is requested).

Pipe rams shall be operated and checked each 24-hour period and each time the drill pipe is out of the hole. These functions tests will be documented on the daily driller's log. Other accessory BOP equipment will include a Kelly cock, floor safety valve, choke lines and choke manifold having a rating 3M minimum rating.

6. Proposed Mud Circulation System:

<u>Depth</u>	<u>Mud Wt. ppg</u>	<u>Visc</u>	<u>Fluid Loss</u>	<u>Type System</u>
0'-1000'	8.4-8.9	29-31	NC	Fresh water Gel
1000-TD	8.7-9.3	30-36	<10cc	Cut Brine/Polymer

Gel Sweeps will be mixed as needed to help maintain a clean hole. A cut-brine water will be incorporated prior to drilling below the surface shoe. At 3067', brine/salt gel/polymer mixture shall be added to raise viscosity and lower fluid loss to 10 cc or less for the remainder of horizontal section.

7. Auxiliary Well Control and Monitoring Equipment:

- a. A Kelly Cock shall be run in place at all times while drilling this well bore.
- b. A full opening drill pipe stabbing valve having the appropriate connections will be on the rig at all times.
- c. The H2S contingency plan and associated equipment shall be in operation prior to drilling below the 9 5/8" shoe.

8. Logging, Coring and Testing Program: *See COA*

- a. Drill stem testing will depend on samples and shows.
- b. The open hole logs will be run from 1000' to TD and consist of CNL / LDT / CAL w GR, GR w/ DLL.
- c. No Coring is planned.
- d. No additional testing is anticipated.

9. Potential Hazard:

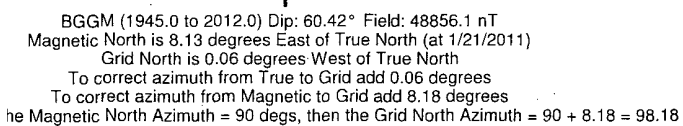
No abnormal pressures or temperatures are anticipated. (BHP 1500 psi, BHT 98 deg). Loss of fluids may occur approximately in the 500' to 600', but not records have been found to suggest this possibility. The surface hole shall be drilled with fresh water mud and cased off at 1000'. No records have been found to suggest the Glorieta in this area contains entrained H2S gas/water or hydrocarbons. However, a H2S Contingency Plan attached.

The area has a potential for H2S and the following measures will be taken:

