

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>			5. LEASE DESIGNATION AND SERIAL NO. NM-12557		
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME		
2. NAME OF OPERATOR CIBOLA ENERGY CORPORATION			7. UNIT AGREEMENT NAME		
3. ADDRESS OF OPERATOR P. O. Box 1668 Albuquerque, NM 87103			8. FARM OR LEASE NAME Duncan Federal		
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 660'FNL & 1650'FWL NE/4 NW/4 Unit C At proposed prod. zone same			9. WELL NO. #5		
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 24 miles NE of Roswell, New Mexico			10. FIELD AND POOL, OR WILDCAT X W/C San Andres		
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 330 ft.		16. NO. OF ACRES IN LEASE 1074.24	17. NO. OF ACRES ASSIGNED TO THIS WELL 40.00		
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1190 ft.		19. PROPOSED DEPTH 2350 feet	20. ROTARY OR CABLE TOOLS Rotary		
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3883.7 GL			22. APPROX. DATE WORK WILL START* June 1, 1992		

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	23#	400 ft	Circulate
7 7/8	4 1/2	10.5#	2350 ft.	200 sx

We propose to drill this well to 2350 feet to test the P1 and P2 zones of the San Andres formation. If the well is productive we will complete it by running and cementing 4-1/2" 10.5# casing. If it is not productive, we will plug it following required plugging procedures.

Part ID-1
7-24-92
New Loc & API

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 preventer program, if any.

24. Harvey E. Yates, Jr.
SIGNED Harvey E. Yates, Jr. TITLE President DATE _____

(This space for Federal or State office use)

PERMIT NO. David Stout APPROVAL DATE 7/17/92
APPROVED BY David Stout TITLE Post Area Manager DATE 7/17/92
CONDITIONS OF APPROVAL, IF ANY:

APPROVAL OF THIS APPLICATION 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.

PLEASE BE ADVISED THAT THERE WILL BE NO EXCAVATION OF FEDERALLY OWNED MINERAL MATERIAL FOR CONSTRUCTION OF THE ACCESS ROAD OR PAD WITHOUT PAYMENT IN ADVANCE. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Drawer DD, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

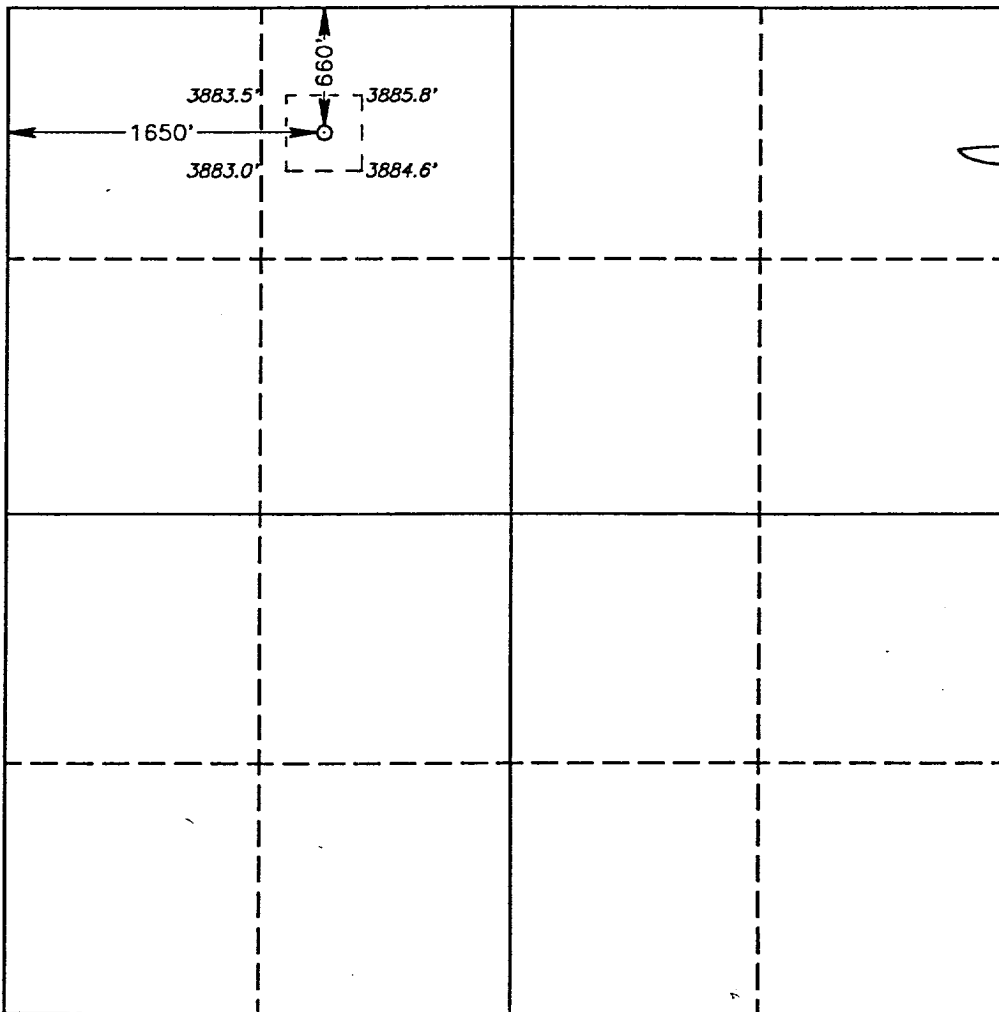
All Distances must be from the outer boundaries of the section

Operator CIBOLA ENERGY CORP.			Lease DUNCAN FEDERAL		Well No. 5
Unit Letter C	Section 18	Township 9 SOUTH	Range 28 EAST	NMPM	County CHAVES
Actual Footage Location of Well: 660 feet from the NORTH line and 1650 feet from the WEST line					
Ground Level Elev. 3883.7'	Producing Formation San Andres		Pool		Dedicated Acreage: 40 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
☐ Yes ☐ No If answer is "yes" type of consolidation _____

If answer is "no" list of owners and tract descriptions which have actually been consolidated. (Use reverse side of this form necessary.)

No allowable will be assigned to the well unit all interests have been consolidated (by communitization, unitization, forced-pooling, otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

Signature

Printed Name

Harvey E. Yates, Jr.

Position

President

Company

Cibola Energy Corp.

Date

4-30-92

SURVEYOR CERTIFICATION

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 knowledge and belief.

Date Surveyed

MARCH 9, 1992

Signature & Seal of
Professional Surveyor

Certificate No.

JOHN W. WEST, 876

RONALD J. EDSON, 3239

GARY L. JONES, 7977

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

APPLICATION FOR DRILLING

Cibola Energy Corporation
Duncan Federal #5 Sec. 18 - 9S - 28E
660'FNL & 1650'FWL
Chaves County, New Mexico

In conjunction with Form 3160-3, Application for Permit to Drill Subject Well, Cibola Energy Corporation submits the following ten items of pertinent information in accordance with U.S. Minerals Management Service requirements.

1. The geologic surface is Quaternary fill.
2. Actual tops of Geologic markers:

	<u>Depth</u>
Yates	519
San Andres	1646
Slaughter	2210

3. The estimated depth at which water, oil or gas are expected:

Water	340'	
Oil & Gas	- Slaughter	2250'

4. Proposed casing program - See form 3160-3
5. Pressure control equipment: Cameron 9" 2000 psi B.O.P. together with rotating head.
6. We will be drilling with Air Rotary. No mud will be used.
7. Auxiliary Equipment - None
8. Testing, and logging program - GR, CNL Densilog, Induction. No DST's will be run.
9. No abnormal pressures or temperatures are expected.
10. Anticipated starting date is June 1, 1992