

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NM-97160	
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" 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 Manzano Oil Corporation		7. UNIT AGREEMENT NAME	
3. ADDRESS AND TELEPHONE NO. P. O. Box 2107		8. FARM OR LEASE NAME, WELL NO. Appaloosa Federal #1	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 1980' FSL & 1980' FEL At proposed prod. zone Same		9. API WELL NO. 30-041-20886	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 17 miles E. of Milnesand, NM		10. FIELD AND POOL, OR WILDCAT Wildcat-Devonian	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drilg. unit line, if any) 660'		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 35-T7S-R37E	
16. NO. OF ACRES IN LEASE 320		12. COUNTY OR PARISH 13. STATE Roosevelt New Mexico	
17. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. N/A		17. NO. OF ACRES ASSIGNED TO THIS WELL 320	
18. PROPOSED DEPTH 9,200'		20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 4045.15 GL		22. APPROX. DATE WORK WILL START* August 10, 1998	

23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13 3/8" J-55	54# STC	500'	400 sx "C" circ/surf
12 1/4"	8 5/8" J-55	24# STC	2400'	
12 1/4"	8 5/8" J-55	32# STC	3700'	1000 sx "C" circ/surf
7 7/8"	5 1/2" N-80	17# LTC	9200'	"H" cmt 600' above top pay

MUD PROGRAM:	MUD.WT.	VIS.	W/L Control
0' - 500': Fresh water spud mud:	8.4 - 9.0 ppg	28 - 34	No W/L control.
500' - 3700': Brine mud:	10.0 ppg	33 - 37	No W/L control.
3700' - 8000': Cut Brine mud:	9.2 ppg	33	No W/L control.
8000' - 9200': Cut Brine mud:	9.6 - 9.8 ppg	33 - 40	W/L Control 12cc +/-.

BOP PROGRAM:

A 11" 5000 psi wp LWS Shaffer, double ram BOP, will installed on the 8 5/8" casing. Casing and BOP will be tested before drilling out with 7 7/8". The BOP will be used as a 3000 nsi system and will be tested daily.

PER. OGRID NO. 13954
PROPERTY NO. 23601
POOL CODE -
EXP. DATE 8-12-98
API NO. 30-041-20886

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productivity deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blow

24. SIGNED George R. Smith TITLE Agent for: Manzano Oil Corp. DATE July 17, 1998

(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 Carl Smith for Armando Lopez Assistant Field Office Manager, Lands and Minerals DATE 8-7-98
*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.



U.S. DEPT. OF LAND MGMT.
ROSWELL OFFICE

JUL 17 P 2:19

RECEIVED