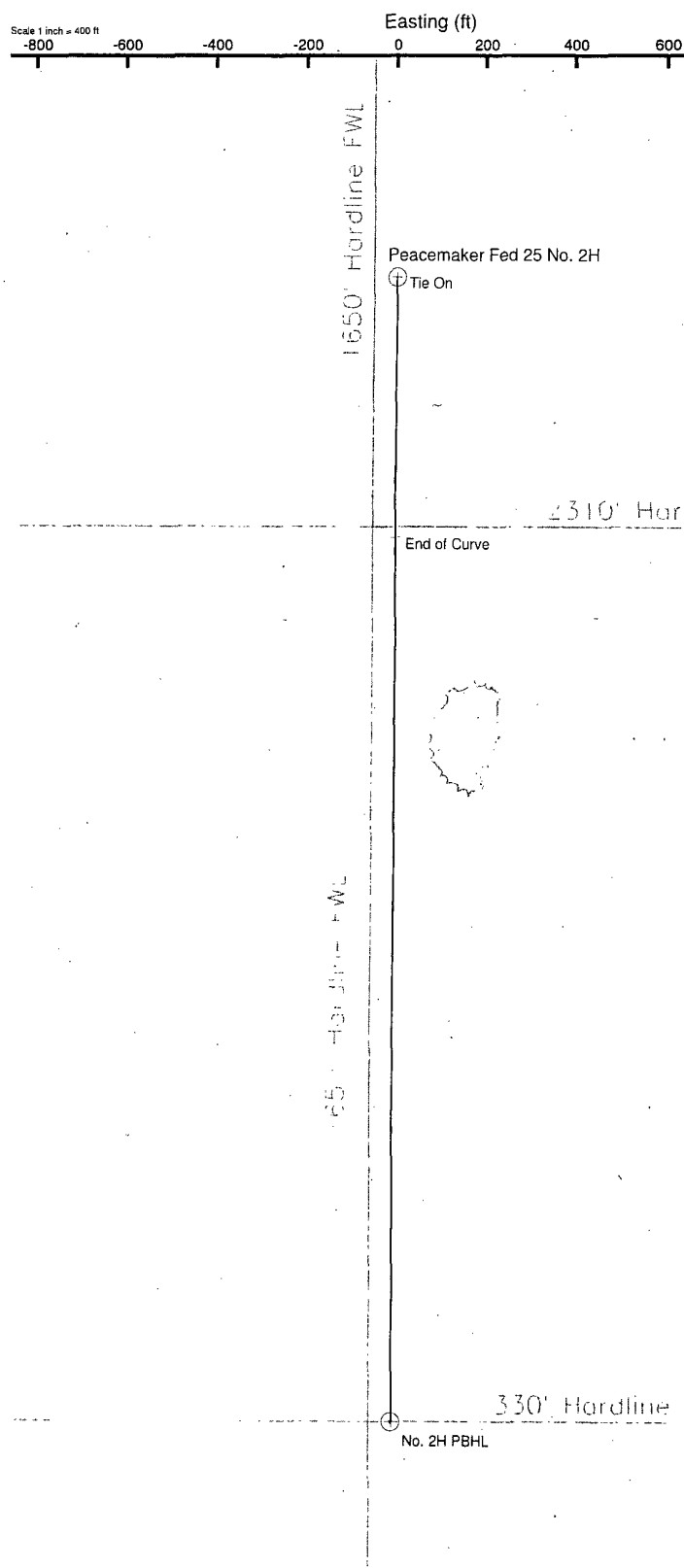
- a. A H2S contingency plan will be put into operation prior to drilling below the surface shoe.
- b. All personnel shall be familiar with safety precautions of H2S environment.

10. Anticipated Starting Date and Duration of Operations:

- a. Road and location construction will begin after the BLM has approved the APD. The anticipated spud date would be 05/15/2011 or as soon as a rig becomes available and as soon as the BLM's approval of this permit. The operation is expected to take 25 days on average. If a producing well is anticipated, completion and producing facilities shall be constructed in a timely manner.



Inc, 21.00ft MD, 21:00ft TVD, 0.00ft VS





Planned Wellpath Report

No. 2H PWP

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**BAKER
HUGHES**

INTEQ

REFERENCE WELLPATH IDENTIFICATION

Operator	Marshall & Winston, INC	Slot	Peacemaker Fed 25 No. 2H
Area	Eddy County, NM	Well	No. 2H
Field	(Peacemaker) Sec 25, T19S, R25E	Wellbore	No. 2H PWB
Facility	Peacemaker Fed 25 No.2H		

REPORT SETUP INFORMATION

Projection System	NAD27 / TM New Mexico State Planes, Eastern Zone (3001), US feet	Software System	WellArchitect® 2.0
North Reference	Grid	User	Jonebea
Scale	0.99991	Report Generated	1/21/2011 at 4:44:57 PM
Convergence at slot	0.06° West	Database/Source file	WA Midland/No. 2H_PWB.xml

WELLPATH LOCATION

	Local coordinates		Grid coordinates		Geographic coordinates	
	North[ft]	East[ft]	Easting[USft]	Northing[USft]	Latitude	Longitude
Spot Location	0.00	0.00	466910.90	593657.10	32°37'55.273"N	104°26'26.945"W
Facility Reference Pt			466910.90	593657.10	32°37'55.273"N	104°26'26.945"W
Field Reference Pt			466910.90	593657.10	32°37'55.273"N	104°26'26.945"W

