

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. LC-030133B
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 Breck Operating Corp.		7. If Unit or CA Agreement, Name and No.
3a. Address P.O. Box 911 Breckenridge, TX 76424		8. Lease Name and Well No. Meyer "33" Federal, Well No. 1
3b. Phone No. (include area code) (254) 559-3355		9. API Well No. 30-025-35599
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 1100' FSL & 660' FEL At proposed prod. zone same		10. Field and Pool, or Exploratory Jalmat Tan-Yts-713vrs
14. Distance in miles and direction from nearest town or post office* 13 road miles SW of Eunice, NM		11. Sec., T., R., M., or Blk. and Survey or Area Sec. 33-T22S-R36E
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 280	12. County or Parish Lea
17. Spacing Unit dedicated to this well 160 acres	13. State NM	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 440'	19. Proposed Depth 3,600'	20. BLM/BIA Bond No. on file NM-2613
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3496' GL	22. Approximate date work will start* May 1, 2001	23. Estimated duration 3 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:

- | | |
|---|--|
| 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 04/10/01
---	---	------------------

Agent for: Breck Operating Corp.	
Approved by (Signature) <i>/s/ JOE G. LARA</i>	Name (Printed/Typed) <i>/s/ JOE G. LARA</i>
Date JUN 14 2001	

Title <i>Acting</i> FIELD MANAGER	Office BLM-CARLSBAD FIELD OFFICE
--------------------------------------	-------------------------------------

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, are attached.

APPROVAL FOR 1 YEAR

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)

Carbon Controlled Water Study

Lease Responsibility Statement: Breck Oil Corp. accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof.

George R. Smith
George R. Smith

**APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED**

OPER. OGRID NO. *2799*
PROPERTY NO. *28141*
POOL CODE *79240*
EFF. DATE *6-18-01*
API NO. *30-025-35599*

K2

gml

USA

RECEIVED

APR 10 2001

811
ROSWELL, NM

APR 10 2001

APR 10 2001
RECEIVED