

**N.M. OIL & GAS COMMISSION**  
**P.O. BOX 1980**  
**HOBBS, NEW MEXICO 88240**  
**UNITED STATES**  
**DEPARTMENT OF THE INTERIOR**  
**BUREAU OF LAND MANAGEMENT**

**SUBMIT TRIPLICATE\***  
 (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 <b>DRILL <input checked="" type="checkbox"/></b> <b>DEEPEN <input type="checkbox"/></b>		5. LEASE DESIGNATION AND SERIAL NO. <b>LC 032582-B</b>
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 <b>Prime Operating Company</b>		7. UNIT AGREEMENT NAME
3. ADDRESS AND TELEPHONE NO. <b>731 W. Wadley, Bldg. L-220, Midland, TX 79705 (915) 682-5600</b>		8. FARM OR LEASE NAME WELL NO. <b>Wells B-1 #7</b>
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface <b>1930' FNL &amp; 1780' FEL</b> At proposed prod. zone <b>1930' FNL &amp; 1780' FEL</b>		9. API WELL NO.
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* <b>2 1/2 miles NW of Jal, NM</b>		10. FIELD AND POOL, OR WILDCAT <b>Jalmat (Tansil, Yts, 7 Rvs)</b>
15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) <b>1780'</b>	16. NO. OF ACRES IN LEASE <b>360</b>	11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA <b>1, 25S, 36E</b>
18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. <b>1300'</b>	19. PROPOSED DEPTH <b>3100'</b>	12. COUNTY OR PARISH <b>Lea</b>
21. ELEVATIONS (Show whether DF, RT, GR, etc.) <b>3241.1' GL</b>		13. STATE <b>NM</b>
22. APPROX. DATE WORK WILL START* <b>12-1-94</b>		

PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
<b>12 1/4"</b>	<b>8 5/8" J-55</b>	<b>24#</b>	<b>1200' +/-</b>	<b>462 Sxs - Circulate to surface</b>
<b>7 7/8"</b>	<b>5 1/2" J-55</b>	<b>15.5#</b>	<b>3100'</b>	<b>300 Sxs (TIEBACK)</b>

Prime Operating Company proposes to drill to 3100', and if productive, set 5 1/2" production casing at TD. If non-productive, the well will be plugged and abandoned in a manner consistent with federal regulations. Specific programs as per Onshore Oil & Gas Order #1 are outlined in the following attachments:

- Drilling plan and surface use plan of operations.
  - Exhibit #1: Blowout Prevention Equipment
  - Exhibit #2: Location & Elevation Plat
  - Exhibit #3: Planned Access Road Plat
  - Exhibit #4: One Mile Radius Map
  - Exhibit #5: Drilling Pad Layout
  - Surface Owner Agreement Stipulation
- OPER. OGRID NO. 18000  
 PROPERTY NO. 9392  
 POOL CODE 33820  
 EFF. DATE 12-2-94  
 API NO. 30-D25-3274

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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 [Signature] TITLE District Mgr. DATE 11/3/94

(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:

**APPROVED BY** [Signature] **TITLE** AREA MANAGER **DATE** 11-30-94

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

\*See Instructions On Reverse Side