

COPY TO O.C.C.

SUBMIT IN TRIPLICATE*

Form approved.
Budget Bureau No. 42-R1425.

**UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY**

5. LEASE DESIGNATION AND SERIAL NO.
LC-055546

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
DRILL ☒ **DEEPEN** ☐ **PLUG BACK** ☐

b. TYPE OF WELL
 OIL WELL ☐ GAS WELL ☒ OTHER ☐ SINGLE ZONE ☐ MULTIPLE ZONE ☐

2. NAME OF OPERATOR
 Doyle Hartman

3. ADDRESS OF OPERATOR
 508 C & K Petroleum Building, Midland, Texas 79701

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
 At surface
 590 FNL & 660 FWL Section 6
 At proposed prod. zone

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
 Federal Jalmat "Com" (n)

9. WELL NO.
 1

10. FIELD AND POOL, OR WILDCAT
 Jalmat

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 Section 6, T-25-S, R-37-E, NMP

11. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 2.88 miles north and 0.69 miles west of Jal, New Mexico

12. COUNTY OR PARISH
 Lea

13. STATE
 New Mexico

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
 590

16. NO. OF ACRES IN LEASE
 120

17. NO. OF ACRES ASSIGNED TO THIS WELL
 120

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
 374**

19. PROPOSED DEPTH
 3450

20. ROTARY OR CABLE TOOLS
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 3235 G. L.

22. APPROX. DATE WORK WILL START*
 February 25, 1980

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
* 15	13 3/8	33	40	20 (circulate)
* 12 1/4	9 5/8	32	400	200 (circulate)
* 8 3/4	5 1/2	17	3450	1000 (circulate)

A 10 3/4-inch rotating head will be used while drilling the surface hole and intermediate hole. Before drilling out from under the surface pipe, the well will also be equipped with a 3000-psi 10-inch Series 900 double-ram hydraulic BOP.

NOTE 1: For other necessary BOP data required with the APD, see the attached Drilling Prognosis.

NOTE 2: If a shallow gas kick is encountered an intermediate string of 7-inch OD, 23 lb/ft, J-55, ST&C casing will be set at approximately 1250 feet through both the Santa Rosa and Rustler sections.

RECEIVED

JAN 31 1980

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone, and if proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. (Use blowout preventer program, if any.)

U.S. GEOLOGICAL SURVEY
 HOBBS, NEW MEXICO

SIGNED Larry A. Nummy TITLE Engineer DATE January 22, 1980

(This space for Federal or State office use)

PERMIT NO. **APPROVED**

APPROVAL DATE

APPROVED BY FEB 11 1980

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY

ACTING DISTRICT ENGINEER

*See Instructions On Reverse Side

* Same pipe and cementing program as approved for Langlie Jal Federal No. 1, A-8-25-37.
 ** Union Texas Langlie Jalmat Unit No. 31 (producing from Langlie Mattix)

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form
Supersedes
Form O-10

All distances must be from the outer boundaries of the Section

Doyle Hartman		Federal Jalamt "Com"		1
D	6	25 South	37 East	Lea
520	Foot from the North line and	660	Foot from the West	
3234.9	Tansil-Yates-7 Rivers	Jalmt	120	

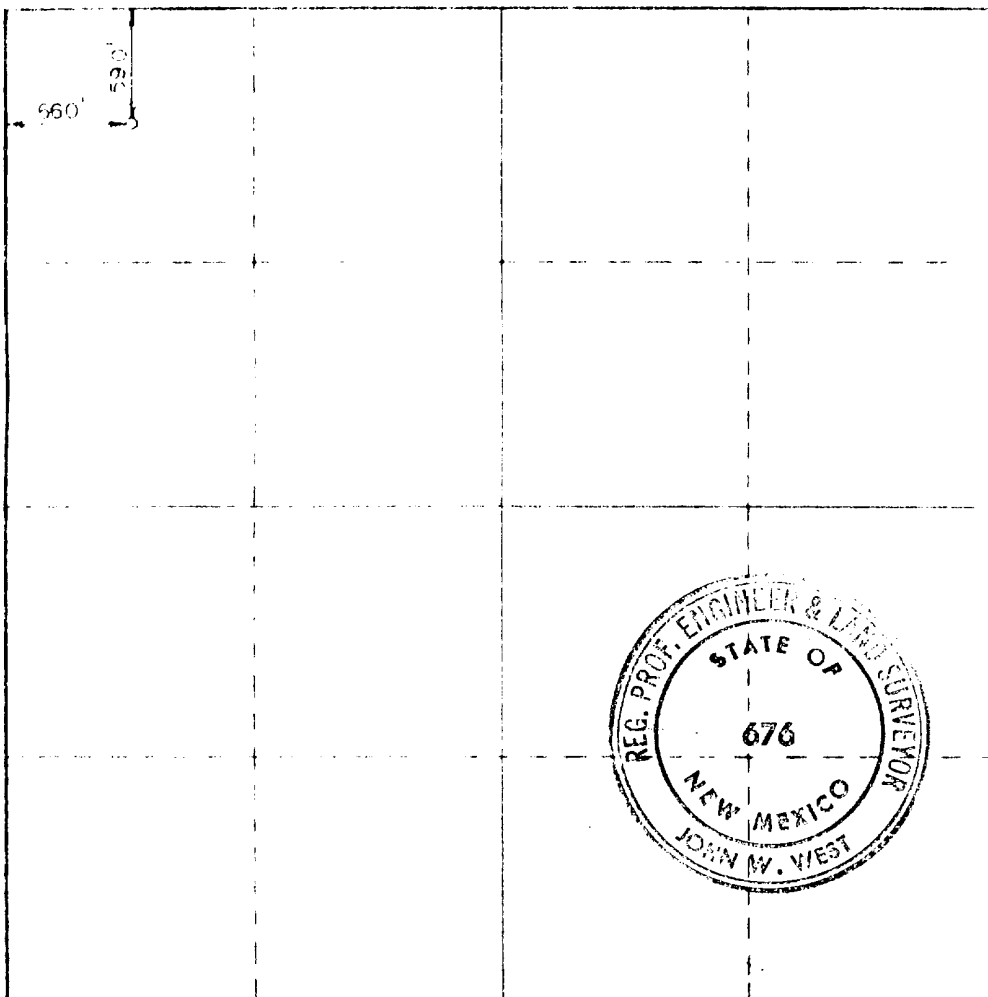
- Outline the acreage dedicated to the subject well by colored pencil or barbed marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc.

