

UNITED
DEPARTMENT
BUREAU OF LAND

N. OPER. OGRID NO. 21213-
P.I. PROPERTY NO. 18678
H.C. POOL CODE 76412 CATE*
EFF DATE 3/18/96
API NO. 30-025-33339

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

APPLICATION FOR PERMIT

1a. TYPE OF WORK
DRILL DEEPEN

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

2. NAME OF OPERATOR
SNOW OIL & GAS, INC.

3. ADDRESS OF OPERATOR
P.O. BOX 1277, ANDREWS, TEXAS 79714, 915/524-2371

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
At surface
660' FSL AND 1980' FEL
At proposed prod. zone
SAME

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
15 MILES SOUTH OF MALJAMAR, NEW MEXICO

10. 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
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.
N/A

19. PROPOSED DEPTH
5500'

20. ROTARY OR CABLE TOOLS
ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
G.L. 3692'

22. APPROX. DATE WORK WILL START*
2/20/96

5. LEASE DESIGNATION AND SERIAL NO.
NM-24161

6. IF INDIAN, ALLOTTED OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
KEEL FEDERAL

9. WELL NO.
2

10. FIELD AND POOL, OR WILDCAT
LUSK SAN ANDRES

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
SEC. 33, T18S, R32E

12. COUNTY OR PARISH
LEA

13. STATE
NEW MEXICO

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4	8 5/8" K-55	24-28	800'	<u>CIRC.</u>
7 7/8	5 1/2" K-55	15.5	5500'	<u>1100 SX TO BE CIRC. TO SURFACE CASING MINIMUM.</u>

MUD PROGRAM: MUD WT. VIS. W/L CONTROL
0-5500': FRESH WATER MUD: 9.0 PPG 28-30 NO W/L CONTROL

BOP PROGRAM:

A 10" 3000 PSI WP SHAFFER SERIES 900 BOP WILL BE INSTALLED ON THE 8 5/8" CASING. CASING AND BOP WILL BE TESTED BEFORE DRILLING OUT PLUG AT 800' DEPTH. BOP WILL BE USED AS A 3000 WP SYSTEM AND WILL BE TESTED DAILY. SEE EXHIBIT "E" FOR BOP.

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 David W. Snow TITLE VICE-PRESIDENT DATE 4/18/96
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY /s/ Yolanda Vega TITLE MANAGER APPROVAL SUBJECT TO _____

CONDITIONS OF APPROVAL, IF ANY:

MAR 22 1996
GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

District I
 PO Box 1988, Hobbs, NM 88241-1988
 District II
 PO Drawer DD, Artesia, NM 88211-0719
 District III
 1000 Rio Brazos 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
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-33339		Pool Code 92416	Pool Name LUSK SAN ANDRES
Property Code 15678	Property Name KEEL FEDERAL		Well Number 2
OGRID No. 21E13	Operator Name SNOW OIL & GAS, INC.		Elevation 3692' G.I.

Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
0	33	18S	32E		660'	SOUTH	1980'	EAST	LEA

Bottom Hole Location If Different From Surface

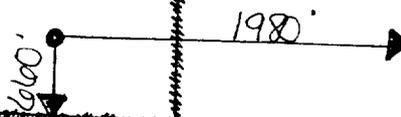
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	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

16				<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Dan W. Snow</i> Signature DAN W. SNOW Printed Name VICE-PRESIDENT Title 1/10/96 Date</p>
				<p>18 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>N/A Date of Survey Signature and Seal of Professional Surveyer: NOTE: POSITION OF WELL MADE BY OPERATORS. G.P.S. EQUIPMENT FINAL PLAT FORTHCOMING. Certificate Number</p>

NM-24161
 KEEL FEDERAL #2



APPLICATION FOR DRILLING
SNOW OIL & GAS, INC.
Keel Federal, Well No. 2
660' FSL & 1980' FEL, Sec. 33-T18S-R32E
Lea County, New Mexico
Lease No. NM-24161

In conjunction with Form 3160-3, Application for Permit to Drill subject well, Snow Oil & Gas, Inc. submits the following items of pertinent information in accordance with BLM requirements:

1. The geologic surface formation is Aeolian.
2. The estimated tops of geologic markers are as follows:

Yates	3160'
Seven Rivers	3670'
San Andres	4910'
T.D.	5500'
3. The estimated depths at which water, oil or gas formations are anticipated to be encountered:

Water: Fresh water possible @ 100' and 400'. Surface water will be cemented behind surface casing. Surface casing to be set at 800'.

