RECEIVED UNITED STATES RECEIVED UNITED STATES THE INTERIOR THE INTERIOR MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

Expires: March 31, 1993

5. Lease Designation and Serial No.

1997 JUN 1 1 120 PELL 10 OI DI H 12 12 12 12 12 12 12 12 12 12 12 12 12		NMNM23002		
Do not use the Application FOR PERMIT-" for such proposals		6. If Indian, Allottee or Tribe Name		
BUREAU STREET TO SEE COUNTY OF THE PORT OF THE PROPERTY TO SERVICE				
CARL SE APPLICATION FOR PERMIT-" for such proposals				
SUBMIT IN TRIPLICATE		7. If Unit or CA, Agreement Designation		
1. Type of Well				
X Oil Gas Well Other		8. Well Name and No.		
2. Name of Operator	The second section of the second section is	HADSON FEDERAL #3		
		9. API Well No.		
SHACKELFORD OIL COMPANY	A Company of the Comp	30 015 26730		
3. Address and Telephone No.		10. Field and Pool, or Exploratory Area		
P.O. BOX 10665 MIDLAND, TX 7	9702 (915) 682-9784	YATES/SEVEN RIVERS		
4. Location of Well (Footage, Sec., T., R., M., or Survey Descrip				
2540'FNL & 2310'F	FI.	11. County or Parish, State		
SE/OW SEC. 11 T195 R31E		EDDY COUNTY, NM		
12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA				
TYPE OF SUBMISSION	TYPE OF AC			
X Notice of Intent	Abandonment	Change of Plans		
	Recompletion	New Construction		
Subsequent Report	Plugging Back	Non-Routine Fracturing		
	Casing Repair	Water Shut-Off		
Final Abandonment Notice	Altering Casing	Conversion to Injection		
	X Other SURFACE COMMINGLING	Dispose Water		
	& OFF LEASE STORAGE	(Note: Report results of multiple completion on Well 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.

14. Thereby certify that the foregoing is true and correct Signed	Title Don G. Shackelford Date 05/08/97	
(This space for Federal or State office use) (ORIG. SGD.) DAVID R. GLASS Approved by	TitlPETROLEUM ENGINEER Date JUN 2 0 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