

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Cons. Division
P.O. Box 1980
Hobbs, NM 88241

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
 DRILL (re-enter) DEEPEN PLUG BACK

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

2. NAME OF OPERATOR
 Vista Resources, Inc. (A)

3a. Area Code & Phone No.
 915-570-5045

3. ADDRESS OF OPERATOR
 550 W. Texas Ave., Suite 700 Midland, Texas 79701

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface
 1980' FSL & 1980' FWL Unit K
 At proposed prod. zone

5. LEASE DESIGNATION AND SERIAL NO.
 NM-18644

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME
 AP# 50 225-239

8. FARM OR LEASE NAME
 South Lea Federal

9. WELL NO.
 1

10. FIELD AND POOL, OR WILDCAT
 Wildcat

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 Sec. 17 T-26-S R-36-E

12. COUNTY OR PARISH
 Lea

13. STATE
 NM

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 6 miles southwest of Jal, NM

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest delg. unit line, if any)
 16. NO. OF ACRES IN LEASE
 640

17. NO. OF ACRES ASSIGNED TO THIS WELL
 640-520

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
 19. PROPOSED DEPTH
 21,252'

20. ROTARY OR CABLE TOOL

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 2980' DF

22. APPROX. DATE WORK WILL START*
 11-98

PROPOSED CASING AND CEMENTING PROGRAM

HOLE SIZE	CASING SIZE	WEIGHT/FOOT	GRADE	THREAD TYPE	SETTING DEPTH	QUANTITY OF CEMENT
36"	30"	118.7#			60'	95 SX
26"	20"	94#	H40		657'	1400 SX
16"	13 3/8"		J55/S80		3405'	925 SX
12 1/4"	10 3/4"	51#-65.7#			12200'	2900 SX
9"	7 5/8"	39#	V150-S95-N80		17339'	1625 SX
6 1/2"	5"	23.1#	C75		21235'	400 SX

OPER. GRID NO. 225-239
 PROPERTY NO. 225-239
 POOL CODE 225-239
 EFF. DATE 11-98
 WEL. NO. 1

APPROVAL SUBJECT TO
 GENERAL REQUIREMENTS AND
 SPECIAL STIPULATIONS
 ATTACHED

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, 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 Jon Bryant TITLE Area Engineer DATE 9/10/98
 (This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____
 (ORIG. SGD.) ARMANDO A. LOPEZ Assistant Field Office Manager,
 APPROVED BY _____ TITLE Acting Lands and Minerals DATE NOV 02 1998
 CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

Handwritten initials/signature

STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS

Operator Name: Vista Resources, Inc. (A)
Street or Box: 550 W. Texas Ave., Suite 700
City, State: Midland, Texas
Zip Code: 79701

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

Lease No.: NMA-12644

Legal Description of Land:

Sec. 17, T-26S, R-36E, Unit K

Formation(s) (if applicable):

All depths

Bond Coverage: (State if individually bonded or another's bond)

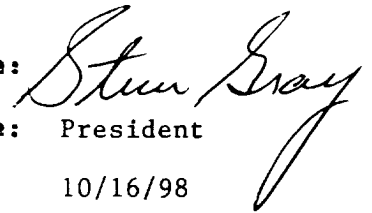
BLM Bond File No.:

Bond #58 82 70
\$25,000 Statewide Oil & Gas
Bond covering New Mexico

Bond #58 82 69
\$50,000 Blanket Plugging Bond
to the State of New Mexico

Bond #58 82 71
\$20,000 Improvement Damage
Bond to the State of New
Mexico for Oil & Gas Leases
(Multi-Lease or Blanket Bond)

Authorized Signature:



Title: President

Date: 10/16/98

APPLICATION FOR DRILLING
VISTA RESOURCES, INC. (A)
 South Lea Unit #1
 1980' FSL & 1980' FWL, Sec. 17, T-26S, R-36E
 Lea County, New Mexico
 Lease No:
 (Re-Entry Well)

In conjunction with Form 3160-3, Application for Permit to Drill subject well, Vista Resources, Inc. 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 tops of geologic markers are as follows:

Bone Spring	8,595'	L Miss	16,785'
Wolfcamp	11,810'	Devonian	17,610'
Penn	12,740'	TD	21,202'

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

Water:	Surface water between 100'-350'
Oil:	None
Gas:	Devonian, Penn

- 4 Proposed Casing Program: No change

- 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 planned	
Logging:	GR/CNL	18,000'-12,000'
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 = 5600 psi (Exc. Hole), Temp. = 220 degrees.
 - a. H2S: None expected based on wells drilled in the area.

- 10 Anticipated starting date: November 16, 1998
 Anticipated completion of drilling operations: Approximately 4 weeks

MULTI POINT SURFACE USE AND OPERATIONS PLAN

VISTA RESOURCES, INC. (A)

South Lea Unit #1

1980' FSL & 1980' FWL, Sec. 17, T-26S, R-36E

Lea County, New Mexico

Lease No:

(Re-Entry Well)

This plan is submitted with the Application for Permit to Drill/Re-enter the above described well. The purpose of the plan is to describe the location of the proposed well, the proposed construction activities and operations plan, to be followed in rehabilitating the surface environmental effects associated with the operations.

1 EXISTING ROADS:

- a) Exhibit "A" is a portion of a BLM Topo mas showing the location of the proposed well as staked. The well is site location is approximately 11 road miles southwest of Jal, New Mexico. Traveling southwest of Jal there will be approximately 3 miles of paved highway and 8 miles of gravel ranch and oilfield roads.
- b) Directions: Travel southwest from Jal, New Mexico on County Road 205 for approximately 3.1 miles to Bennett, New Mexico. Continue southwest onto Frying Pan road for 4 miles to fork in the road, take right fork 1.5 miles to road on right going north. Turn right and travel 1.75 miles to T, turn left .25 miles then right (NW) another 1/3 miles to location.

