

New Mexico Oil Conservation Division, Division 1
1625 N. French Drive
Hobbs, NM 88240
UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPPLICATE
(Other instructions on
reverse side)

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

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
DRILL ☒ DEEPEN ☐

b. TYPE OF WELL
OIL ☐ GAS ☒ OTHER ☐
WELL ☐ WELL ☒ SINGLE ZONE ☒ MULTIPLE ZONE ☐

2. NAME OF OPERATOR
MARBOB ENERGY CORPORATION

3. ADDRESS AND TELEPHONE NO.
PO BOX 227, ARTESIA, NM 88211-0227 (505) 748-3303

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At surface 660 FSL 1037 FEL, UNIT P
At proposed prod. zone
SAME

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
SEE SURFACE USE PLAN

5. LEASE DESIGNATION AND SERIAL NO.
NM-90900 LC 6294105

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.
LUCKY LIZARD FED COM #2

9. API WELL NO.
30-025-36066

10. FIELD AND POOL, OR WILDCAT
WILDCAT MORROW

11. SEC., T., R., M., OR BLK.
AND SURVEY OR AREA
SEC. 6-T18S-R32E

12. COUNTY OR PARISH 13. STATE
LEA NM

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig, unit line, if any)
660'

16. NO. OF ACRES IN LEASE
80

17. NO. OF ACRES ASSIGNED TO THIS WELL
320

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
13000'

19. PROPOSED DEPTH
13000'

20. ROTARY OR CABLE TOOLS
ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
3816' GL

22. APPROX. DATE WORK WILL START*
DECEMBER 1, 2002

23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13 3/8" H40	48#	400'	450 SX, CIRC
12 1/4"	8 5/8" J55	32#	3200'	1500 SX, CIRC
7 7/8"	5 1/2" S95/P110	17#	13000'	SUFFICIENT TO COVER 200' ABOVE ALL KNOWN OIL & GAS HORIZONS

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

ATTACHED ARE:

1. WELL LOCATION AND ACREAGE DEDICATION PLAT
2. SUPPLEMENTAL DRILLING DATA
3. SURFACE USE PLAN

OPER. OGRID NO. 14049
PROPERTY NO. 28832
POOL CODE 97185
EFF. DATE 12-2-02
API NO. 30-025-36066

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

IN ABOVE SPACE DESCRIBE PROPOSED DEEPENING OR DRILLING, IF ANY, OF EXISTING WELL OR PROPOSED NEW WELL, 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 Deana Cannon TITLE PRODUCTION ANALYST DATE 10/17/02
(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:

APPROVED BY /s/ MARIA KETSON TITLE FIELD MANAGER DATE NOV 29 2002
*See Instructions On Reverse Side
APPROVAL 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 United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

DISTRICT I
P.O. Box 1960, Hobbs, NM 88241-1960

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
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
P.O. Box 2088, Santa Fe, N.M. 87504-2088

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-36066	Pool Code 97101 97185	Pool Name WILDCAT MORROW
Property Code 28832	Property Name LUCKY LIZARD FEDERAL COM.	Well Number 2
OGRID No. 14049	Operator Name MARBOB ENERGY CORPORATION	Elevation 3816'

Surface Location

UL or lot No. P	Section 6	Township 18-S	Range 32-E	Lot Idn	Feet from the 660	North/South line SOUTH	Feet from the 1037	East/West line EAST	County LEA
--------------------	--------------	------------------	---------------	---------	----------------------	---------------------------	-----------------------	------------------------	---------------

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 320	Joint or Infill	Consolidation Code	Order No.						

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

<p>GEODETIC COORDINATES NAD 27 NME Y=644632.9 X=663925.0 LAT. 32°46'15.79"N LONG. 103°48'00.09"W</p>	<p>LUCKY LIZARD FED COM #1</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Diana J. Cannon</i> Signature</p> <p>DIANA J. CANNON Printed Name</p> <p>PRODUCTION ANALYST Title</p> <p>OCTOBER 17, 2002 Date</p>
		<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>SEPTEMBER 04, 2002</p> <p>Date Surveyed</p> <p><i>Ronald J. Eidson</i> Signature & Seal of Professional Surveyor</p> <p>SEPTEMBER 04, 2002 A.W.B.</p> <p>Certificate No. RONALD J. EIDSON 3239 GARY EIDSON 12641</p>

