

PMES0-403 433 238

TO

Name: MIKE STONER  
 Company: STATE OF NM OCD  
 Fax Number: 505 476-3462  
 Voice Number: " 476 3465  
 Date & Time: 1-30-04 11:30 AM  
 Pages: COVER +  
 Re: \_\_\_\_\_

FROM

Name: Reata Resources Inc.  
 Fax Number: 505-746-2345  
 Voice Number: 505-748-2134  
 E-Mail: ddb@pvtnetworks.net

NOTE

LEASE # LC050158 HAROLD  
DUE TO THE DRILLING OF THE  
WELL 12 BY DENON WE HAD  
TO MOVE THE LOCATION OF  
HAROLD 17  
REQUEST PERMISSION FOR  
UNOBTAINING LOCATION.  
WATER  
PROB.  
IF YOU NEED MORE INFO PLEASE CALL  
DB

OPERATOR'S COPY

Form 3160-3  
(August 1999)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED  
OMB No. 1004-0136  
Expires November 30, 2000

5. Lease Serial No.  
LC050158

6. If Indian, Allottee or Tribe Name

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

8. Lease Name and Well No.  
Harbold # 17

9. API Well No.

1a. Type of Work:  DRILL  REENTER

1b. Type of Well:  Oil Well  Gas Well  Other  Single Zone  Multiple Zone

2. Name of Operator  
REATA RESOURCES, INC.

3a. Address  
811 Bullock Ave. Artesia NM

3b. Phone No. (include area code)  
505-748-2134

10. Field and Pool, or Exploratory  
EMPIRE Y-SR

4. Location of Well (Report location clearly and in accordance with any State requirements.)\*  
At surface Unit F 2260N 1590W  
At proposed prod. zone

11. Sec., T., R., M., or Blk. and Survey or Area  
Sec. 35 T17S R27E

14. Distance in miles and direction from nearest town or post office\*  
Aprox. 9 Miles East of Artesia, NM

12. County or Parish  
Eddy

13. State  
NM

15. Distance from proposed\* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)  
7590'

16. No. of Acres in lease  
80

17. Spacing Unit dedicated to this well  
10

18. Distance from proposed location\* to nearest well, drilling, completed, applied for, on this lease, ft.  
160'

19. Proposed Depth  
450'

20. BLM/BIA Bond No. on file

21. Elevations (Show whether DF, KDB, RT, GL, etc.)  
3599 GL

22. Approximate date work will start\*  
12-29-03

23. Estimated duration  
2 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 an 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 authorized officer.

25. Signature *Dalton Bell* Name (Printed/Typed) Dalton Bell Date 12-1-03

Title President

Approved by (Signature) *Joe G. Lara* Name (Printed/Typed) Joe G. Lara Date 1/27/04

Title Acting FIELD MANAGER Office CARLSBAD FIELD OFFICE

Application approved does not warrant or certify the 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, 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.

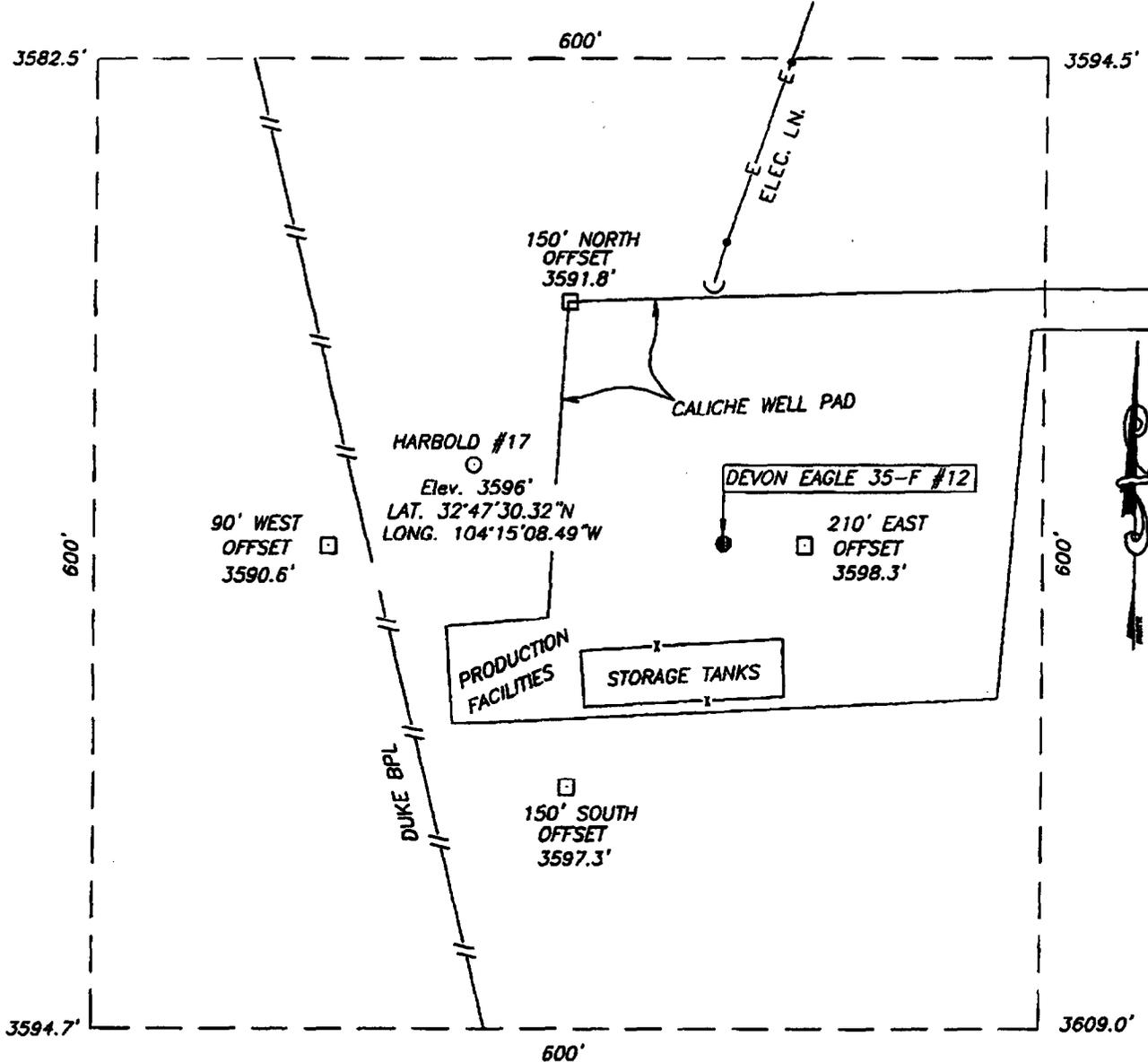
\*(Instructions on reverse)

