Form 3160-3
(December 1990)

N. M. OCD. DIVISION
P. O. BOX 1980
HOBBS, NEW MEXICO 88240

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires: December 31, 1991

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

5. LEASE DESIGNATION AND SERIAL NO.: NM-077002

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT AGREEMENT NAME:

8. FARM OR LEASE NAME, WELL NO.: Nellis Federal #6

9. API WELL NO.: 30-025-31608

10. FIELD AND POOL, OR WILDCAT: Buffalo (Yates)

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Sec. 6, T-19-S, R-33-E

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

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

2. NAME OF OPERATOR: Amoco Production Company

3. ADDRESS AND TELEPHONE NO.: P.O. Box 3092, Houston, TX 77253 Rm. 16.110

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 990' FNL x 660' FWL Unit D
At proposed prod. zone:

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: 21 Miles Southeast of Maljamar, NM

12. COUNTY OR PARISH: Lea

13. STATE: NM

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

16. NO. OF ACRES IN LEASE:

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.: 990'

19. PROPOSED DEPTH: 3750'

20. ROTARY OR CABLE TOOLS: Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 3695.4'

22. APPROX. DATE WORK WILL START*: May 25, 1992

23. PROPOSED CASING AND CEMENTING PROGRAM — Capitan Controlled Water Basin

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8" K-55	32#	400'	350 sxs class "c" CIRCULATE
7 7/8"	5 1/2" K-55	15.5 #	3750'	950 sxs class "c"

Propose to drill and equip well in Yates formation. After reaching TD, logs will be run and evaluated. Perforate and stimulate as necessary in attempting commercial production.

Mud Program: 0 - 400' Fresh water & native mud
400' - 3750' Brine water/starch/gel

* Archeological Survey already submitted.

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

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 Kim A. Colvin TITLE Asst. Admin Analyst DATE 4-20-92

(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 _____ TITLE _____ DATE 5-29-92

***See Instructions On Reverse Side**

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.

Submit to Appropriate
District Office
State - 4 copies
Fee Lease - 3 copies

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

All distances must be from the outer boundaries of the Section.

Operator	Lease	Well No.
Amoco Production Company	Nellis Federal	6

Unit Letter	Section	Township	Range	County
D	6	19 South	33 East NMPM	Lea

Actual Footage Location of Well: 990' feet from the North line and 660' feet from the West line

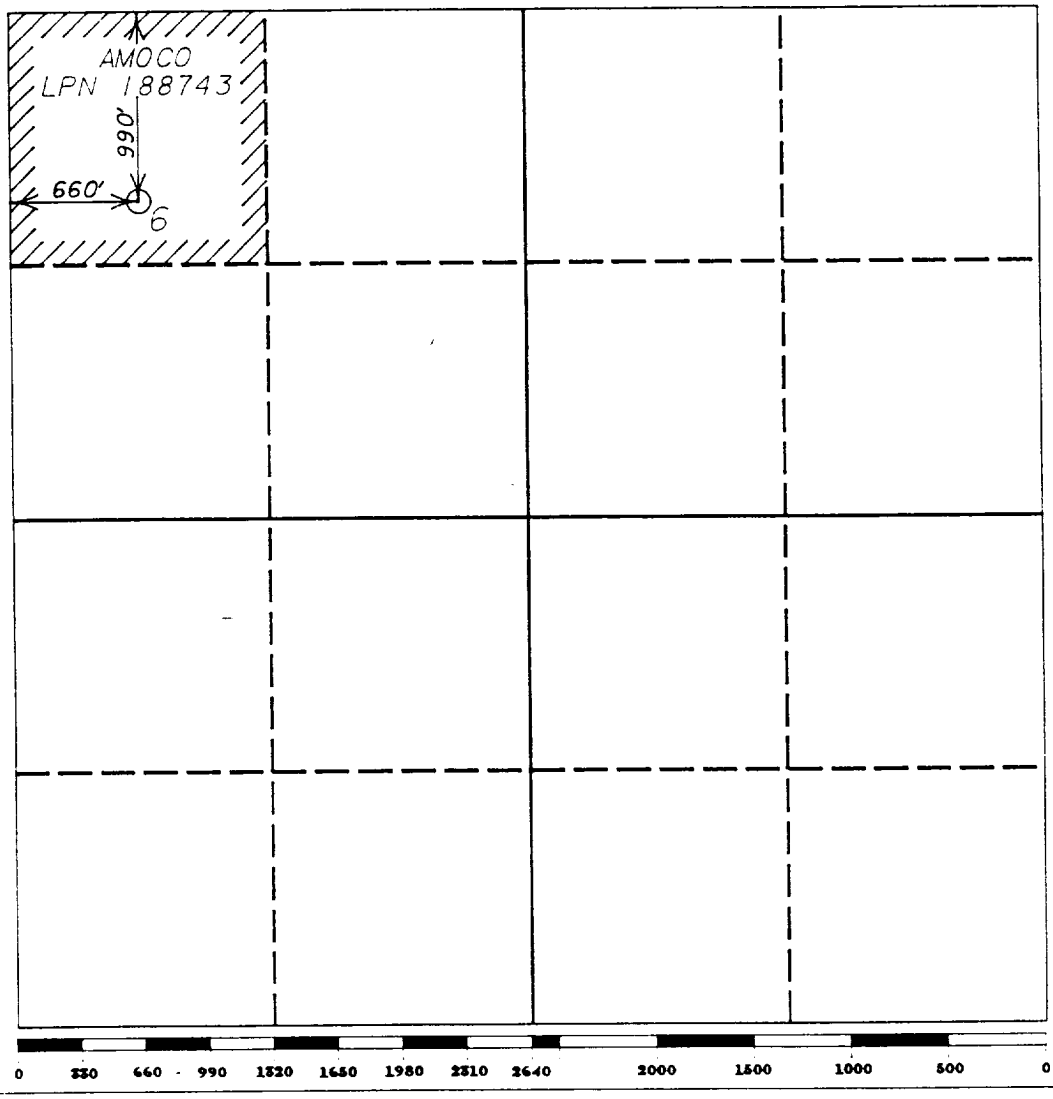
Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage:
3695.4'	Yates	Buffalo (Yates)	42.88 40 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature: Kim A. Colun
Printed Name: Kimberly
Position: Asst. Admin. Analyst
Company: Amoco Production Co.
Date: 4-20-92

