

Berry

N.M. Oil Cons. DIV-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210

Form 3160-3
(August 1999)

0510

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

0
OMB No. 1004-0136
Expires November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER R-111-POTASH		5. Lease Serial No. NM-27729
b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator Yates Petroleum Corporation		7. If Unit or CA Agreement, Name and No.
3A. Address 105 South Fourth Street Artesia, New Mexico 88210	3b. Phone No. (include area code) (505) 748-1471	8. Lease Name and Well No. Baetz BDU Federal #1
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 430' FSL and 2180' FEL At proposed prod. Zone Same		9. API Well No. 30-015 33438
14. Distance in miles and direction from nearest town or post office* Approximately 23 miles southeast of Carlsbad, New Mexico.		10. Field and Pool, or Exploratory Forty Niner Ridge Bone Spring West
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 660'	16. No. of Acres in lease 160	11. Sec., T., R., M., or Blk, and Survey or Area Section 19, T23S-R30E
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1000'	19. Proposed Depth 7400'	12. County or Parish Eddy County
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3066' GL	22. Approximate date work will start* ASAP	13. State NM
17. Spacing Unit dedicated to this well 40		
20. BLM/BIA Bond No. on file 585997		
23. Estimated duration 45 days		

RECEIVED
JUN 03 2004

OB-ARTESIA

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 office.

25. Signature 	Name (Printed/Typed) Cy Cowan	Date 3/26/04
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Regulatory Agent

Approved by (Signature) /s/ Linda S. C. Rundell	Name (Printed/Typed) /s/ Linda S. C. Rundell	Date 28 MAY 2004
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Title STATE DIRECTOR	Office NM STATE OFFICE
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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.

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.

*(Instructions on reverse)

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED

CARLSBAD CONTROLLED WATER BASIN

DISTRICT II
 511 South First, Artesia, NM 88210

DISTRICT III
 1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
 2040 South Pacheco, Santa Fe, NM 87505

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name
			Forty Niner Ridge Bone Spring West
Property Code	Property Name		Well Number
	BAETZ "BDU" FEDERAL		1
OGRID No.	Operator Name		Elevation
025575	YATES PETROLEUM CORPORATION		3066

Surface Location

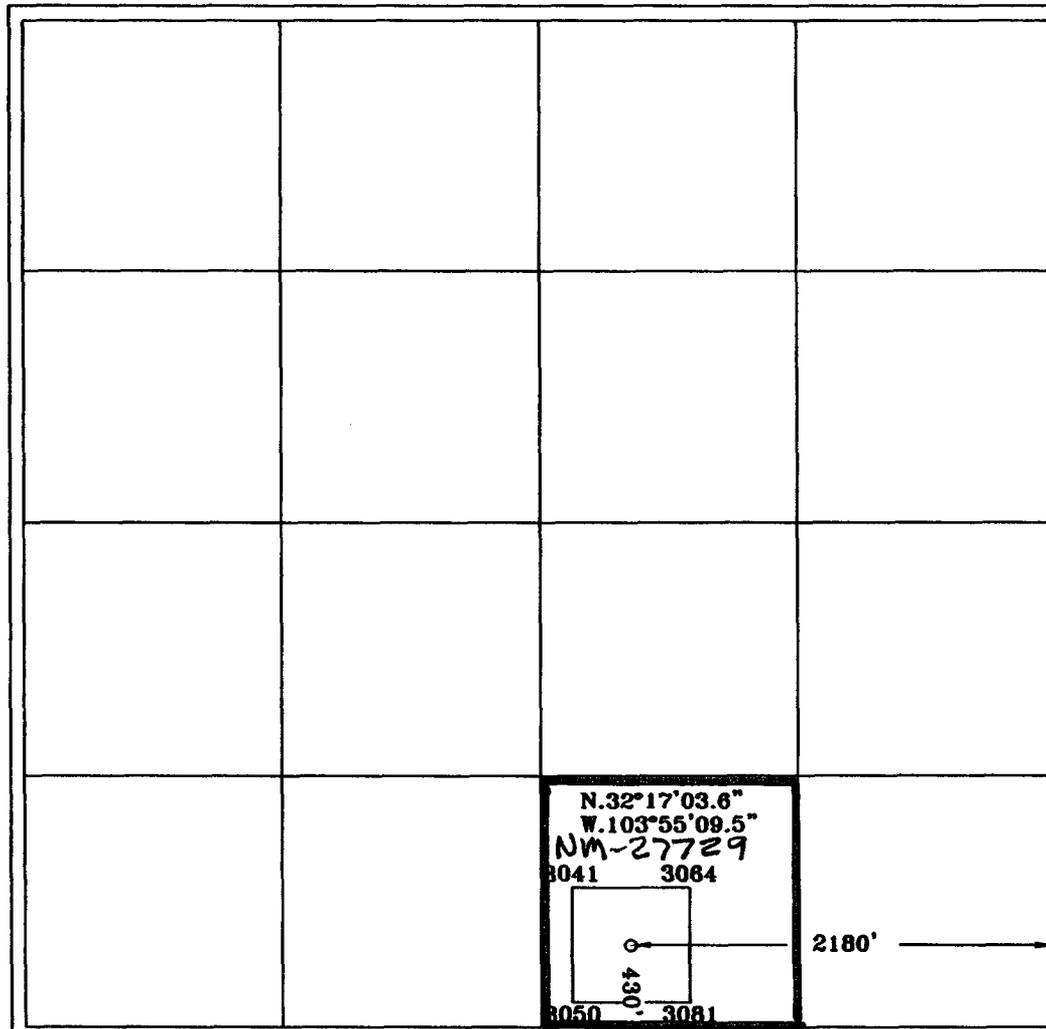
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	19	23S	30E		430	SOUTH	2180	EAST	EDDY

