

Form 3160-3
(July 1992)

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

SUBMIT IN TRIPLICATE
Other instructions on
reverse side)

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

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NMLC-030132B	
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR Melrose Operating Co.		7. UNIT AGREEMENT NAME	
3. ADDRESS AND TELEPHONE NO. PO Box 5061, Midland, TX 79704 915/685-1761		8. FARM OR LEASE NAME, WELL NO. Closson B Federal #36	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 330' FNL, 2310' FWL, Unit C At proposed prod. zone Same		9. API WELL NO. 30-025-35075	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 15 miles SW of Eunice, NM		10. FIELD AND POOL, OR WILDCAT Jalmat (TN-YT-7R)	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT (Also to nearest drilg. unit line, if any) 2310' (330')		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec 30, T22S, R36E	
16. NO. OF ACRES IN LEASE 1640		12. COUNTY OR PARISH Lea	
17. NO. OF ACRES ASSIGNED TO THIS WELL 40		13. STATE NM	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1682		19. PROPOSED DEPTH 3900	
20. ROTARY OR CABLE TOOLS Rotary		21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3554' GR	
22. APPROX. DATE WORK WILL START* 07/15/00			

23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8" J-55	24#	400' 1500'	350 sx
7-7/8"	4-1/2" - 5-1/2"	9.5# - 17#	3900'	700 sx

Plan to drill a 12-1/4" hole to 400' & set 8-5/8" surface csg to 400' & cmt to surf w/350 sx.

Drill a 7-7/8" hole to 3900' & run 4-1/2" or 5-1/2" prod csg & cmt to surf w/700 sx cmt. Will complete in the 7R/YT formation & stimulate as necessary for optimum production.

EXHIBITS:

- 1: Survey Plat
- 2: BOP Diagram
- 3A - D: Area, Topo, Access & Lease Map
- 4: 1 Mile Radius Map
- 5: Drill Site Layout

Surface Use & Operations Plan
Drilling Program
H2S Operations Plan
Letter of Responsibility

OPER. OGRID NO 184860
PROPERTY NO 25185
POOL CODE 33820
APP. DATE 7-5-00
LEASE NO 30-025-35075

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS

IN ABOVE SPACE DESCRIBE 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.

24. SIGNED Bonnie Ottwater TITLE Regulatory Tech DATE 05/25/00

(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 operations thereon.
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY (ORIG. SGD.) ARMANDO A. LOPEZ Acting Assistant Field Manager,
Lands And Minerals DATE 05/25/00

*See Instructions On Reverse Side

APPROVED FOR 1 YEAR

Title 18 U.S.C. Section 1001, makes 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.

Handwritten initials: "my P"

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ROSENTHAL, NM