IL Oil Or Divise Form 3160-5 (June 1990) 311 S. 1st Street FORM APPROVED RECEDEPARTMENT OF THE INTERIOR
1997 JUN BUREAU OF LAND MANAGEMENT Artasia, NM 8821 0-00 Budget Bureau No. 1004-0135 Expires: March 31, 1993 5. Lease Designation and Serial No. NMNM23002 SUNDRY WOLLES AND REPORTS ON WELLS 6. If Indian, Allottee or Tribe Name Do not use the signification proposals to drill or to deepen or reentry to a different reservoir.

CARL Use "APPLICATION FOR PERMIT-" for such proposals 7. If Unit or CA, Agreement Designation SUBMIT IN TRIPLICATE 1. Type of Well 8. Well Name and No. Χ Well 2. Name of Operator HADSON FEDERAL #1 9. API Well No. SHACKELFORD OIL COMPANY 30 015 26524 3. Address and Telephone No. 10. Field and Pool, or Exploratory Area (915) 682-9784 P.O. BOX 10665 MIDLAND, TX 79702 YATES/SEVEN RIVERS 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 11. County or Parish, State SEC. 11 T19S R31E EDDY COUNTY, NM CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA 12. TYPE OF ACTION TYPE OF SUBMISSION Notice of Intent Abandonment Change of Plans Recompletion **New Construction** Non-Routine Fracturing Plugging Back Subsequent Report Casing Repair Water Shut-Off Altering Casing Conversion to Injection Final Abandonment Notice Other SURFACE COMMINGLING Dispose Water (Note: Report results of multiple completion on Well & OFF LEASE STORAGE Completion or Recompletion Report and Log form.) 13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled give subsurface locations and measured and true vertical depths for all mearkers and zones pertinent to this work.)* The Yates Federal #1-4 wells currently go into a header and then into a heater treater. The oil goes into three (3) 500 BBL stock tanks. The water goes to the Hadson battery and then to the Hadson Federal #3 disposal well. It is proposed, due to the condition of these tanks and our heater treater, to go directly to the heater at the Hadson Federal Battery. The tanks and heater at this location have been coated with fiberglass and should be in better condition to keep from having any unnecessary spills or leaks. The total oil production on the Yates Federal #1-4 wells is 44 BOPD. The oil production on the Hadson Federal #1-2 wells is 16 BOPD. We have abundant capacity to handle production from all these wells at the Hadson Battery. We plan to allocate the production based on a periodic test of each well. Title Don G. Shackelford Date 05/08/97 (This space for Federal or State office use) Approved by (ORIG. SGD.) DAVID JUN 20 1997 Conditions of approval, if any:

Title 18 U.S.C. Section 1001, 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

SEE ATTACHED FOR -CONDITIONS OF APPROVAL

fraudulent statements or representations as to any matter within its jurisdiction.

SUBJECT TO LIKE APPROVAL BY STATE