Non-standard proration unit approved
by Order No. R-6245 dated January 16, 1980

☒ Yes ☐ No If answer is "yes," type of consolidation

If answer is "no," list the owners and tract descriptions which have actually been consolidated (if necessary, on this form if necessary).

No allowable well be assigned to the well until all interests have been consolidated (by communitization, unitization, force-pooling, or otherwise) or until a non standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the well location and acreage shown on this plat were plotted from field notes of actual surveys made by me or under my supervision, and that the same are true and correct to the best of my knowledge and belief.

Larry A. Nermyr

Larry Nermyr
Engineer

Doyle Hartman, Oil Operator

January 22, 1980

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same are true and correct to the best of my knowledge and belief.

November 28, 1979

Certified by Secretary of the Commission

John W. West
John W. West 676

Ronald J. Eddins 3239

DRILLING PROGNOSIS

I. Well Identification:

Lease Name: Federal Jalmat "Com"

Well No.: 1

Location: 590 FNL and 660 FWL Section 6

T-25-S, R-37-E

County: Lea

State: New Mexico

Elevations: 3235 G. L. (3245 RKB)

II. Drilling Objective:

Zone: Tansil-Yates-Seven Rivers

Total Depth: 3450

Pool Name: Jalmat

Productive Interval: 2240-2640

III. Formation Tops:

Zone	Tops		Gross Interval Drilled	Probable Fluid Production
	Drilling Depth	Subsea Depth		
Rustler Anhydrite	1100	+2150	210	
Salado Salt	1310	+1940	1290	
Tansil	2600	+ 650	150	
Yates	2750	+ 500	215	Gas
Seven Rivers	2965	+ 285	415	Gas
Queen	3380	- 130	70	Gas
TOTAL DEPTH	3450	- 200	3450	

IV. Hole Size:

<u>Hole</u>	<u>Bit Size</u>	<u>T.D.</u>	<u>Gross Interval</u>
Conductor	<u>15</u>	<u>40</u>	<u>40</u>
Surface	<u>12 1/4</u>	<u>400</u>	<u>360</u>
Production	<u>7 7/8</u>	<u>3450</u>	<u>3090</u>

V. Casing Program:

A. Casing Design

<u>String</u>	<u>Casing Size</u>				<u>Amount</u>	<u>Cond.</u>
	<u>O.D.</u>	<u>Wt.</u>	<u>Grade</u>	<u>Threads</u>		
Conductor	<u>13 3/8</u>	<u>33</u>	<u>B</u>	<u>8 Rd</u>	<u>40</u>	<u>New</u>
Surface	<u>9 5/8</u>	<u>32</u>	<u>B</u>	<u>8 Rd</u>	<u>400</u>	<u>Used</u>
Production	<u>5 1/2</u>	<u>17</u>	<u>J-55</u>	<u>8 Rd</u>	<u>3450</u>	<u>New</u>

B. Float Equipment:

Surface Casing: 9 5/8-inch guide-shoe and 9 5/8-inch insert float.

Production Casing: 5 1/2-inch guide-shoe and 5 1/2-inch float collar with automatic fill.

C. Centralizers:

Surface Casing: One centralizer at the float collar and one centralizer two joints above float collar.

Production Casing: Run a total of 8 centralizers. Place one centralizer
at the guide shoe and one centralizer at the float collar with the
remaining being placed 80 to 90 feet apart or every other joint.

D. Wellhead Equipment:

Larkin 9 5/8 x 5 1/2 Fig 92 Casinghead. Larkin 5 1/2 x 2 3/8

Type TH tubinghead complete with slips and bell nipple.

VI. Mud Program

A. Surface Hole:

Drill surface hole with a fresh water gel (approximately 8.5 lb/gal)
while maintaining a high enough viscosity to adequately clean
hole. Add paper as needed to control excess seepage.

Before drilling below surface pipe, jet cuttings out of working pit
into reserve pit and then switch from circulating through working
pit to circulating through reserve pit.

B. Production Hole:

Before entering salt section, switch mud system to a saturated salt
system (10.1 lb/gal). At 2600, switch back out of reserve pit and
back into working pit. Also at this point, start adding starch and
brine gel to lower water loss and raise viscosity. The mud shall have
a water loss of 10 cc/30 min. and a viscosity of 34 to 36 sec. before

reaching 2750 (top of Yates pay).

