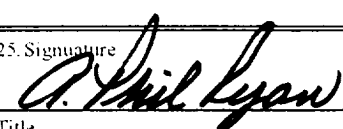


UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

NEW Mexico Oil Conservation  
1625 N. Franklin  
Hobbs, NM 88240

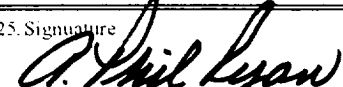
FORM APPROVED  
OMB NO. 1004-0136  
Expires: November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. <b>NM-14218</b>
1b. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator <b>Texaco Exploration &amp; Production</b>		7. Unit or CA Agreement Name and No.
3a. Address <b>500 N. Loraine Midland, Texas 79702</b>	3b. Phone No. (include area code) <b>(915) 688-4606</b>	8. Lease Name and Well No. <b>C C FRISTOE 'B' FED NCT-2 #27</b>
4. Location of Well (Report location clearly and in accordance with any State requirements)* At surface <b>UNIT I, 2310' <del>FEL</del>, 990' FEL</b> At proposed prod. zone <b>SAME</b>		9. API Well No. <b>30-025-35589</b>
14. Distance in miles and direction from nearest town or post office* <b>5 MILES NE OF JAL, NM</b>		10. Field and Pool, or Exploratory <b>JUSTICE FOWLER, ELLENBURGER</b>
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) <b>990'</b>	16. No. of Acres in lease <b>400</b>	11. Sec., T., R., M., or Blk. and Survey or Area <b>SEC 26, T-24-S, R-37-E</b>
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. <b>464'</b>	19. Proposed Depth <b>9800'</b>	12. County or Parish <b>LEA</b>
21. Elevations (Show whether DF, KDB, RT, GL, etc.) <b>3166'</b>	22. Approximate date work will start* <b>4/20/01</b>	13. State <b>NM</b>
24. Attachments <b>Captain Controlled Water Basin</b>		17. Spacing Unit dedicated to this well <b>40</b>
25. Signature 		20. BLM/BIA Bond No. on file <b>CO-0058</b>
Name (Printed/Typed) <b>A. PHIL RYAN</b>		23. Estimated duration
Title <b>COMMISSION COORDINATOR</b>		
Approved by (Signature) <b>/S/ JOE G. LARA</b>		
Name (Printed/Typed) <b>/S/ JOE G. LARA</b>		
Title <b>Acting FIELD MANAGER</b>		
Office <b>CARLSBAD FIELD OFFICE</b>		

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 	Name (Printed/Typed) <b>A. PHIL RYAN</b>	Date <b>4/12/01</b>
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Title <b>COMMISSION COORDINATOR</b>		
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Approved by (Signature) <b>/S/ JOE G. LARA</b>	Name (Printed/Typed) <b>/S/ JOE G. LARA</b>	Date <b>JUN 05 2001</b>
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Title <b>Acting FIELD MANAGER</b>	Office <b>CARLSBAD FIELD OFFICE</b>
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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)

OPER. OGRID NO. **22351**  
PROPERTY NO. **10944**  
POOL CODE **34580**  
EFF. DATE **6-7-01**  
API NO. **30-025-35589**

DECLARED WATER BASIN  
CEMENT BEHIND THE **11 3/4'**  
CASING MUST BE **CIRCULATED**

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

SA JOE G. LARA

SA JOE G. LARA

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APR 19 2001  
EL PASO  
POSTAL NM