2 PLANNED ACCESS ROAD:

- a) Length and Width: The existing access will be repaired and constructed to a width of 12 feet and will be approximately 12,300 feet in length. See Exhibit "B".
- b) Construction: the existing access road will be constructed by grading and topping with compacted caliche and will be properly drained.
- c) Turnouts: None required.
- d) Culverts: None required.
- e) Cuts and Fills: Non required.
- f) Gates, Cattleguards: Blow sand, brush and fill that has accumulated under the existing cattleguards on access road will be cleaned out and returned to service.
- g) Off Lease R/W: None required.

MULTI POINT SURFACE USE AND OPERATIONS PLAN

VISTA RESOURCES, INC. (A)

South Lea Unit #1

1980' FSL & 1980' FWL, Sec. 17, T-26S, R-36E

Lea County, New Mexico

Lease No:

(Re-Entry Well)

3 LOCATION OF EXISTING WELLS:

- a) Existing wells within a two mile radius are shown on Exhibit "C".

4 LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

- a) There are no production facilities on the lease at this time.
- b) If the well proved to be commercial, the necessary production facilities, gas separation-process equipment and tank battery will be installed on the drilling pad.

5 LOCATION AND TYPE OF WATER SUPPLY:

- a) It is planned to re-enter well with fresh water that will be obtained from private or commercial sources and will be transported over the existing roads.

6 SOURCE OF CONSTRUCTION MATERIALS:

- a) Caliche for repairing the existing access road and well site pad will be obtained from a private pit owned by surface owner, Monty Beckham, Sec. 17, T-26S, R-36E. No surface materials will be disturbed except necessary for actual grading and leveling of the drill site and access road.

7 METHODS OF HANDLING WASTE DISPOSAL:

- a) Drill cuttings will be disposed of in the reserve pits.
- b) Drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry.
- c) All pits will be fenced with normal fencing materials to prevent livestock from entering the area.
- d) Water produced during operations will be collected in tanks until hauled to an approved disposal system, or a separate disposal application will be submitted to the BLM for approval.
- e) Any oil produced during operations will be stored in tanks until sold.

MULTI POINT SURFACE USE AND OPERATIONS PLAN

VISTA RESOURCES, INC. (A)

South Lea Unit #1

1980' FSL & 1980' FWL, Sec. 17, T-26S, R-36E

Lea County, New Mexico

Lease No:

(Re-Entry Well)

- f) Current laws and regulations pertaining to the disposal of human waste will be complied with.
- g) Trash, waste paper, garbage and junk will be contained in trash bins to prevent scattering by the wind and will be removed for deposit in an approved sanitary land fill within 30 days after finishing drilling and/or completion operations.

8 ANCILLARY FACILITIES:

- a) None required.

9 WELL SITE LAYOUT:

- a) Exhibit "D" shows the relative location and dimensions of the well pad, reserve pits and major rig components. The existing pad and pit area are well defined and in relatively good condition.
- b) Mat Size: 300' x 200' plus 75' x 75' reserve pits.
- c) Cut and Fill: None required.
- d) The surface will be topped with additional compacted caliche as needed. A 500 bbl tank and 36" line pipe will be moved off location.

10 PLANS FOR RESTORATION OF THE SURFACE:

- a) After completion of drilling and/or completion operations, all equipment and other material not needed for operations will be removed. Pits will be filled and the location cleaned of all trash and junk to leave the well site in an aesthetically pleasing a condition as possible.
- b) Any unguarded pits containing fluids will be fenced until they are filled.
- c) If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of the private surface owner, Monty Beckham, will be complied with and will be accomplished as expeditiously as possible. All pits will be filled and leveled as soon as they are sufficiently dried.

11 OTHER INFORMATION:

- a) Topography: The proposed well site and access road is in an area

MULTI POINT SURFACE USE AND OPERATIONS PLAN

VISTA RESOURCES, INC. (A)

South Lea Unit #1

1980' FSL & 1980' FWL, Sec. 17, T-26S, R-36E

Lea County, New Mexico

Lease No:

(Re-Entry Well)

of the Javelina Basin that is relatively level with a hummocky undulating surface. The area of the location has an overall slope to the south from an elevation of 2952'.

- b) Soil: The topsoil in the area of the well site and access road is a loamy sand of the Kermit soils and Dune land Series.
- c) Flora and Fauna: The vegetation cover is a poor to fair grass cover of three-awn, sand and spike dropseed, bluestem and other misc. native grasses along with plants of mesquite, yucca, shinnery oak brush, sage, cacti, buckwheat and miscellaneous weeds and wildflowers. The wildlife consists of rabbits, coyotes, rattlesnakes, lizards, dove, quail and other wildlife typical of the semi-arid desert land.
- d) Ponds and Steams: None in area.
- e) Residences and Other Structures: None in the immediate area, the nearest farmhouse is 1 1/2 miles south and NE of location.
- f) Land Use: Cattle grazing.
- g) Surface Ownership: The proposed well site and access road is on fee surface owned by Monty Beckham with Federal minerals. A surface owner agreement has been made by the operator with Mr. Beckham to compensate him for surface damages and rehabilitate the surface after completion of drilling operations.
- h) There is no evidence of any archaeological, historical or cultural sites in the area. An archaeological survey will be necessary since the existing pad is still in very good condition and no new surface disturbances will be required to repair and use the pad and pit area.