In order to protect the drill string, sufficient lime shall be added to the mud to maintain a safe PH level.

VII. Cementing Program

A. Surface Pipe:

Cement surface pipe with approximately 200 sacks (or as required) of API Class-C cement containing 2% Calcium Chloride. Before resuming drilling operations, allow cement to set for a sufficient time to gain a 500-psi compressive strength (18 hours). Also before drilling plug, the pipe shall be tested to 700 psi for 30 minutes.

B. Production String:

Cement long string with approximately 675 sacks of API Class-C cement containing 3% Halliburton Econolite mixed to a slurry weight of 11.3 lb/gal followed by 325 sacks of a 50-50 blend of Pozmix "A" and API Class-C cement containing 18% salt and 2% gel and having a slurry weight of 14.1 lb/gal. Pump 30 barrels of water ahead of the cement to help remove the mud filter cake.

Once top plug is bumped, pressure test casing to 1500 psi.

The total specified cement volume of 1000 sacks provides for an

excess that should be sufficient to bring the cement top back to the surface. Before the cement job is actually performed, the required cement volume will be checked against the open hole caliper log to determine the actual amount of cement necessary to bring the cement back to the surface.

C. Alternate Casing Program with Intermediate String

1. Intermediate String:

Cement intermediate string of 7-inch O.D, 23 lb/ft, J-55, ST&C casing at 1250 feet with 250 sacks of API Class-C cement containing 3% Halliburton Econolite mixed to a slurry weight of 11.3 lb/gal followed by 100 sacks of a 50-50 blend of Pozmix "A" and API Class-C cement containing 18% salt and 2% gel and having a slurry weight of 14.1 lb/gal. Pump 30 barrels of water ahead of cement to help remove the mud filter cake.

Once top plug is bumped, pressure test casing to 1000 psi.

The total specified cement volume of 350 sacks provides for an excess that should be sufficient to bring the cement top back to surface.

Before the cement job is actually performed, the required cement volume will be checked against the open hole caliper log to determine the actual amount of cement necessary to bring the cement back to the surface. Before resuming drilling operations, allow cement to set for sufficient time to gain a 500 psi compressive strength (18 hours).

2. Production String:

Cement long string of 4 1/2-inch O.D., 10.5 lb/ft, J-55, ST&C casing at 3450 feet with approximately 400 sacks of a 50-50 blend of Pozmix "A" and API Class-C cement containing 18% salt and 2% gel and having a slurry weight of 14.1 lb/gal. Pump 30 barrels of water ahead of cement to help remove the mud filter cake.

Once top plug is bumped, pressure test casing to 1500 psi.

The total specified volume of 400 sacks provides for an excess that should be sufficient to bring the cement top back to 950 feet (300 feet inside intermediate string). Before the cement job is actually performed, the required cement volume will be checked against the open hole caliper log to determine the actual amount of cement necessary to bring the cement 300 feet into the intermediate string.

VIII. Formation Evaluation:

A. Drilling Rate:

1. The drilling rate shall be monitored with a geograph from the surface to a total depth

2.

B. Well Cutting Samples:

One set of well cutting samples shall be gathered every 10 feet from the surface to total depth. Each sample is to be cleaned, bagged and tagged and then grouped into bundles of ten samples per bundle with one bundle representing each 100-feet drilled.

After the drill cuttings have been reviewed by the wellsite geologist they shall be delivered weekly to Midland Sample Cut, 704 S. Pecos Street, Midland, Texas.

If requested by the wellsite geologist, a second set of samples shall be gathered over the Tansil-Yates-Seven Rivers interval.

C. Mud Logging: None

D. Drill-Stem Testing: None

E. Coring: None

F. Well Logging:

Open-Hole Logs

Log	Interval	
	2" = 100'	5" = 100'
CDL-Neutron-GR	T.D. - Surface	T.D. - 2450
Guard-Forxo	T.D. - 2450	T.D. - 2450

Cased-Hole Logs

Log	Interval	
	2" = 100'	5" = 100'
GRN-CCL	T.D. - 2450	T.D. - 2450

Log Distribution

Company	No. of Copies	
	Field Prints	Final Prints
Doyle Hartman 508 C & K Petroleum Building Midland, Texas 79701	5	5
United States Geological Survey P. O. Box 1157 Hobbs, New Mexico 88240	0	2

<u>Company</u>	<u>No. of Copies</u>	
	<u>Field Prints</u>	<u>Final Prints</u>
Texaco, Inc. Mr. J. V. Gannon P. O. Box 728 Hobbs, New Mexico 88240	1	1
Texaco, Inc. P. O. Box 3109 Midland, Texas 79702 Mr. Herman Porsch	1	2
El Paso Natural Gas Company 1800 Wilco Building Midland, Texas 79701 Attention: Mr. L. M. Brooks	3	3
Terra Resources, Inc. P. O. Box 2329 Tulsa, Oklahoma 74101 Attention: Partner Operations	1	1
New Mexico Oil Conservation Division District I Office P. O. Box 1980 Hobbs, New Mexico 88240	0	2

Note: Logs shall be delivered to the above parties within 24 hours after becoming available.

