

UNITED STATES
 DEPARTMENT OF THE INTERIOR
 BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

5. LEASE DESIGNATION AND SERIAL NO.
 NM 02146

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME
 Comm. Agree. Pending

8. FARM OR LEASE NAME
 Conoco "8" Federal

9. WELL NO.
 1

10. FIELD AND POOL, OR WILDCAT
 Wildcat

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 Sec. 8-11S-27E

12. COUNTY OR PARISH | 13. STATE
 Chaves | N.M.

17. NO. OF ACRES ASSIGNED TO THIS WELL
 320

20. ROTARY OR CABLE TOOLS
 Rotary

22. APPROX. DATE WORK WILL START*
 As Soon As Approved

1. TYPE OF WORK
 JAN 23 1989 DRILL DEEPEN PLUG BACK

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER

2. NAME OF OPERATOR
 BHP PETROLEUM COMPANY INC.

3. ADDRESS OF OPERATOR
 6 Desta Drive, Ste. 3200
 Midland, Texas 79705-5510

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
 At surface: 330'FNL, 990'FEL of Sec. 8-11S-27E
 At proposed prod. zone: Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 16 Miles east of Roswell, New Mexico

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any)
 330'

16. NO. OF ACRES IN LEASE
 160

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
 None

19. PROPOSED DEPTH
 6700'

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 3682.7 GL

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24.0# J-55	1200' ±	650 sx-Circulate to Surface
7-7/8"	5-1/2"	15.5# J-55	6700' ±	200 sx

Propose to drill to about 6700' to test Ellenburger and shallower formations.

If commercial production is indicated, the well will be completed in the deepest favorable formation, by cementing production casing, selectively perforating and stimulating. Run 2-7/8" tubing and test well.

See attached "Supplemental Data".

Administrative approval by NMOC of this unorthodox location is pending receipt of waivers from offset operators.

SUBJECT TO LIKE
 APPROVAL BY STATE

POST ID-1
 NL & API
 3-3-89

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, 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. SIGNED Jerry W. Long TITLE Agent DATE January 23, 1989
 (This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____
 APPROVED BY S/Levi Deike, Acting TITLE Area Manager DATE FEB 16 1989
 CONDITIONS OF APPROVAL, IF ANY:

APPROVAL OF THIS APPLICATION DOES NOT WARRANT OR CERTIFY THAT THE APPLICANT HOLDS LEGAL OR FEASIBLE TITLE TO THOSE RIGHTS IN THE SUBJECT LEASE WHICH WOULD ENTITLED THE APPLICANT TO SUCH RIGHTS.

PLEASE BE ADVISED THAT THERE WILL BE NO EXCAVATION OF FEDERALLY OWNED MINERAL MATERIAL FOR CONSTRUCTION OF THE ACCESS ROAD OR PAD WITHOUT PAYMENT

ENTITLED TO SUCH RIGHTS. Section 004 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.