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.
40			

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 the the information contained herein is true and complete to the best of my knowledge and belief.

Cy Cowan
 Signature

Cy Cowan
 Printed Name

Regulatory Agent
 Title

March 26, 2004
 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.

3/11/2004
 Date Surveyed

Signature of Seal of Professional Surveyor
HELL JONES

HELL JONES
 REGISTERED PROFESSIONAL LAND SURVEYOR
 3640

Cert. No. 3640
 PROFESSIONAL LAND SURVEYOR
 GENERAL SURVEYING COMPANY



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

Joanna Prukop
Cabinet Secretary
Acting Director
Oil Conservation Division

4 June 2004

Yates Petroleum Corp.
105 South 4th Street
Artesia, New Mexico 88210

RE: Pit Permit - Baetz Federal # 1 430'FSL & 23180FEL SEC-19 T-23S R-30E

The Oil Conservation Division of Artesia is in receipt of your application for permit to drill. Construction of a pit(s) for the purpose of drilling is approved under your current "General Plan" with the following provisions:

1. Construction and closing of pit(s) must meet the criteria of Rule 19.15.2.50 and the Pit Guidelines.
2. The pit is not located in any watercourse, lakebed, sinkhole, playa lake, or wetland.
3. Notice is to be given to the OCD prior to construction of the pit(s).
4. Pit(s) must meet all requirements of approved plan.
5. Liner must be a minimum of 12 mil. woven.
6. Depth to groundwater may cause the pit's contents and the liner to be removed and disposed of in a manner approved by the Division.
7. Pit encapsulations must meet all specific criteria including, but not limited to:
 - A. Site evaluation
 - B. Amount of and type of cover
 - C. Drill cuttings will be sampled as per guidelines. Notify OCD 48 hours prior to any sampling event
 - D. In the event that the integrity of the pit lining is breached in a manner such that soil contamination would result, the contents of the pit will have to be disposed of in an approved OCD facility.
8. The Division may attach additional conditions to any permit upon a finding that such conditions are necessary to prevent the contamination of fresh water, or to protect public health or the environment. (19.15.2.50.C.3.G.1.)

If I can be of any further assistance, please feel free to call (505) 748-1283 ext. 109.

Sincerely,

A handwritten signature in black ink, appearing to be "Van Barton".

Van Barton

YATES PETROLEUM CORPORATION
Baetz BDU Federal #1
 430' FSL & 2180' FEL
 Section 19-T23S-R30E
 Eddy County, New Mexico

1. The estimated tops of geologic markers are as follows:

Top of Salt	340'
Base of Salt	3320
Bell Canyon	3340'
Cherry Canyon	4160'
Brushy Canyon	5470'
Bone Spring Lime	7070'
TD	7400'

2. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water: Approx 150'

Oil or Gas: 5129' to 7400'

3. Pressure Control Equipment: BOPE will be installed on the 13 3/8" casing and rated for 3000 BOP systems will be consistent with API RP 53. Pressure tests will be conducted before drilling out from under all casing strings which are set and cemented in place. Blowout Preventor controls will be installed prior to drilling the surface plug and will remain in use until the well is completed or abandoned. Preventors will be inspected and operated at least daily to ensure good mechanical working order, and this inspection recorded on the daily drilling report. See Exhibit B.

Auxiliary Equipment:

A. Auxiliary Equipment: Kelly cock, pit level indicators, flow sensor equipment and a sub with full opening valve to fit the drill pipe and collars will be available on the rig floor in the open position at all times for use when kelly is not in use.