DRILLING PROGRAM

Attached to Form 3160-3
Marbob Energy Corporation
Lucky Lizard Fed Com #2
660' FSL and 1037' FEL
Section 6-185-32E
Lea County, New Mexico

1. Geologic Name of Surface Formation:

Permian

2. Estimated Tops of Important Geologic Markers:

Permian	Surface	Delaware Sd.	4560'
Anhy.	1100'	Bone Springs	6900'
Yates	2830'	Wolfcamp	10,300'
Seven Rivers	3060'	Strawn	11,250'
Queen	3660'	Atoka	11,700'
		Morrow	12,250'

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

Yates	2850'	Oil
Bone Spring	7050'	Oil
Strawn	11,350'	Oil
Morrow	12,400'	Gas

No other formations are expected to give up oil, gas, or fresh water in measurable quantities. Setting 13 3/8 casing at 800' and circulating cement back to surface will protect the surface fresh water sands. Any shallower zones above TD which contain commercial quantities of oil and/or gas will have cement circulated across them by inserting a float show joint into the 13 3/8 production casing which will be run at TD.

4. Casing Program:

<u>Hole Size</u>	<u>Interval</u>	<u>OD Casing</u>	<u>Wt, Grade, Jt. Cond, Type</u>
17 1/2	0-400'	13 3/8	48# H-40 STC
12 1/4	0-3200	8 5/8	32# J-55 Buttress
7 7/8	0-13000	5 1/2	17# S-95/P110 LTC

Cement Program:

13 3/8 Surface Casing: Cemented to surface with 450 sx of Class C w/2% cc.

8 5/8 Intermediate Casing: Cemented to surface with 1500 sx of Class C w/2% cc.

5 1/2 Production Casing: Cemented sufficient to cover 200' above all oil and gas horizons.

5. Minimum Specifications for Pressure Control:

The blowout preventer equipment (BOP) shown in Exhibit #1 will consist of a double ram-type preventer. This unit will be hydraulically operated and the ram-type preventer will be equipped with blind rams on top and 4-1/2" drill pipe rams on bottom. This BOP will be nipped up on the 8 5/8" intermediate casing and used continuously until TD is reached. When nipped up on 13 3/8", a 2M BOP tested with the drilling rigs pumps will be utilized. When nipped up on 8 5/8", we will test to 5000# using an independent tester.

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 a 3" choke line will be included in the drilling spool located below the ram-type BOP. Other accessories to the BOP equipment will include a Kelly cock and floor safety valve (inside BOP) and choke lines and choke manifold with 5000 psi WP rating.

6. Types and Characteristics of the Proposed Mud System:

The well will be drilled to TD with cut brine. The applicable depths and properties of this system are as follows:

<u>Depth</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Waterloss</u>
0-1100	Fresh Water	8.5	28	N.C.
1100-3200	Brine	9.8-10.2	28 - 36	N.C.
3200- TD	Cut Brine	8.6-9.4	28 - 36	N.C. / 6cc

7. Auxiliary Well Controls and Monitoring Equipment:

- A. A Kelly cock will be kept in the drill string at all times.
- B. A full opening drill pipe stabbing valve (inside BOP) with proper drill pipe connections will be on the rig floor at all times.

8. Logging, Testing, and Coring Program:

- A. Drill Stem tests will be used as determined during drilling.
- B. The electric logging program will consist of Dual Laterolog Micro SFL, Spectral Density Dual Spaced Neutron Casing Log, and Depth Control Log.
- C. No conventional coring is anticipated.
- D. Further testing procedures will be determined after the 5 1/2" production casing has been cemented at TD based on drill shows, and log evaluation, and drill stem test results.

9. Abnormal Conditions, Pressures, Temperatures, and Potential Hazards:

No abnormal pressures or temperatures are anticipated. The estimated bottom hole temperature (BHT) at TD is 150' and estimated bottom hole pressure (BHP) is 4500 psig.

10. Anticipated Starting Date and Duration of Operations:

Location and roadwork will not begin until approval has been received from the BLM. The anticipated spud date is December 1, 2002. Once commenced, the drilling operation should be finished in approximately 45 days. If the well is productive, an additional 30 to 60 days will be required for completion and testing before a decision is made to install permanent facilities.