WELLPATH DATUM

Calculation method	Minimum curvature	Rig on Peacemaker Fed 25 No. 2H (RKB) to Facility Vertical Datum	3447.00ft
Horizontal Reference Pt	Facility Center	Rig on Peacemaker Fed 25 No. 2H (RKB) to Rig Floor	3447.00ft
Vertical Reference Pt	Rig on Peacemaker Fed 25 No. 2H (RKB)	Facility Vertical Datum to Mud Line (Facility)	0.00ft
Section Reference Pt	Rig on Peacemaker Fed 25 No. 2H (RKB)	Section Origin	N 0.00, E 0.00 ft
Field Vertical Reference	Rig Floor	Section Azimuth	180.08°



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Facility	Peacemaker Fed 25 No.2H		

WELLPATH DATA (54 stations) † = interpolated/extrapolated station

MD [ft]	Inclination [°]	Azimuth [°]	TVD [ft]	Vert Sect [ft]	North [ft]	East [ft]	Grid East [srv ft]	Grid North [srv ft]	Latitude	Longitude	DLS [°/100ft]	Comments
0.00†	0.000	180.082	0.00	0.00	0.00	0.00	466910.90	593657.10	32°37'55.273"N	104°26'26.945"W	0.00	
21.00	0.000	180.082	21.00	0.00	0.00	0.00	466910.90	593657.10	32°37'55.273"N	104°26'26.945"W	0.00	Tie On
121.00†	0.000	180.082	121.00	0.00	0.00	0.00	466910.90	593657.10	32°37'55.273"N	104°26'26.945"W	0.00	
221.00†	0.000	180.082	221.00	0.00	0.00	0.00	466910.90	593657.10	32°37'55.273"N	104°26'26.945"W	0.00	
321.00†	0.000	180.082	321.00	0.00	0.00	0.00	466910.90	593657.10	32°37'55.273"N	104°26'26.945"W	0.00	
421.00†	0.000	180.082	421.00	0.00	0.00	0.00	466910.90	593657.10	32°37'55.273"N	104°26'26.945"W	0.00	
521.00†	0.000	180.082	521.00	0.00	0.00	0.00	466910.90	593657.10	32°37'55.273"N	104°26'26.945"W	0.00	
621.00†	0.000	180.082	621.00	0.00	0.00	0.00	466910.90	593657.10	32°37'55.273"N	104°26'26.945"W	0.00	
721.00†	0.000	180.082	721.00	0.00	0.00	0.00	466910.90	593657.10	32°37'55.273"N	104°26'26.945"W	0.00	
821.00†	0.000	180.082	821.00	0.00	0.00	0.00	466910.90	593657.10	32°37'55.273"N	104°26'26.945"W	0.00	
921.00†	0.000	180.082	921.00	0.00	0.00	0.00	466910.90	593657.10	32°37'55.273"N	104°26'26.945"W	0.00	
