New Mexico Oil Conservation Division, District I
1625 N. French Drive
Hobbs, NM 88240

OPER. OGRID NO. 15262
PROPERTY NO. 31013
POOL CODE ✓
EFF. DATE 1-3-03
API NO. 30-041-20901

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK: DRILL [X] DEEPEN [ ]

b. TYPE OF WELL: OIL WELL [X] GAS WELL [ ] OTHER — SINGLE ZONE [ ] MULTIPLE ZONE [ ]

2. NAME OF OPERATOR: Morexco, Inc.

3. ADDRESS AND TELEPHONE NO.: P. O. Box 1591, Roswell, NM 88202-1591 505-627-1290

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 990 FNL, 990 FEL (NE/4NE/4) A
At proposed prod. zone: 990 FNL, 990 FEL (NE/4NE/4)

5. LEASE DESIGNATION AND SERIAL NO.: NM 107394

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: NA

7. UNIT AGREEMENT NAME: none

8. FARM OR LEASE NAME, WELL NO.: Roughrider Federal

9. API WELL NO.: Correction 30-041-20901

10. FIELD AND POOL, OR WILDCAT: Wildcat

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Sec. 9, T7S-R33E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: 20 miles SE of Elida, New Mexico

12. COUNTY OR PARISH: Roosevelt

13. STATE: NM

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any): 990'

16. NO. OF ACRES IN LEASE: 160

17. NO. OF ACRES ASSIGNED TO THIS WELL: 40

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.: 1320'

19. PROPOSED DEPTH: 9300'

20. ROTARY OR CABLE TOOLS: Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 4394' GR

22. APPROX. DATE WORK WILL START*: December 26, 2002

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/4	13 3/8	48# J-55	450'	450 total sxs
12 1/4	8 5/8	32# J-55	4000'	775 total sxs
7 7/8	5 1/2	17# N-80	9300'	Please see Drilling Program for cement program info.

Operator proroses to drill to a depth sufficient to test the Mississippian formation for oil. If productive, 5 1/2" casing will be cemented at T.D. If non-productive, the well will be plugged and abandoned in a manner consistent with B.L.M. specifications. Specific programs as per Onshore Oil and Gas Order #1 are outlined in the following attachments:

Drilling Program
Surface Use and Operating Plan
Exhibit 1 - B.O.P. Diagram and Specifications
Exhibit 2 - Location and Elevation Plat
Exhibit 3 - Planned Access Roads
Exhibit 4 - One-mile Radius Map
Exhibit 5 - Drilling Rig Layout
H2S Drilling Operations Plan

ALLOWED HOBBS OCD

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

24. SIGNED [signature] TITLE President DATE 12-17-02

(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:

SCA

APPROVED BY /S/LARRY D. BRAY TITLE Assistant Field Manager, Lands And Minerals DATE DEC 31 2002

*See Instructions On Reverse Side

APPROVED FOR 1 YEAR

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


BUREAU OF LAND MANAGEMENT
RECEIVED
PERSONNEL
DEC 18 2012
ROSWELL, NEW MEXICO

Drilling Program
Morexco, Inc.
Roughrider Fed. #1
Roosevelt County, New Mexico

1. Geologic Name of Surface Formation: Quarternary

2. Estimated Tops of Important Geologic Makers:

Rusler	1920'
Yates	2205'
San Andres	3340'
Tubb	6120'
Abo	6930'
Wolfcamp Lime	7810'
3 Brothers	8065'
Bough-B	8255'
Canyon Sand	8775'
Mississippian	9135'

3. Estimated Depths of Anticipated Fresh Water, Oil or Gas:

Upper Permian Sands	300'	fresh water
Permo-Penn	8200'	oil

No other formations are expected to give up oil, gas, or fresh water in measurable quantities. The surface fresh water sands will be protected by setting 8 5/8" casing at 400' and circulating cement to the surface. Any shallower zones above T. D. which contain commercial quantities of oil and/or gas will have cement circulated across them.

4. Casing Program:

Hole Size	Interval	OD Casing	Weight Grade
17 1/4"	0 - 450'	13 3/8"	48#, J-55
12 1/4"	0 - 4,000'	8 5/8"	32#, J-55
7 7/8"	0 - 9,300'	5 1/2"	17#, N-80

5. Cement Program:

A. 13 3/8 surface casing: Cemented to surface with 450 sxs. "C" with 4% gel with 2% cacl and 1/2#/sx Flocele.

B. 8 5/8 surface casing: Cemented to surface with 775 sxs. "C" with 4% gel with 2% cacl and 1/2#/sx Flocele.

C. 5 1/2" production casing: Cemented with 250 sxs. "C" 3% SMS with 1/4#/sx. Flocele, plus 700 sxs. "H" 0.8% FL-62 with .2% CD32 and .2% SMS.

6. Minimum Specifications for Pressure Control: The B. O. P. shown on Exhibit 1 will consist of a double ram-type (3000 psi WP) preventer and a bag-type (hydril) preventer (3000 psi WP). Both will be operated hydraulically and the ram-type preventor will be equipped with blind rams on top and 4 1/2" drill pipe rams on bottom.
Both B. O. P.s will be nippled up on the 13 3/8" surface casing and used continuously until T. D. is reached. The B. O. P.s and accessory equipment will be tested to 1000 psi before drilling out surface casing. Before drilling out intermediate casing, the ram-type B. O. P. and accessory equipment will be tested to 3000 psi and the hydril to 70% (2100 psi) of rated working pressure.

Pipe rams will be operationally checked each 24 hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. A 2" kill line and 3" choke line will be included in the drilling spool located below the ram-type B. O. P. Other accessories to the B. O. P. equipment will include a kelly cock and floor safety valve (inside B. O. P.) and choke lines and choke manifold with 3000 psi rating.