02
12-1-2002
12-1-2002

SURFACE USE AND OPERATING PLAN

Attached to Form 3160-3
Marbob Energy Corporation
Lucky Lizard Fed Com No. 2
660' FSL and 1037' FEL
Section 6-18S-32E
Lea County, New Mexico

1. Existing Roads:

- A. 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 onsite inspection.
- B. Directions to location: From Loco Hills proceed east on U.S. 82 6.3 miles to state road 529. Proceed on NM 529 for 6.7 miles to mile marker 7. Turn south on Maljamar Road and proceed 2.5 miles. Turn west on lease road and proceed .5 miles. Turn north and proceed .4 miles. Turn west proceed .5 miles. Turn northwest and proceed .6 miles. Access road on east side of well pad.
- C. Routine grading and maintenance of existing roads will be conducted as necessary to maintain their condition as long as any operations continue on this lease.

2. Proposed Access Road:

Exhibit #3 shows a new access road of 675' as needed and will be constructed as follows:

- A. The maximum width of the running surface will be 10'. The road will be crowned and ditched and constructed of 6" of rolled and compacted caliche. Ditches will be at 3:1 slope and 4 feet wide. Water will be diverted where necessary to avoid ponding, prevent erosion, maintain good drainage, and to be consistent with local drainage patterns. BLM may specify any additions or changes during the onsite inspection.

- B. The average grade will be less than 1%.
- C. No turnouts are planned.
- D. No culverts, cattle guard, gates, low-water crossings, or fence cuts are necessary.
- E. Surfacing material will consist of native caliche. Caliche will be obtained from the nearest BLM-approved caliche pit. Any additional materials that are required will be purchased from the dirt contractor.
- F. The proposed access road as shown in Exhibit #3 has been centerline flagged by John West Engineering.

3. Location of Existing Wells:

Exhibit #2 shows all existing wells within a one-half mile radius of this well.

4. Location of Existing and/or Proposed Facilities:

- A. Marbob Energy Corporation will construct facilities on well pad if well is productive.
- B. If the well is productive, power will be obtained from Lea County Electric. Lea County Electric will apply for ROW for their power lines.
- C. If the well is productive, rehabilitation plans are as follows:
 - 1. The reserve pit will be back-filled after the contents of the pit are dry (within 10 months after the well is completed)
 - 2. 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, as nearly as possible, and reseeded as per BLM specifications.

5. Location and Type of Water Supply:

The well will be drilled with 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 the existing and proposed access roads shown in Exhibit #3. If a commercial fresh water source is nearby, fasline may be laid along existing road ROW's 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 the proposed new access road (approximately 1500 cubic yards) would be obtained from a BLM - approved caliche pit. All roads and pads will be constructed of 6" of rolled and compacted caliche.

7. Methods of Handling Water Disposal:

- A. Drill cuttings not retained for evaluation purposes will be disposed into the reserve pit.
- B. Drilling fluids will be contained in lined working 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 130' X 130' X 6" deep. The reserve pit will be plastic-lined 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.
- D. Garbage and trash produced during drilling or completion operations will be hauled off. 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 chemicals will be produced by this operation.
- E. 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 reserve pit will be completely fenced until it has dried. When the reserve pit is dry enough to breakout and fill, the reserve pit will be leveled and reseeded as per BLM specifications. In the event of a dry hole, the location will be ripped and seeded, as per BLM specifications, and 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 is shown in Exhibit #4. Dimensions of the pad and pits are shown. Topsoil, if available, will be stockpiled per BLM specifications as determined at the on-site inspection.
- B. The reserve pit will be lined with a high-quality plastic sheeting.

10. Plans for Restoration of the Surface:

- A. Upon finishing drilling and/or completion operations, all equipment and other material not needed for operations will be removed.
All 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 10 months after abandonment.
- B. Three sides of the reserve pit will be fenced prior to and during drilling operations. At the time that the rig is removed, the reserve pit will be fenced on the rig (fourth) side. The fencing will remain in place until the pit area is cleaned up and leveled. No oil will be left on the surface of the fluid in the pit.
- C. Upon completion of the proposed operations, if the well is completed, the reserve pit area will be treated as outlined above within the same prescribed time. Any additional caliche required for facilities will be obtained from a BLM-approved caliche pit. Topsoil removed from the drill site will be used to recontour the pit area to the original natural level and reseeded as per BLM specifications.