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 knowledge and belief.

Date Surveyed: February 5, 1992
Signature & Seal of Professional Surveyor: REGISTERED PROFESSIONAL SURVEYOR No. 11013 NEW MEXICO GARY L. JONES
Certificate No.

APPLICATION FOR PERMIT TO DRILL
AMOCO PRODUCTION COMPANY
NELLIS FEDERAL # 5 & #6

Nellis Federal #5 - 1980' FNL x 660' FWL of Sec. 6-T19S-R33E, Lea County, NM

Nellis Federal #6 - 990' FNL x 660' FWL of Sec. 6-T19S-R33E, Lea County, NM

In conjunction with Form 3160-3, Application for Permit to Drill, Amoco Production Company submits the following items of pertinent information in accordance with Onshore Oil & Gas Order Nos. 1&2, and with all other applicable federal and state regulations.

1. The geologic surface formation is of Permian Age.

2. Estimated tops of geologic markers are as follows:

Transil (B. Salt)	2,930'
Yates	3,115'

3. The estimated depths at which water, oil, or gas formations are expected to be encountered:

   ** - Oil or gas: Yates 3,115'

   *Ground water to be protected by 8-5/8" surface casing with cement circulated to the surface.

   **Potentially productive horizons to be protected by 5-1/2" production casing with cement circulated to surface.

4. Proposed Casing Program: See Form 3160-3 and Attachment #1

5. Pressure Control Equipment: See Attachment #2

6. Mud Program: See Attachment #3

7. Auxiliary Equipment: Upper Kelly Cock, Full Opening Stabbing Valve.

8. Testing, Logging, and Coring Programs:

   -Electric Logs:
   Dual Laterlog
   Density-Neutron Porosity Log
   Gamma Ray/Caliper Log
   Proximity - Microlog

   -Mud Logger from 2,900' to TD

ATTACHMENT
3000# W.P. BOP STACK

1. BOP's to be fluid operated. BOP's and all fittings must be in good condition and rated at 3,000 psi w.p. minimum.
2. Equipment through which bit must pass shall be at least as large as casing size being drilled through.
3. Upper kelly cock is required and shall be 3,000 psi w.p. minimum. Lower kelly cock is (required)(not required).
4. Hydril or comparable safety valve shall be available on rig floor with connection or subs to fit any tool joint in the string. Valve to be full bore 3,000 psi w.p. minimum.
5. Hydril or equivalent drill pipe back pressure valve is (required)(not required).
6. All equipment upstream of chokes, including kill line equipment shall be flanged or clamped and of a test pressure no less than that of the blowout preventer. All valves upstream of choke shall be 3" or 4" gate valves Cameron Type "F" or equivalent. All equipment downstream of chokes may be flanged or screw end gate or plug. Pressure gauge will be Cameron or equivalent. Line from spool to manifold cross and chokes to be a minimum of 3", straight and short as possible with minimum bends. Choke manifold must be positioned outside of substructure. Manifold, header and all lines must be adequately supported and properly anchored. Two inch (2") lines and valves are permitted downstream of chokes and on the kill line. All valves designated for H_2S service are (required) (not required). Chokes will be one positive and one adjustable.
7. Blowout preventer closing unit equipment to include accumulator capable of closing, opening and closing the bag and pipe rams with a minimum remaining pressure of 1200 psi. After closure, the remaining fluid volume will be at least 50 percent of original volume. Two independent sources of pump power are required on each closing unit installation and shall meet all IADC specifications. Operating time for closing unit shall not be greater than one minute with charging pump shut down. Time test must be witnessed by Amoco representative while nippling up and test results reported on IADC report. Failure to meet these conditions will necessitate corrective action by contractor and retesting all at contractor's expense.
8. The accumulator must be located at least 50 feet from the well. Blowout preventer controls must be properly labeled. Floor control valves are (required)(not required).
9. Fluid lines from accumulator to BOP's and all remote control fluid lines (if applicable) shall be steel, and rated at or above maximum accumulator pressure. Lines shall be routed in bundles and adequately protected from damage.
10. Fill up line must be steel. Kill line cannot be used for fill up line.
11. Use rams in following positions: *

	Drilling	Running Casing
Upper Ram	Drill Pipe	Casing
Lower Ram	Blind	Blind

* Amoco District Manager may reverse location of rams.

12. Extentions and hand wheels to be installed and braced at all times.