

OIL AND GAS NO. 36554 *Indian Oil Conservation Division, TX (Act 1)*
 COUNTY NO. 26893 *1875 N. Road, Suite*
 POOL CODE 65560 *Room 101, Midland*
 EFF. DATE 11-13-00
 API NO. 30-025-35251

NOVAL SUBJECT TO
 SPECIAL REQUIREMENTS AND
 SPECIAL STIPULATIONS

Form 3160-3
 (August 1999)

APPLICATION FOR PERMIT TO DRILL OR REENTER

UNITED STATES
 DEPARTMENT OF THE INTERIOR
 BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
 OMB No. 1004-0136
 Expires November 30, 2000

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NM-9022
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator TMBR/Sharp Drilling, Inc.		7. If Unit or CA Agreement, Name and No.
3a. Address PO Box 10970 Midland, TX 79702	3b. Phone No. (include area code) (915) 699-5050	8. Lease Name and Well No. TMBR/Sharp "21" Fed. Com. #1
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 1980' FSL & 990' FWL L At proposed prod. zone Same		9. API Well No. 30-025-35251
14. Distance in miles and direction from nearest town or post office* 10 miles S. of Maljamar, NM		10. Field and Pool, or Exploratory Young Strawn
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 660'	16. No. of Acres in lease 200	11. Sec., T., R., M., or Blk. and Survey or Area Sec. 21-T18S-R32E
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1777'	19. Proposed Depth 13,000'	12. County or Parish Lea
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3751' GL	20. BLM/BIA Bond No. on file NM-2343	13. State NM
22. Approximate date work will start* 10/25/00		17. Spacing Unit dedicated to this well 320
23. Estimated duration 6 weeks		24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

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| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification. |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature <i>George R. Smith</i>	Name (Printed/Typed) George R. Smith	Date 10/10/00
Title Agent for: TMBR/Sharp Drilling, Inc.		
Approved by (Signature) <i>(ORIS. 302) ARMANDO J. 11097</i>	Name (Printed/Typed) <i>ARMANDO J. 11097</i>	Date <i>10/10/00</i>
Title Acting Assistant Field Manager, Lands And Minerals	Office ROSWELL FIELD OFFICE	

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.

*(Instructions on reverse)

Lease Responsibility Statement: TMBR/Sharp Drilling, Inc. accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof.

George R. Smith
 George R. Smith, agent

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