12 OPERATORS REPRESENTATIVE:

- a) The field representative responsible for assuring compliance with the approved surface use and operations plan is as follows:

John Dollahan
Vista Resources, Inc. (A)
915-570-5045

13 CERTIFICATION:

MULTI POINT SURFACE USE AND OPERATIONS PLAN

VISTA RESOURCES, INC. (A)

South Lea Unit #1

1980' FSL & 1980' FWL, Sec. 17, T-26S, R-36E

Lea County, New Mexico

Lease No:

(Re-Entry Well)

I hereby certify that I have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in the plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Vista Resources, Inc. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

October 15, 1998


Agent for: Vista Resources, Inc.

Suble Les. No. _____
 Late Les. No. _____
 Mineral Les. No. NM-0553893

NEW MEXICO OIL CONSERVATION COMMISSION
 WELL LOCATION AND ACREAGE DEDICATION FORM

Form C-102
 Supersedes C-128
 Effective 1-1-65

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

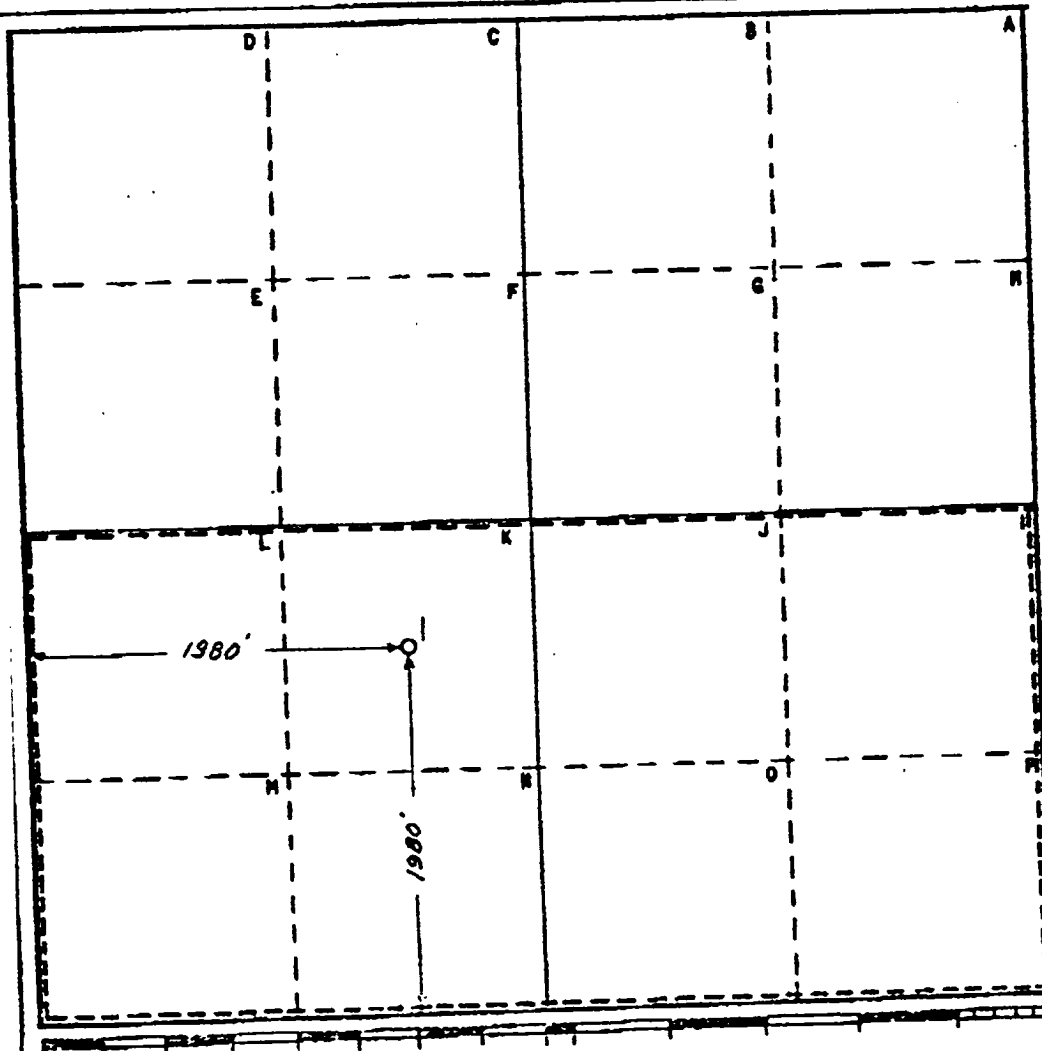
Operator Vista Resources, Inc. (A)		Lease South Lea Unit			Well No. 1
Unit Letter K	Section 17	Township 26-S	Range 36-E	County Lea	
Actual Footage Location of Well:					
1980 feet from the south		line and	1980 feet from the west		line
Ground Level Elev: 2952'	Producing Formation Devonian		Pool Wildcat	Dedicated Acreage 320 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 Unitization

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 Commission.



CERTIFICATION

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

Jim Brayton
 Name

Jim Brayton
 Position
 Area Engineer

Vista Resources, Inc. (A)

Date
 10/16/98

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
 June 17, 1969

Registered Professional Engineer
 and/or Land Surveyor

H. S. Westfield

Certificate No. 1382

See Amended

VISTA RESOURCES, INC.
 LEA, SOUTH UNIT #1
 Sec. 17, T-26 S, R-36 E
 Lea County, New Mexico

10 7/8" csg to surf

Cut off head, welded plate with 1" valve on 10 3/4" casing
 Install dry-hole marker.