IX. Blowout Preventer System:

A 10 3/4 2000-psi rotating head will be used while drilling the surface hole. Before drilling out from under the surface pipe, the well will be equipped with a 3000-psi 10-inch series 900 double-ram hydraulic preventer. The blowout preventer shall be used through the running of the production string.

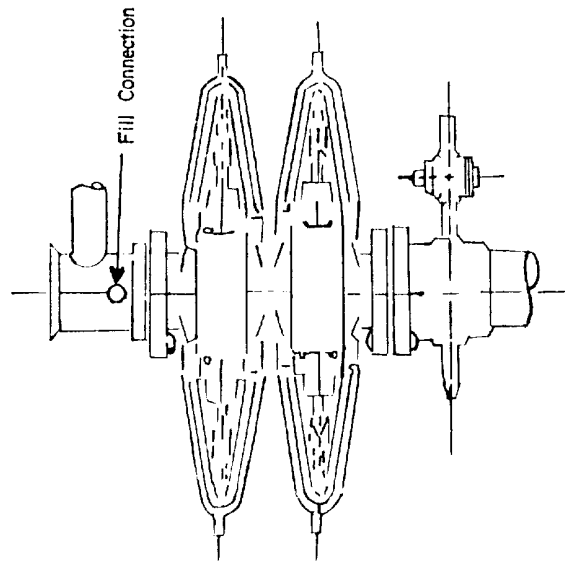
Attached is a diagram of the required BOP system.

X. Hazardous Zones:

None anticipated.

XI. Duration of Operations:

The total elapsed time required for drilling and completing the
subject well is expected to be thirty days.



Shaffer Type E Series 900 Hydraulic B.O.P.

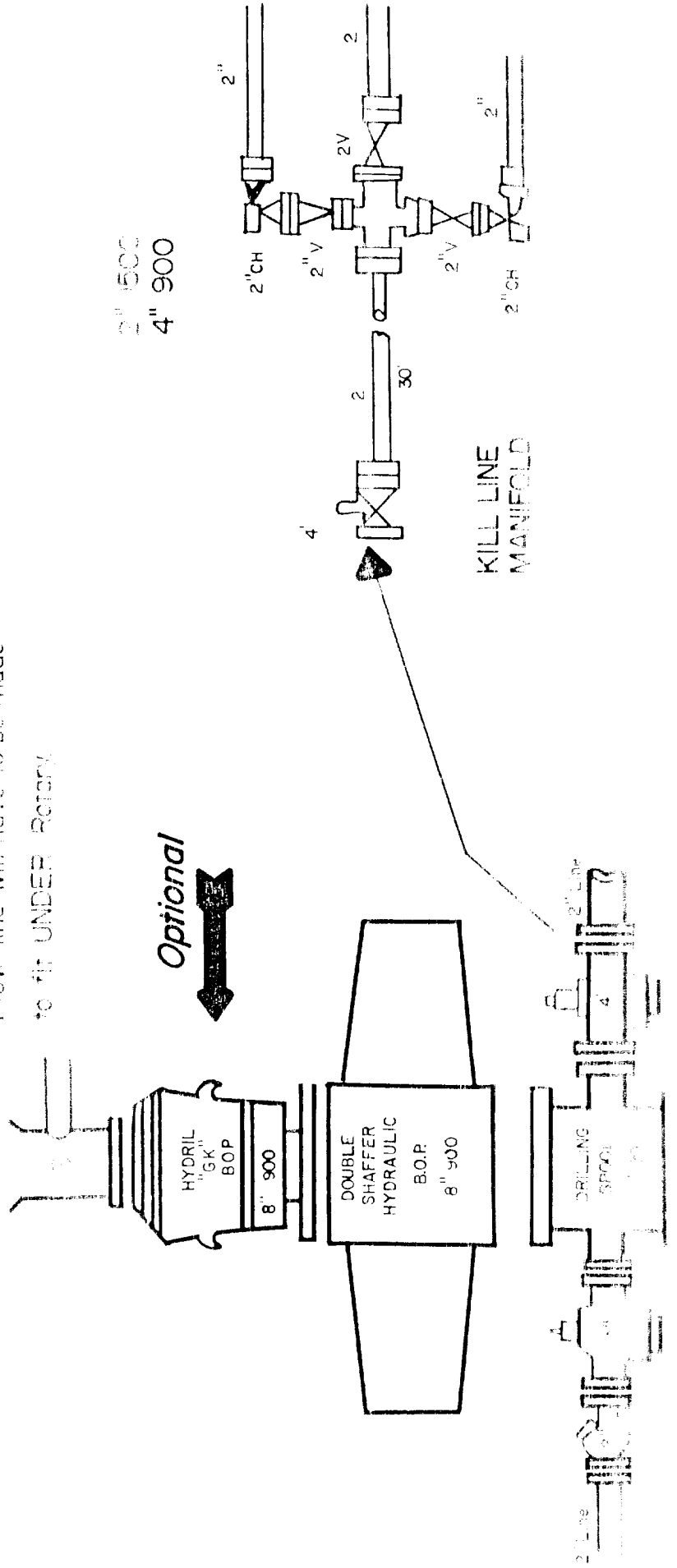
3000 PSI WORKING PRESSURE
BLOWOUT PREVENTER HOOK-UP

Series 900 Flanges, or Better.

Note: B.O.P. system will meet the conditions of drilling approval required by the U.S.G.S. District Office in Hobbs, New Mexico.

