

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
 DRILL DEEPEN PLUG BACK

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER
 SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
 Cities Service Oil & Gas Corp.

3. ADDRESS OF OPERATOR
 P.O. Box 1919 - Midland, Texas 79702

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface
 660' FNL & 790' FEL
 At proposed prod. zone
 Same as above

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 30 miles West from Hobbs, New Mexico

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
 660'

16. NO. OF ACRES IN LEASE
 40

17. NO. OF ACRES ASSIGNED TO THIS WELL
 40

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
 1235'

19. PROPOSED DEPTH
 4350'

20. ROTARY OR CABLE TOOLS
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 3985' GR

22. APPROX. DATE WORK WILL START*
 After permit approval

23. PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|----------------|-----------------|---------------|------------------------|
| 12-1/4" | 8-5/8" | 24# | 350' | 250 sacks (Circulated) |
| 7-7/8" | 5-1/2" | 14# | 4325' | 700 sacks (Circulated) |

It is proposed to drill this well to a T.D. of 4325' and test the Queen Formation. The blowout prevention program is as follows:

1. One set of blind rams
2. One set of drill pipe rams

The acreage dedicated to this well has not been assigned to any gas purchaser.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, 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 prevention program, if any.

24. SIGNED Elmer Stutz TITLE Reg. Opr. Mgr. - Prod. DATE 7-22-86
 (This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE 8-13-86
 CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

INSTRUCTIONS

GENERAL: This form is designed for submitting proposals to perform certain well operations, as indicated, on all types of lands and leases for appropriate action by either a Federal or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office.

ITEM 1: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable State or Federal regulations concerning subsequent work proposals or reports on the well. ITEM 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

ITEM 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on this reverse side, showing the roads to, and the surveyed location of, the well, and any other required information, should be furnished when required by Federal or State agency offices.

ITEMS 15 AND 18: If well is to be, or has been directionally drilled, give distances for subsurface location of hole in any present or objective production zone. ITEM 22: Consult applicable Federal or State regulations, or appropriate officials, concerning approval of the proposal before operations are started.

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application. AUTHORITY: 30 U.S.C. 181 et seq., 25 U.S.C. 396; 43 CFR Part 3160.

PRINCIPAL PURPOSE: The information is to be used to process and evaluate your application for permit to drill, deepen, or plug back an oil or gas well. ROUTINE USES: (1) The analysis of the applicant's proposal to discover and extract the Federal or Indian resources encountered. (2) The review of procedures and equipment and the projected impact on the land involved. (3) The evaluation of the effects of proposed operation on surface and subsurface water and other environmental impacts. (4)(5) Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions, as well as routine regulatory responsibility. EFFECT OF NOT PROVIDING INFORMATION: Filing of this application and disclosure of the information is mandatory only if the lessee elects to initiate drilling operations on an oil and gas lease.

The Paperwork Reduction Act of 1980 (44 U.S.C. 3501 et seq) requires us to inform you that:

This information is being collected to allow evaluation of the technical, safety, and environmental factors involved with drilling for oil and/or gas on Federal and Indian oil and gas leases. This information will be used to analyze and approve applications. Response to this request is mandatory only if the lessee elects to initiate drilling operations on an oil and gas lease.