1021.00†	0.000	180.082	1021.00	0.00	0.00	0.00	466910.90	593657.10	32°37'55.273"N	104°26'26.945"W	0.00	
1121.00†	0.000	180.082	1121.00	0.00	0.00	0.00	466910.90	593657.10	32°37'55.273"N	104°26'26.945"W	0.00	
1221.00†	0.000	180.082	1221.00	0.00	0.00	0.00	466910.90	593657.10	32°37'55.273"N	104°26'26.945"W	0.00	
1321.00†	0.000	180.082	1321.00	0.00	0.00	0.00	466910.90	593657.10	32°37'55.273"N	104°26'26.945"W	0.00	
1421.00†	0.000	180.082	1421.00	0.00	0.00	0.00	466910.90	593657.10	32°37'55.273"N	104°26'26.945"W	0.00	
1521.00†	0.000	180.082	1521.00	0.00	0.00	0.00	466910.90	593657.10	32°37'55.273"N	104°26'26.945"W	0.00	
1621.00†	0.000	180.082	1621.00	0.00	0.00	0.00	466910.90	593657.10	32°37'55.273"N	104°26'26.945"W	0.00	
1721.00†	0.000	180.082	1721.00	0.00	0.00	0.00	466910.90	593657.10	32°37'55.273"N	104°26'26.945"W	0.00	
1821.00†	0.000	180.082	1821.00	0.00	0.00	0.00	466910.90	593657.10	32°37'55.273"N	104°26'26.945"W	0.00	
1921.00†	0.000	180.082	1921.00	0.00	0.00	0.00	466910.90	593657.10	32°37'55.273"N	104°26'26.945"W	0.00	
2021.00†	0.000	180.082	2021.00	0.00	0.00	0.00	466910.90	593657.10	32°37'55.273"N	104°26'26.945"W	0.00	
2121.00†	0.000	180.082	2121.00	0.00	0.00	0.00	466910.90	593657.10	32°37'55.273"N	104°26'26.945"W	0.00	
2157.04	0.000	180.082	2157.04	0.00	0.00	0.00	466910.90	593657.10	32°37'55.273"N	104°26'26.945"W	0.00	Kick Off Point
221.00†	6.396	180.082	2220.87	3.57	-3.57	-0.01	466910.89	593653.53	32°37'55.238"N	104°26'26.945"W	10.00	
321.00†	16.396	180.082	2318.77	23.30	-23.30	-0.03	466910.87	593633.80	32°37'55.043"N	104°26'26.945"W	10.00	
421.00†	26.396	180.082	2411.76	59.73	-59.73	-0.09	466910.81	593597.37	32°37'54.682"N	104°26'26.945"W	10.00	
521.00†	36.396	180.082	2497.01	111.76	-111.76	-0.16	466910.74	593545.35	32°37'54.168"N	104°26'26.945"W	10.00	
621.00†	46.396	180.082	2571.93	177.80	-177.80	-0.25	466910.65	593479.31	32°37'53.514"N	104°26'26.946"W	10.00	
721.00†	56.396	180.082	2634.25	255.85	-255.85	-0.36	466910.54	593401.27	32°37'52.742"N	104°26'26.946"W	10.00	