11. Surface Ownership:

The well site and lease is located on Federal Surface.

- A. A Cultural Resources Examination has been requested and will be forwarded to your office in the near future.

12. Lessee's and Operator's Representative:

The Marbob Energy Corporation representative responsible for assuring compliance

with the surface use plan is as follows:

Johnny C. Gray
Marbob Energy Corporation
324 West Main, Suite 103
Post Office Box 227
Artesia, New Mexico 88211-0227
Phone: 505/748-3303 (office)
505/885-3879 (home)

Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed by Marbob Energy Corporation and its contractors and subcontractors in conformity with this plan and the provision of 18 U.S.C. 1001 for the filing of a false statement.

Date: 10-16-2002

Signed: _____

Dean Chumbley



MARBOB ENERGY CORPORATION

HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

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 (H_2S).
2. The proper use and maintenance of personal protective equipment and life support systems.
3. The proper use of H_2S 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 H_2S 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 H_2S Drilling Operations Plan and the Public Protection Plan.

There will be an initial training session just prior to encountering a known or probable H_2S zone (within 3 days or 500 feet) and weekly H_2S and well control drills for all personnel in each crew. The initial training session shall include a review of the site specific H_2S 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

Note: All H₂S safety equipment and systems will be installed, tested, and operational when drilling reaches a depth of 500 feet above, or three days prior to penetrating the first zone containing or reasonably expected to contain H₂S.

1. Well Control Equipment:
 - A. Flare Line.
 - B. Choke manifold.
 - C. Blind rams and pipe rams to accommodate all pipe sizes with properly sized closing unit.
 - D. Auxiliary equipment to include: annular preventer, mud-gas separator, rotating head.
2. Protective equipment for essential personnel:
 - A. Mark II Surviveair 30-minute units located in the doghouse and at briefing areas, as indicated on well site diagram.
3. H₂S detection and monitoring equipment:
 - A. 2 - portable H₂S monitor positioned on location for best coverage and response. These units have warning lights and audible sirens when H₂S levels of 20 ppm are reached.
4. Visual warning systems:
 - A. Wind direction indicators as shown on well site diagram.
 - B. Caution/Danger signs shall be posted on roads

Bilingual signs will be used, when appropriate.
See example attached.

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.

6. Communication:

- A. Radio communications in company vehicles including cellular telephone and 2-way radio.
- B. Land line (telephone) communications at field office.

