

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED  
OMB No. 1004-0136  
Expires November 30, 2000

5. Lease Serial No. NM-0559539
6. If Indian, Allottee or Tribe Name
7. If Unit or CA Agreement, Name and No.
8. Lease Name and Well No. James Federal, Well No. 3
9. API Well No. 30-025-35812
10. Field and Pool, or Exploratory Triste Sand Dune So. Delaware W. Draw
11. Sec., T., R., M., or Blk. and Survey or Area Sec. 29-T23S-R32E
12. County or Parish Lea
13. State NM

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		
2. Name of Operator Harvard Petroleum Corp.		
3a. Address P.O. Box 936 Roswell, NM 88202	3b. Phone No. (include area code) 505/523-1581	
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 1980' FSL & 2306' FWL At proposed prod zone same		
14. Distance in miles and direction from nearest town or post office* 36.5 miles east of Carlsbad, NM		
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1980'	16. No. of Acres in lease 1440	17. Spacing Unit dedicated to this well 40
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1328'	19. Proposed Depth 8700'	20. BLM/BIA Bond No. on file NM-1109
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3682' GL	22. Approximate date work will start* December 15, 2001	23. Estimated duration 3 - 4 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:

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| 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 10/31/01
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Title

Agent for: Harvard Petroleum Corp.

Approved by (Signature) /S/ JOE G. LARA	Name (Printed Typed) /S/ JOE G. LARA	Date JAN 14 2002
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Title FIELD MANAGER	Office CARLSBAD FIELD OFFICE
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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)

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

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS  
ATTACHED

George R. Smith, agent

OPER. OGRID NO. 10155  
PROPERTY NO. 5073  
POOL CODE 59945  
EFF. DATE 1-22-02  
API NO. 30-025-35812