7. Types and Characteristics of the mud System: The well will be drilled to T. D. with a combination of brine, cut brine and polymer/KCI mud system. The applicable depths and properties of this system are as follows:

Depth	Type	Weigh (ppg)	Viscosity (sec)	Waterloss (cc)
0' - 450'	fresh water (spud)	8.5	40 - 45	n. c
450' - 4000'	cut brine	8.8 - 9.2	28	n. c
4000' - T.D.	fresh water	8.5	40 - 45	20 w.l.

Sufficient mud materials to maintain mud properties and meet minimum circulation loss and weight increase requirements will be kept at the site at all times.

8. Auxiliary Well Control and Monitoring Equipment:

A. A kelly cock will be kept in the drill string at all at times.

B. A full-opening drill pipe stabbing valve (inside B. O. P.) with proper drill pipe connections will be on the rig floor at all times.

C. A mud logging unit complete with hydrogen sulfide detector will continuously monitor drilling penetration rate and hydrocarbon shows to T. D.

9. Logging, Testing and Coring Program:

A. Drill stem tests may be run on the basis of drilling shows.

B. The electric logging program will consist of GR-CNL from T. D. to surface casing, and GR-CNL from T. D. to surface. Selected cores may be taken in zones of interest.

C. No conventional coring is anticipated.

D. Further testing procedures will be determined after the 5 1/2" production casing has been cemented at T. D., based on drill shows, log evaluation, and drill stem tests.

10. Abnormal Conditions, Pressures, Temperatures, or Potential Hazards: No abnormal pressures or temperatures are anticipated. The estimated bottom hole temperature at T. D. is 140 degrees Fahrenheit. The estimated maximum bottom hole pressure is 3000 psig. No hydrogen sulfide is known to exist at this depth in this area. No major circulation loss zones have been reported in offsetting wells.

11. Anticipated Starting Date and Duration of Operations: Road and location work will begin after receiving B. L. M. approval. The anticipated spud date is December 26, 2002. Once commenced, the drilling operations should be finished in approximately 30 days. If the well is productive, an additional 30 days will be required for completion and testing before a decision is made to install permanent facilities.

Surface Use and Operating Plan
Morexco, Inc.
Roughrider Federal #1
Roosevelt County, New Mexico

1. Existing Roads:

A. The well location and acreage dedication plat for the proposed well is shown on Exhibit 2. The location was staked by Stanford Surveying Co.

B. All roads to the location are shown in Exhibit 3. The existing roads are illustrated in red and are adequate for travel during drilling and production operations. Upgrading of the road prior to drilling will be done where necessary as determined during the on-site inspection.

C. Travel 13 miles south from Elida, New Mexico on Road 404. Turn east on C.R. 35 and travel 6 miles. Turn south on lease road and travel ~1300 feet to location.

D. Routine grading and maintenance of existing roads will be conducted as necessary to maintain their condition as long as any operation continues on the lease.

2. Proposed Access Road: Exhibit 3 shows that there will be no new access road to be constructed. 1285 DGB 12/30/02

3. Location of Existing Wells: Exhibit 4 shows all exising wells within a one-mile radius of this well. A list of these wells is shown on the attachment to Exhibit 4.

4. Location of Existing and/or Proposed Facilities:

A. Morexco, Inc. does operate any other production facilities on this lease.

B. If the well is productive, contemplated facilities will be as follows:

1. The tank battery and facilities, including all flowlines and piping, will be installed according to A. P. I. specifications.

2. Any additional caliche which is required for firewalls, etc., will be obtained from a B. L. M. approved caliche pit. Any additional construction materials will be purchased from contractors.

3. No power will be required if the well is productive of gas. If the well is productive of oil, it may be necessary to run electrical power to the well.

C. If the well is productive, rehabilitation plans are as follows:

1. The reserve pit will be back-filled after the contents are dry, within 120 days after well completion.

2. Caliche from unused portions of the drill pad will be removed. Top soil removed from the drill site will be used to recontour the pit area and any unused portions of the drill pad to the original natural levell, as nearly as possible, and reseeded per B. L. M. specifications.

D. In the event that gas production is established, plans for permanent gas lines will be submitted to the appropriate agencies for approval.

5. Location and Type of Water Supply: The well will be drilled with a combination brine and fresh water mud system as outlined in the drilling program. The water will be obtained from commercial water stations in the area and hauled to the location by transport truck over existing and proposed access roads as shown in Exhibit 3. If a commercial fresh water source is nearby, fasline may be laid along existing roads and fresh water pumped to the well. No water well will be drilled on the location.

6. Source of Construction Materials: All caliche required for construction of the drill pad and proposed new access road will be obtained from a B. L. M. approved caliche pit. All roads and pads will be constructed of 6" rolled and compacted caliche.

7. Methods of Handling Water Disposal;

A. Drill cuttings not retained for evaluation will be disposed into the reserve pit.

B. Drilling fluids will be contained in lined earthen pits. The reserve pit will contain any excess drilling fluid or flow from the well during drilling, cementing, and completion operations. The reserve pit will be an earthen pit, approximately 150' x 6' deep and fenced of three sides prior to drilling. The reserve pit will be fenced on the fourth side immediately following rig removal. The reserve pit will be plastic-lined (5 - 7 mil. thick) to minimize loss of drilling fluids and saturation of the ground with brine water.

C. Water produced from the well during completion may be disposed into the reserve pit or a steel tank, depending on the rates. After the well is permanently placed on production, produced water will be collected in fiberglass or steel tanks and hauled by transport to an approved disposal system. Produced oil will be collected in steel tanks until sold.

D. A portable chemical toilet will be provided on location for human waste during drilling and completion operations.

E. Garbage and trash produced during drilling and/or completion operations will be stored and removed from a separate trash trailer. All waste material will be contained to prevent scattering by the wind. All water and fluids will be disposed of into the reserve pit. Salts and other chemicals produced during drilling or testing will be disposed into the reserve pit. No toxic waste or hazardous materials will be produced by this operation.

