

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

## APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NM-86151	
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR MYCO INDUSTRIES, INC.		7. UNIT AGREEMENT NAME	
3. ADDRESS AND TELEPHONE NO. P.O. BOX 840, Artesia, NM 88211-0840 (505)748-4274		8. FARM OR LEASE NAME, WELL NO. BLUE QUAIL FEDERAL #3	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 660' FSL & 1980' FWL UNIT LETTER N At proposed prod. zone SAME		9. API WELL NO. 30-025-35231	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 39-MILES WEST AND NORTH OF JAL, NM		10. FIELD AND POOL, OR WILDCAT Sand Dunes, Delaware E. LIVINGSTON RIDGE, DELAWARE, SO.	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)		11. SEC., T., E., M., OR BLK. AND SURVEY OR AREA SEC. 7-T23S-R32E NMPM	
16. NO. OF ACRES IN LEASE 120		12. COUNTY OR PARISH LEA	
17. NO. OF ACRES ASSIGNED TO THIS WELL 40		13. STATE NM	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.		14. ROTARY OR CABLE TOOLS ROTARY	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3543'		22. APPROX. DATE WORK WILL START* 30-DAYS	

PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8"	48# H-40	860'	500-SXS (CIRCULATE)
12-1/4"	8-5/8"	32# J-55	4600'	1500-SXS (CIRCULATE)
7-7/8"	5-1/2"	17# K-55	8700'	900-SXS (TIE BACK TO 8-5/8")

MYCO INDUSTRIES, INC. PROPOSES TO DRILL AND TEST THE DELAWARE AND INTERMEDIATE FORMATIONS. APPROXIMATELY 860' OF SURFACE W/CMT. CIRC. AND APPROXIMATELY 4600' OF INTERMEDIATE W/CMT. CIRC. WILL BE PERFORATED AND STIMULATED AS NEEDED FOR PRODUCTION. A 640-PUMPING UNIT WITH ELECTRICITY IS ANTICIPATED FOR PRODUCTION.

A FIELD SURVEY HAS BEEN PERFORMED WHICH HAS DETERMINED THAT THERE ARE NO PRAIRIE CHICKENS IN THE AREA AND A COPY OF THE FIELD SURVEY PERPARED BY DR. TROY L. BEST, AUBURN UNIVERSITY IS ATTACHED.

\*\* REQUEST EXEMPTION TO PRAIRIE CHICKEN STIPS FOR DRILLING, COMPLETION AND WORKOVER PURPOSES.

\*\*\* REQUEST EXEMPTION TO THE H2S DRILLING STIPS.

OPER. OGRID NO. 15445  
PROPERTY NO. 18039  
POOL CODE 53817  
EFF. DATE 11-2-00  
API NO. 30-025-35231

IN ABOVE SPACE  
deepen directionall

ve data on present productive zone and proposed new productive zone. If proposal is to drill or  
vertical depths. Give blowout preventer program, if any.

SIGNED

*Alim Mummy, PELS*

TITLE

OPERATIONS MANAGER

DATE

9/22/00

(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:

Assistant Field Manager,  
Lands And Minerals

APPROVED BY

*GW W*

TITLE

DATE

\*See Instructions On Reverse Side