1000

WARNING

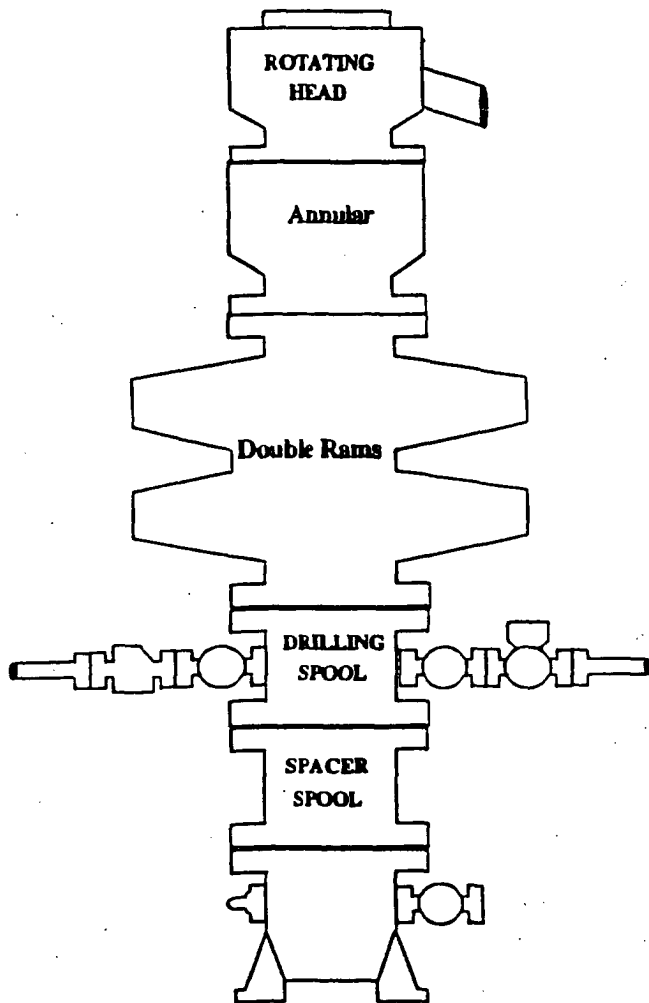
YOU ARE ENTERING AN H₂S AREA
AUTHORIZED PERSONNEL ONLY

1. *BEARDS OR CONTACT LENSES NOT ALLOWED*
2. *HARD HATS REQUIRED*
3. *SMOKING IN DESIGNATED AREAS ONLY*
4. *BE WIND CONSCIOUS AT ALL TIMES*
5. *CK WITH MARBOB FOREMAN AT MAIN OFFICE*

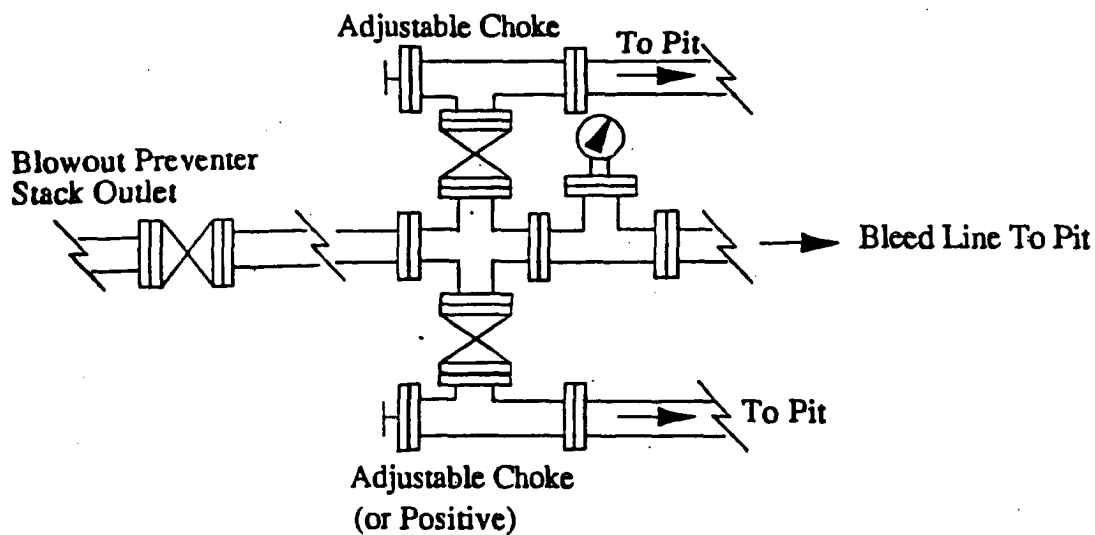
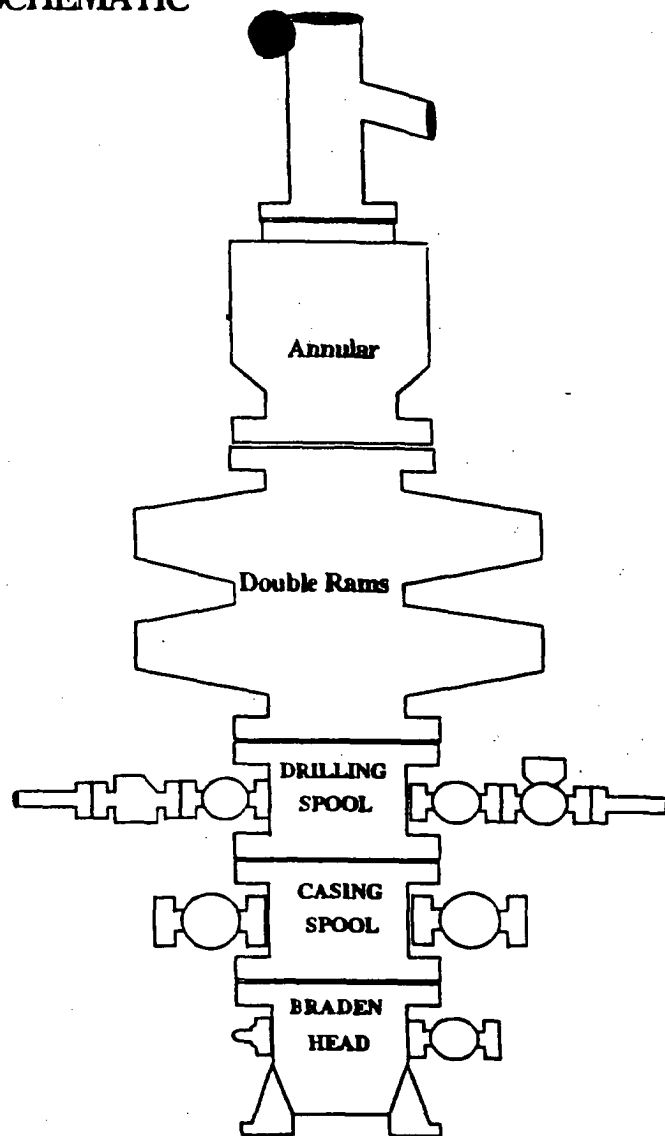
MARBOB ENERGY CORPORATION