Planned Wellpath Report

No. 2H PWP

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INTEQ

REFERENCE WELLPATH IDENTIFICATION

Operator	Marshall & Winston, INC	Slot	Peacemaker Fed 25 No. 2H
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Field	(Peacemaker) Sec 25, T19S, R25E	Wellbore	No. 2H PWB
Facility	Peacemaker Fed 25 No.2H		

WELLPATH DATA (54 stations) † = interpolated/extrapolated station

MD [ft]	Inclination [°]	Azimuth [°]	TVD [ft]	Vert Sect [ft]	North [ft]	East [ft]	Grid East [srv ft]	Grid North [srv ft]	Latitude	Longitude	DLS [°/100ft]	Comments
821.00†	66.396	180.082	2682.06	343.54	-343.54	-0.49	466910.41	593313.60	32°37'51.874"N	104°26'26.946"W	10.00	
921.00†	76.396	180.082	2713.92	438.19	-438.19	-0.62	466910.28	593218.95	32°37'50.938"N	104°26'26.947"W	10.00	
1021.00†	86.396	180.082	2728.87	536.94	-536.94	-0.76	466910.14	593120.21	32°37'49.961"N	104°26'26.947"W	10.00	
1057.04	90.000	180.082	2730.00	572.96	-572.96	-0.82	466910.08	593084.20	32°37'49.604"N	104°26'26.947"W	10.00	End of Curve
1121.00†	90.000	180.082	2730.00	636.92	-636.91	-0.91	466909.99	593020.24	32°37'48.971"N	104°26'26.948"W	0.00	
1221.00†	90.000	180.082	2730.00	736.92	-736.91	-1.05	466909.85	592920.25	32°37'47.982"N	104°26'26.948"W	0.00	
1321.00†	90.000	180.082	2730.00	836.92	-836.91	-1.19	466909.71	592820.26	32°37'46.992"N	104°26'26.949"W	0.00	
1421.00†	90.000	180.082	2730.00	936.92	-936.91	-1.33	466909.57	592720.27	32°37'46.003"N	104°26'26.949"W	0.00	
1521.00†	90.000	180.082	2730.00	1036.92	-1036.91	-1.48	466909.42	592620.28	32°37'45.013"N	104°26'26.950"W	0.00	
1621.00†	90.000	180.082	2730.00	1136.92	-1136.91	-1.62	466909.28	592520.29	32°37'44.024"N	104°26'26.950"W	0.00	
1721.00†	90.000	180.082	2730.00	1236.92	-1236.91	-1.76	466909.14	592420.30	32°37'43.034"N	104°26'26.951"W	0.00	
1821.00†	90.000	180.082	2730.00	1336.92	-1336.91	-1.90	466909.00	592320.31	32°37'42.045"N	104°26'26.951"W	0.00	
1921.00†	90.000	180.082	2730.00	1436.92	-1436.91	-2.05	466908.85	592220.32	32°37'41.055"N	104°26'26.952"W	0.00	
2021.00†	90.000	180.082	2730.00	1536.92	-1536.91	-2.19	466908.71	592120.33	32°37'40.066"N	104°26'26.952"W	0.00	
2121.00†	90.000	180.082	2730.00	1636.92	-1636.91	-2.33	466908.57	592020.34	32°37'39.076"N	104°26'26.953"W	0.00	
2221.00†	90.000	180.082	2730.00	1736.92	-1736.91	-2.47	466908.43	591920.35	32°37'38.087"N	104°26'26.953"W	0.00	
2321.00†	90.000	180.082	2730.00	1836.92	-1836.91	-2.62	466908.29	591820.35	32°37'37.097"N	104°26'26.954"W	0.00	
2421.00†	90.000	180.082	2730.00	1936.92	-1936.91	-2.76	466908.14	591720.36	32°37'36.108"N	104°26'26.954"W	0.00	
2521.00†	90.000	180.082	2730.00	2036.92	-2036.91	-2.90	466908.00	591620.37	32°37'35.119"N	104°26'26.954"W	0.00	
2621.00†	90.000	180.082	2730.00	2136.92	-2136.91	-3.04	466907.86	591520.38	32°37'34.129"N	104°26'26.955"W	0.00	
2721.00†	90.000	180.082	2730.00	2236.92	-2236.91	-3.18	466907.72	591420.39	32°37'33.140"N	104°26'26.955"W	0.00	
2821.00†	90.000	180.082	2730.00	2336.92	-2336.91	-3.33	466907.57	591320.40	32°37'32.150"N	104°26'26.956"W	0.00	
2921.00†	90.000	180.082	2730.00	2436.92	-2436.91	-3.47	466907.43	591220.41	32°37'31.161"N	104°26'26.956"W	0.00	
3013.12	90.000	180.082	2730.00†	2529.03	-2529.03	-3.60	466907.30	591128.30	32°37'30.249"N	104°26'26.957"W	0.00	No. 2H PBHL



Planned Wellpath Report

No. 2H PWP

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REFERENCE WELLPATH IDENTIFICATION

Operator	Marshall & Winston, INC	Slot	Peacemaker Fed 25 No. 2H
Area	Eddy County, NM	Well	No. 2H
Field	(Peacemaker) Sec 25, T19S, R25E	Wellbore	No. 2H PWB
Facility	Peacemaker Fed 25 No.2H		

