

1625 N. French Drive

Hobbs, NM 88240

Form 3160-3
(July 1992)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTSUBMIT IN TRIPPLICATE
(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 #39	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements *) At surface 2310 FNL, 2310 FEL, Unit G At proposed prod. zone Same			9. API WELL NO. 30-025-35208	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 15 miles SW of Eunice, NM			10. FIELD AND POOL, OR WILDCAT Jalmit (TN-YT-7R)	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT (Also to nearest drig. unit line, if any) (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. 1043			19. PROPOSED DEPTH 3900	
20. ROTARY OR CABLE TOOLS Rotary			21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3553' GR	
22. APPROX. DATE WORK WILL START* 09/15/00			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#	1450'	575 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 1450' & set 8-5/8" surface csg to 1450' & cmt to surf w/200 sx CI C tail & 375 sx 35/65 C POZ lead. Will complete in the FR/COG/DA/NO & stimulate 21 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100

EXHIBITS:

- Survey Plat
- BOP Diagram
- 3A-D Area, Topo, Access & Lease Maps
- 1 mile Radius Map
- Drill Site Layout

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

IN ABOVE SPACE DESCRIBE PROGRAM: If proposal is to deepen, give data on present productive zone and pr deepen directionality, give pertinent data on subsurface locations and measured and true vertical depths. Give blo

24. SIGNED Bonnie Atwater TITLE Regulatory Tech DATE 08/31/00

(This space for Federal or State office use)

PERMIT NO.

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 /S/LARRY D. BRAY TITLE Assistant Field Manager, Lands And Minerals DATE OCT 1 8 2000

*See Instructions On Reverse Side

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.

1. The first part of the document is a list of the names of the persons who were present at the meeting. The names are listed in alphabetical order.