F. After the rig is moved out and the well is either completed or abandoned, all waste materials will be cleaned-up within 30 days. No adverse materials will be left on location. The reverse pit will be completely fenced and netted and kept closed until it has dried. When the reverse pit is dry enough to breakout and fill, as weather permits, the unused portion of the well site will be leveled and reseeded per B. L. M. specifications. Only the part of the pad required for production facilities will be kept in use. In the event of a dry hole, only a dry hole marker will remain.

8. Ancillary Facilities: No airstrip, campsite or other facilities will be built as a result of the operations on this well.

9. Well Site Layout;

A. The drill pad layout, with elevations staked by Stanford Surveying Co., is shown in Exhibit 5. Dimensions of the pad and pits and location of major rig components are shown. Top soil, if available, will be stock-piled per B. L. M. specifications determined during the on-site inspection. Because the pad is almost level, no major cuts will be required.

B. Exhibit 5 shows the planned orientation of the rig and associated drilling equipment, reserve pit, pipe racks, turn around and parking areas, and access road. No permanent living facilities are planned. A temporary foreman/toolpusher will be on location during the drilling operations.

C. The reserve pit will be high quality plastic-lined.

10. Plans for Restoration of the Surface:

A. Upon completion of the proposed operations, if the well is to be abandoned, the caliche will be removed from the location and road and returned to the pit from which it was taken. The pit area, after dried, will be broken out and leveled. The original top soil will be returned to the entire location which will be leveled and contoured to, as nearly as possible, the original topography.

The trash, garbage and pit lining will be hauled away in order to leave the location in an aesthetically pleasing condition. All pits will be filled and the location leveled within 120 days of abandonment.

B. The disturbed area will be revegetated by reseeding during the proper growing season with a seed mixture of native grasses as recommended by the B. L. M.

C. The four-sided fence around the reserve pit will remain in place until the pit area is cleaned and leveled. No oil will be left on the surface of the fluid in the pit. The entire reserve pit will be fenced until the fluid has completely evaporated.

D. Upon completion of the proposed operations, if the well is completed, the reserve pit will be treated as outlined within the same prescribed time. The caliche from any area of the original site not needed for production operations or facilities will be removed and used for construction of thicker pads or firewalls for the tank battery installation. Any additional caliche required for the facilities will be obtained from a B. L. M. approved caliche pit. Topsoil removed from the drill site will be used to recontour the pit area and any unused portions of the drill pad to the original natural level and reseeded as per B. L. M. instructions.

11. Surface Ownership: The site and lease is located entirely on Fee surface and owned by Tucker Ranch, c/o Buna Jean Tucker Glenn, 3120 S. Roosevelt Road #27, Elida, New Mexico 88116.

12. Other information

A. The area around the site is grassland and the soil is sandy. The veqetation is native scrub grasses with abundant oakbrush and sagebrush.

B. There is no permanent or live water in the immediate area.

C. A cultural resources examination has been requested and will be forwarded to your office in the neat future.

12. Operator's Representatives: The Morexco, Inc. representatives responsible for assuring compliance with this surface use plan are as follows:

Donald G. Becker, Jr.
P. O. Box 1591
Roswell, NM 88202

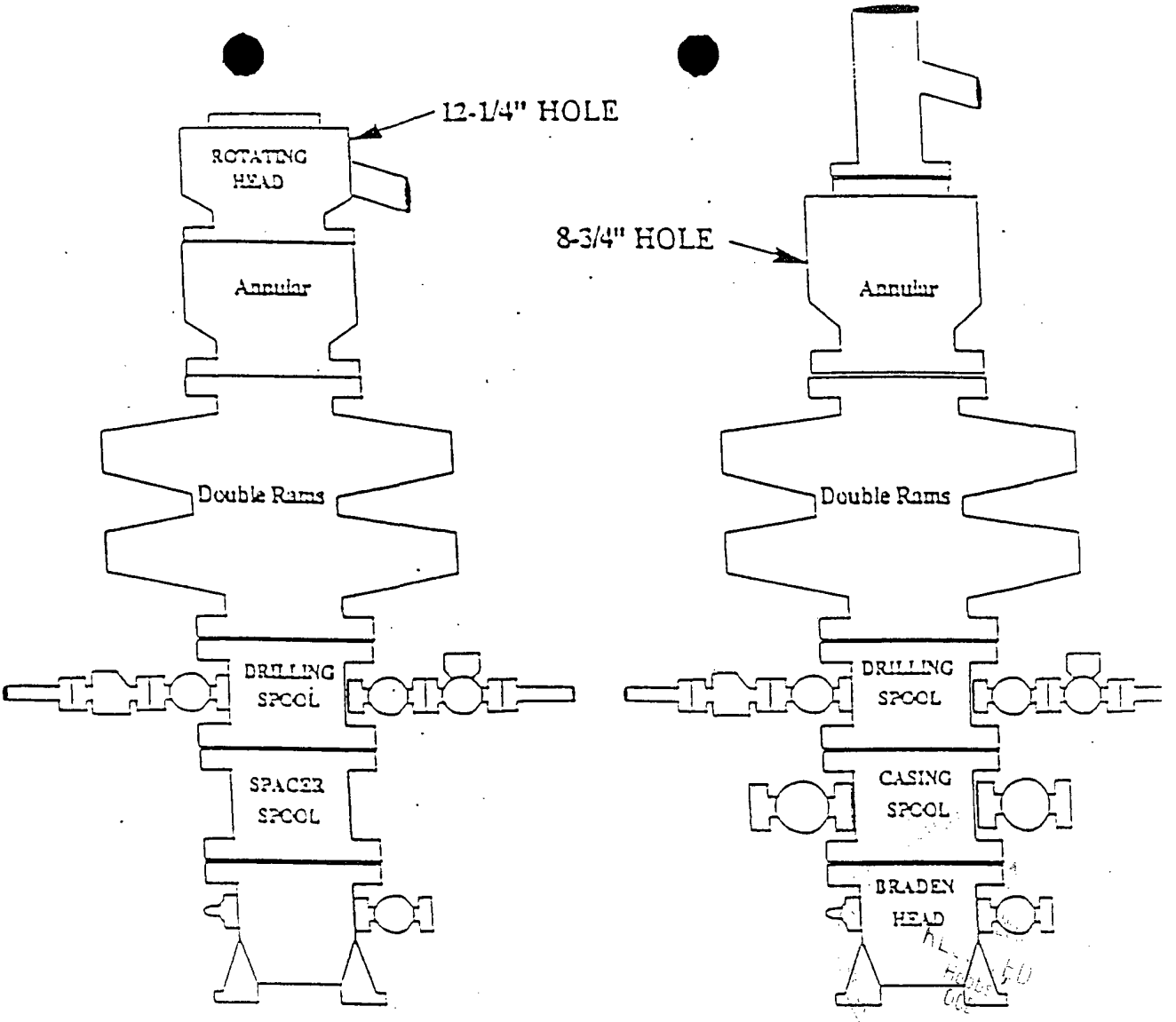
office phone: 505-627-1290
mobile phone: 505-365-7038

