

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>			5. LEASE DESIGNATION AND SERIAL NO. NM 14328	
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 Collins & Ware, Inc.			7. UNIT AGREEMENT NAME	
3. ADDRESS OF OPERATOR 303 W. Wall, Suite 2200, Midland, Texas 79701			8. FARM OR LEASE NAME N.L. Federal NL	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 660' FSL & 1980' FEL Sec. 18, T-21-S, R-32-E, Lea, New Mexico At proposed prod. zone 660' FSL & 1980' FEL Sec. 18, T-21-S, R-32-E, Lea, New Mexico			9. WELL NO. 2	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 29 air miles ENE from Carlsbad, New Mexico			10. FIELD AND POOL, OR WILDCAT Undes. Livingston Ridge Delaware	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 660'			11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 18, T-21-S, R-32-E	
16. NO. OF ACRES IN LEASE 1772.52			12. COUNTY OR PARISH Lea	
17. NO. OF ACRES ASSIGNED TO THIS WELL 40			13. STATE N.M.	
18. DISTANCE FROM PROPOSED* LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 3,000'			20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3623' GR			22. APPROX. DATE WORK WILL START* Upon approval.	

PROPOSED CASING AND CEMENTING PROGRAM Secretary's Potash/R-111-P Potash

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13 3/8"	48# - 61#	800'	Sufficient to circulate
12 1/4"	8 5/8"	24# - 32#	4500'	Sufficient to circulate
7 7/8"	5 1/2"	15.5- 20#	8700'	Sufficient to tie in with intermediate

After setting production casing, drilling rig will be replaced with completion rig. Pay zone will be perforated and stimulated as necessary.

See Attached for: Supplemental Drilling Data
BOP Sketches
Surface Use and Operations Plan

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

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 G. Thane Akins TITLE Agent for Collins & Ware, Inc. DATE 12/4/91
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____
APPROVED BY _____ TITLE _____ DATE 1-27-92
CONDITIONS OF APPROVAL, IF ANY: