

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

650

5. LEASE DESIGNATION AND SERIAL NO.  
NM 33277

6. IF INDIAN, ALLOTTEE OR TRIBE NAME  
23453

7. UNIT AGREEMENT NAME  
Derrick Federal Com.

8. FARM OR LEASE NAME  
Derrick Federal Com.

9. WELL NO.  
5

10. FIELD AND POOL OR WILDCAT  
Diamond Morrow

11. SEC., T., R., M., OR BLK.  
AND SURVEY OR AREA  
Sec. 5, T16S, R28E

12. COUNTY OR PARISH  
Eddy County

13. STATE  
NM

14. NO. OF ACRES ASSIGNED TO THIS WELL  
320

20. ROTARY OR CABLE TOOLS  
Rotary

22. APPROX. DATE WORK WILL START\*  
April 15, 2001

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT/FOOT	SETTING DEPTH	QUANTITY OF CEMENT
36"	20"	60	40'	ready-mix to surface
17-1/2"	13-3/8"	48	500'	400 sx
11"	8-5/8"	32	2000'	600 sx
7-7/8"	4-1/2"	13.5	9250'	500 sx

1. Drill 36" hole to 40'. Set 40' of 20" conductor & cement to surface with ready-mix.
2. Drill 17-1/2" hole to 500'. Run & set 500' of 13-3/8" H-40, 48# ST&C csg, cmt w/400 sx Cl C cement + 2% CaCl2 circulate to surface.
3. Drill 11" hole to 2000'. Run & set 2000' of 8-5/8" K-55, 32# LT&C csg. Cmt w/600 sx 35/65 POZ Cl C + 6% gel + 5% salt, tail in w/400 sx Cl C cmt + 2% CaCl2, circ to surface.
4. Drill 7-7/8" hole to 9250'. If logs indicate commercial production, run & set 9250' of 4-1/2" 13.5# LT&C csg. Cement w/500 sx Class C 35/65 POZ w/additives, tail in with 190 sx 50/50 POZ Class H + 10% salt + .25 dispersant + 2% gel. Estimated top of cement 500' above uppermost productive interval. Cement volumes will be adjusted based on open hole caliper log.

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS  
ATTACHED

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.

SIGNED Janie McMillan TITLE Regulatory Specialist DATE 3/2/01

(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 /s/ LESLIE A. THEISS TITLE FIELD MANAGER DATE MAY 31 2001

\*See Instructions On Reverse Side

Title 18 U.S.C. 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.

APPROVAL FOR 1 YEAR