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS  
AND SPECIAL STIPULATIONS  
ATTACHED

ROSWELL CONTROLLED WATER BASIN

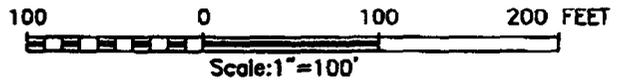
WITNESS Cementing 5-1/2" Casing

**SECTION 35, TOWNSHIP 17 SOUTH, RANGE 27 EAST, N.M.P.M.,**  
EDDY COUNTY, NEW MEXICO.



**DIRECTIONS TO LOCATION:**

FROM THE INTERSECTION STATE HIGHWAY 82 AND EDDY CO. RD. #204 (HILLTOP ROAD) GO SOUTHEAST ON HILLTOP RD. 0.2 MILES TO EDDY CO. RD. #225 (EMPIRE ROAD). GO SOUTHWEST ON EMPIRE RD 1.2 MILES TO A CALICHE ROAD ON THE RIGHT. TURN WEST (RIGHT) AND GO 0.25 MILES TO THE EXISTING DEVON EAGLE 35 F #12 WELL AND THIS LOCATION.



**REATA RESOURCES**

HARBOLD #17 LOCATED 2260' FROM THE NORTH LINE AND 1590' FROM THE WEST LINE OF SECTION 35, TOWNSHIP 17 SOUTH, RANGE 27 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.

Survey Date: 11/04/03	Sheet 1 of 1 Sheets
W.O. Number: 03.11.1211	DRAWN BY: A.B/Rev.12/03/03
Date: 11/05/03	DISK: CD#10
REATA #1211	Scale: 1"=100'

**JOHN WEST SURVEYING COMPANY**

412 N. DAL PASO - HOBBS, NEW MEXICO - 505-393-3117



811 Bullock Ave,  
Artesia, NM 88210-2338

505-748-2134  
Fax-746-2345

Harbold # 17 2260 N & 1590 W Sec. 35-17-27  
Land Use Plan

Roads, Well is adjacent to newly completed Well belonging to Devon (Eagle 35 F # 12). Newly constructed Road runs within a few Feet of this Location which will require very little repair work, This well will be Drilled with an air Rig which requires very little Space. The Location will be approximately 50' by 50' and will be on ground that has been disturbed.

No turnouts, No culverts, No cuts or fill, No gates or Cattle Guards. Carlsbad BLM has approved the Location, (No archeologic Sites. (Barry Hunt.)

The facilities for Oil storage are approx. 600' away, and will be reached with plastic pipe part of which is in place.

No Water will be required for drilling and completion will be done with steel pits.

This well will probably only take three days to drill. We will drill daylights only.

All waste will be properly disposed of.

I hereby Certify that I have inspected the site and access, and I am familiar with the conditions which currently exist, that the statements are to the best of my knowledge are correct, and that the work on this operation will be performed by Reata Resources Inc. and its contractors in conformance 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 filing false statements.

January 9, 2004

A handwritten signature in cursive script that reads 'Dalton Bell'.

Dalton Bell, President  
Reata Resources, Inc.

W $\frac{1}{2}$  OF NW  $\frac{1}{4}$  - SHALLOW RIGHTS IN  
 REATA RESOURCES INC. SMITHS MARSH, WYO  
 IS OPERATOR

E $\frac{1}{2}$  NW  $\frac{1}{4}$  SHALLOW RIGHTS ARE OWNED  
 BY REATA RESOURCES INC - HARROLD 17  
 IS OPERATE BY REATA & ALL THE WELLS  
 WILL HAVE OPERATOR CHANGE TO REATA