TOOL & CASING SECTIONS Ref Wellbore: No. 2H PWB Ref Wellpath: No. 2H PWP

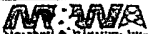
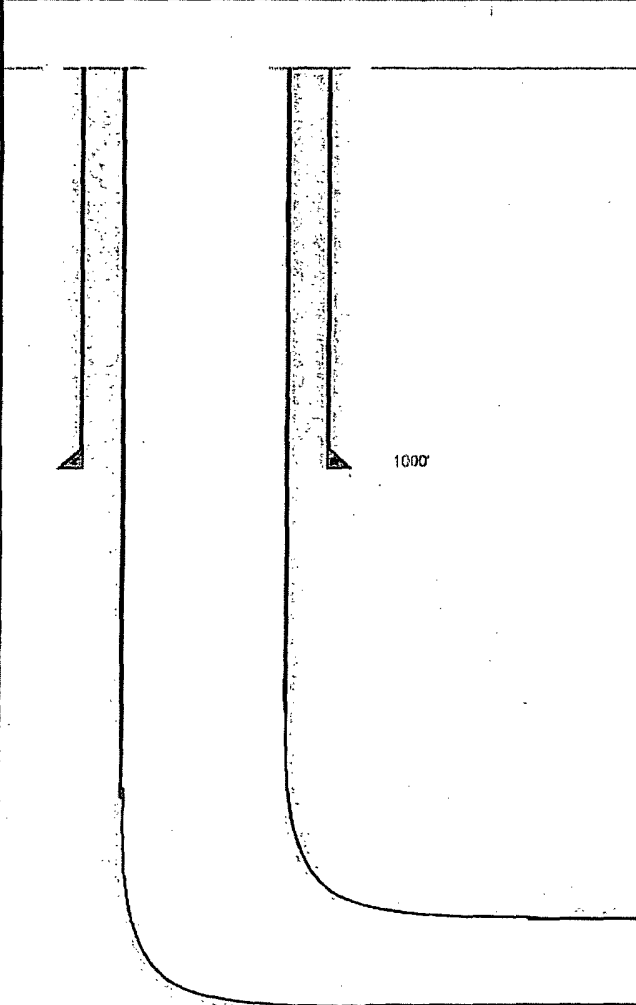
String/Diameter	Start MD [ft]	End MD [ft]	Interval [ft]	Start TVD [ft]	End TVD [ft]	Start N/S [ft]	Start E/W [ft]	End N/S [ft]	End E/W [ft]
625in Casing Surface	0.00	1000.00	1000.00	0.00	1000.00	0.00	0.00	0.00	0.00
75in Open Hole	1000.00	3057.00	2057.00	1000.00	2730.00	0.00	0.00	-572.92	-0.82
875in Open Hole	3057.00	5013.12	1956.12	2730.00	2730.00	-572.92	-0.82	-2529.03	-3.60

TARGETS

Name	MD [ft]	TVD [ft]	North [ft]	East [ft]	Grid East [srv ft]	Grid North [srv ft]	Latitude	Longitude	Shape
No. 2H PBHL	5013.12	2730.00	-2529.03	-3.60	466907.30	591128.30	32°37'30.249"N	104°26'26.957"W	point

SURVEY PROGRAM Ref Wellbore: No. 2H PWB Ref Wellpath: No. 2H PWP

Start MD [ft]	End MD [ft]	Positional Uncertainty Model	Log Name/Comment	Wellbore
21.00	5054.10	NaviTrak (Standard)		No. 2H PWB

AFE No. API # Permit No. Project No.	 Peacemaker Federal 25-1H Eddy County, NM Proposed Wellbore Sketch	AFE Information Dry Hole: Days: Proposed TD: 5,052' TMD 2730' TVD v
 Drill 12-1/4" Hole with 8.4-8.6 Spud Mud Coment to surface 9-5/8" 40# J-55 STC Casing at 1000' Drill with 8-3/4" to TD of curve with Cut Brine Vis and Water Loss no greater than Kick off with 8-3/4" bit at about 2139' Land Curve at 2730' TVD 3067' TMD. Drill out with 7-7/8" bit to TD 5-1/2" J-55 17.0# LTC Casing TMD 5.052'		