4. THE PROPOSED CASING AND CEMENTING PROGRAM:

A. Casing Program: (All New)

<u>Hole Size</u>	<u>Casing Size</u>	<u>Wt./Ft</u>	<u>Grade</u>	<u>Coupling</u>	<u>Interval</u>	<u>Length</u> ^{JSS}	WITNESS
17 1/2"	13 3/8"	48#	H-40	ST&C	0-350' ⁴⁴⁰	350' ⁴⁴⁰	WITNESS
11"	8 5/8"	32#	J-55	ST&C	0-3200'	3200'	WITNESS
7 7/8"	5 1/2"	15.5#	J-55	LT&C	0-7400'	7400'	

Minimum Casing Design Factors: Collapse 1.125, Burst 1.0, Joint Strength 1.8

B. CEMENTING PROGRAM:

Surface casing: 250 sx Lite (YLD 1.96 WT.12.5); Tail in w/ 200 sx Class "C" + 2% CaCl2 (YLD 1.34 WT 14.8).

Intermediate Casing: 650 sx Lite (YLD 2.5 WT 11.9); Tail in w/ 250 sx "C" + 2% CaCl2 (YLD 1.34 WT. 14.8)

Production Casing: Stage I: TOC 5300', 450 sx Super H (YLD 16.7 WT 13.0) Tail in w/ 50 sx Thixotropic (YLD 1.4 WT 14.4).
 Stage II: 450 sx Lite (YLD 2.5 WT 11.9); Tail in w/ 50 sx Premium (YLD 1.3 WT 14.8)

5. Mud Program and Auxiliary Equipment:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0-350'	FW/Native Mud	8.6-9.2	28-36	N/C
350'-3200'	Brine	10.0-10.2	28	N/C
3200'-7000'	Cut Brine	8.6-9.1	28	N/C
7000'-7400'	Cut Brine/Starch	8.6-9.1	28-32	<15cc

Sufficient mud material(s) to maintain mud properties, control lost circulation and contain a blow out will be available at the well site during drilling operations. Mud will be checked hourly by rig personnel.

6. EVALUATION PROGRAM:

Samples: 10 samples out from under surface casing.

Logging: CNL/LDT TD to casing; GR w/CNL to Surface; DLL x/RXO TD to casing.

Coring: None Anticipated.

DST's: As warranted.

7. Abnormal Conditions, Bottom hole pressure and potential hazards:

Anticipated BHP:

From: 0	TO: 350'	Anticipated Max.	BHP: 175	PSI
From: 350'	TO: 3200'	Anticipated Max.	BHP: 1700	PSI
From: 3200'	TO: 7400'	Anticipated Max.	BHP: 3500	PSI

No abnormal pressures or temperatures are anticipated.

Lost Circulation Zones Anticipated: None.

H2S Zones Anticipated: None

Maximum Bottom Hole Temperature: 198 F

8. ANTICIPATED STARTING DATE:

Plans are to drill this well as soon as possible after receiving approval. It should take approximately 20 days to drill the well with completion taking another 15 days.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN
Yates Petroleum Corporation
Baetz BDU Federal #1
430' FSL & 2180' FEL
Section. 19-T23S-R30E
Eddy County, New Mexico

This plan is submitted with Form 3160-3, Application for Permit to Drill, covering the above described well. The purpose of this plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of the surface disturbance involved and the procedures to be followed in rehabilitating the surface after completion of the operations, so that a complete appraisal can be made of the environmental effect associated with the operations.

1. **EXISTING ROADS:**

Exhibit A is a portion of the BLM map showing the well and roads in the vicinity of the proposed location. The proposed wellsite is located approximately 23 miles southeast of Carlsbad, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

Go east of Carlsbad on Highway 62-180 to State Road 31. Turn south on 31 and to Highway 128 (Jal Highway). Turn east on 128 and go approx. 4 miles to Rawhide Road (CR-793), Mississippi Potash Mine Shaft #5 here. Turn right on Rawhide Road and go and go approx. 3.4 miles. Follow county road to the left and go approx. .2 of a mile. At this point the county road goes south but continue east on lease road for another .2 of a mile. The new road will start here at the fence.

2. **PLANNED ACCESS ROAD.**

- A. The proposed new access will be approximately 0.1 of a mile going north then northeast to the southwest corner of the drilling pad. The road will lie in a north/northeast direction.
- B. The new road will be 14 feet in width (driving surface) and will be adequately drained to control runoff and soil erosion.
- C. The new road will be bladed with drainage on one side. Traffic turnouts may be built.
- D. The route of the road is visible.
- E. Existing roads will be maintained in the same or better condition.

3. **LOCATION OF EXISTING WELL**

- A. There is drilling activity within a one-mile radius of the wellsite.
- B. Exhibit D shows existing wells within a one-mile radius of the proposed wellsite.