Certification: I hereby certify that I, or persons under my district supervision, have inspected the proposed site and access route; that I am familiar with the conditions which currently exist; that the statements made herein are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed by Morexco, Inc. its contractors and subcontractors in conformity with this plan and the terms and conditions with which it is approved.

Dated this 17th day of December, 2002.

MOREXCO, INC.

By: _____
Donald G. Becker, Jr. President



Choke Manifold Requirement (3000 psi WP)

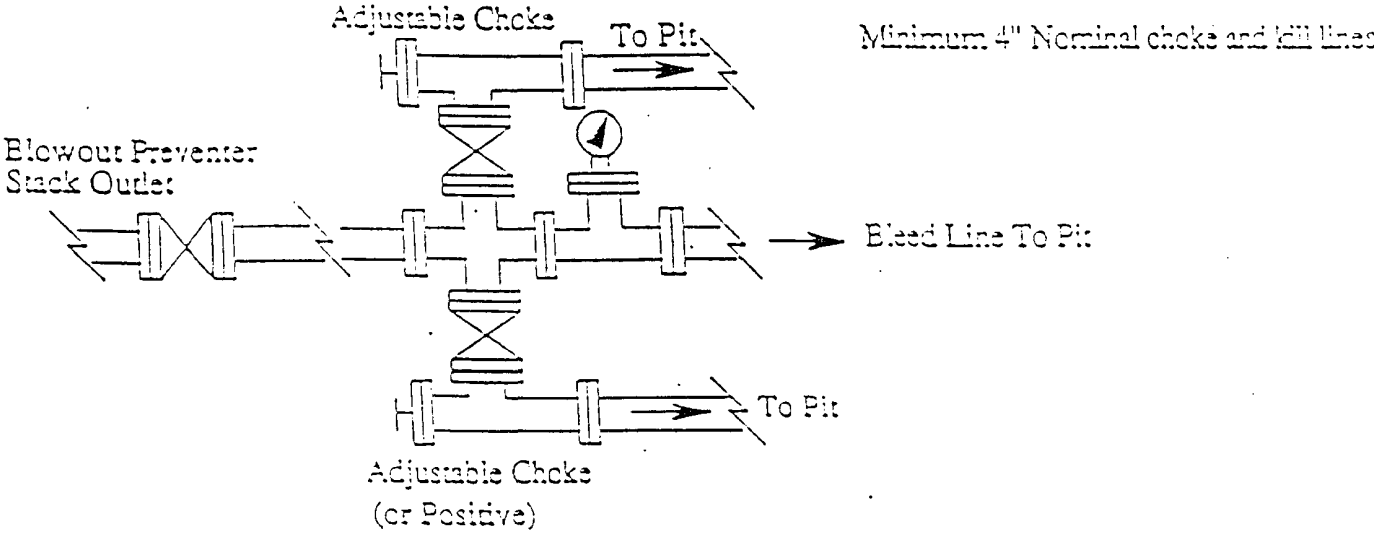


Exhibit 1

MINIMUM BLOWOUT PREVENTER REQUIREMENTS

3,000 psi Working Pressure

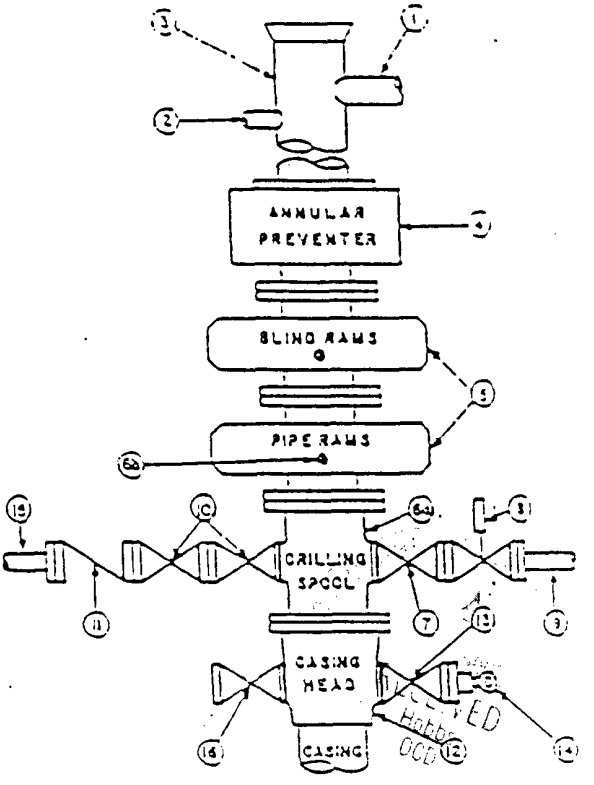
3 MWP

STACK REQUIREMENTS

No	Item	Min. I.D.	Min. Nominal
1	Flowline		
2	Fill up line		2"
3	Drilling nipple		
4	Annular preventer		
5	Two single or one dual hydraulically operated rams		
6a	Drilling spool with 2" min. kill line and 3" min choke line outlets		
	—or—		
6b	2" min. kill line and 3" min. choke line outlets in ram. (Alternate to 6a above.)		
7	Valve Gate ☐ Plug ☐	3-1/8"	
8	Gate valve—power operated	3-1/8"	
9	Line to choke manifold		3"
10	Valves Gate ☐ Plug ☐	2-1/16"	
11	Check valve	2-1/16"	
12	Casing head		
13	Valve Gate ☐ Plug ☐	1-13/16"	
14	Pressure gauge with needle valve		
15	Kill line to rig mud pump manifold		2"

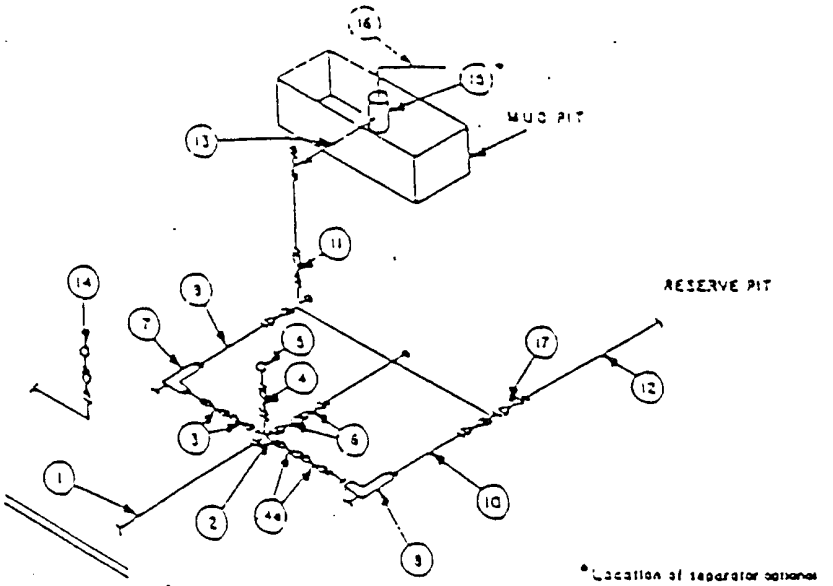
OPTIONAL			
16	Flanged valve	1-13/16"	

CONFIGURATION A



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

3 MWP - 5 MWP - 10 MWP



MINIMUM REQUIREMENTS											
		3,000 MWP			5,000 MWP			10,000 MWP			
No.		I.D.	NOMINAL	RATING	I.D.	NOMINAL	RATING	I.D.	NOMINAL	RATING	
1	Line from drilling spool		3"	3,000		3"	5,000		3"	10,000	
2	Cross 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"		5,000	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	
4a	Valves(1)	2-1/16"		3,000	2-1/16"		5,000	3-1/8"		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)	2"		3,000	2"		5,000	2"		10,000	
8	Adjustable Choke	1"		3,000	1"		5,000	2"		10,000	
9	Line		3"	3,000		3"	5,000		3"	10,000	
10	Line		2"	3,000		2"	5,000		3"	10,000	
11	Valves Gate ☐ Plug ☐(2)	3-1/8"		3,000	3-1/8"		5,000	3-1/8"		10,000	