ASE ROTARY TABLE

Flow line will have to be made
to 4" UNDER Rotary



MULTI-POINT SURFACE USE AND OPERATIONS PLAN

DOYLE HARTMAN
FEDERAL JALMAT COM NO. 1
590 FNL & 660 FWL Section 6
T-25-S, R-37-E
LEA COUNTY, NEW MEXICO
LEASE NO. LC-055546

This plan is submitted with the Application for Permit to Drill the above described well. The purpose of the plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of necessary surface disturbance involved, and the procedures to be followed in rehabilitating the surface after completion of the operation so that a complete appraisal can be made of the environmental effects associated with the operation.

1. EXISTING ROADS:

Exhibit "A" is a portion of a United States Geological Survey Topographic Map covering a part of T-25-S, R-37-E, Lea County, New Mexico which shows the location of the proposed well as staked. Also included on Exhibit "A" are all nearby New Mexico State Highways (SH-18) and (SH-128) as well as all existing roads within a one mile radius of the proposed wellsite and the planned access road.

To reach the proposed well, first drive 2.88 miles north on SH-18 from the intersection of SH-128 and SH-18 at Jal, New Mexico. Then turn left onto County Road 6 and drive 0.18 miles. County Road 6 will curve to the south and then cross a railroad track. As soon as you cross the railroad track turn right through a cattle guard onto a caliche lease road and drive 1.15 miles. This road will go west for 0.30 miles, then turn northwest for 0.29 miles and then turn west-northwest for 0.56 miles. At this point turn left and drive south 250 feet to the drillsite.

2. PLANNED ACCESS ROADS:

- A. Length and Width: The required new access road will be twelve (12) feet wide and approximately 250 feet long. The new road is labeled and color coded red on Exhibit "A". The center line of the proposed new road from the edge of the wellsite to the existing access road has been staked and flagged with the stakes being visible from one stake to the next.
- B. Surfacing Material: Six inches of caliche, watered, compacted and graded.
- C. Maximum Grade: Three (3) percent.
- D. Turnouts No new turnouts required.

E. Drainage Design: New road will have a drop of six (6) inches from the center line to each edge of the road.

F. Culverts: None Required.

G. Cuts and Fills: None Required.

H. Cattleguards: None required.

3. LOCATION OF EXISTING WELLS:

All existing wells within a one-mile radius of the proposed drillsite are shown on Exhibit "B".

4. LOCATION OF EXISTING AND PROPOSED PRODUCTION FACILITIES:

A. Existing Facilities: There are currently no existing production facilities located on the subject lease which are associated with the Jalmat Pool.

B. Proposed Facilities: Since it is anticipated that the proposed well will be completed as a dry gas well, no surface facilities will be required other than a line tying the well into El Paso's existing gas gathering system. El Paso will file for the permit for the required new gas gathering line. However, in the event that surface production facilities are required, they will be constructed on the proposed drillsite.

5. LOCATION AND TYPE OF WATER SUPPLY:

Water for drilling the proposed well will be purchased from the Jal Country Club, and will be trucked 3.85 miles by XL Transportation Company to the wellsite.

6. SOURCE OF CONSTRUCTION MATERIALS:

Caliche for surfacing the road and well pad will be obtained from an existing pit located in the NW/4 SW/4 Section 5, T-25-S, R-37-E. The pit is on land owned by the Woolworth Estate. Location of the pit is shown in Exhibit "A".

7. METHODS OF HANDLING WASTE DISPOSAL:

A. Drill Cuttings: Drill cuttings will be disposed of in drilling pits.

B. Drilling Fluids: Drilling fluids will be allowed to evaporate in drilling pits until the pits are dry. While the drilling pits are in the evaporation stage, they will be adequately fenced so as not to be a hazard to people or livestock.

- C. Formation Water and Oil: Although not anticipated, any produced formation water will be disposed of in the drilling pits. Oil produced from the well during tests will be stored in test tanks until sold.
 - D. Human Waste: All current laws and regulations pertaining to the disposal of human waste will be complied with.
 - E. Trash, Waste Paper, Garbage, and Junk: All trash, waste paper, garbage, and junk will be buried in a trash pit located adjacent to the reserve pit and will be covered with a minimum of 24 inches of dirt. Before burial, the waste material will be contained to prevent scattering by the wind. The location of the trash pit is shown in Exhibit "C".
 - F. Trash Burial: All trash and debris will be buried or removed from the wellsite within thirty (30) days after finishing well completion operations.
8. AXCILLARY FACILITIES:
- None required:
9. WELLSITE LAYOUT:
- A. Wellsite Boundaries: The boundaries of the wellsite have been staked and flagged.
 - B. Rig Components: Exhibits "C" and "D" show the relative location and dimensions of the well pad, mud pits, reserve pit, trash pit, and location of major rig components.
 - C. Wellsite Levelling: Only minor levelling of the wellsite will be required. No cuts or fills will be necessary.
 - D. Pit Lining: The reserve pit will be plastic lined.
10. PLANS FOR RESTORATION OF THE SURFACE:
- A. Equipment Removal: After the finishing of drilling and/or completion operations, all drilling equipment and other material not needed for routine operations will be removed from the wellsite. Pits will be filled and the location cleaned of all trash and junk thus leaving the wellsite in an aesthetically pleasing condition.
 - B. Unguarded Pits: Any unguarded pits containing fluid will be fenced until they are back-filled.
 - C. Well Abandonment: Upon abandoning the proposed well, the surface restoration will be in accordance with the agreement with the surface owner. As stated above, the pits will be filled and the location will be cleaned. The pit area, well pad, and all unneeded

access roads will be ripped to promote vegetaion. Rehabilitation will be accomplished within ninety (90) days after abandonment.