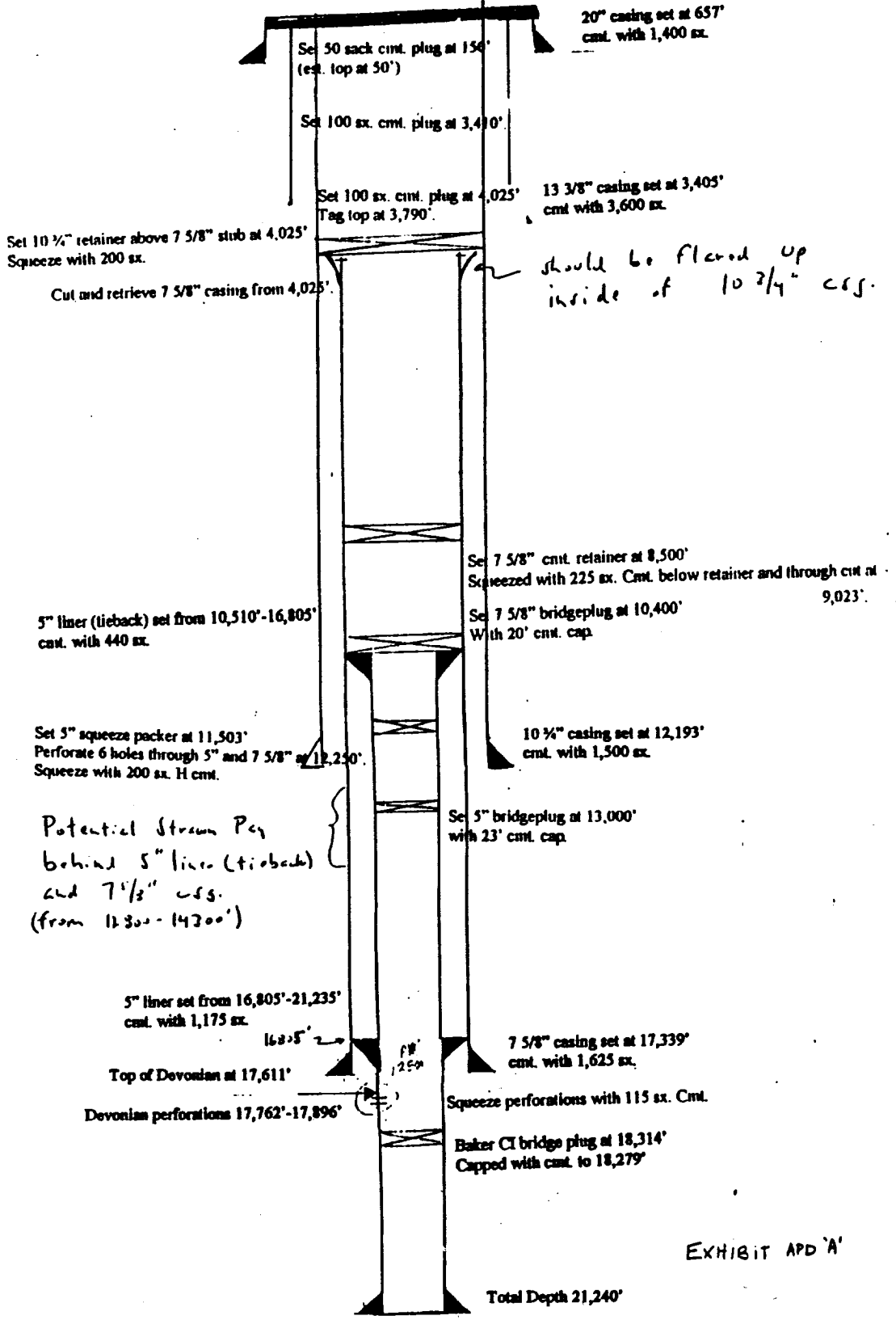


EXHIBIT APD 'A'