1-505-748-3303

BOPE SCHEMATIC

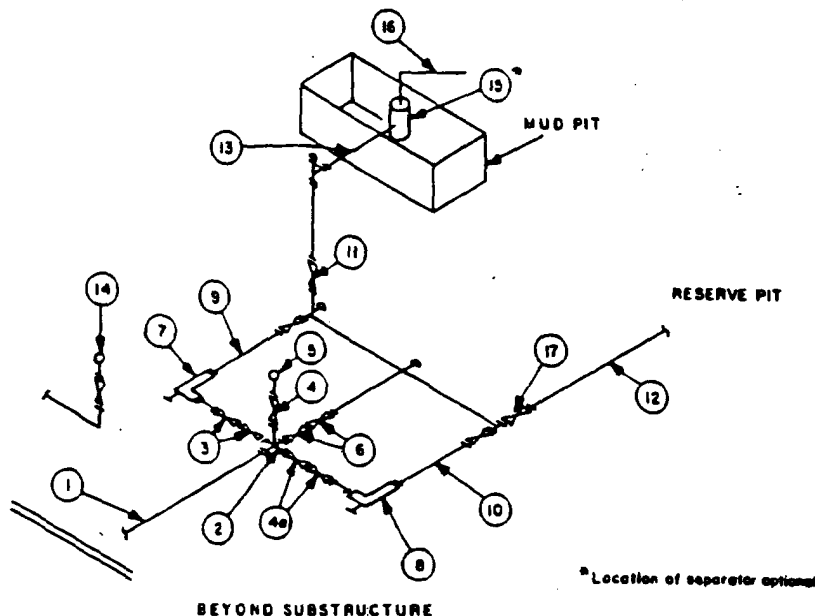


Choke Manifold



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

3 MWP - 5 MWP - 10 MWP



MINIMUM REQUIREMENTS										
No.		3,000 MWP			5,000 MWP			10,000 MWP		
		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 <input type="checkbox"/> Plug <input type="checkbox"/> (2)	3-1/8"		3,000	3-1/8"		5,000	3-1/8"		10,000
4	Valve Gate <input type="checkbox"/> Plug <input type="checkbox"/> (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 <input type="checkbox"/> Plug <input type="checkbox"/> (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 <input type="checkbox"/> Plug <input type="checkbox"/> (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'	10,000
16	Line		4"	1,000		4"	1,000		4"	2,000
17	Valves Gate <input type="checkbox"/> Plug <input type="checkbox"/> (2)	3-1/8"		3,000	3-1/8"		5,000	3-1/8"		10,000

(1) Only one required in Class 3M.