11. OTHER INFORMATION:

- A. Topography: The wellsite is located slightly above the edge of the Caprock. Above the Caprock, the surface is relatively flat, sloping gently to the southeast at the rate of forty (40) feet/mile. Below the Caprock, the land slopes more abruptly to the south at the rate of sixty (60) feet/mile.
- B. Soil: The surface is rocky (caliche) with a very thin soil cover.
- C. Flora and Fauna: The vegetation cover is generally sparse and consists of mesquite and perennial native range grasses. Wildlife in the area is typical of semi-arid desert land and includes coyotes, rabbits, rodents, reptiles, doves, and quail.
- D. Ponds and Streams: There are no rivers, streams, ponds, or lakes in the area.
- E. Residences and Other Structures: The nearest occupied dwelling is a ranch house one mile northeast of the wellsite, and is owned by Mr. J. T. Crawford. The closest known water well is also located at the ranch house.
- F. Archeological, Historical, and Cultural Sites: None observed.
- G. Land Use: Grazing and bird hunting.
- H. Surface Ownership: Well in surface owned by the Woolworth Estate of Jal New Mexico.

12. OPERATOR'S REPRESENTATIVES:

The field representative responsible for assuring compliance with the approved Surface Use and Operations Plan are as follows:

Doyle Hartman
508 C & K Petroleum Building
Midland, Texas 79701
Office Phone: 915-684-4011
Home Phone: 915-694-9526

Jack Fletcher
Route 1, Box 133-C
Midland, Texas 79701
Home Phone: 915-684-6123
Mobil Phone: 505-397-3291, unit 2342

13. CERTIFICATION:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge true and correct; and, that the work associated with the operations proposed herein will be performed by Doyle Hartman and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

January 28, 1980
Date

Larry G. Nermyr
Larry Nermyr
Engineer
Doyle Hartman, Oil Operator

DOYLE HARTMAN, OIL OPERATOR
508 C & K PETROLEUM BLDG. 684-4011
MIDLAND, TEXAS 79701

5837

88-388
1163

1/28/1980

PAY ONE THOUSAND NINETY DOLLARS AND NO/100-----DOLLARS \$1,090.00

TO
THE
ORDER
OF

TRUSTEES JAL PUBLIC LIBRARY FUND
BOX 178
JAL, NEW MEXICO 88252

DOYLE HARTMAN, OIL OPERATOR

THE FIRST NATIONAL
BANK OF MIDLAND
MIDLAND, TEXAS 79701

⑆116303882⑆ ⑈070⑈633⑈7⑈

James E. Barr

DOYLE HARTMAN, OIL OPERATOR
MIDLAND, TEXAS 79701

DETACH AND RETAIN THIS STATEMENT
THE ATTACHED CHECK IS IN PAYMENT OF ITEMS DESCRIBED BELOW.
IF NOT CORRECT PLEASE NOTIFY US PROMPTLY. NO RECEIPT DESIRED.

DELUXE - FORM WVC-3 V-2

DATE	DESCRIPTION	AMOUNT
1/28/80	LOCATION ROAD 15 RODS @ \$6/ROD	\$1000.00 90.00
	FED JALMAT COM SURFACE DAMAGES JALMAT COM G.S.A.	\$1090.00
	D-6-25-37	

DOYLE HARTMAN

Oil Operator

SUITE 508

C & K PETROLEUM BUILDING

MIDLAND, TEXAS 79701

(915) 684-4011

January 28, 1980

United States Geological Survey
P. O. Box 1157
Hobbs, New Mexico 88240

Re: Restoration of Surface
Federal Jalmat "Com" No. 1
590 FNL & 660 FWL, Section 6,
T-25-S, R-37-E, NMPM
Lea County, New Mexico

Dear Mr. Brown:

I have notified Carl Martin of Jal, New Mexico, administrator of the surface land in the NW/4 NW/4 Section 6, T-25-S, R-37-E, of my intention to drill a 3450-foot Tansil-Yates-Seven Rivers test 590 FNL and 660 FWL of Section 6. We have both agreed that once drilling and completion operations are finished at the proposed wellsite all pits will be backfilled and leveled, all junk and unnecessary equipment will be removed, and any unneeded access road and drill pad area will be ripped to promote vegetation.

