FORM APPROVED Form 3160-3 OMB No. 1004-0136 (August 1999) Expires November 30, 2000 **UNITED STATES** Lease Serial No. NM 12852 5 HC DEPARTMENT OF THE INTERIOR NM 54449 AHC **BUREAU OF LAND MANAGEMENT** If Indian, Allottee or Tribe Name APPLICATION FOR PERMIT TO DRILL OR REENTER 7. If Unit or CA Agreement, Name and No. la. Type of Work: DRILL ■ REENTER \*Horizontal NMNM 91048 8. Lease Name and Well No. 1b. Type of Well: Oil Well Gas Well Other Single Zone Multiple Zone Federal "27" Com #3 9. API Well No. Name of Operator 3*0-04* H.L. Brown, Jr. 10. Field and Pool, or Exploratory 3b. Phone No. (include area code) 3a. Address 915/683-5216 Bluitt Wolfcamp (Gas) P.O. Box 2237, Midland, TX 79702 11. Sec., T., R., M., or Bik. and Survey or Area Location of Well (Report location clearly and in accordance with any State requirements.\*) At surface Unit D, 1200' FNL & 1000' FWL, Sec 27, T-7-S, R-37-E Sec 27 T-7-S R-37-E At proposed prod. zone Unit F, 2630' FNL & 1980' FWL, Sec 27, T-7-S,R-37-E 13. State 12. County or Parish 14. Distance in miles and direction from nearest town or post office\* NM 10 miles East from Milnsand, NM Roosevelt 15. Distance from proposed\* 17. Spacing Unit dedicated to this well Surface location 16. No. of Acres in lease location to nearest 1000' End of lateral property or lease line, ft. (Also to nearest drig. unit line, if any) 660 320 19. Proposed Depth 20. BLM/BIA Bond No. on file 18. Distance from proposed location\* 7995' TVD to nearest well, drilling, completed, applied for, on this lease, ft. 9485' MD 1634 NM0104 23. Estimated duration 21. Elevations (Show whether DF, KDB, RT, GL, etc.) 22. Approximate date work will start\* 4057 GL 3/19/01 25 days Water Basin 24. Attachments The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form 4. Bond to cover the operations unless covered by an existing bond on file (see 1. Well plat certified by a registered surveyor. Item 20 above). 2. A Drilling Plan. Operator certification. 3. A Surface Use Plan (if the location is on National Forest System Lands, the Such other site specific information and/or plans as may be required by the SUPO shall be filed with the appropriate Forest Service Office). authorized officer. Name (Printed/Typed) 2/12/01 Jerry M. Jordan Operations Manager Name (Printed/Typed) Approved by (Signature) /S/LARRY D. BRAY ALATIAY D. BUMY Office Title Assistant Field Manager, APPROVED FOR 1 YEAR ROSWELL FIELD OFFICE Lands And Minerals

Application approval does not warrant or certify the 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, are attached. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

OPER. OGRID NO. 7616 PROPERTY NO. 2265 POOL CODE 72640

\*(Instructions on reverse)

EFF. DATE 7-2-01 API NO. 30-041-008/15 APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS

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