4. **LOCATION OF EXISTING AND/OR PROPOSED FACILITIES**

- A. There are production facilities on this lease at the present time.
- B. In the event that the well is productive, the necessary production facilities will be installed on the drilling pad. If the well is productive oil, a gas or diesel self-contained unit will be used to provide the necessary power. No power will be required if the well is productive of gas.

5. LOCATION AND TYPE OF WATER SUPPLY:

- A. It is planned to drill the proposed well with a fresh water system. The fresh water will be obtained from commercial sources and will be hauled to the location by truck over the existing and proposed roads shown in Exhibit A.

6. SOURCE OF CONSTRUCTION MATERIALS:

Dirt contractor will locate closest pit and obtain any permits and materials needed for construction.

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. Water produced during operations will be collected in tanks until hauled to an approved disposal system, or separate disposal application will be submitted.
- D. Oil produced during operations will be stored in tanks until sold.
- E. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- F. All trash, junk, and other waste materials will be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary land fill. Burial on site is not approved.

8. ANCILLARY FACILITIES: None

9. WELLSITE LAYOUT:

- A. Exhibit C shows the relative location and dimensions of the well pad, the reserve pits, the location of the drilling equipment, rig orientation and access road approach.
- B. The reserve pits will be plastic lined and will face to the north.
- C. A 600' x 600' area has been staked and flagged.

10. PLANS FOR RESTORATION

- A. After finishing drilling and/or completion operations, all equipment and other material not needed for further operations will be removed. The location will be cleaned of all trash and junk to leave the wellsite in as aesthetically pleasing a condition as possible.
- B. Unguarded pits, if any, containing fluids will be fenced until they have dried and been leveled.
- C. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of the Bureau of Land Management will be complied with and will be accomplished as expeditiously as possible. All pits will be filled level after they have evaporated and dried.

11. SURFACE OWNERSHIP: Federal surface, Administered by the Bureau of Land Management, Carlsbad, New Mexico.

12. OTHER INFORMATION:

- A. Topography: Refer to the existing archaeological report for a description of the topography, flora, fauna, soil characteristics, dwellings, historical and cultural sites.
- B. The primary surface use is for grazing.

13. OPERATOR'S REPRESENTATIVE

A. Through A.P.D. Approval:

Cy Cowan, Regulatory Agent
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210
Phone (505) 748-1471

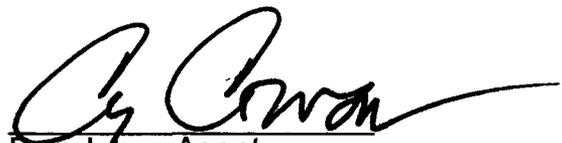
B. Through Drilling Operations,
Completions and Production:

Pinson McWhorter, Operations Manager
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210
Phone (505) 748-1471

14. CERTIFICATION:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions which presently exist; that the statements made in this 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 Yates Petroleum Corporation 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.