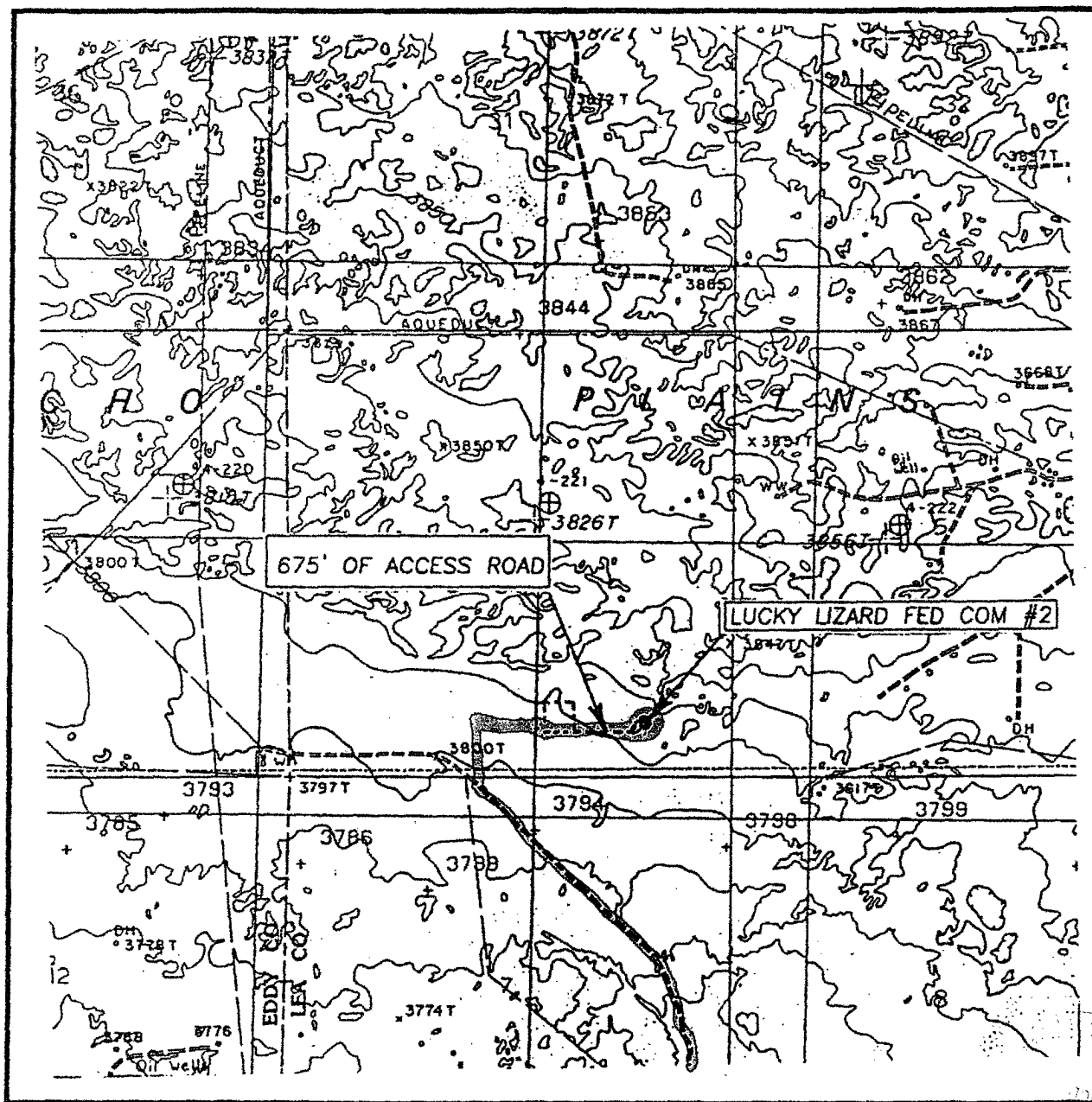
(2) Gate valves only shall be used for Class 10M.

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

EQUIPMENT SPECIFICATIONS AND INSTALLATION INSTRUCTIONS

- All connections in choke manifold shall be welded, studded, flanged or Cameron clamp of comparable rating.
- All flanges shall be API 6B or 6BX and ring gaskets shall be API RX or BX. Use only BX for 10 MWP.
- All lines shall be securely anchored.
- Chokes shall be equipped with tungsten carbide seats and needles, and replacements shall be available.
- 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.
- 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.

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: 10'
MALJAMAR, N.M.

