Form 9-331 C
(May 1963)

RECEIVED
JUN 6 1983
OIL CON. DIV.
DIST. 3

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1425.

30-039-23238

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

5. LEASE DESIGNATION AND SERIAL NO.: SF 078272-A

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT AGREEMENT NAME:

1a. TYPE OF WORK: DRILL [X] DEEPEN [ ] PLUG BACK [ ]

b. TYPE OF WELL: OIL WELL [X] GAS WELL [ ] OTHER — SINGLE ZONE [X] MULTIPLE ZONE [ ]

8. FARM OR LEASE NAME: Nageezi Federal 3

2. NAME OF OPERATOR: Union Texas Petroleum Corporation

9. WELL NO.: #1

3. ADDRESS OF OPERATOR: P. O. Box 808, Farmington, New Mexico 87499

10. FIELD AND POOL, OR WILDCAT: Lybrook Gallup Ext.

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 990 ft./North line and 1850 ft./West line
At proposed prod. zone: Same as above

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Sec. 3, T-23N, R-7W, N.M.P.M.

RECEIVED
APR 25 1983
U. S. GEOLOGICAL SURVEY
FARMINGTON, N. M.

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: 2 miles North of Lybrook, New Mexico

12. COUNTY OR PARISH: Rio Arriba | 13. STATE: New Mexico

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any): 790 ft. / 330 ft.

16. NO. OF ACRES IN LEASE: 961.96

17. NO. OF ACRES ASSIGNED TO THIS WELL: 40.00

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.: None Drilled

19. PROPOSED DEPTH: 5680'

20. ROTARY OR CABLE TOOLS: Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 6941' GR

DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS"

22. APPROX. DATE WORK WILL START*: May 25, 1983

This action is subject to administrative appeal pursuant to 30 CFR 290.

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24.0# K-55	300'	235 cu. ft. (circulated)
7-7/8"	5-1/2"	15.5# K-55	5680'	1000 cu. ft. (top of Ojo Alamo)

We desire to drill 12-1/4" surface hole to approx. 300 ft. using natural mud as a circulating medium. Run new 8-5/8" casing to TD. Cement with approx. 235 cu. ft. of Class "B" cement circulated to surface. Pressure test the casing to approx. 800 PSIG for 10 minutes. Drill 7-7/8" hole to approx. 5690 ft. using a starch base, permaloid, non-dispersed mud as the circulating medium. Log the well. Run new 5-1/2", 15.5#, K-55 casing to TD with a DV tool set at approx. 4800 ft. and a second DV tool set at approx. 3400 ft. Cement 1st stage with approx. 200 cu. ft. of 65/35/6 followed by approx. 100 cu. ft. of Class "B" cement. Cement second stage with approx. 250 cu. ft. of 65/35/12 followed by approx. 100 cu. ft. of Class "B" cement to cover the Ojo Alamo. WOC. Perforate and fracture the Gallup formation. Clean the well up. Run new 2-3/8" EUE, 4.7#, J-55 tubing to the Gallup formation. Run rod pump and rods. Set a pumping unit and tanks. Test the well. The gas from this well has previously been dedicated to a transporter.
NOTE: Actual cement volumes to be calculated from caliper log.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, 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 W. K. Cooper TITLE Field Oper. Mgr. DATE April 22, 1983

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED AS AMENDED

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

JAMES F. SIMS
DISTRICT ENGINEER

NMOCC

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

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

Form C-102
Revised 10-1-7

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

Operator	Lease	Well No.
UNION TEXAS PETROLEUM CORPORATION	NAGEEZI FEDERAL 3	1

Unit Letter	Section	Township	Range	County
C	3	23 NORTH	7 WEST	RIO ARRIBA

Actual Footage Location of Well:
990 feet from the NORTH line and 1850 feet from the WEST line

Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage:
6941	Gallup	Lybrook Ext.	40.00 NE NW Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.