12	Lines		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'x5'		
16	Line		4"	1,000		4"	1,000		4"	2,000	
17	Valves Gate ☐ Plug ☐(2)	3-1/8"		3,000	3-1/8"		5,000	3-1/8"		10,000	

(1) Only one required in Class 3M.

(2) Gate valves only shall be used for Class 10M.

(3) Remote operated hydraulic choke required on 5,000 psi and 10,000 psi for drilling.

EQUIPMENT SPECIFICATIONS AND INSTALLATION INSTRUCTIONS

1. All connections in choke manifold shall be welded, studded, flanged or Cameron clamp of comparable rating.
2. All flanges shall be API 6B or 6BX and ring gaskets shall be API RX or BX. Use only BX for 10 MWP.
3. All lines shall be securely anchored.
4. Chokes shall be equipped with tungsten 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 assist in regulating chokes. As an alternate with automatic chokes, a choke manifold pressure gauge shall be located on the rig floor in conjunction with the standpipe pressure gauge.
6. 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.

Notes Regarding Blowout Preventers
Morexco, Inc.
Roughrider Federal #1
Roosevelt County, New Mexico

1. Drilling nipple will be constructed so it can be removed mechanically without the aid of a welder. The minimum internal diameter will equal B. O. P. bore.

2. Wear ring will be properly installed in head.

3. B. O. P and all associated fittings will be in operable condition to withstand a minimum 3000 psi working pressure.

4. All fittings will be flanged.

5. A full bore safety valve tested to a minimum 3000psi W. P. with proper thread connections will be available on the rotary rig floor at all times.

6. All choke lines will be anchored to prevent movement.

7. All B. O. P. equipment will be equal to or larger in bore than the internal diameter of the last casing string.

8. Will maintain a kelly cock attached to the kelly.

9. Hand wheels and wrenches will be properly installed and tested for safe operation.

10. Hydraulic floor control for B. O. P. will be located as near in proximity to driller's controls as possible.

11. All B. O. P. equipment will meet A. P. I. standards and include a minimum 40 gallon accumulator having two independent means of power to initiate closing operation.

