N. M. On Cons. Division CONTACT RECEIVING 811 S. 1ST ST. OFFICE MR NUMBER m 3160-3 98210-2834 ARTES! OF C RECEIVED y 1989) BLM Roswell District (Other O. tructions on JNITED STATES (cornerly 9-331C) Modified Form No. reverse side) DEPARTMENT OF THE INTERIOR NM060-3160-2 5. LEASE DESIGNATION AND SEBIAL NO. BUREAU OF LAND MANAGEMENT APPLICATION FOR PERMIT TO DRILL, DEEPEN LC-028784C IF INDIAN, ALLOTTEE OR TRIBE NAME **O**R PLUGEBACK 1a. TYPE OF WORK 30-015-DRILL X DEEPEN | 6PLUG BACK [UNIT AGREEMENT NAME b. TIPE OF WELL WELL X BURCH KEELY UNIT S MULTIPLE OTHER 2. NAME OF OPERATOR S. FARM OR LEASE NAME Area Code & Phone No. Marbob Energy Corporation 505-748-3303 0. WELL NO. 3. ADDRESS OF OPERATOR 857 P. O. BOX 227 Artesia, NM 4. LOCATION OF WELL (Report location clearly and in accordance with 10. FIELD AND POOL, OR WILDCAT Le re (lements.) GRBG JACKSON SR Q GRBG SA 1980 FNL 1295 FWL UNIT E 11. SEC., T., R., M., OR BLE. 289 At proposed prod. zone SAME 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR FO SEC. 26-T17S-R29E 12. COUNTY OR PARISH | 13. STATE EAST OF ARTESIA ON U.S. 82 APPROXIMATELY 21 MILES 10. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) **EDDY** NM 16. NO. OF ACRES IN LEASE 17. NO. OF ACRES ASSIGNED TO THIS WELL 1440 18. DISTANCE FROM PROPOSED LOCATIONS TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 40 19. PROPOSED DEPTH 20. ROTARY OR CABLE TOOLS 4800' 21. ELEVATIONS (Show whether DF, RT, GR, etc.) ROTARY 22. APPROX. DATE WORK WILL START* 3572' GR 23. AUGUST 15 PROPOSED CASING AND CEMENTING CONTROLLED HOLE SIZE CASING SIZE WEIGHT/FOOT GRADE THREAD TYPE SETTING DEPTIL 1/4" QUANTITY OF CEMENT 5/8" 8 24# J-55 ST&C 350 7/8" 5 1/2" . 17# J-55 LT&C 4800 CURCUSA TE PAY ZONE WILL BE SELECTIVELY PERFORATED AND API+ Loc STIMULATED AS NEEDED FOR OPTIMUM PRODUCTION. BUREAU OF RAISWELI ATTACHED ARE: LOCATION & ACREAGE DEDICATION 1. N 2. SUPPLEMENTAL DRILLING DATA M 3. SURFACE USE PLAN \circ MASTER SURFACE USE PLAN ON FILE AT BLM ROSWELL. \triangleright APPROVAL SUBJECT TO φ 52 GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout 24 TITLE Production Clerk 7/9/97 (This space for Federal or State office use)

APPROVAL DATE

20M MINERALS

TITLE

FAGUS. 6

PERMIT NO.

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY :

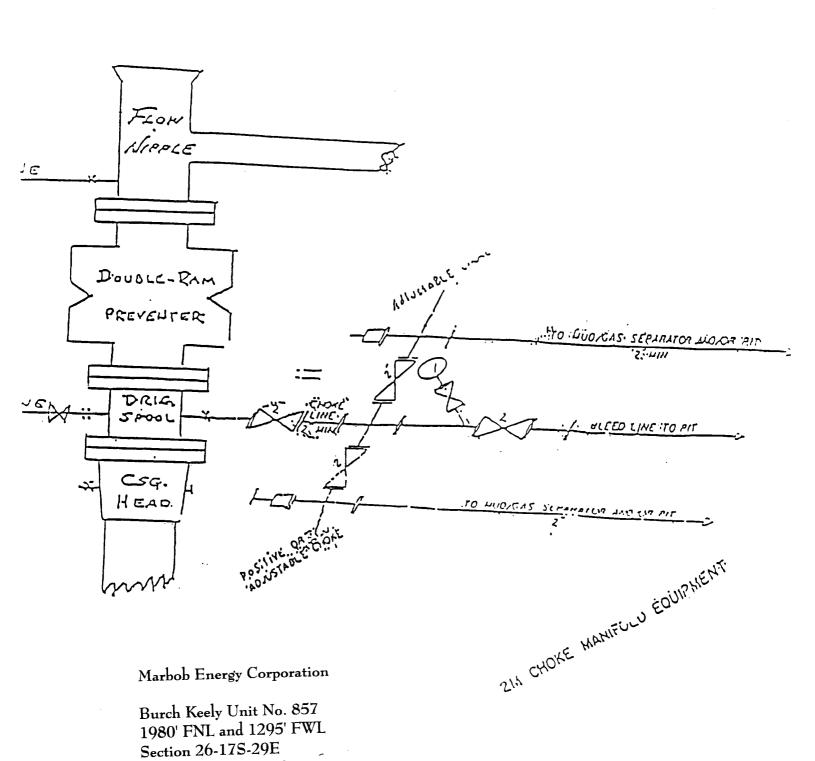
ORIG SCENTON

BUP & CHOKE MAILLEOLD

10"/900 Cameron SS Space Saver 3000# Working Pressure 3.000# Working Pressure Choke Manifold

Eddy County, New Mexico

Exhibit #1



Attachment to Exhibit #1 NOTES REGARDING THE BLOWOUT PREVENTERS

- 1. Drilling nipple to be so constructed that it can be removed without use of a welder through rotary table opening, with minimum I.D. equal to preventer bore.
- 2. Wear ring to be properly installed in head.
- 3. Blow out preventer and all fittings must be in good condition, 3000 psi W.P. minimum.
- 4. All fittings to be flanged.
- 5. Safety valve must be available on rig floor at all times with proper connections, valve to be full bore 3000 psi W.P. minimum.
- 6. All choke and fill lines to be securely anchored, especially ends of choke lines.
- 7. Equipment through which bit must pass shall be at least as large as the diameter of the casing being drilled through.
- 8. Kelly cock on kelly.
- 9. Extension wrenches and hand wheels to be properly installed.
- 10. Blow out preventer control to be located as close to driller's position as feasible.
- 11. Blow out preventer closing equipment to include minimum 40 gallon accumulator, two independent sources of pump power on each closing unit installation, and meet all API specifications.