Very truly yours,

DOYLE HARTMAN

Larry G. Nermyr

Larry Nermyr
Engineer

LN/mh

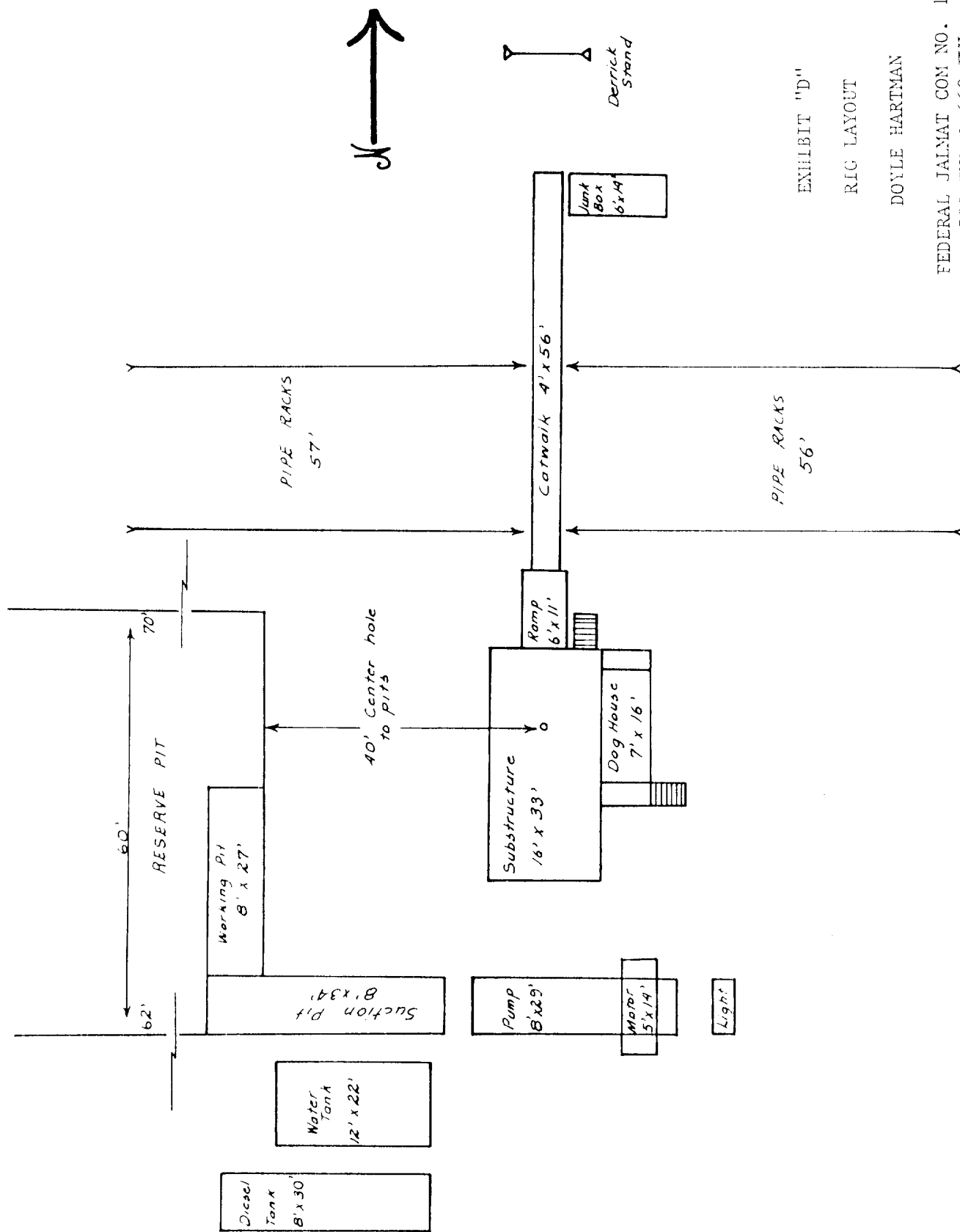


EXHIBIT "D"