LOCATION	LEASE_NAME	WELL#	COUNTY	OPERATOR	FIELD/RESERVOIR	STATUS	FPDATE	LPDATE	GAS_CUM	OIL_CUM	WAT_CUM	LASTGAS	LASTOIL	LASTH2O	U_PERF	L_PERF	API
07S33E05P	TUCKER	002	ROOSEVELT	WALLACE OIL & G	ROOSEVELT UNDESIGNATED(GR	INA	198412	198412	0	695	0	0.00	636	0	0	0	-----
07S33E05P	TUCKER	002	ROOSEVELT	GUADALUPE OPERA	TUCKER RANCH(CANYON, WEST	ACT	198501	200203	221,404	44,529	200	28.35	104	0	0	0	3004120737
07S33E08A	TUCKER	003	ROOSEVELT	GUADALUPE OPERA	TUCKER RANCH(CANYON, WEST	ACT	198503	200203	113,840	39,768	50	22.13	58	0	0	0	3004120774
07S33E09D	ROBERTS	001	ROOSEVELT	MAYNARD OIL COM	CHAVEROO(CANYON, NORTH (G	ACT	197610	200203	705,557	16,675	362	3.65	0	0	8,900	8,920	3004120416
07S33E09J	TUCKER	001	ROOSEVELT	DEVON ENERGY PR	TUCKER RANCH(BOUGH C)	P/A	197810	198301	28,328	88,451	405,835	0.00	29	0	8,345	8,358	3004120483
07S33E10I	WEISTROP ABB FEDERAL	001	ROOSEVELT	YATES PETROLEUM	CHAVEROO(PERMO PENN, NORT	ACT	198502	200204	127,165	109,722	50,542	11.90	275	78	0	0	3004120768
07S33E11E	TUCKER ABI	002	ROOSEVELT	YATES PETROLEUM	CHAVEROO(PERMO PENN, NORT	INA	198508	198706	0	294	378	0.00	1	0	0	0	-----
07S33E11M	SMITH 2J	001	ROOSEVELT	YATES PETROLEUM	CHAVEROO(PERMO PENN, NORT	ACT	199406	200204	218,717	212,893	99,300	16.47	445	308	0	0	3004100145
07S33E14C	BURGLAND AAG	001	ROOSEVELT	YATES PETROLEUM	CHAVEROO(PERMO PENN, NORT	P/A	198412	199802	50,636	58,100	208,332	0.04	0	0	8,246	8,283	3004120749
07S33E14H	E B BURGLAND	001	ROOSEVELT	CHI OPERATING I	CHAVEROO(SAN ANDRES)	ACT	197001	200203	199,735	475	134	1.90	0	0	4,052	4,238	3004110815
07S33E14M	MORGAN C FEDERAL	005	ROOSEVELT	AMOCO PRODUCTIO	CHAVEROO(SAN ANDRES)	INA	197001	197305	283,113	6,229	4,202	15.23	27	0	0	0	-----
07S33E14N	MORGAN C FEDERAL	006	ROOSEVELT	AMOCO PRODUCTIO	CHAVEROO(SAN ANDRES)	INA	197001	197411	70,745	15,456	5,998	25.60	41	0	0	0	-----
07S33E14O	MORGAN C FEDERAL	008	ROOSEVELT	AMOCO PRODUCTIO	CHAVEROO(SAN ANDRES)	INA	197001	197409	201,866	30,366	3,830	97.45	11	0	0	0	-----
07S33E14P	MORGAN C FEDERAL	007	ROOSEVELT	AMOCO PRODUCTIO	CHAVEROO(SAN ANDRES)	INA	197001	197411	292,597	30,584	5,144	145.17	28	0	0	0	-----

STATUS OF WELLS WITHIN ONE-MILE RADIUS AS OF NOVEMBER 1, 2002
Morexco, Inc.
Roughrider Federal #1
ROOSEVELT COUNTY, NEW MEXICO

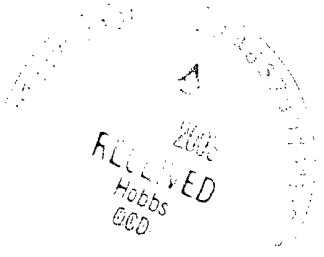
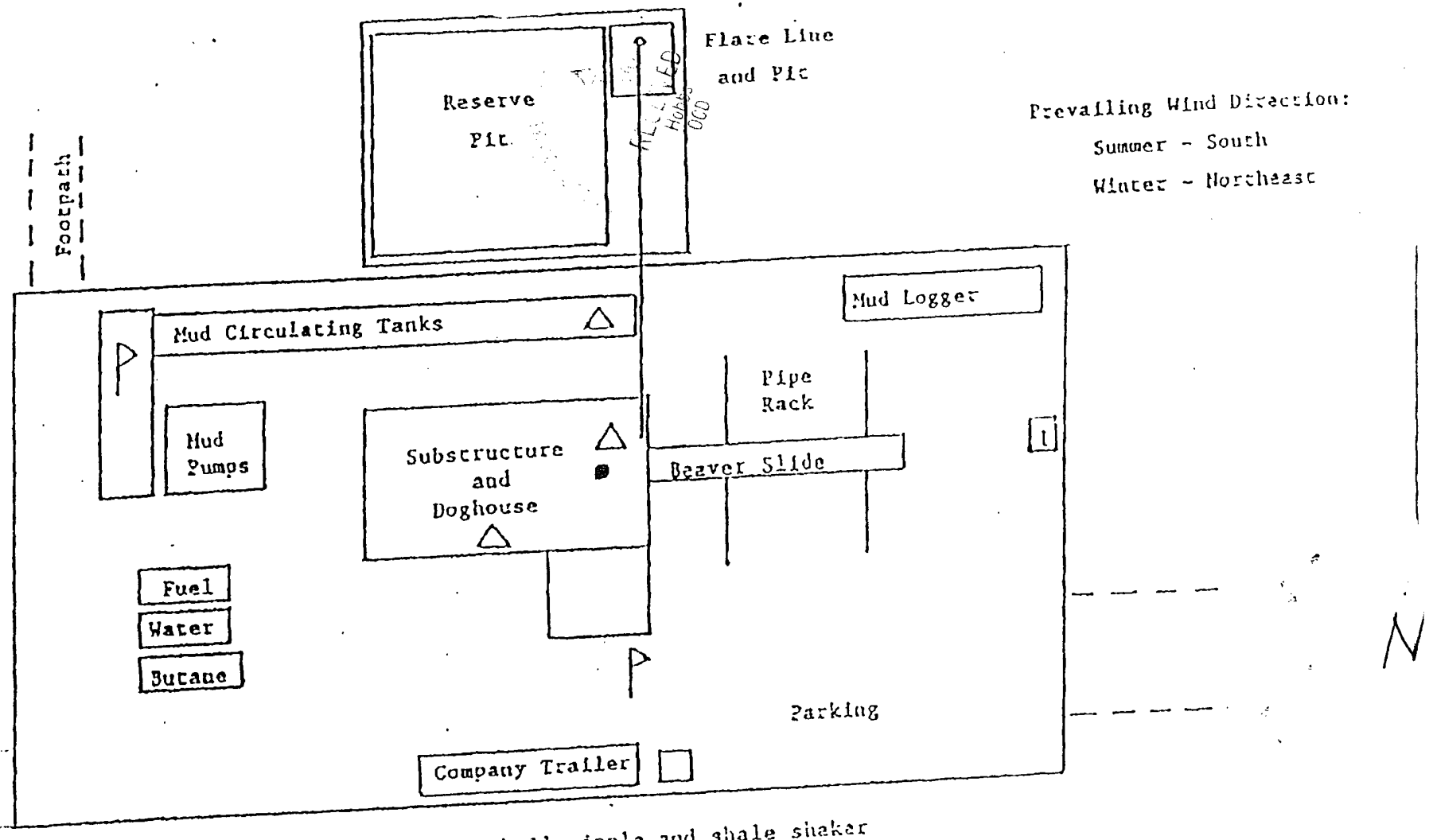