3/26/2004


Regulatory Agent

128
Ranchwide Road

Ranchwide Road

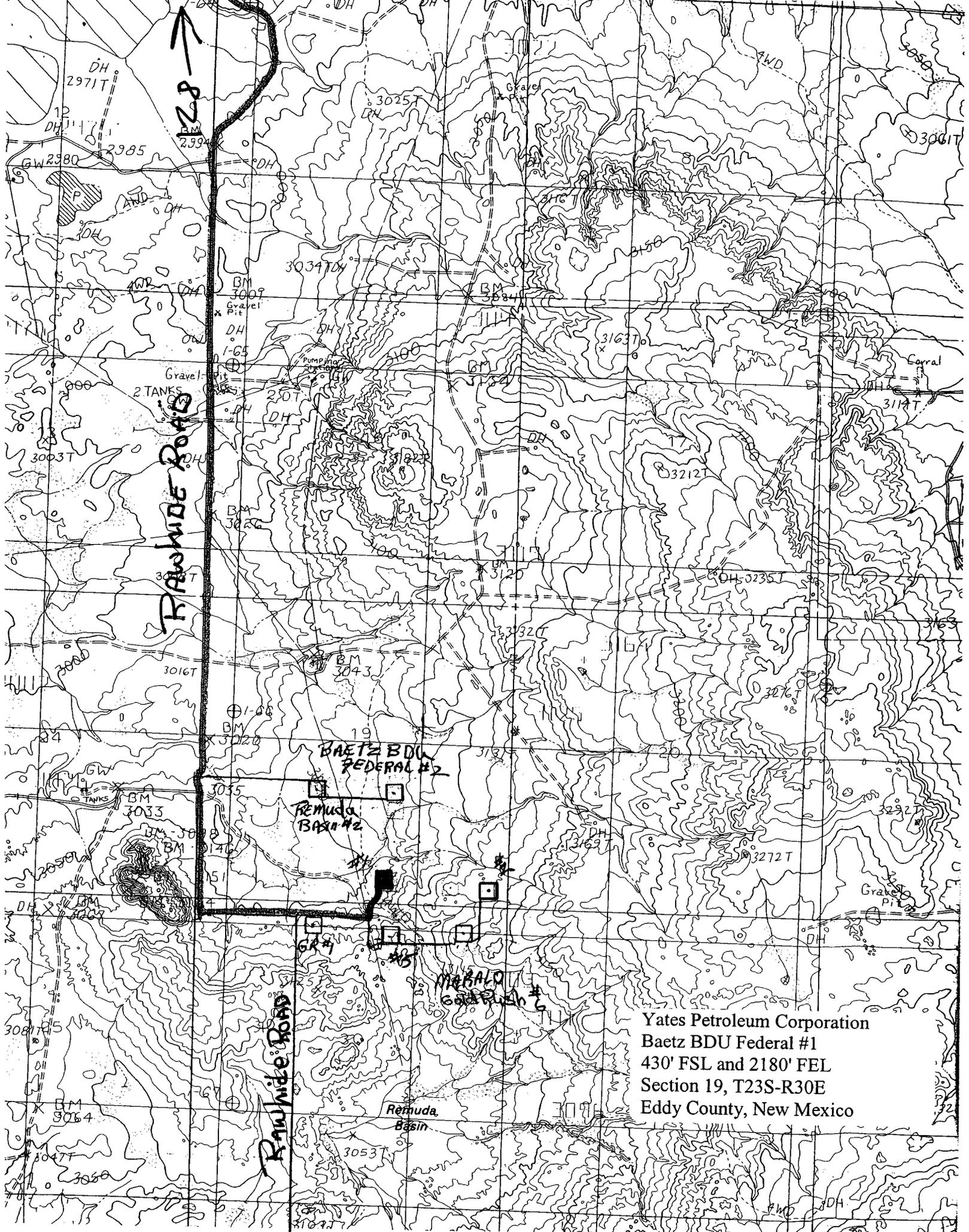
Baetz BDU
FEDERAL #2

Remuda
Basin #2

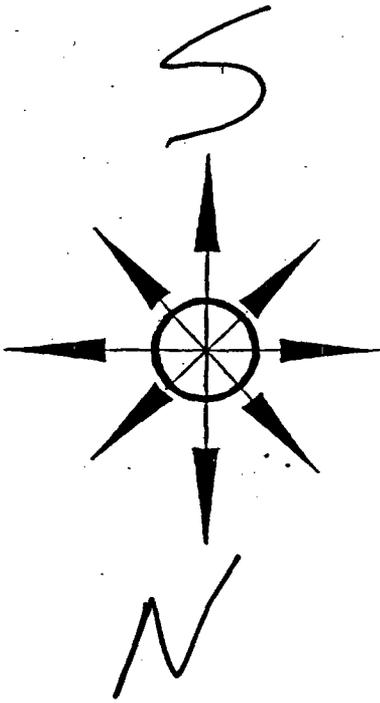
MARALO
GARDEN #6

Remuda
Basin

Yates Petroleum Corporation
Baetz BDU Federal #1
430' FSL and 2180' FEL
Section 19, T23S-R30E
Eddy County, New Mexico