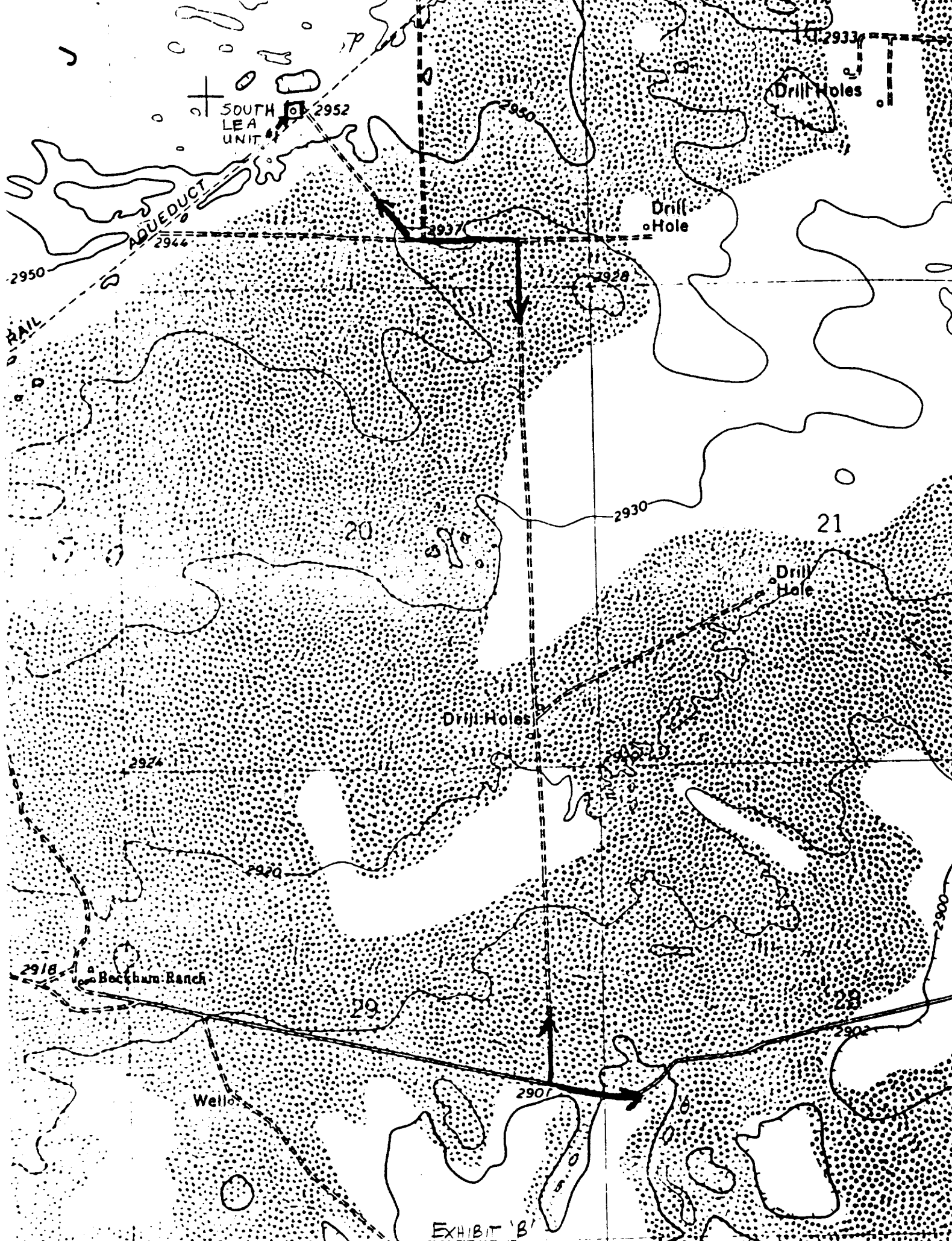
<p>3 2786 6122</p> <p>2004</p> <p>U.S.</p>	<p>26</p> <p>Amoco HBP 43706</p> <p>U.S.</p>	<p>25</p> <p>Dalen Res O&G 94130 4022</p> <p>U.S.</p>	<p>30</p> <p>Dalen Res 7-21-97 7-7-97</p> <p>U.S., MI</p>	<p>29</p> <p>Dalen Res 7-21-97 7-13-98</p> <p>U.S. MI</p>	<p>28</p> <p>Dalen Res 7-13-98</p> <p>U.S.</p>	<p>27</p> <p>Dalen Res O&G 94133 4022</p> <p>U.S.</p>	<p>M.B. Pet. HBP 03054 A. Boss to 4000</p>
<p>Mitchell Ener 32786 6122</p> <p>2004</p> <p>U.S.</p>	<p>35</p> <p>Amoco HBP 43706</p> <p>U.S.</p>	<p>36</p> <p>Yates Pet. etal 12-11-97 1522</p> <p>State</p>	<p>31</p> <p>Dalen Res O&G 94133 4022</p> <p>U.S.</p>	<p>32</p> <p>Dalen Res 7-21-97 7-13-98</p> <p>State</p>	<p>33</p> <p>Betty Honagan 10-1-93 58797</p> <p>U.S.</p>	<p>34</p> <p>Yates Pet. etal 12-11-97 34006</p> <p>U.S.</p>	<p>Calu</p>
<p>Union L8-92</p> <p>U.S.</p>	<p>2</p> <p>Max Wilson Sinclair etal D/A 3-19-64</p> <p>U.S.</p>	<p>1</p> <p>D.H. Ford & R.L. Hoagbe Fed. 7818 648 21 66</p> <p>U.S.</p>	<p>6</p> <p>D.J. Sorenson 4-1-98 70902</p> <p>U.S., MI</p>	<p>7</p> <p>Yates Pet. etal 11-1-94 8194</p> <p>U.S.</p>	<p>4</p> <p>Yates Pet. etal 11-1-94 82963</p> <p>U.S.</p>	<p>3</p> <p>Yates Pet. etal 11-1-94 82963</p> <p>U.S.</p>	<p>Phillips HBP E-1924</p>
<p>Amer. Trad. & Prod. 12280</p> <p>TALCO UNIT 12</p> <p>U.S.</p>	<p>13</p> <p>Amer. Trading HBP 12280</p> <p>U.S.</p>	<p>7</p> <p>D.J. Sorenson 4-1-98 70902</p> <p>U.S.</p>	<p>8</p> <p>Yates Pet. etal 11-1-94 8194</p> <p>U.S.</p>	<p>9</p> <p>Yates Pet. etal 11-1-94 82963</p> <p>U.S.</p>	<p>10</p> <p>Yates Pet. etal 11-1-94 82963</p> <p>U.S.</p>	<p>11</p> <p>Yates Pet. etal 11-1-94 82963</p> <p>U.S.</p>	<p>MIDLAN</p>