SEC. 6 TWP. 18-S RGE. 32-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 660' FSL & 1037' FEL

ELEVATION 3816'

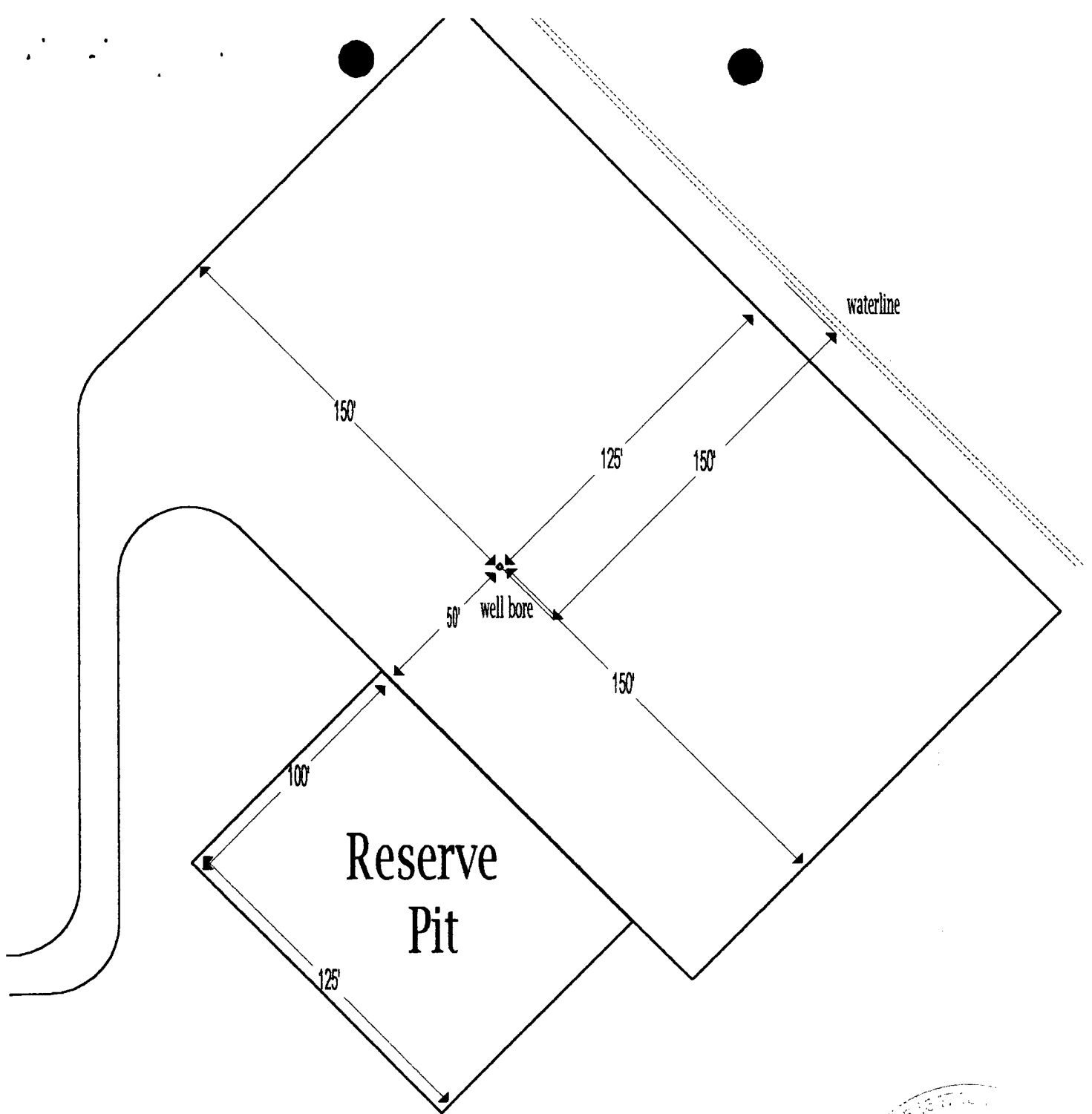
OPERATOR MARBQB ENERGY CORPORATION

LEASE LUCKY LIZARD FEDERAL COM

U.S.G.S. TOPOGRAPHIC MAP

MALJAMAR, N.M.

EXHIBIT THREE



Lucky Lizard Federal Com. No. 2
660' FSL & 1037' FEL
Section 6; T18S - R32E
Eddy County, New Mexico

Exhibit Four



marbob
energy corporation

STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS

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

Lease #: LC-029410-B

Legal Description: Lucky Lizard Federal Com #2
Sec. 6-T18S-R32E
Lea County, New Mexico

Formation(s): Wildcat Morrow

Bond Coverage: Statewide

BLM Bond File #: 585716

Diana J. Cannon
Production Analyst

Date: October 22, 2002

RECEIVED
OCT 23 2002

