

219/05
APPLICANT
 1a. TYPE OF WORK
 DRILL ☒ DEEPEN ☐
 b. TYPE OF WELL
 OIL WELL ☐ GAS WELL ☒ OTHER ☐
 2. NAME OF OPERATOR
 LATIGO PETROLEUM, INC. (JOE CLEMENT 432-684-4293)
 3. ADDRESS AND TELEPHONE NO.
 415 WEST WALL STREET SUITE 1900 MIDLAND, TEXAS 79701
 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirement)
 At surface
 860' FNL & 2620' FWL SECTION 35 T23S-R29E EDDY CO. NM
 At proposed prod. zone SAME
 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE
 Approximately 30 miles Southeast of Carlsbad New Mexico
 15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
 860'
 16. NO. OF ACRES IN LEASE
 640
 17. NO. OF ACRES ASSIGNED TO THIS WELL
 320
 18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
 3750'
 19. PROPOSED DEPTH
 14,100'
 20. ROTARY OR CABLE TOOLS
 ROTARY
 21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 3114' GR.
 22. APPROX. DATE WORK WILL START WHEN APPROVED
 23. PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	DEPTH	QUANTITY OF CEMENT
25"	20"	NA	40'	Cement to surface w/Redi-mix
17 1/2"	H-40 13 3/8"	48	540'	550 Sx. cement to surface
12 1/4"	J-55 9 5/8"	36	3100'	1200 Sx. " " "
8 3/4"	P-110 7"	26	10,400'	1050 Sx. " " "
6 1/8"	P-110 4 1/2"	13.5	10,200-14,100'	450 Sx. cement to top of liner.

CARLSBAD CONTROLLED WATER BASIN

APPROVAL SUBJECT TO
 GENERAL REQUIREMENTS
 AND SPECIAL STIPULATIONS
 ATTACHED

SEE ATTACHED SHEET

LATIGO PETROLEUM, INC? WILL ACCEPT RESPONSIBILITY FOR THE
 OPERATION OF THIS LEASE.

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 Joe T. Janice TITLE Agent DATE 01/25/05
 (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 BY John E. Rudee TITLE STATE DIRECTOR DATE 4/20/05

*See Instructions On Reverse Side

APPROVAL FOR 1 YEAR