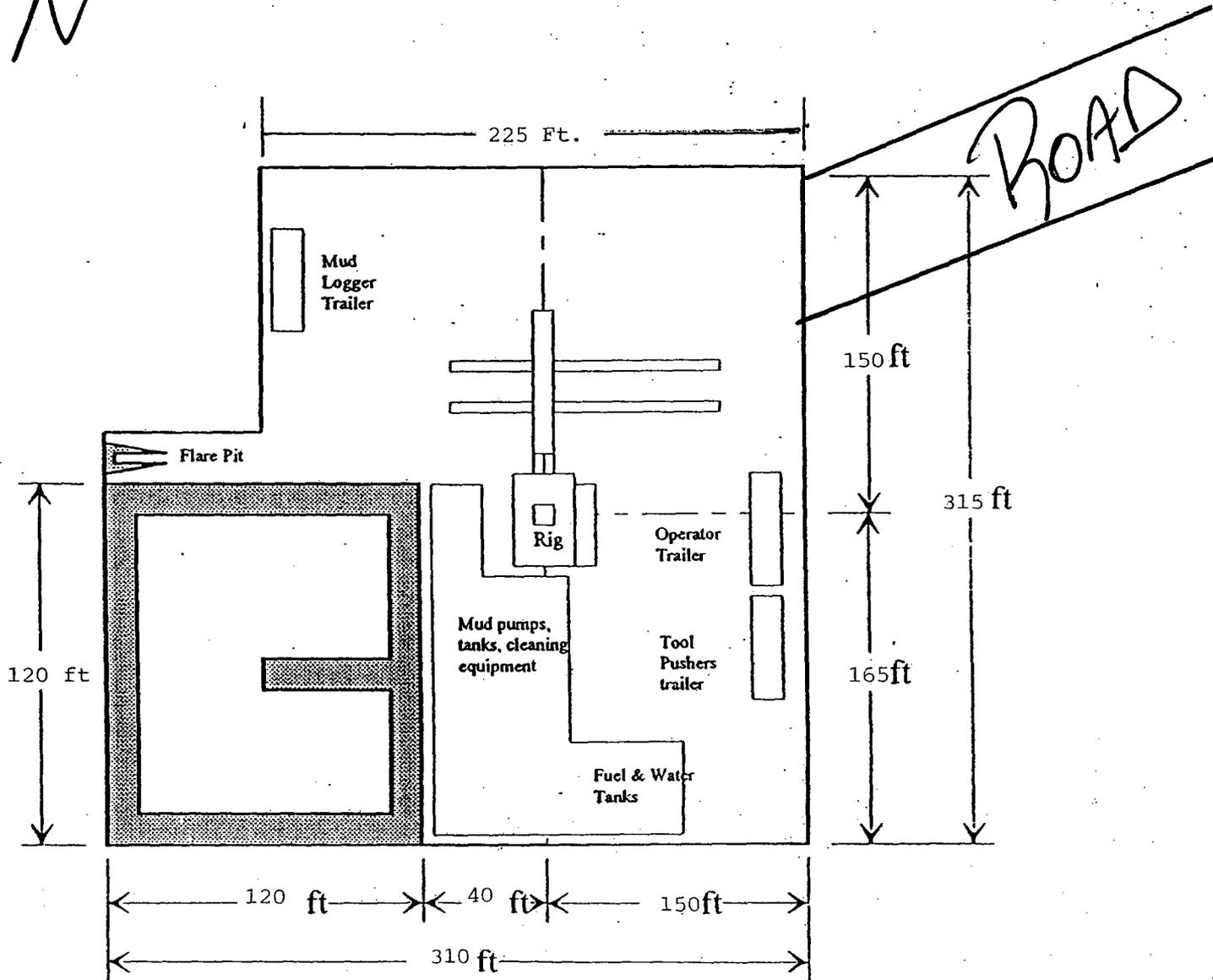


Yates Petroleum Corporation
Location Layout for Permian Basin
Up to 12,000'



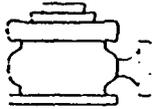
Pits EAST

Yates Petroleum Corporation
Baetz BDU Federal #1
430' FSL and 2180' FEL
Section 19, T23S-R30E
Eddy County, New Mexico