<p>Santa Fe Ener 6-1-96 34063 5022</p> <p>14</p> <p>AMER. TRAD. & PROD. (OPER)</p> <p>U.S.</p>	<p>13</p> <p>Amer. Trading HBP 12280</p> <p>U.S.</p>	<p>18</p> <p>MNG Oil HBP 18644</p> <p>U.S.</p>	<p>17</p> <p>Yates Pet. etal 11-1-94 8194</p> <p>U.S.</p>	<p>16</p> <p>Yates Pet. etal 11-1-94 82963</p> <p>U.S.</p>	<p>15</p> <p>Yates Pet. etal 11-1-94 82963</p> <p>U.S.</p>	<p>15</p> <p>Chevron Check Corp, 10% HBP 8-228</p>	<p>PAWNEE CITATIO</p>
<p>Santa Fe Ener 6-1-96 34063 2522</p> <p>23</p> <p>Roy H. Smith Fed. D/A 1-4-82</p> <p>U.S.</p>	<p>24</p> <p>Santa Fe Ener 6-1-96 34063 5022</p> <p>U.S.</p>	<p>19</p> <p>Yates Pet. etal 7-1-2000 VA-1407 1522</p> <p>State City of Jol (S)</p>	<p>20</p> <p>Yates Pet. etal 11-1-94 8194</p> <p>State</p>	<p>21</p> <p>Yates Pet. etal 11-1-94 82963</p> <p>State</p>	<p>22</p> <p>Yates Pet. etal 11-1-94 82963</p> <p>State</p>	<p>22</p> <p>H.E. Yates 3-1-95 V-2189 7022</p>	<p>Yates Pet. 8-1-99 VB 85 6722</p>
<p>Santa Fe Ener 6-1-96 34063 3022</p> <p>26</p> <p>U.S.</p>	<p>25</p> <p>Santa Fe Ener 6-1-96 34063 5022</p> <p>U.S.</p>	<p>30</p> <p>Betty Honagan 10-1-93 58797</p> <p>U.S., MI</p>	<p>29</p> <p>Yates Pet. etal 11-1-94 8194</p> <p>U.S.</p>	<p>28</p> <p>Yates Pet. etal 11-1-94 82963</p> <p>U.S.</p>	<p>27</p> <p>Yates Pet. etal 11-1-94 82963</p> <p>U.S.</p>	<p>27</p> <p>Yates Pet. etal 11-1-94 82963</p> <p>U.S.</p>	<p>Yates Pet. 8-1-99 VB 85 6722</p>
<p>M. Pleszynski 9-1-96 62240</p> <p>U.S.</p>	<p>36</p> <p>Yates Pet. etal 4-1-97 V-5980 2122</p> <p>State</p>	<p>31</p> <p>Betty Honagan 10-1-93 58797</p> <p>U.S., MI</p>	<p>32</p> <p>Yates Pet. etal 11-1-94 8194</p> <p>State</p>	<p>33</p> <p>Yates Pet. etal 11-1-94 82963</p> <p>State</p>	<p>34</p> <p>Yates Pet. etal 11-1-94 82963</p> <p>State</p>	<p>34</p> <p>Yates Pet. etal 11-1-94 82963</p> <p>State</p>	<p>Yates Pet. 8-1-99 VB 85 6722</p>

