Form: 3160-3 (July 1992)	UN	M. OIL CONS.	-5	(Other Inst	CIPLICAT (IPLICAT) (ructions on side)	E* FORM APPROVED OMB NO. 1004-0136 Expires: February 28, 1995			
DEPARTMENT OF THE INTERIOR						5. LEASE DESIGNATION AND SERIAL NO.			
	the second s					<u>NM-56749</u>			
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D. TYPE OF WELL		DEEPEN				7. UNIT AGREEMENT NAME			
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	l Corporation	ı		505/623	-1996	9. AM WELLNO			
2. ADDRESS AND TELEPHONE NO P. O. BOX	2107			11, NM 88202		- 7			
4. LOCATION OF WELL (Report location clearly an					10. FIELD AND POOL, OR WILDCAT			
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15. DISTANCE FROM PROP	USED*		16. N	O. OF ACRES IN LEASE	17 80 0	Lea New Mexi			
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SIGNED		<u>, (42 </u>				March 10, 1997			
(This annes for Man	ai or state omce use)								
(This space for Feder				APPROVAL DATE	<u></u>				
PERMIT NO									
PERMIT NO	t warrant or certify that the appli		itable title	e to those rights in the subject le	case which woul	Id entitle the applicant to conduct operations thereon.			
PERMIT NO	t warrant or certify that the appli	cant holds legal or equ		e to those rights in the subject le ADM, MINERALS		Id entitle the applicant to conduct operations thereon. DATE $3/33/97$			

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 "nited States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

4

District I PO Box 1980, Hobbs, NM 38241-1980 District II PO Drawer DD, Artenia, NM 38211-0719 District III 1000 Ris Brance Rd., Aztec, NM 37410 District IV PO Box 2083, Santa Fe, NM 37504-2088

State of New Mexico Energy, Minerale & 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

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Certificate Number

APPLICATION FOR DRILLING

MANZANO OIL CORPORATION Federal (USA) "L", Well No. 7 2310' FNL & 990' FWL, Sec. 14-T19S-R33E Lea County, New Mexico Lease No.: NM-56749 (Development Well)

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

1. The geologic surface formation is recent Permian with quaternary alluvium and other surficial deposits.

2. The estimated tops of geologic markers are as follows:

Rustler	1500'	Top Yates	3300'
Top/Salt	1600'	Top Seven Rivers Sand	3650
Base/Salt	3100'	T. D.	3950'
Top Tansill	3100'		

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

Water: Surface water between 100' - 350'.

- Oil: Possible in the Seven Rivers below 3650'.
- Gas: None expected.
- 4. Proposed Casing Program: See Form 3160-3.
- 5. Proposed Control Equipment: See Form 3160-3 and Exhibit "E".
- 6. Mud Program: See Form 3160-3.
- 7. Auxiliary Equipment: Blowout Preventer, gas detector, Kelly cock, pit level monitor, flow sensors and stabbing valve.
- 8. Testing, Logging, and Coring Program:

Drill Stem Tests:	None unless warranted.	
Logging:	Gamma Ray/neutron:	T.D. to surface.
	DLL-MSFL, CNL-LTD:	T.D. to 8 5/8" 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 = 2000 psi with temperature of 100°.
- 10 H₂S: None expected based on previously drilled wells.
- 11. Anticipated starting date: April 15, 1997, if not in proven Prairie Chicken area. Anticipated completion of drilling operations: Approx. 3 weeks.







RIG #3

BLOWOUT PREVENTOR ARRANGEMENT

2M SYSTEM

10" SHAFFER TYPE "E", 3000 psi WP 80 GALLON, 4 STATION KOOMEY ACCUMULATOR 3000 psi WP CHOKE MANIFOLD



EXHIBIT "E" MANZANO OIL CORPORATION Federal (USA) "L", Well No. 7 BOP Specifications