Distance from Well Head to Reserve Pit will vary between rigs

The above dimension should be a maximum

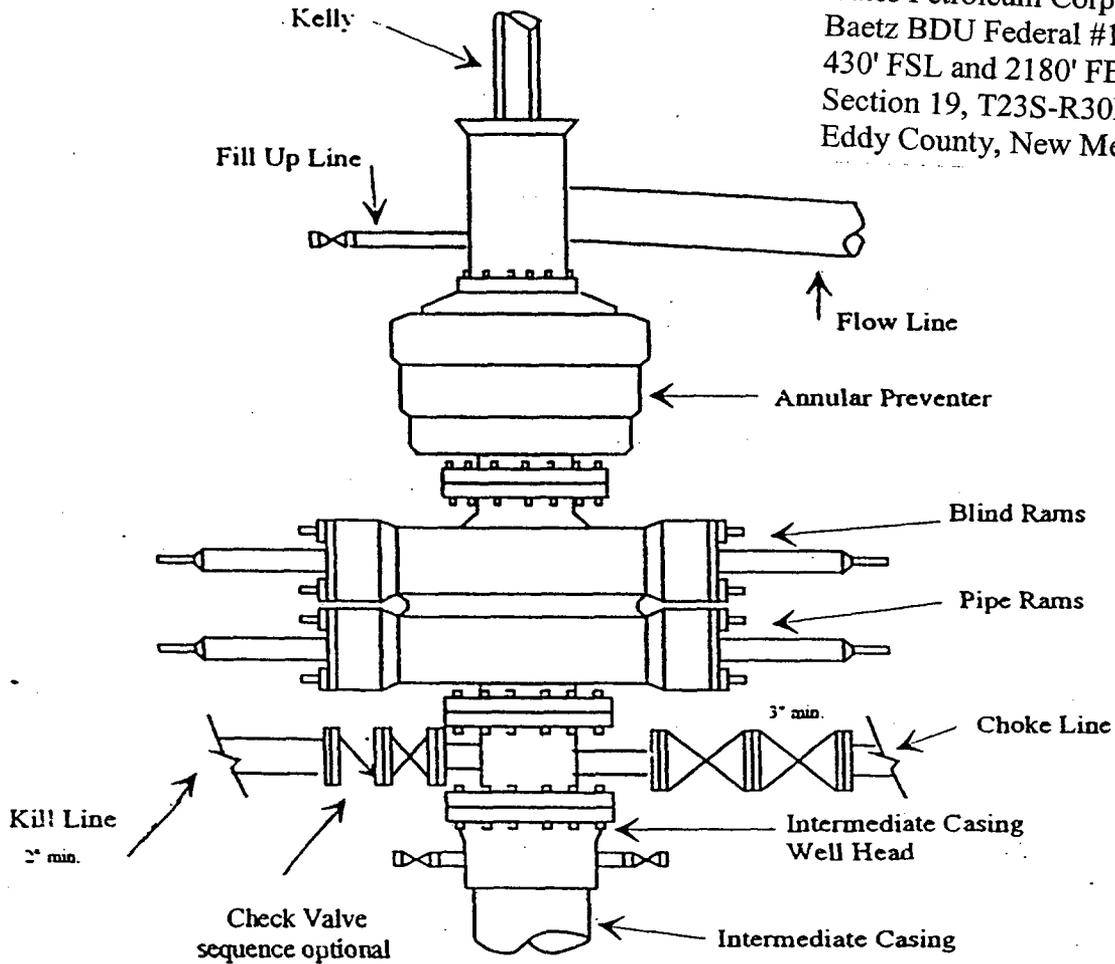


Yates Petroleum Corporation

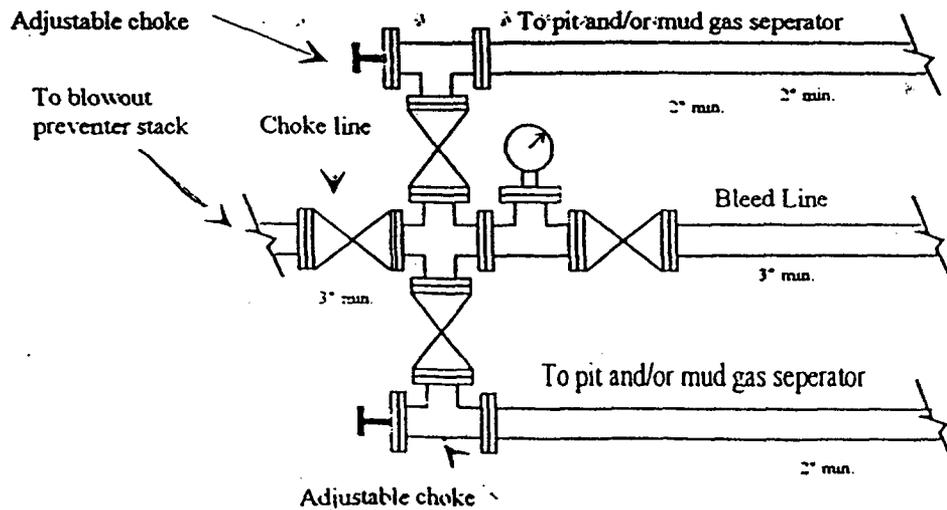
BOP-3

Typical 3,000 psi Pressure System Schematic Annular with Double Ram Preventer Stack

Yates Petroleum Corporation
Baetz BDU Federal #1
430' FSL and 2180' FEL
Section 19, T23S-R30E
Eddy County, New Mexico



Typical 3,000 psi choke manifold assembly with at least these minimum features



MARTIN YATES, III
1912 - 1985
FRANK W. YATES
1936 - 1986



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (505) 748-1471

S. P. YATES
CHAIRMAN OF THE BOARD
JOHN A. YATES
PRESIDENT
PEYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

June 2, 2004

30-015-33438

Oil Conservation Division
1301 West Grand Ave.
Artesia NM 88210

Attention: Mr. Bryan Arrant

RECEIVED

JUN 03 2004

000-ARTESIA

Re: Baetz BDU Federal #1
430' FSL and 12180' FEL
Section 19, T23S-R30E
Eddy County, New Mexico

Dear Mr. Arrant:

Yates Petroleum Corporation has received an approved APD from the Bureau of Land Management for the captioned well. Please be advised that today I visited on June 1, with Mr. Craig Cranston, Mining Engineer, with the Bureau of Land Management in Carlsbad who is in charge of Order R-111-P specifically regarding notification to potash companies of future drilling in the LMR. Mr. Cranston told me if a well location is in an unleased potash area and is outside of a one-mile radius of a leased potash area notification is not required. Mr. Cranston reviewed his information and determined that the Baetz BDU Federal #1 well falls into these criteria. Please note Section G Paragraph 2 from Order R-111-P attached.

