Form 3160-3 (July 1992)

CONDITIONS OF APPROVAL, IF ANY:

## 1. Oil Cons. Division

811 S. 1ST ST.

SUBMIT IN PLICATE\* (Other instructions on

FORM APPROVED

OMB NO. 1004-0136

## LANTEED, ON AREA 5-2834 reverse side) Expires: February 28, 1995 DEPARTMENT OF THE INTERIOR 5. LEASE DESIGNATION AND SERIAL NO. BUREAU OF LAND MANAGEMENT 3-13-87 NM-29234 6. IF INDIAN, ALLOTTER OR TRIBE NAME APPLICATION FOR PERMIT TO DRILL OR DEEPEN 1a. TYPE OF WORK 7. UNIT AGREEMENT NAME DRILL X DEEPEN [] b. TYPE OF WELL SINGLE X OIL X .. MULTIPLE WELL LONE 2. NAME OF OPERATOR Lotos "11" Federal Sonat Exploration Company 9. API WELL NO 915-684-0400 3. ADDRESS AND TELEPHONE NO 3 110 W. Louisiana, Su. 500, Midland, Texas 79701 Wildeat 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.\*) are/B.S.) 1780' FNL & 1980' FWL of Section 11 11. SBC., T., R., M., OR BLE. AND SURVEY OR AREA At proposed prod. sone Sec. 11, T-24S, R31E 12. COUNTY OR PARISH | 13. STATE Same 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE 20 miles east of Loving, New Mexico 15. DISTANCE FROM PROPUBED\* | 16. NO. OF FCCV CO. 17. NO. OF ACRES ASSIGNED TO THIS WELL N.M. OF ACRES IN LEASE PROPERTY OR LEASE LINE, PT. (Also to nearest drig. unit line, if any) 1780 1280 80 18. DISTANCE FROM PROPOSED LOCATION® TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 19. PROPOSED DEPTH 20. ROTARY OR CABLE TOOLS 1320' 12,500' Rotary 21. ELEVATIONS (Show whether DF, RT, GR, etc.) 22. APPROX. DATE WORK WILL START\* 3509' Ground Level 1st quarter -1997 SECRETARY'S POTASH PROPOSED CASING AND CEMENTING PROPERTY BAD CONTROLLED WATER B BIZE OF ROLE GRADE, SIZE OF CASINO WEIGHT PER FOOT SETTING DEPTH Reculate 14 3/4" 11 3/4" <u>67</u>0' 42# WC-40 <u>1</u>1" 5/8" 8 24# J-55 4.300' Sufficien Will Sulate 1/2" 7 7/8" 12,500' 17# N-80,S-95 2400sx The operator proposes to drill to a depth sufficient to test the Delaware and Bone Springs for oil. Specific programs are outlined in the following attachments: DRILLING PROGRAM Alder AV. SURFACE USE AND OPERATING PLAN RECEIVED 9-19 77 EXHIBIT A - ROAD MAP EXHIBIT B - EXISTING WELL MAP EXHIBIT C - LOCATION AND ACREAGE DEDICATION PLAT MAR 10 97 EXHIBIT C-1 TOPO MAP APPROVAL SUBJECT TO EXHIBIT D - DRILLING AND RIG LAYOUT GENERAL REQUIREMENTS AND CONVELL NAME EXHIBIT E - BOP EQUIPMENT - 3M SPECIAL STIPULATIONS EXHIBIT F - BOP EOUIPMENT - 5M 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. DATE \_ 2/11/97 Drilling Superintendent (This space for Federal or State office use) 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.

CHEMICAL ACTIONS