

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NM 34247	
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR Collins & Ware, Inc. ✓		7. UNIT AGREEMENT NAME	
3. ADDRESS AND TELEPHONE NO. 303 W. Wall, Ste. 2200, Midland, TX 79701		8. FARM OR LEASE NAME, WELL NO. Sheep Draw Fed. #7	
4. LOCATION OF WELL (Report location clearly and in accordance with any State statute) At surface 660' FSL & 660' FWL At proposed prod. zone		9. AP WELL NO. 30-015-27688	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE 3.9 miles SW of Carlsbad, NM		10. FIELD AND POOL, OR WILDCAT Happy Valley, (Delaware)	
15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drilg. unit line, if any) 660'		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA M Sec. 28, T22S, R26E	
16. NO. OF ACRES IN LEASE 360		12. COUNTY OR PARISH Eddy	
17. NO. OF ACRES ASSIGNED TO THIS WELL 40		13. STATE NM	
18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1700'		20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3286' Gr.		22. APPROX. DATE WORK WILL START Upon Approval	

Carlsbad Controlled Water Basin

23. PROPOSED CASING AND CEMENTING PROGRAM - SEE ATTACHED -				
SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT

[AREA OF MAJOR CONCERN TO THE CITY OF CARLSBAD]

Operator proposes to drill to the Delaware formation to test for possible commercial production of oil and gas. If non-productive, the well will be plugged and abandoned in a matter consistent with Federal and State regulation and according to good engineering practice. Specific programs according to on-shore Oil and Gas Order #1 are outlined in the following attachments:

- Well Location and Acreage Dedication Plat
- Drilling Program
Exhibit #1-BOP
- Surface Use & Operating Plan
Exh. #2- Existing Roads
2A- Planned Access Roads
3- One Mile Radius Map with lease boundary
3A- Well Status
- D. Rig Layout
5- Prod. Fac. Layout

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, 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 Max Guerry TITLE Regulatory Manager DATE 7-16-93
(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 John J. Zerred TITLE AREA MANAGER DATE 9-29-93

*See Instructions On Reverse Side