

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN ORIGINAL  
(Other inst. use reverse side)  
OIL CONSERVATION DIV  
811 S. 1st ST  
ARTESIA, NM 88210-2836  
FORM APPROVED  
Expires: February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

b. TYPE OF WELL

OIL WELL ☒

GAS WELL ☐

OTHER ☐

SINGLE ZONE ☒

MULTIPLE ZONE ☐

2. NAME OF OPERATOR

Dakota Resources, Inc. (I)

5691

3. ADDRESS AND TELEPHONE NO.

310 W. Wall Ste 814, Midland, Texas 79701

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface

.330' FEL & 330' FSL

At proposed prod. zone

Same

Unit P

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*

16 miles SE of Malaga

10. DISTANCE FROM PROPOSED\*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any)

330'

330'

18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

None

16. NO. OF ACRES IN LEASE

160

19. PROPOSED DEPTH

7000'

17. NO. OF ACRES ASSIGNED TO THIS WELL

40

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GL, etc.)

3012' GL

22. APPROX. DATE WORK WILL START\*

February, 1996

23.

PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | GRADE, SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT           |
|--------------|-----------------------|-----------------|---------------|------------------------------|
| 14 3/4"      | J55 9-5/8"            | 36              | 1600'         | 470 C/4% gel, 140 "C", circ  |
| 7-7/8"       | K55 5-1/2"            | 15.50           | 7000'         | 480 sx "C" 50/50 Poz         |
|              |                       |                 |               | 600' above Delaware, minimum |

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on leased land or portions thereof as shown below:

NM 16814

Sec 21, T26S, R30E

Delaware Formation

New Mexico Statewide Plugging Bond  
\$25000 Letter of Credit with  
Norwest Bank, Midland, Texas

Post ID 1  
3-15-96

New Loc 4 DPE

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

*[Signature]*

TITLE

Operations Manager

DATE

1-22-96

(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 enable the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS  
ATTACHED

APPROVED BY

(TORIO. SCD.) RICHARD L. MANUS

AREA MANAGER

DATE

3-4-96

\*See Instructions On Reverse Side

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV  
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

## OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

|                            |                                       |  |
|----------------------------|---------------------------------------|--|
| API Number<br>30-015-28866 | Pool Code<br><del>52790</del> 52800   | Pool Name<br>Ross Draw, Delaware, West |
| Property Code              | Property Name<br>SKY CHIEF 21 FEDERAL | Well Number<br>1                       |
| OGRID No.<br>5691          | Operator Name<br>DAKOTA RESOURCES     | Elevation<br>3012                      |

### Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| P             | 21      | 26 S     | 30 E  |         | 330           | SOUTH            | 330           | EAST           | EDDY   |

## Bottom Hole Location If Different From Surface

|                       |                 |                    |       |           |               |                  |               |                |        |
|-----------------------|-----------------|--------------------|-------|-----------|---------------|------------------|---------------|----------------|--------|
| UL or lot No.         | Section         | Township           | Range | Lot Idn   | Feet from the | North/South line | Feet from the | East/West line | County |
| Dedicated Acres<br>40 | Joint or Infill | Consolidation Code |       | Order No. |               |                  |               |                |        |

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

|  |  |  |                    |   |
|--|--|--|--------------------|---|
|  |  |  |                    | <p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>[Signature]</i><br/> <b>Signature</b><br/> <b>GREG MUHLINGHAUSE</b><br/> <b>Printed Name</b><br/> <b>OPERATIONS MANAGER</b><br/> <b>Title</b><br/> <b>12-14-95</b><br/> <b>Date</b></p>  |
|  |  |  |                    | <p><b>SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p><b>NOVEMBER 2, 1995</b><br/> <b>Date Surveyed</b></p> <p><i>[Signature]</i><br/> <b>Signature of Senior Professional Surveyor</b></p> <p><b>NOV 07 1995</b><br/> <b>NEW MEXICO</b><br/> <b>Professional Surveyor</b></p> <p><b>SEE DETAIL</b></p> <p><b>330'</b></p> |
|  |  | <p>3015.3' — 3013.6'</p> <p>3008.9' — 3010.9'</p> <p><b>DETAIL</b></p> | <p><b>330'</b></p> | <p><b>DATE SURVEYED</b> NOVEMBER 2, 1995</p> <p><b>SIGNATURE OF SENIOR PROFESSIONAL SURVEYOR</b> <i>[Signature]</i> <b>11-07-95</b></p> <p><b>NEW MEXICO</b></p> <p><b>CERTIFICATE NO.</b> 10406 WEST<br/>         3239<br/>         12641</p>  |

DAKOTA RESOURCES, INC. (I)

Sky Chief 21 Federal #1

EXHIBIT NO. 1

