Form 3160-3

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY _

SUBMIT IN TRIPLICATE. (Other Instructions on

FORM APPROVED OMB NO. 1004-0136

(July 1992) UNITED STATES Expires: February 28, 1995 DEPARTMENT OF THE INTERIOR 5. LEASE DESIGNATION AND SERIAL NO. BUREAU OF LAND MANAGEMENT <u>61349</u> 6. IF INDIAN, ALLOTTER OR TRIBE NAME APPLICATION FOR PERMIT TO DRILL OR DEEPEN 1a. TYPE OF WORK 7. UNIT AGREEMENT NAME DRILL KX DEEPEN [b. TYPE OF WELL WELL X [XX MULTIPLE 8. FARM OR LEASE NAME, WELL NO. OTHER ZONE 2. NAME OF OPERATOR Quahada Ridge Fed. 31 #1 Collins & Ware, Inc. 9. AH WELL NO. 3. ADDRESS AND TELEPHONE NO 10. FIELD AND POOL, OR WILDCAT 303 W.Wall, Ste. 2200, Midland, TX 79701 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*) Herradura Bend, East 2310' FSL & 330' FWL, L, Sec. 31, T22S, R29E 11. SEC., T., R., M., OR BLE. AND SURVEY OR AREA At proposed prod. zone same L, Sec. 31, T22S, R29E
12. COUNTY OR PARISH | 18. STATE 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE 11 miles SE/Carlsbad, NM Eddy NM 15. DISTANCE FROM PROPOSEDS

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drig, unit line, if any) 16. NO. OF ACRES IN LEASE 17. NO. OF ACRES ASSIGNED TO THIS WELL 330' 960 40 18. DISTANCE FROM PROPOSED LOCATION® 19. PHOPOSED DEPTH 20. ROTARY OR CABLE TOOLS TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. N/A 65001 Rotary 21. ELEVATIONS (Show whether DF, RT, GR, etc.) 22. APPROX. DATE WORK WILL START* 3147' GR upon approval PROPOSED CASING AND CEMENTING PROGRAM SIZE OF HOLE GRADE, SIZE OF CASING WEIGHT PER FOOT SETTING DEPTH QUANTITY OF CEMENT 17 1/2" 13 3/8" J-55 54.5# 350 375 sks. surf. CIRCULATE 5/8" 24&32# 2700' 1000 sks. surfcirculare 7/8" 15.5# 6500 1000 sks. surf (TEBACK) TTI \bigcirc V V 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, 24. Max Guerry DATE 8-11-93 BIGNED (This space for Federal or State office use) APPROVAL DATE

*See Instructions On Reverse Side

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.