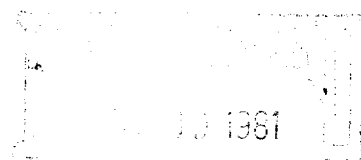


UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

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-077004		
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME		
2. NAME OF OPERATOR WALTER W. KRUG dba WALLEN PRODUCTION COMPANY		7. UNIT AGREEMENT NAME		
3. ADDRESS OF OPERATOR P. O. BOX 1960, MIDLAND, TEXAS 79702		8. FARM OR LEASE NAME WALLEN 19 FEDERAL		
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1650' FSL AND 990' FWL OF SECTION 19 At proposed prod. zone		9. WELL NO. 2		
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 15 MILES SOUTH-SOUTHEAST OF MALJAMAR, NEW MEXICO		10. FIELD AND POOL, OR WILDCAT SO. TONTO-YATES SEVEN RIVERS		
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drilg. unit line, if any)	990'	16. NO. OF ACRES IN LEASE 802.25	17. NO. OF ACRES ASSIGNED TO THIS WELL 40	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	1220'	19. PROPOSED DEPTH 3200'	20. ROTARY OR CABLE TOOLS CABLE TOOLS	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3602.25 GR		22. APPROX. DATE WORK WILL START* UPON APPROVAL		
23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
15"	13-3/8"	61# K-55	225' 110'	SUFFICIENT TO CIRCULATE
12-1/2"	10-3/4"	45.5# K-55	600'	MUD IN - TO BE PULLED
10"	8-5/8"	32# K-55	1050'	MUD IN - TO BE PULLED
8"	7"	23# K-55	2890'	SUFFICIENT TO CIRCULATE
6"	4-1/2" (Liner)	10.5# K-55	3200'	SUFFICIENT TO CIRCULATE LINER

SEE ATTACHED FOR: SUPPLEMENTAL DRILLING DATA
SURFACE USE AND OPERATIONS PLAN

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. SIGNED Arthur R. Brown TITLE Agent DATE NOVEMBER 3, 1981
(This space for Federal or State office use)

PERMIT NO.	APPROVED AS AMENDED DEC 1 1981 JAMES A. GILLHAM DISTRICT SUPERVISOR	APPROVAL DATE	TITLE	DATE
APPROVED BY		*See Instructions On Reverse Side		
CONDITIONS OF APPROVAL, IF ANY:				