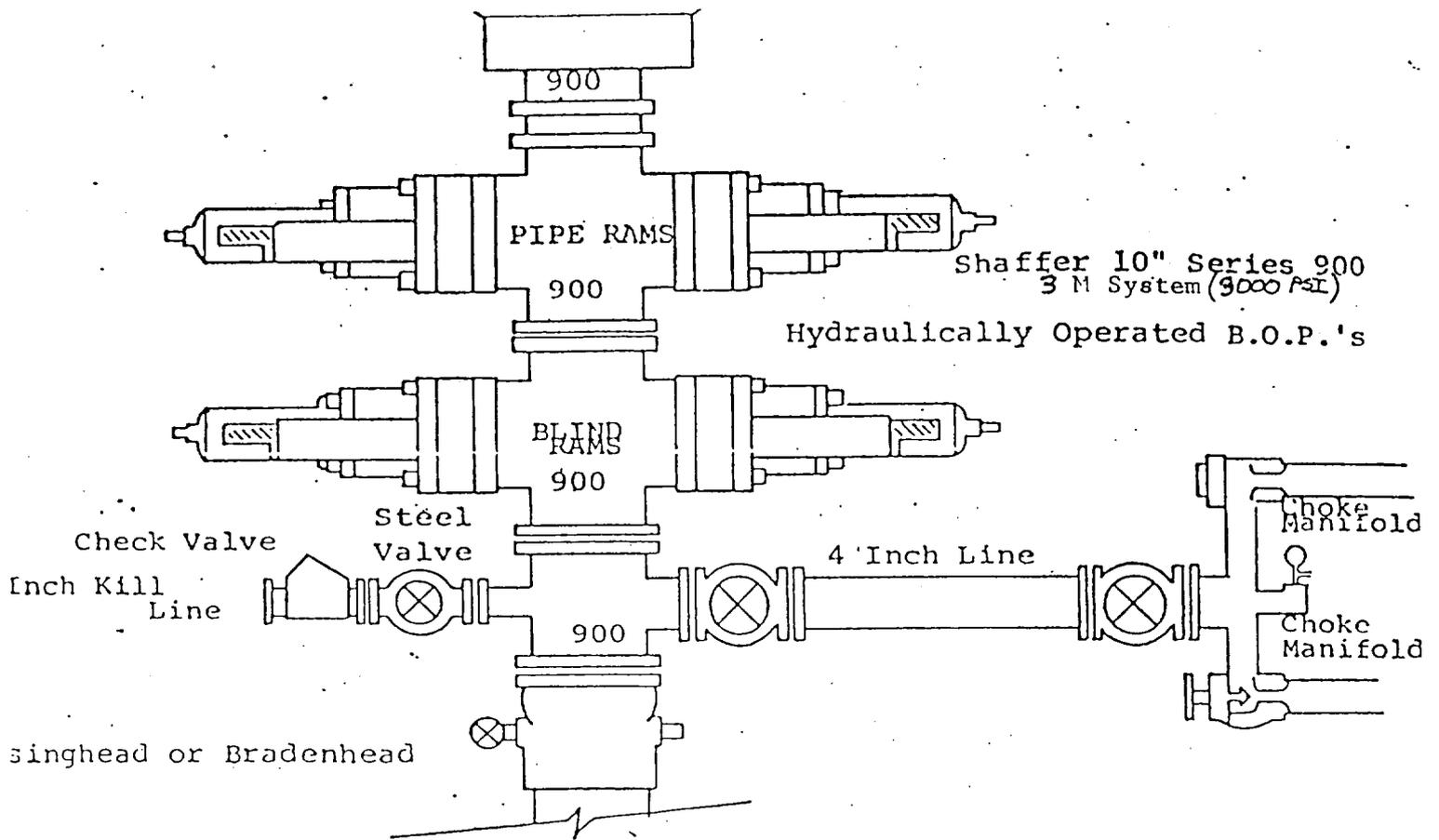
Oil: Possible in the Yates, Seven Rivers, and San Andres below 3160'.

Gas: None expected.
4. Proposed Casing Program: See Form 3160-3 for casing program.
5. Proposed Control Equipment: See Form 3160-3 and Exhibit "E".
6. Mud Program: See Form 3160-3.
7. Auxiliary Equipment: Blowout Preventer.
8. Testing, Logging, and Coring Program:

Drill Stem Tests: None

Logging: Collar locator Gamma Ray: Surface casing and Gamma Ray Neutron Dual Induction Log from T.D. to surface casing.

Coring: None planned.
9. No abnormal pressures or temperatures are anticipated. In the event abnormal pressures are encountered the proposed mud program will be modified to increase the mud weight.
Estimated: BHP = 2300 psi, BHP temp. = 106°F
10. H₂S: None expected based on previous drilling information of the well.
11. Anticipated starting date: February 21, 1996
Anticipated completion of drilling operations: Approx. 3 weeks.



THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

All preventers to be hydraulically operated with secondary manual controls installed prior to drilling out from under casing.

Choke outlet to be a minimum of 4" diameter.

Kill line to be of all steel construction of 2" minimum diameter.

All connections from operating manifolds to preventers to be all steel, hole or tube a minimum of one inch in diameter.

The available closing pressure shall be at least 15% in excess of that required with sufficient volume to operate the B.O.P.'s.

All connections to and from preventer to have a pressure rating equivalent to that of the B.O.P.'s.

Inside blowout preventer to be available on rig floor.

Operating controls located a safe distance from the rig floor.

Hole must be kept filled on trips below intermediate casing. Operator not responsible for blowouts resulting from not keeping hole full.

D. P. float must be installed and used below zone of first gas intrusion.

Handwritten scribble or signature, possibly containing the number 15/11.

Handwritten text and a circular stamp. The stamp contains the date 21/02/28 30 31.