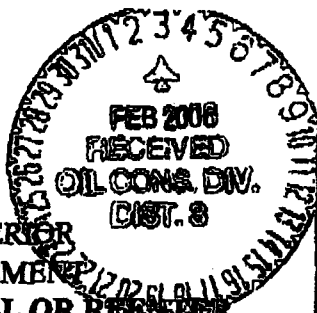


Form 3160-3
(September 2001)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB NO. 1004-0136

Expires: January 31, 2004

2006 JAN 10 PM 5:33
5. OCS Serial No.

RECEIVED

6. If Indian, Allottee or Tribe Name

7. If Unit or CA Agreement, Name and No.

8. Lease Name and Well No.

Sally # 4

9. API Well No.

10. Field and Pool, or Exploratory

Basin Fruitland Coal 71629

11. Sec., T., R., M., or Blk. And Survey or Area

F, Sec. 24, T-28-N, R-11-W

12. County or Parish

San Juan

13. State

New Mexico

1a. Type of Work ☒ DRILL ☐ REENTER1b. Type of Well ☐ Oil Well ☒ Gas Well ☐ Other ☐ Single Zone ☐ Multiple Zone

2. Name of Operator

Chaparral Oil and Gas, Inc.

3a. c/o Titus Consulting P. O. Box 962

3b. Phone No. (include area code)

Farmington, New Mexico 87499

(505) 486-1701

4. Location of well (Report location clearly and in accordance with any State requirements. *)

At surface

1475' FNL, 1635' FWL, Latitude 36.650987 N, Longitude 107.957944 W

At proposed prod. zone

1475' FNL, 1635' FWL, Latitude 36.650987 N, Longitude 107.957944

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

Approximately 1.8 miles southeast of Bloomfield, New Mexico by air.

15. Distance from proposed*

location to nearest

property or lease line, ft.

(Also to nearest dslg unit line, if any)

1635'

16. No. of Acres in lease

1,894.08

17. Spacing Unit dedicated to this well

W/2 - 320

18. Distance from proposed location*

to nearest well, drilling, completed,
applied for, on this lease, ft.

100'

19. Proposed Depth

1960'

20. BLM/ BIA Bond No. on file

103660301

21. Elevations (Show whether DF, RT, GR, etc.)

5460' GL 5758'

22. Approximate date work will start*

9-Jan-06

23. Estimated Duration

10 Days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1 shall be attached to this form:

1. Well plat certified by a registered surveyor.

2. A Drilling Plan.

3. A Surface Use Plan (if the location is on National Forest System Lands, the
SUPO shall be filed with the appropriate Forest Service Office).4. Bond to cover the operations unless covered by existing bond on file(see
item 20 above).

5. Operator certification.

6. Such other site specific information and/ or plans as may be required by the a
authorized officer.

25. Signature

Name (Printed/ Typed)

Date

S. Max Libby

1/18/2006

Agent-Ellis & Associates

Approved By (Signature)

Name (Printed/ Typed)

Date

Title

Office

2/1/06

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 co
operations thereon.

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

* (Instructions on reverse)

For information, please refer to technical and
regulatory information to 43 CFR 3165.3
and 43 CFR 3165.4

OIL CONSERVATION DIVISION

CASE NUMBER

EXHIBIT NUMBER 2