

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☐DEEPEN ☐

b. TYPE OF WELL

OIL
WELL ☐GAS
WELL ☐OTHER ☐Re-entry ☐SINGLE
ZONE ☐MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

Dusty Mac Resources Inc.

3. ADDRESS AND TELEPHONE NO.

475 17th Street, Suite 1350, Denver, Colorado 80202

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At surface
1980' FSL and 1980' FWL of Section 12At proposed prod. zone
1980' FSL and 1980' FWL of Section 12

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

13 miles west-southwest of Jal, New Mexico

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

1980'

16. NO. OF ACRES IN LEASE

640

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

NA

19. PROPOSED DEPTH

12,800'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

Gr = 3,277'

22. APPROX. DATE WORK WILL START*

1/5/97

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	J-55 13 3/8"	48	635'	685 sx Cls C (68 sx ret)
11"	K-55 8 5/8"	32	5260'	1650 sx Prem+ & 250 sx Cls C (185 sx ret)
7 7/8"	N-80/P-110-5 1/2"	17	12800'	780 sx cement

Operator proposes to re-enter well originally drilled by them in May, 1995 and later plugged by them in June, 1996. Operator proposes to drill out cement plugs, condition 7 7/8" hole with saltwater and set 5 1/2" (9500'-5 1/2" 17# N-80 LT&C and 3300'-5 1/2" 17# P-110 LT&C) casing at 12,800'. Production casing to be cemented w/460 sx Premium cement w/3% Econolite and 5# salt/sx plus 320 sx 50/50 Pozmix-A w/0.5% Halad 322 and 3% Kcl/sx. Cement volumes are designed to cement from the casing shoe back up into the intermediate casing at 5260'. Operator plans to complete in the 3rd Bone Springs Sand at 12,490-12,560' and fracture treat same. Operator plans to only use that surface area and access road originally used in the drilling of the well as per the existing surface use plan and surveyors plat on record. Operator plans to dig a surface pit in which to catch the cuttings during the re-entry operation. The surface pit will be emptied and the fluid and cuttings disposed of properly after the re-entry is

IN ABOVE SPACE DESCRIBE PROPOSED 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

William R. Locklear

TITLE

Engineer-Agent

DATE

12-6-96

(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:

Notify the Carlsbad office at 887-6544 when operations are commenced

APPROVED BY

(ORIG. SGD.) TONY L. FERGUSON

TITLE

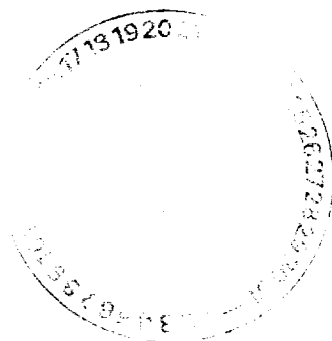
ADM. MINERAL

DATE

12-7-96

*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



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(continued from page 1)

completed. The original well was drilled to TD using 8.5#/gal mud. BOP's rated to 5,000 psi are to be used during the re-entry operation and saltwater will be used to condition the hole and wash out the cement and mud in the wellbore.

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24. SIGNED William R. Locken TITLE Engineer-Agent DATE 12-6-96

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APPROVED BY _____

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