

N.M. OIL FIELD
Other instructions on reverse sideFORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

CISF

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Artesia, NM 88210

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME -----	
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> 149678		7. UNIT AGREEMENT NAME ----- 29605	
2. NAME OF OPERATOR KUKUI OPERATING COMPANY (LARRY STRIDER) 915-687-6200		8. FARM OR LEASE NAME, WELL NO. HIGHLANDS "14" FEDERAL # 1	
3. ADDRESS AND TELEPHONE NO. 203 WEST WALL ST. SUITE 810 MIDLAND, TEXAS 79701 915-687-6200		9. AP WELL NO. 30-CIS-32236	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 1980' FNL & 1980' FWL SEC. 14 T19S-R21E EDDY CO. NM At proposed prod. zone SAME		10. FIELD AND POOL, OR WILDCAT Wildcat; McArrow	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* Approximately 12 miles South of Hope New Mexico		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA SEC. 14 T19S-R21E	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 1980'		12. COUNTY OR PARISH EDDY CO.	
16. NO. OF ACRES IN LEASE 2560		13. STATE NEW MEXICO	
18. DISTANCE FROM PROPOSED* LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. NA		17. NO. OF ACRES ASSIGNED TO THIS WELL 320	
19. PROPOSED DEPTH 7950'		20. ROTARY OR CABLE TOOLS ROTARY	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 4244' GR.		22. APPROX. DATE WORK WILL START* WHEN APPROVED	

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
20"	CONDUCTOR 14"	NA	40'	Cement to surface with Redi-mix
12 1/4"	J-55 9 5/8"	36	1360'	800 Sx. circulate to surface
8 3/4"	J-55 5 1/2"	17	7950'	1000 Sx. estimate TOC 1200'

Koswell Controlled Water Basin

1. Drill 20" hole to 40' Set 40' of 14" conductor pipe and cement to surface with Redi-mix.
2. Drill 12 1/4" hole to 1360'. Run and set 1360' of 9 5/8" 36# J-55 ST&C casing. Cement with 600 Sx. of Class "C" Light Weight cement + additives, tail in with 200 Sx. of Class "C" cement + 2% CaCl₂ + 1/4# Flocele/Sx. circulate cement to surface.
3. Drill 8 3/4" hole to 7950'. Run and set 7950' of 5 1/2" 17# J-55 LT&C casing. Cement with 1000 Sx. of 50/50 POZ cement + additives, estimate top of cement 1200' from surface. Cement top to be at least 500' above upper most potential pay.

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS

ATTACHED

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed 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

TITLE Agent

DATE

02/04/02

(This space for Federal or State office use)

PERMIT NO.

APPROVAL 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.
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY /s/ LESLIE A. THEISS FIELD MANAGER

DATE

MAR 13 2002

*See Instructions On Reverse Side

APPROVAL FOR 1 YEAR

RECEIVED
2002 FEB - 5 AM 9:32
BUREAU OF LAND MGMT.
ROSWELL OFFICE