BOP STACK SPACING
SIZE: 11" X 3,000 PSI

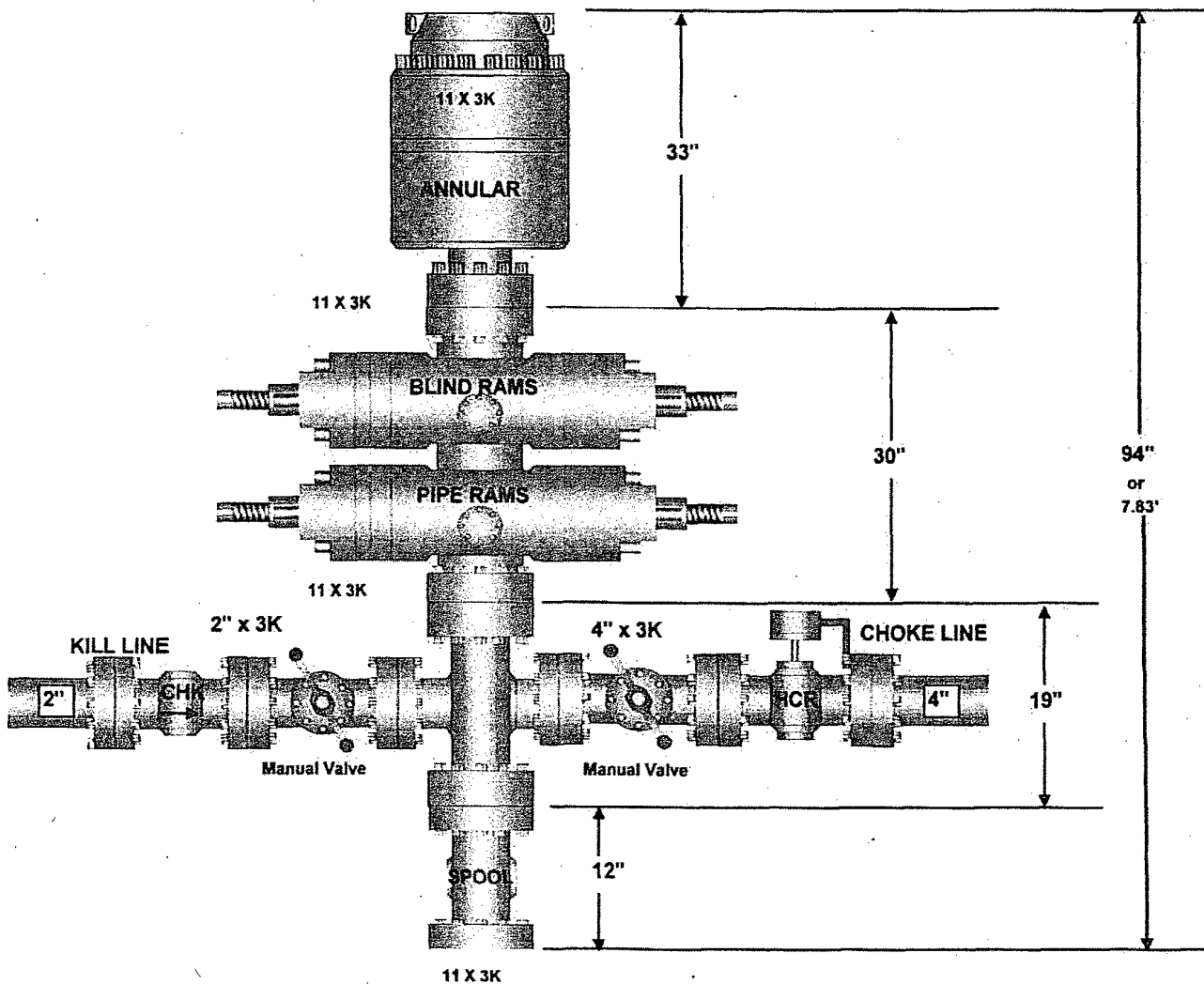


