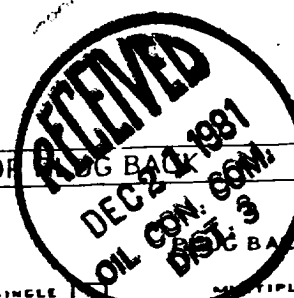


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P. O. BOX 2088
SANTA FE, NEW MEXICO 87501



3A. Indicate Type of Lease STATE ☒ FEE ☐
5. State Oil & Gas Lease No. LG 2779
7. Unit Agreement Name
8. Farm or Lease Name State 28
9. Well No. 2
10. Field and Pool, or Wildcat Ext. CHACO WASH (M.V)
12. County McKinley

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR REWORK BACK

Type of Work
Type of Well
OIL WELL ☒ GAS WELL ☐ OTHER ☐
DRILL ☒ DEEPEN ☐

NAME OF OPERATOR
RED MOUNTAIN ASSOCIATES c/o M. Zenati

ADDRESS OF OPERATOR
2626 Holly St., Denver Co 80207

LOCATION OF WELL
UNIT LETTER G LOCATED 1820 FEET FROM THE North LINE

1420 FEET FROM THE East LINE OF SEC. 28 TWP. 20N RGE. 3W NMPM

19. Proposed Depth
1400'

19A. Formation
Menefee

20. Rotary or C.T.
Rotary

Elevations (Show whether DF, KI, etc.)
6421 GL

21A. Kind & Status Plug. Bond

21B. Drilling Contractor
Meztemp Drilling Co.

22. Approx. Date Work will start
December 30, 1981

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
6 3/4	4 1/2	10.5 #	T.D	170	Surface

Operator proposes to drill this well to test the Fino and Chaco Wash sands and deeper sands for oil production and development of secondary recovery potential

Water base mud will be used to remove cuttings

Resistivity logs will be used to evaluate the pay zones along with cores of selected intervals

Close spacing is required to obtain economical drainage of this very low pressure reservoir.

APPROVED FOR 90 DAY PERIOD
DRILLING COMMENCED
Date 26/1982

BELOW SPACE DESCRIBE PROPOSED PROGRAM; IF PROPOSAL IS FOR REWORK BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PROGRAM. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

by certify that the information above is true and complete to the best of my knowledge and belief.

W. Zenati Title Petroleum Engineer Date 12/15/1981

(This space for State Use)

APPROVED BY Jeff A. Edmister TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #3 DATE DEC 21 1981

CONDITIONS OF APPROVAL, IF ANY:

Hold C104 for NSL or well location change

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-102
Revised 10-1-78

All distances must be from the outer boundaries of the Section.

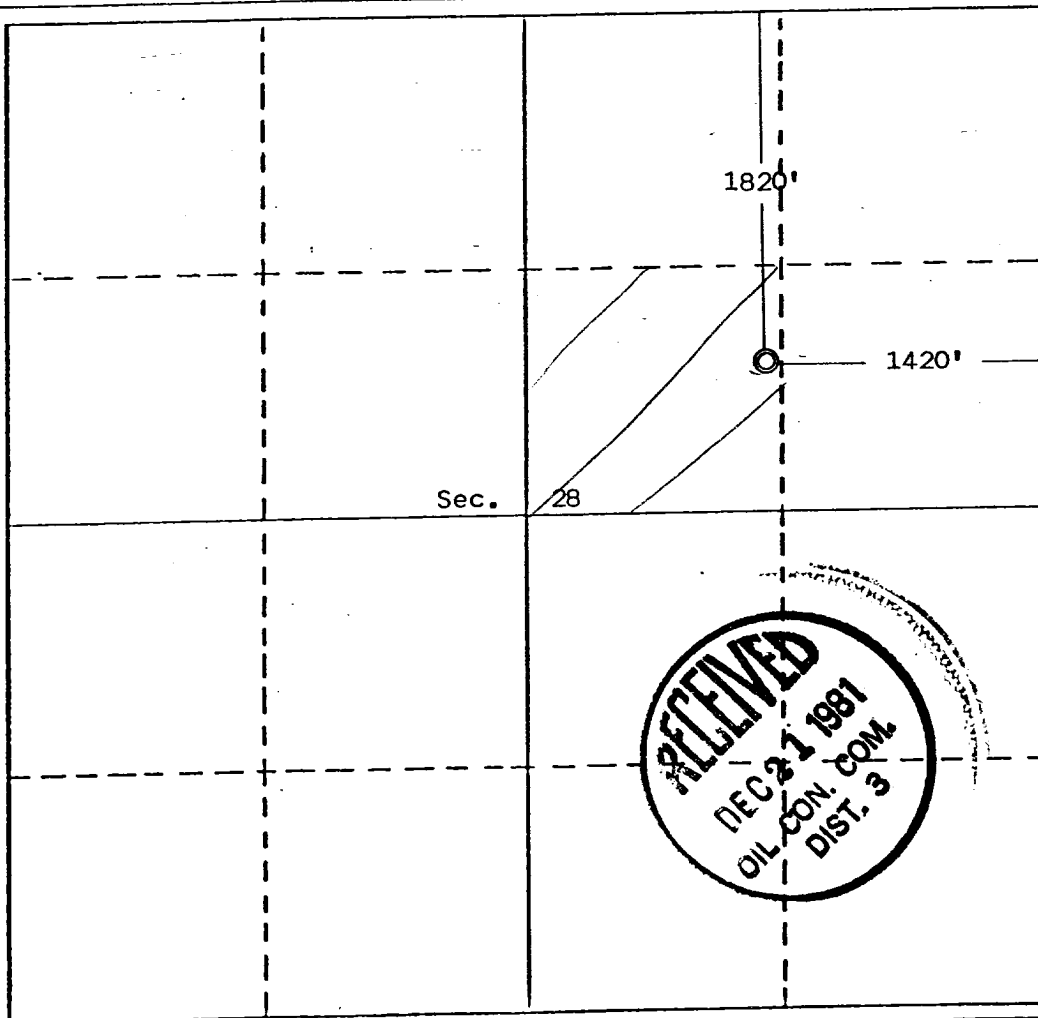
Operator Red Mountain Associates Ltd. Partners			Lease 20000000 Stake 28		Well No. 2-00
Unit Letter C	Section 28	Township 20 North	Range 9 West	County McKinley	
Actual Footage Location of Well: 1820 feet from the North line and 1420 feet from the East line					
Ground Level Elev.. 6421	Producing Formation Menefee	Pool Chaco Wash Ext.		Dedicated Acreage: 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. 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?

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

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

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



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name
M. ZENATI

Position

Company

Date
12/17/81

I hereby certify that the location shown on the plat is correct and that the notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
December 9, 1981

Registered Professional Engineer and/or Land Surveyor

Edgar L. Risenhoover

Certificate No. 5979

Edgar L. Risenhoover, L.S.