Exhibit 5



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

— Wind Direction Indicators

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

Hydrogen Sulfide drilling Operations Plan
Morexco, Inc.
Roughrider Federal #1
Roosevelt County, New Mexico

I. Hydrogen Sulfide Training: All personnel, whether regularly assigned, contracted, or employed on an unscheduled basis, will receive training from a qualified instructor in the following areas prior to commencing drilling operations on this well:

1. The hazards and characteristics of hydrogen sulfide (H2S).

2. The proper use and maintenance of personal protective equipment and life support systems.

3. The proper use of H2S detectors, alarms, warning systems, briefing areas, evacuation procedures, and prevailing winds.

4. The proper techniques for first aid and rescue procedures.

In addition, supervisory personnel will be trained in the following areas:

1. The effects of H2S on metal components. If high tensile tubulars are to be used, personnel will be trained in their special maintenance requirements.

2. Corrective action and shut-in procedures when drilling or reworking a well and blowout prevention and well control procedures.

3. The contents and requirements of the H2S Drilling Operations Plan and the Public Protection Plan.

There will be an initial training session just prior to encountering a known or probable H2S zone (within 3 days or 500') and weekly H2S and well control drills for all personnel in each crew. The initial training session shall include a review of the site specific H2S Drilling Operations Plan and the Public Protection Plan. This Plan shall be available at the well site. All personnel will be required to carry documentation that they have received the proper training.

II. H2S Safety Equipment and Systems; All H2S safety equipment and systems will be installed, tested, and operational when drilling reaches a depth of 500' above, or 3 days prior to penetrating the first zone containing or reasonably expected to contain H2S.

1. Well Control Equipment:

A. Flare line with electronic igniter or continuous pilot.

B. Choke manifold with a minimum of 1 remote choke.

C. Blind rams and pipe rams to accommodate all pipe sizes with properly sized closing unit.

D. Auxiliary equipment will include annular preventer, mud-gas separator, rotating head, and flare gun with flares.

2. Protective equipment for essential personnel is Mark II Surviveair 30 minute units located in the dog house and at briefing areas, as indicated on well site diagram.

3. H2S Detection and Monitoring Equipment:

A. 2 portable H2S monitors positioned on location for best coverage and response. These units have warning lights and audible sirens when H2S levels of 20 ppm are reached.

B. 1 portable S02 monitor positioned near flare line.

4. Visual Warning Systems:

A. Wind direction indicators as shown on well site diagram.

B. Caution/Danger signs shall be posted on roads providing direct access to the location. Signs will be painted a high visibility yellow with black lettering of sufficient size to be readable at a reasonable distance from the immediate location. When appropriate, bilingual signs will be used.

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OCD

5. Mud Program:

A. The mud program has been designed to minimize the volume of H2S circulated to the surface. Proper mud weight, safe drilling practices, and the use of H2S scavengers will minimize hazards when penetrating H2S bearing zones.

B. A mud-gas separator and an H2S gas buster will be utilized.

6. Metallurgy:

A. All drill strings, casings, tubing, wellhead, B. O. P.s, drilling spool, kill lines, choke manifold and lines, and values shall be suitable for H2S service.

B. All elastomers used for packing and seals shall be H2S trim.

7. Communication:

A. Radio communications in company vehicles included cellular telephone and 2-way radio.

B. Telephone communications at field office.

8. Well Testing: Drill stem testing will be performed with the minimum number of personnel in the immediate area necessary to safely and adequately conduct the testing. The drill stem testing will be conducted during daylight hours and formation fluids will not be flowed to the surface. All drill stem testing operations conducted in an H2S environment will use the closed chamber method of testing.

STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS

Morexco, Inc.
P. O. Box 1591
Roswell, New Mexico 88202-1591

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described below:

Lease Number:	NM-107394
Legal Description of Land:	Township 7 South, Range 33 East, N.M.P.M. Section 9: NE4NE4 990' FNL, 990' FEL, Unit A Roosevelt County, New Mexico
Formation:	Mississippian
Bond Coverage:	Statewide Federal Bond
BLM bond file number:	NM 1583

Authorized Signature:

Title: Owner/Operator

Date: December 17, 2002

District I
PO Box 1980, Hobbs, NM 88241-1980

District II
PO Drawer DD, Artesia, NM 88211-0719

District III
1000 Rio Brasos Rd., Aztec, NM 87410

District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number	2 Pool Code	3 Pool Name
30-041-20901		Wildcat; Miss.

4 Property Code	5 Property Name	6 Well Number
31013	Roughrider	1

7 OGRID No.	8 Operator Name	9 Elevation
15262	Morexco, Inc.	4394

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	9	7 S	33 E		990	North	990	East	Roosevelt

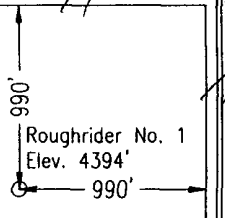
11 Bottom Hole Location If Different From Surface

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

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
40			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNITL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16



17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

RECEIVED
HOBBS O.C.D

Signature

Donald G. Becker Jr.
Printed Name

President
Title

12/18/02
Date

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

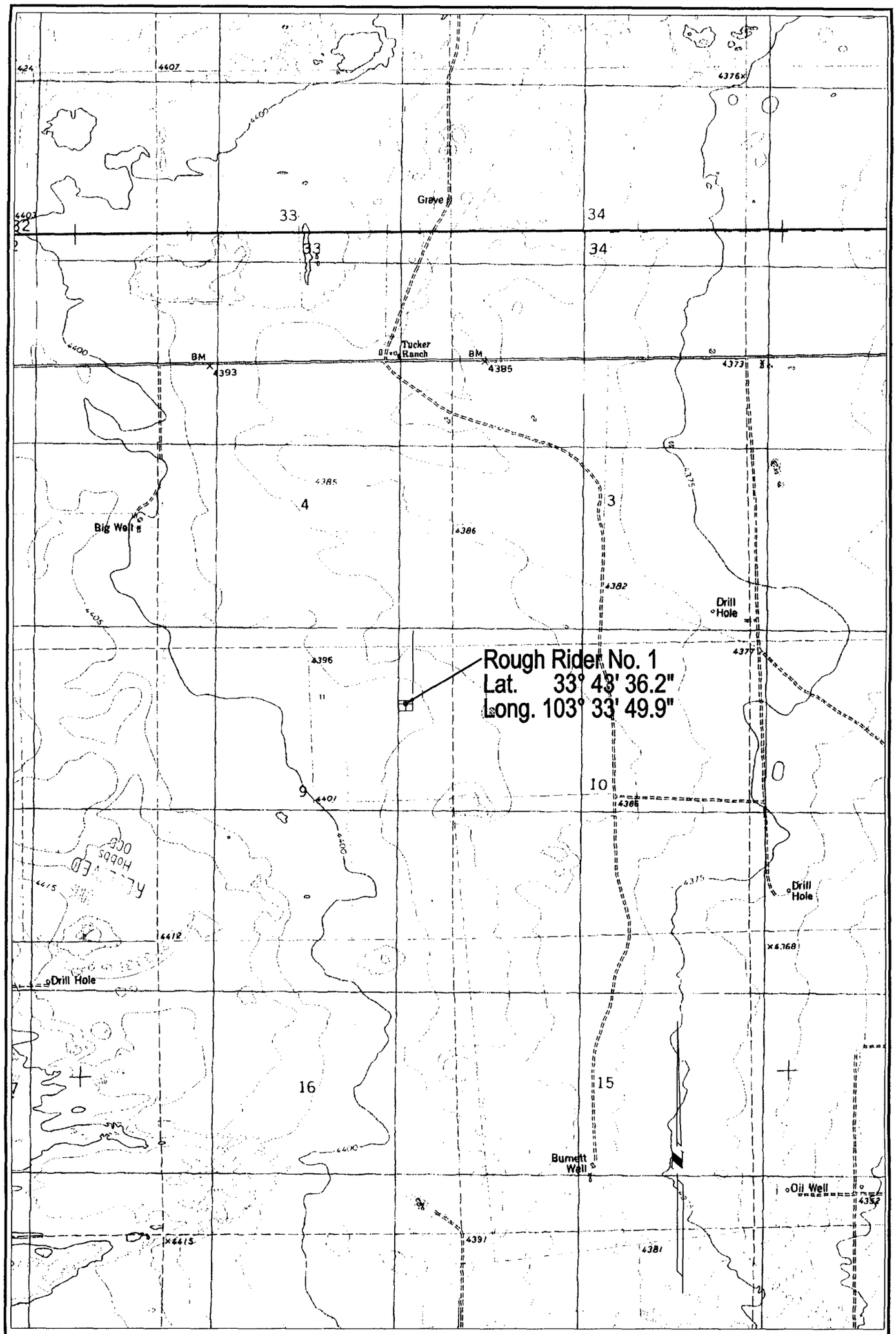
December 6, 2002
Date of Survey

Signature and Seal of Professional Surveyor.

MICHAEL L. STANFORD
NEW MEXICO
10324
REGISTERED PROFESSIONAL LAND SURVEYOR

Certificate Number 10324

16 Miles SSE of Elida, New Mexico. File No. A-2365



Morexco, Inc.
Roughrider No. 1
Section 9, T7S R33E
Roosevelt County, New Mexico

STANFORD SURVEYING COMPANY
P.O. BOX 8490
MIDLAND, TEXAS 79708-8490
915-699-5708

DRAWN BY Alvin Woodall | DATE 12-13-2002 | SCALE 1" = 20[illegible] | FILE NAME A-2365