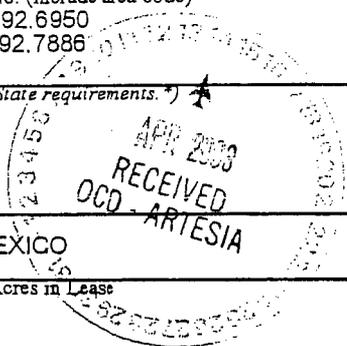


UNITED STATES **OCG-ARTESIA**
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

EC

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMNM3620	
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name	
2. Name of Operator LYNX PETROLEUM CONSULTANTS INC		7. If Unit or CA Agreement, Name and No. 32244	
3a. Address P O BOX 1708 HOBBS, NM 88241 13645		8. Lease Name and Well No. KITTY HAWK FEDERAL 1	
3b. Phone No. (include area code) Ph: 505.392.6950 Fx: 505.392.7886		9. API Well No. 30-015-32746	
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface NWSE 1980FSL 1850FEL At proposed prod. zone W. J		10. Field and Pool, or Exploratory SHUGART-MORROW SHUGART-STRAWN	
14. Distance in miles and direction from nearest town or post office* 12 MILES SOUTH-SOUTHWEST OF MALJAMAR, NEW MEXICO		11. Sec., T., R., M., or BLK. and Survey or Area Sec 1 T19S R31E Mer NMP	
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)		12. County or Parish EDDY	
16. No. of Acres in Lease		13. State NM	
17. Spacing Unit dedicated to this well 320.00		18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.	
19. Proposed Depth 12650 MD		20. BLM/BIA Bond No. on file	
21. Elevations (Show whether DF, KB, RT, GL, etc.) 3636 GL		22. Approximate date work will start	
23. Estimated duration		24. Attachments	



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

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature (Electronic Submission)	Name (Printed/Typed) MARC WISE	Date 03/11/2003
Title REPORT AUTHORIZER		
Approved by (Signature) <i>LESLIE A. THEISS</i>	Name (Printed/Typed) LESLIE A. THEISS	Date 11/03/03
Title FIELD MANAGER Office CARLSBAD FIELD OFFICE		

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

APPROVAL FOR 1 YEAR

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.

Additional Operator Remarks (see next page)

APPROVAL SUBMITTED TO
GENERAL MANAGER
SPECIAL OPERATIONS
APPROVAL

Electronic Submission #18586 verified by the BLM
For LYNX PETROLEUM CONSULTANTS INC,
Committed to AFMSS for processing by Linda Askwig

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 13198 Exhibit No. **2**
Submitted By:
Lynx Petroleum Consultants
Hearing Date: January 8, 2004

DISTRICT I
 P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-102
 Revised February 10, 1994
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

DISTRICT II
 P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III
 000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
 P.O. BOX 2088, SANTA FE, N.M. 87504-2088

OIL CONSERVATION DIVISION

P.O. Box 2088
 Santa Fe, New Mexico 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number	Pool Code	Pool Name
	85300	SHUGART MORROW (GAS)
Property Code	Property Name	Well Number
	KITTY HAWK FEDERAL	1
OGRID No.	Operator Name	Elevation
013645	LYNX PETROLEUM CONSULTANTS, INC.	3636'

Surface Location

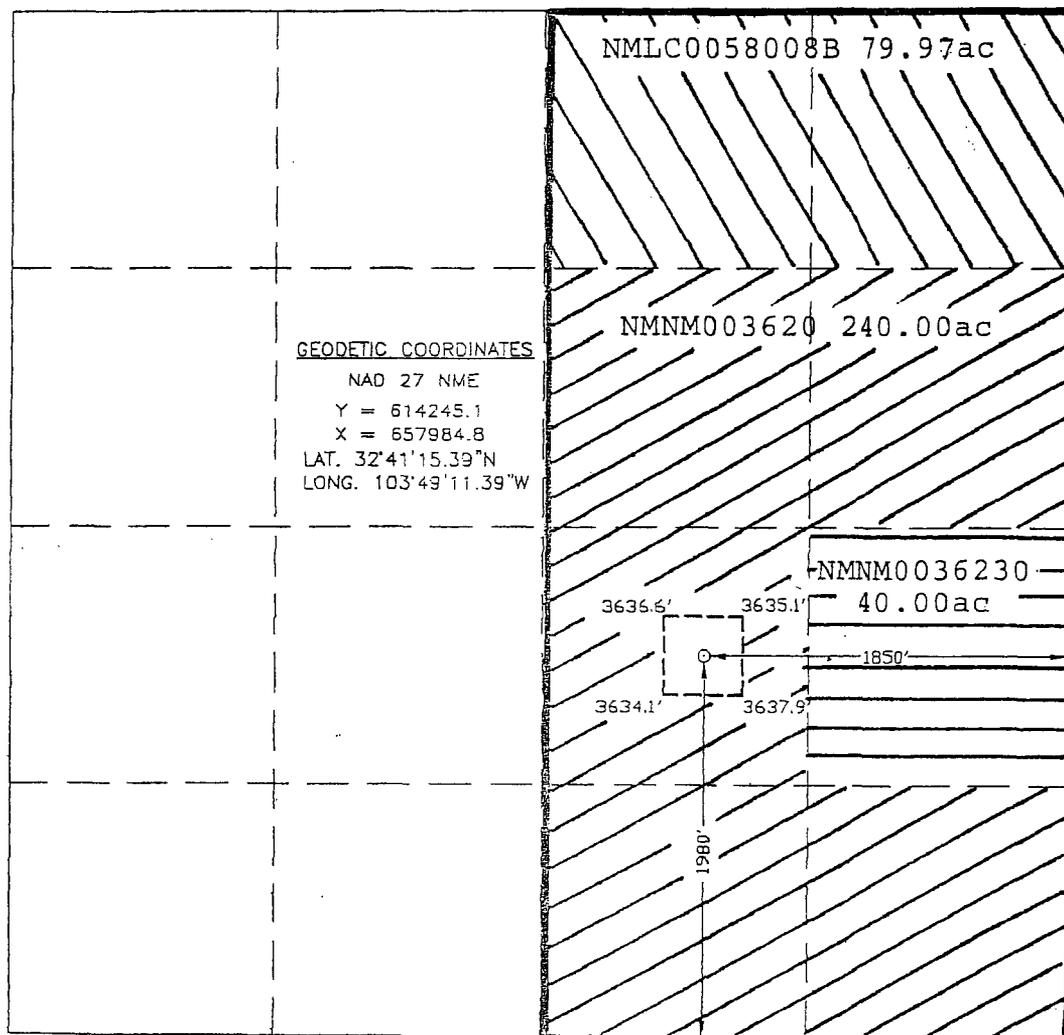
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	1	19-S	31-E		1980'	SOUTH	1850'	EAST	EDDY

Bottom Hole Location If Different From Surface

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

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320	N	C	Pending

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



OPERATOR CERTIFICATION

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

Marc Wise
 Signature

Marc Wise
 Printed Name

President
 Title

2/14/03
 Date

SURVEYOR CERTIFICATION

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.

FEBRUARY 11, 2003
 Date Surveyed

LA.
 Signature & Seal of Professional Surveyor

Ronald J. Eidson
 2/12/03
 03 11 0160

Certificate No. RONALD J. EIDSON 3239
 GARY EIDSON 12641