Yates Petroleum Corporation has plans the drill this well in the future and I want to bring this situation to your attention to avoid any problems, which may hamper us from producing this well.

Mr. Cranston's phone number is (505) 234-5936 should you wish to visit with him concerning this matter.

Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION

Cy Cowan
Regulatory Agent

/cyc
enclosures

in support of its LMR designation on their respective lands and verify upon request, that the data used by the potash lessee in establishing the boundaries of its LMR is consistent with data available to the BLM and SLO. Any disputes between the BLM and potash lessee concerning the boundary of a designated LMR shall be resolved in accordance with the Department of Interior's Hearings and Appeals Procedures, 43 C.F.R. Part 4 (1986).

(c) A potash lessee may amend its designated LMR by filing a revised designation with the BLM and SLO accompanied by the information referred to in Section A above. Such amendments must be filed by January 31 next following the date the additional data becomes available.

(d) Authorized officers of the BLM and SLO shall commit the designated LMR of each potash lessee to a map(s) of suitable scale and thereafter revise the map(s) as necessary to reflect the latest amendments to any designated LMRs. These maps shall be considered privileged and confidential and exempt from disclosure under 43 C.F.R. Part 2 and §19-1-2.1 NMSA 1978, and will be used only for the purposes set forth in this Order.

(e) The foregoing procedure can be modified by policy changes within the BLM and State Land Office.

(2) Before commencing drilling operations for oil or gas on any lands within the Potash Area, ~~the~~ well operator shall prepare a map or plat showing the location of the proposed well, said map or plat to accompany each copy of the Notice of Intention to Drill. In addition to the number of copies required by the Division, the well operator shall send one copy by registered mail to each potash operator holding potash leases within a radius of one mile of the proposed well, as reflected by the plats submitted under paragraph 1 (2). The well operator shall furnish proof of the fact that said potash operators were notified by registered mail of his intent ~~by~~ attaching return receipt to the copies of the Notice of Intention to Drill and plats furnished the Division.

(3) Drilling applications on federal lands will be processed for approval by BLM. Applications on state or patented lands will be processed by the Division and, in the case of state lands, in collaboration with the SLO. The Division will first ascertain from the BLM or SLO that the location is not within the LMR area. Active mine workings and mined-out areas shall also be treated as LMR. Any application to drill in the LMR area, including buffer zones, may be approved only by mutual agreement of lessor and lessees of

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

0
OMB No. 1004-0136
Expires November 30, 2000

5. Lease Serial No.
NM-27729

6. If Indian, Allottee or Tribe Name

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

8. Lease Name and Well No.
Baetz BDU Federal #1

9. API Well No.

1a. Type of Work: DRILL REENTER **R-111-POTASH**

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

2. Name of Operator
Yates Petroleum Corporation

3A. Address **105 South Fourth Street
Artesia, New Mexico 88210**

3b. Phone No. (include area code)
(505) 748-1471

10. Field and Pool, or Exploratory
Forty Niner Ridge Bone Spring West

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

At surface **430' FSL and 2180' FEL**

At proposed prod. Zone **Same**

11. Sec., T., R., M., or Blk. and Survey or Area
Section 19, T23S-R30E

14. Distance in miles and direction from nearest town or post office*
Approximately 23 miles southeast of Carlsbad, New Mexico.

12. County or Parish **Eddy County**

13. State **NM**

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) **660'**

16. No. of Acres in lease **160**

17. Spacing Unit dedicated to this well **40**

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. **1000'**

19. Proposed Depth **7400'**

20. BLM/BIA Bond No. on file **585997**

21. Elevations (Show whether DF, KDB, RT, GL, etc.) **3066' GL**

22. Approximate date work will start* **ASAP**

23. Estimated duration **45 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:

- | | |
|---|--|
| <ul style="list-style-type: none"> 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. | <ul style="list-style-type: none"> 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 office. |
|---|--|

25. Signature 	Name (Printed/Typed) Cy Cowan	Date 3/26/04
---	---	------------------------

Regulatory Agent

Approved by (Signature) 	Name (Printed/Typed) Linda S.C. Rundell	Date 5/28/04
---	---	------------------------

Title STATE DIRECTOR	Office NM STATE OFFICE
--------------------------------	----------------------------------

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.

APPROVAL FOR 1 YEAR

Conditions of approval, if any, are attached.

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*(Instructions on reverse)

**APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED**

CARLSBAD CONTROLLED WATER BASIN