Exhibit 6.0

5,000 PSI CHOKE MANIFOLD

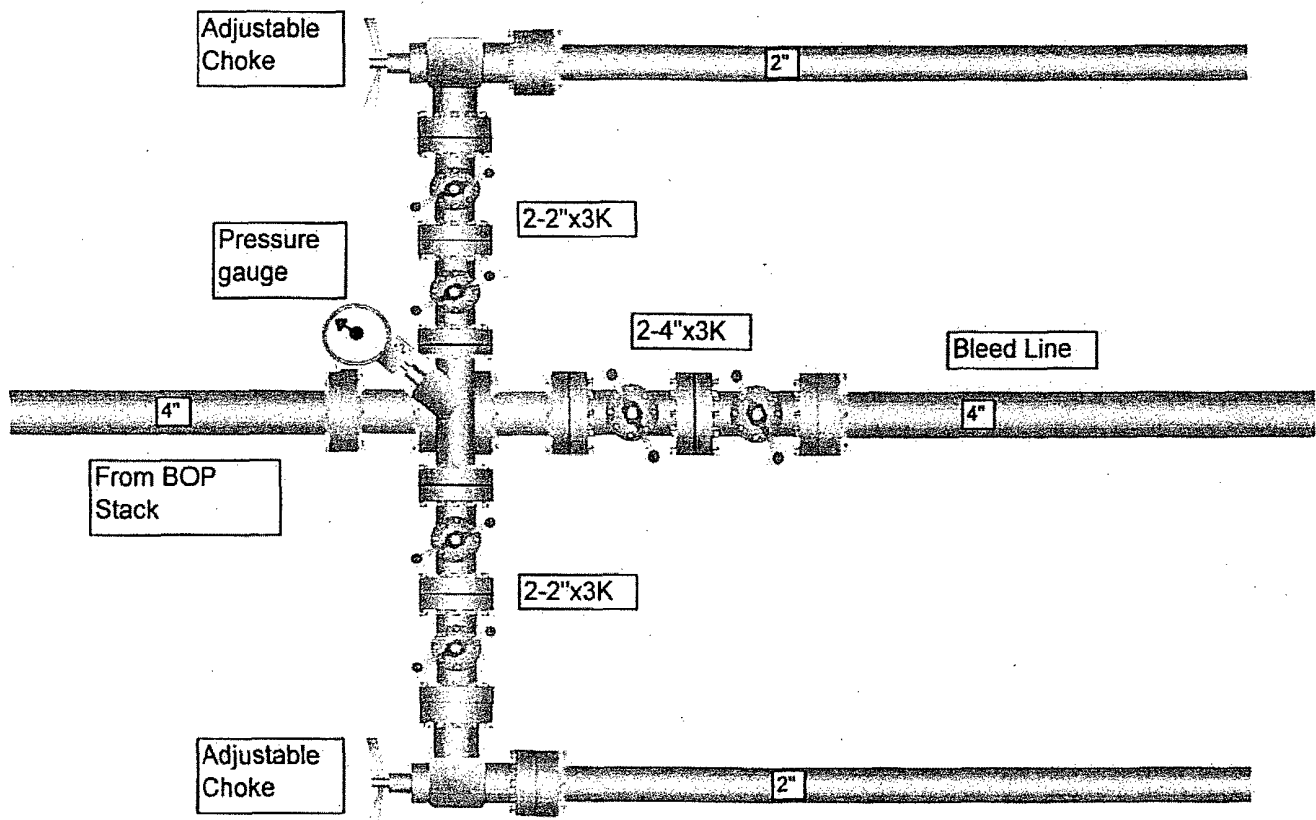


Exhibit 7.0