



May 7, 2002

United States Department of the Interior
Bureau of Land Management
Roswell District Office
2909 West Second Street
Roswell, New Mexico 88201

Re: Application for Permit to Drill
Dominion Oklahoma Texas Exploration & Production, Inc.
Saragossa "4" Federal #3
Eddy County, New Mexico
Federal Lease NMNM - 89154

Gentlemen:

Dominion Oklahoma Texas Exploration & Production, Inc. respectfully requests permission to drill our Saragossa 4 Federal Well No. 3, located at 1980 FNL and 2180 FEL of Section 4-T23S-R26E, Eddy County, New Mexico, Federal Lease No. NMNM -89154. The proposed well will be drilled to a TVD of approximately 3,100'. The location and work area have been staked approximately 5 1/2 miles Southwest of Carlsbad, New Mexico.

In accordance with requirements stipulated in Federal Onshore Oil and Gas Order No. 1 under 43 CFR 3162.1, our Application for Permission to Drill and supporting evidence is hereby submitted.

1. Application for Permit to Drill:
 1. Form 3160.3, Application for Permit to Drill
 2. Form C-102 Location and Acreage Dedication Plat certified by Gary L. Jones, Registered Land Surveyor No. 7977 in the State of New Mexico, dated April 10, 2002.
 3. The elevation of the unprepared ground is 3329 feet above sea level.
 4. The geologic name of the surface formation is Rustler.
 5. Rotary drilling equipment will be utilized to drill the well to TD 3,100' (TVD), and run casing. This equipment will then be rigged down and the well will be completed with a pulling unit.
 6. Proposed total depth is 3,100' TVD.