Form 3160-3 (July 1992)

UNITED STATES

SUBMIT IN TRIPLIC. (Other instructions on reverse side)

FORM APPROVED , OMB NO. 1004-0136 Expires: February 28, 1995

DEPARTMENT OF THE INTERIOR 5. LEASE DESIGNATION AND SERIAL NO NM 89815 BUREAU OF LAND MANAGEMENT * 6. IF INDIAN, ALLOTTEE OR TRIBE NAME APPLICATION FOR PERMIT TO DRILL OR DEEPEN la. TYPE OF WORK 7. UNIT AGREEMENT NAME DRILL X DEEPEN b. TYPE OF WELL OIL GAS Х MULTIPLE WELI OTHER WEST BRUSHY "4" 2. NAME OF OPERATOR 3 FEDERAL ARCO Permian API WELL NO 3. ADDRESS AND TELEPHONE NO <u>30 -015-</u> 200 WESTLAKE PARK BLVD, ROOM 266, HOUSTON, TX RECEIVED 281. 77079 -366-7655 10. FIELD AND POOL, OR WILDCAT 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. WCD BRUSHY DRAW (DELAWARE) 495' FNL & 1980' FWL - UNIT C 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA At proposed prod. zone SAME <u>4, T26-S, R29E</u> 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 12. COUNTY OR PARISH 13. STATE EDDY NM 15 DISTANCE FROM PROPOSED® 17. NO. OF ACRES ASSIGNED TO THIS WELL 16. NO. OF ACRES IN LEASE LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg, unit line, if any) 18. DISTANCE FROM PROPOSED LOCATION* 19. PROPOSED DEPTH 20. ROTARY OR CABLE TOOLS TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1250' 5500 21. ELEVATIONS (Show whether DF,RT, GR, etc.) 22. APPROX. DATE WORK WILL START* 3/02 23. PROPOSED CASING AND CEMENTING PROGRAM SIZE OF HOLE GRADE, SIZE OF CASING WEIGHT PER FOOT SETTING DEPTH QUANTITY OF CEMENT 11 <u>8-5/8 J-55</u> 24# 580' 315 7-7/8 5-1/2 J-55 15.5# 55001 800 lebed Controlled Water B SUBJECT WELL IS PLANNED AS A 5500' STRAIGHT HOLE. 2,000 PSI BOPE WILL BE USED FROM 580' TO TD. PLANS ARE TO PERF AND TEST THE MORROW. ATTACHMENTS ARE AS FOLLOWS: APPROVAL SUBJECT TO 1. CERTIFIED LOCATION PLAT GENERAL REQUIREMENTS AND 2. DRILLING PLAN WITH ATTACHMENTS SPECIAL STIPULATIONS 3. SURFACE USE PLAN WITH ATTACHMENTS ATTACHED 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 TITLE REGULATORY COMPLIANCE ANALYST DATE 12/19/01 (This space for Federal or State office use) 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:

*See Instructions On Reverse Side

/S/ JOE G. LARA

APPROVED BY

FIELD MANAGER