24.

CONDITIONS OF APPROVAL, IF ANY

UNITED STATES

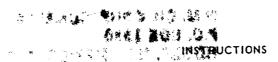
P.C. BOX 1994

PROVED OMB NO. 1004-0136 Expires: February 28, 1995

コレーレスケーゴス 346

DEPARTMENT OF THE INTERIOR BUS, NEW MEXICO LEASE DESIGNATION AND SERIAL NO. BUREAU OF LAND MANAGEMENT NM-81633 APPLICATION FOR PERMIT TO DRILL OR DEEPEN 6. IF INDIAN, ALLOTTEE OR TRIBE NAME 1a. TYPE OF WORK DRILL X DEEPEN 7. UNIT AGREEMENT NAME b. TYPE OF WELL WELL X MULTIPLE ZONE OTHER NAME OF OPERATOR Checkerboard 23 Federal Meridian Oil Inc. WELL NO. ADDRESS AND TELEPHONE NO. P.O. BOX 51810, MIDLAND, TX 915-688-6906 10. FIELD AND POOL, OR WILDCAT LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*) At surface Red Tank Bone Spring 281 FNL & 1980' FWL 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA prod. zone REE: 23, T22S, R32E 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 12. COUNTY OR PARISH 13. STATE 28 miles West of Eunice, NM DISTANCE FROM PROPOSED*
LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drig. unit line, if any Lea NM 16. NO. OF ACRES IN LEASE 990' 17. NO OF ACRES ASSIGNED TO THIS WELL 920 18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT. 40 19. PROPOSED DEPTH 20. ROTARY OR CABLE TOOLS 1356 10,150 21. ELEVATIONS (Show Whether DF, RT, GR, ETC.) 22. APPROX. DATE WORK WILL START **Carlebad Controlled Wate** 3757' GR 23. upon approval 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", H-40 48# 850 735 sxs circd to surf. 12 1/4" 8 5/8", K-55 28# & 32# 4600' 2075 sxs circd to surf. 7 7/8" 1/2,K-55,N-80 17# 10,150 1300 sxs-TOC 4400'+/-2 stage job Not in designated Potash area. Lease description: All of Sec. 23 except 80 acres in the E/2, SE/4 - (560 acres) S/2 of Sec. 24 - (320 acres) NE/4, NE/4 of Sec. 24 - (40 acres) Total acres in lease (920 acres) Contact person for 7 day letter of receipt of APD is: Maria L. Perez **Production Assistant** 177 **Production Services Department** fiiApproved Subject to Constel Requirements and Opecial Sapulations IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, 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. SIGNED **Production Assistant** TITLE 12-1-93 DATE (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

1-14-94 *See Instructions On Reverse Side



GENERAL: This form is designed for submitting proposals to perform certain well operations, as indicated, on all types of lands and leases for appropriate action by either a Federal or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office.

ITEM 1: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable State or Federal regulations concerning subsequent work proposals or reports on the well.

ITEM 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

ITEM 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on this reverse side, showing the roads to, and the surveyed location of, the well, and any other required information, should be furnished when required by Federal or State agency offices.

ITEMS 15 AND 18: If well is to be, or has been directionally drilled, give distances for subsurface location of hole in any present or objective production zone.

ITEM 22: Consult applicable Federal or State regulations, or appropriate officials, concerning approval of the proposal before operations are started.



NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 25 U.S.C. 396; 43 CFR Part 3160.

PRINCIPAL PURPOSE: The information is to be used to process and evaluate your application for permit to drill, deepen, or plug back an oil or gas well.

ROUTINE USES: (1) The analysis of the applicant's proposal to discover and extract the Federal or Indian resources encountered. (2) The review of procedures and equipment and the projected impact on the land involved. (3) The evaluation of the effects of proposed operation on surface and subsurface water and other environmental impacts. (4)(5) Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions, as well as routine regulatory responsibility.

EFFECT OF NOT PROVIDING INFORMATION: Filing of this application and disclosure of the information is mandatory only if the lessee elects to initiate drilling operation on an oil and gas lease.

400

The Paperwork Reduction Act of 1980 (44 U.S.C. 3501 et seq) requires us to inform you that

This information is being collected to allow evaluation of the technical, safety, and environmental factors involved with drilling for oil and/or gas on Federal and Indian oil and gas leases.

This information will be used to analyze and approve applications.

Response to this request is mandatory only if the lessee elects to initiate drilling operations on an oil and gas lease.