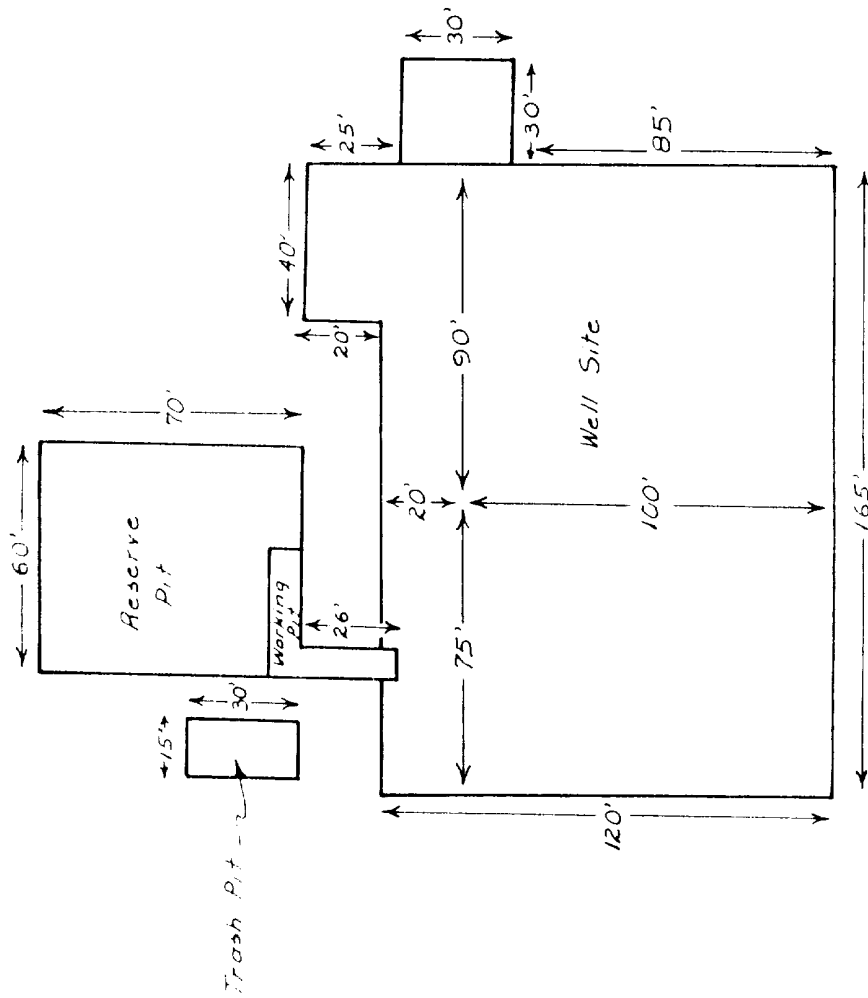
RIG LAYOUT

DOYLE HARTMAN

FEDERAL JALMAT COM NO. 1
 590 FNL & 660 FWL
 Section 6, T-25-S, R-37-E
 Lea Co., New Mexico
 Scale: 1" = 50'

Mobil Home
 8' x 15'

West



South

North

EXHIBIT "C"

DRILLING PAD DIMENSIONS

East

DOYLE HARTMAN

FEDERAL JALMAT CON NO. 1
590 FNL & 660 FWL
Section 6, T-25-S, R-37-E
Lea Co., New Mexico
Scale: 1"= 50'

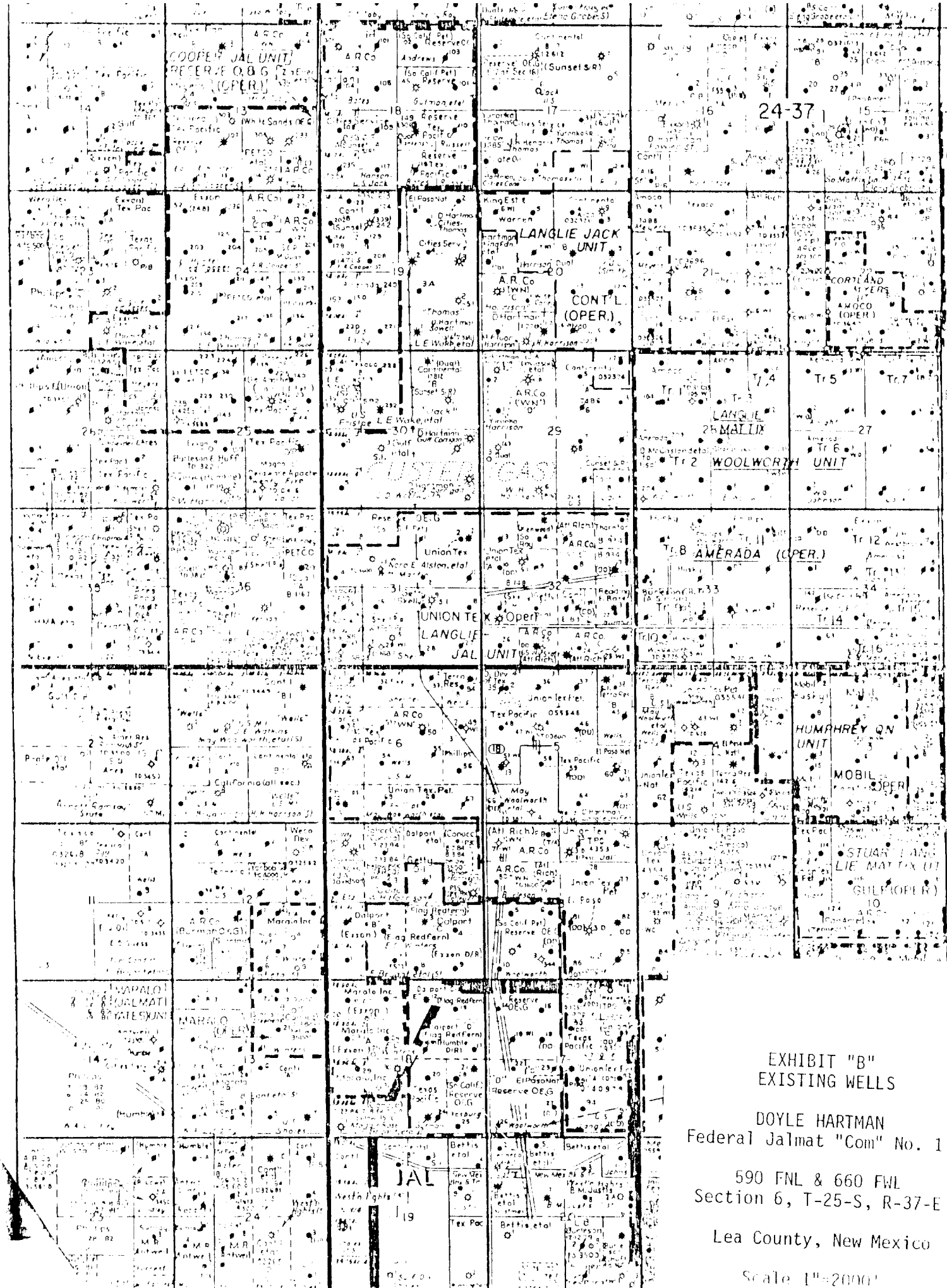


EXHIBIT "B"
EXISTING WELLS

DOYLE HARTMAN
Federal Jalmat "Com" No. 1

590 FNL & 660 FWL
Section 6, T-25-S, R-37-E

Lea County, New Mexico

Scale 1"=2000'