

TEXLAND PETROLEUM, INC.

EXPLORATION AND PRODUCTION

777 MAIN STREET, SUITE 320C

FORT WORTH, TEXAS 76102

AREA 817 336-2751

August 2, 2001

United States Department of the Interior
Bureau of Land Management
Roswell District Office
2909 West Second Street
Roswell, New Mexico 88201

RE: Application for Permit to Drill
Texland Petroleum – Hobbs, L.L.C.
Bowers "A" Federal Well #42
Lea County, New Mexico
Lease No. LC-032233.A

Gentlemen:

Texland Petroleum – Hobbs, L.L.C. respectfully requests permission to drill our Bowers "A" Federal, Well #42 located 1290' FSL & 170' FWL of Section 29, T18S, R38E, Lea County, New Mexico, Federal Lease No. LC-032233-A. The proposed well will be drilled to a TD of approximately 6000' (TVD). The location and work area has been staked. It is approximately 3 miles west of Hobbs, New Mexico.

In accordance with requirements stipulated in Federal Onshore Oil and Gas Order No. 1 under 43 CFR 3162.1, our Application for Permission to Drill and supporting evidence is hereby submitted.

I. Application for Permit to Drill:

1. Form 3160.3, Application for Permit to Drill
2. Form C-102 location and Acreage Dedication plat certified by Gary L. Jones, Registered Land Surveyor No. 7977 in the State of New Mexico dated April 21, 2001.
3. The elevation of the unprepared ground is 3644' feet above sea level.
4. The geologic name of the surface formation is Permian Rustler.