County

WINKLER County

EXHIBIT 'C'
LEA, SOUTH UNIT #1
EXISTING WELLS

LEGEND



SOUTH LEA UNIT

AQUEDUCT

RAIL

Drill Holes

Drill Hole

Drill Hole

Drill Holes

Bockham Ranch

Well

EXHIBIT 'B'

2950

2944

2937

2950

2933

2928

2930

2924

2920

2918

2910

2907

2900

2900

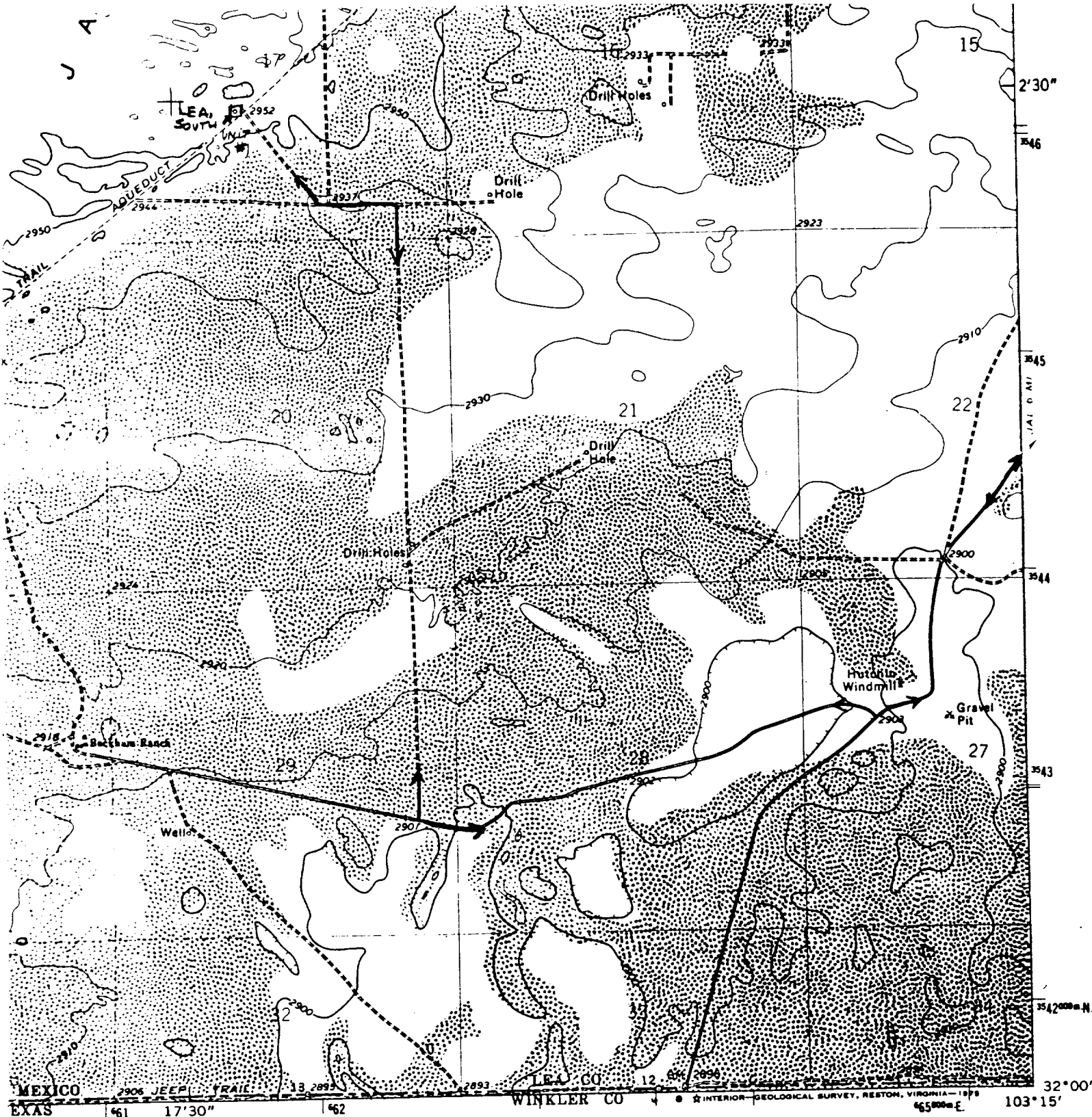


EXHIBIT 'A'
 LEA SOUTH # UNIT #1
 1980' FSL & WL, SEC. 17, T26S, R36E
 EXISTING ACCESS RD ↔



1 MILE
 7000 FEET
 METRE

ROAD CLASSIFICATION

Primary highway, hard surface	Light-duty road, hard or improved surface
Secondary highway, hard surface	Unimproved road
Interstate Route	U. S. Route
	State Route

JAVELINA BASIN, N. MEX.—TEX.
 N3200—W10315/7.5

RGINIA 22092
 UEST

1973

AMS 5348 III SE—SERIES V881

(KERN 5347)

22-141 50 SHEETS
22-142 100 SHEETS
22-144 200 SHEETS

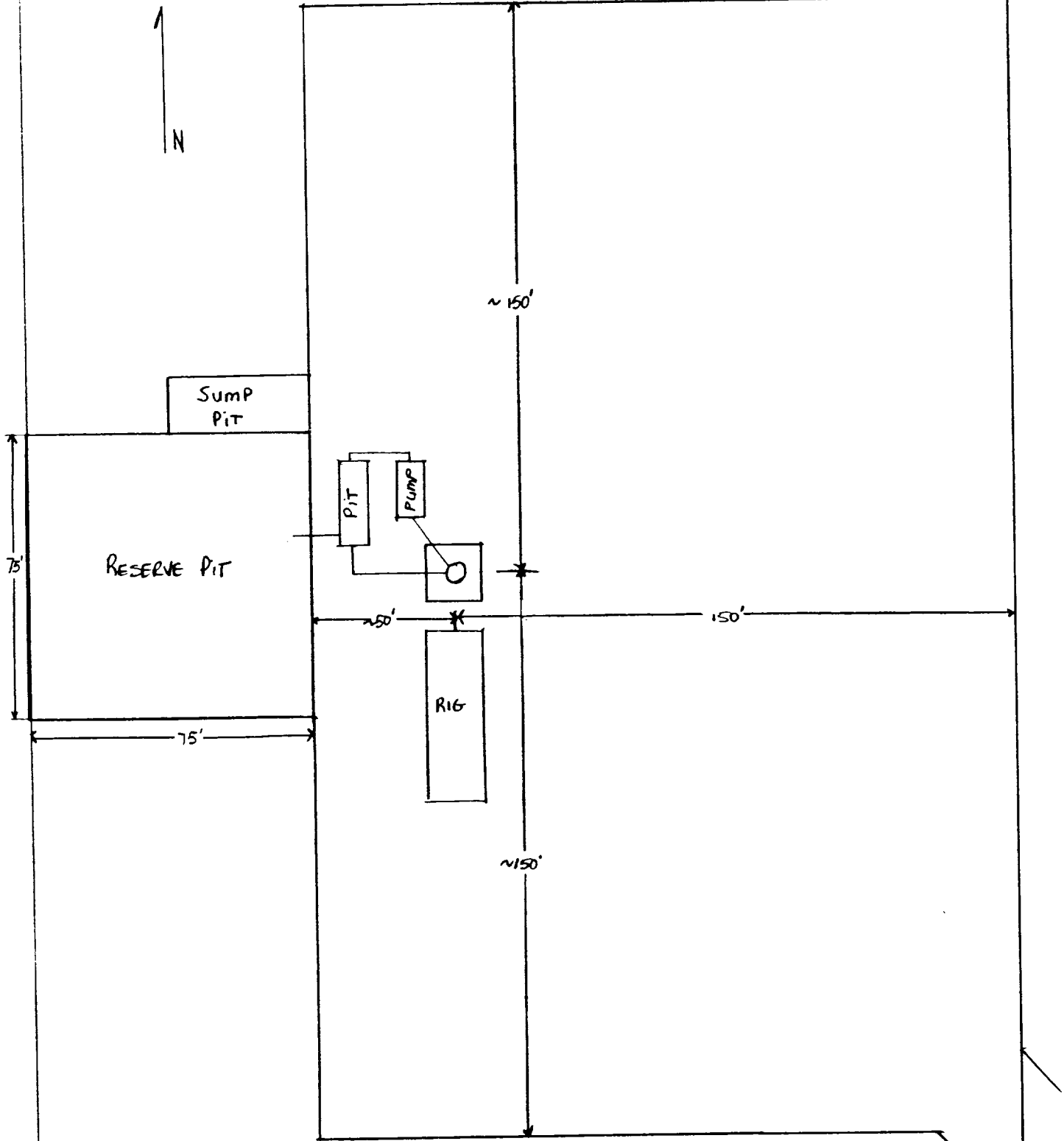


EXHIBIT 'D'
LEA, SOUTH UNIT #1
PAD & PIT LAYOUT

BLOWOUT PREVENTOR ARRANGEMENT

11" MANUAL, 3000 psi WP

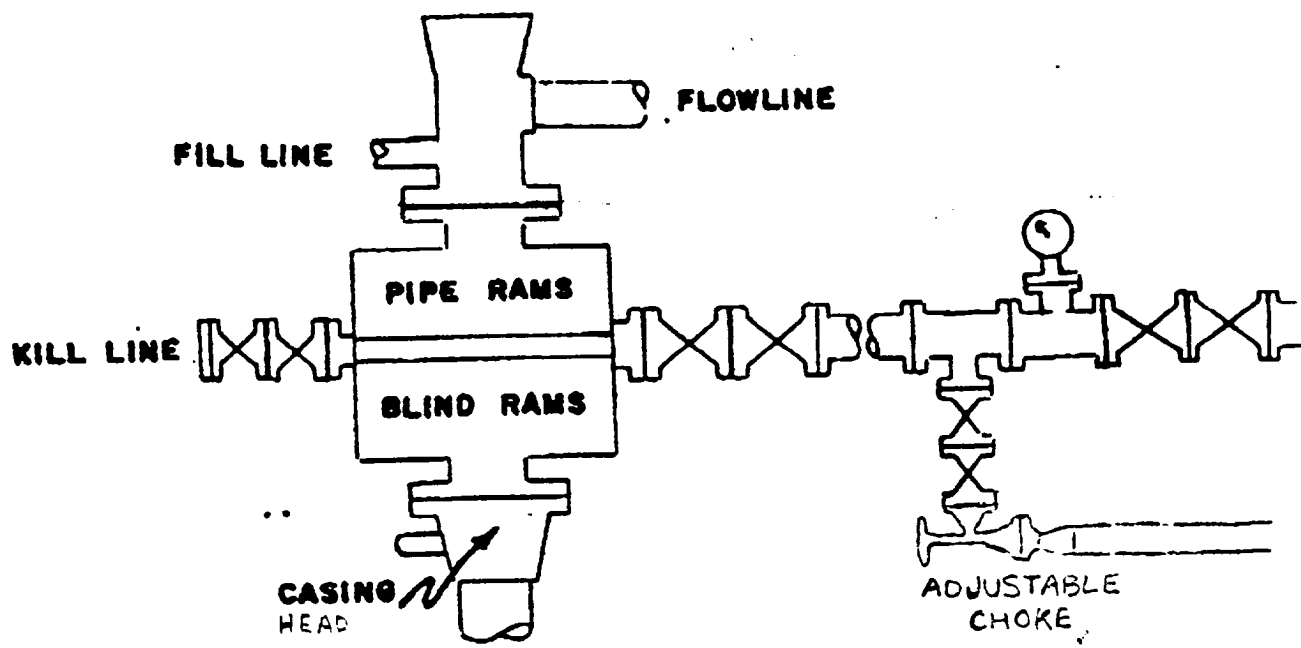


EXHIBIT "E"
LEA, SOUTH UNIT #1
BOP Specifications



VISTA RESOURCES, INC.

550 WEST TEXAS AVENUE
SUITE 700
MIDLAND, TEXAS 79701

915/570-5045
FAX 915/688-0589

October 16, 1998

Bureau of Land Management
Attn: David Glass
2900 West 2nd
Roswell, NM 88201

Re: Application to re-enter the South Lea Unit #1, Lea County, NM

Dear Mr. Glass:

Attached is the application and associated documentation required to obtain approval to re-enter the South Lea Unit #1 in Lea County and attempt a completion in the Devonian formation.

Please look over the attachments for completeness and notify us of any deficiencies. The anticipated start up date and time frame for rig availability is the middle of November. Please let us know if there is any problem getting BLM approval by then and if there is anything Vista can do to expedite the process.

I would be glad to discuss any part of the project with you at your convenience and would appreciate any ongoing input as to the status of the approval process. I can be reached at the phone number and address in the letterhead.

Thank you for your attention to this matter.

Yours Truly
Vista Resources

Jim Brayton
Area Engineer

Attachments

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Co. Division
P.O. Box 1980
Hobbs, NM 88241

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Designation and Serial No. <u>MM-12644</u>
2. Name of Operator <u>Vista Resources, Inc. (A)</u>	6. If Indian, Allottee or Tribe Name
3. Address and Telephone No. <u>550 W. Texas Ave., Suite 700 Midland, Texas 79701</u>	7. If Unit or CA, Agreement Designation
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) <u>1980' FSL & 1980' FWL Unit K Sec. 17, T-26S, R-36E</u>	8. Well Name and No. <u>South Lea Unit #1</u>
	9. API Well No.
	10. Field and Pool, or Exploratory Area <u>Wildcat</u>
	11. County or Parish, State <u>Lea, New Mexico</u>

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Completion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other <u>re-enter P&A well</u>
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Propose to re-enter P&A well, South Lea Unit, Well #1, drill out plugs, set casing as needed and attempt to recomplete well in the Devonian formation. See attached APD and Surface Use Plan.

14. I hereby certify that the foregoing is true and correct

Signed [Signature] Title Area Engineer Date 10/15/98

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____

Conditions of approval, if any:

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.