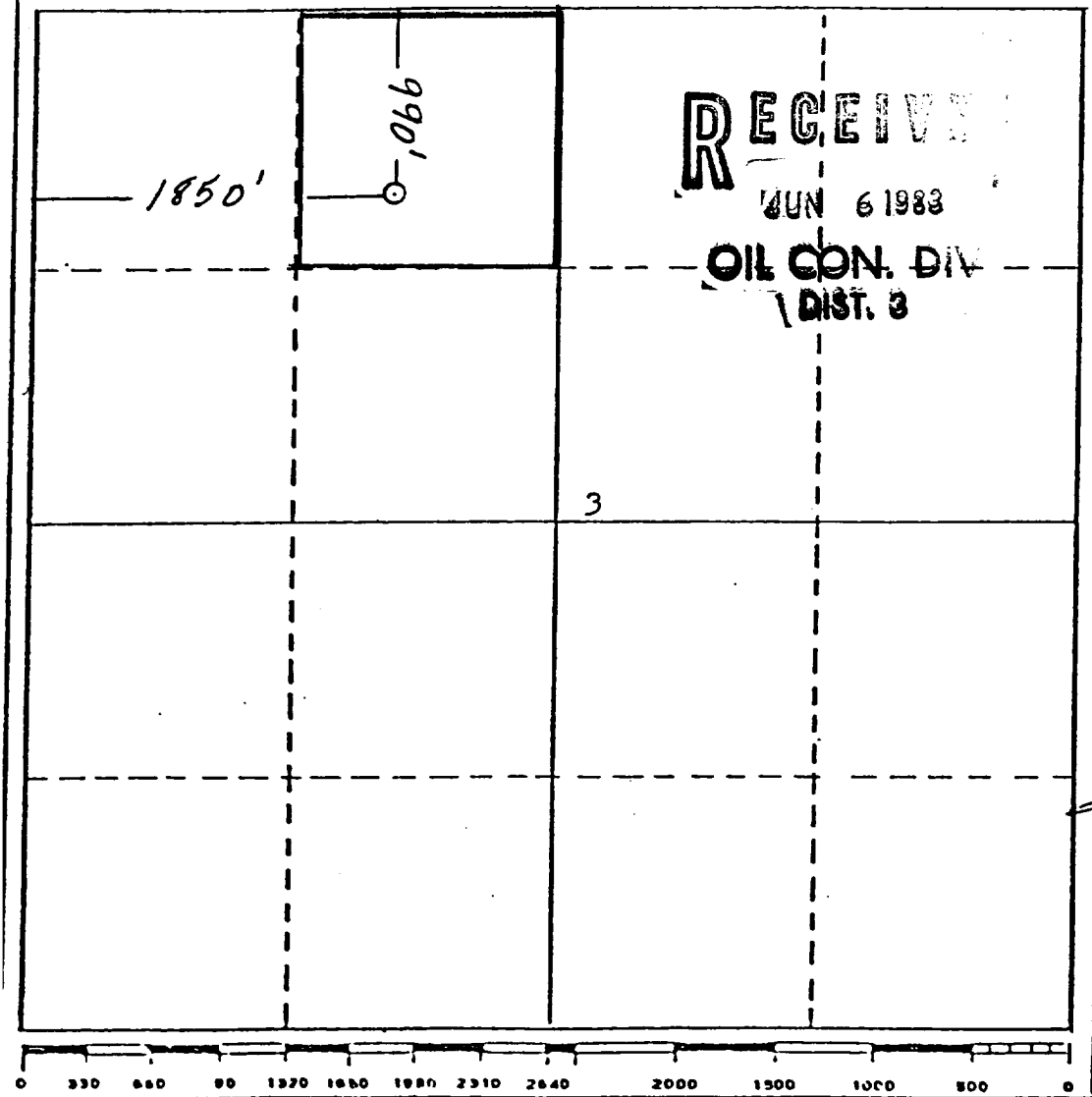
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

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



RECEIVED
JUN 6 1983
OIL CON. DIV.
DIST. 3

CERTIFICATION

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

Name: Rudy D. Motto

Position: Area Field Manager

Company: Union Texas Petroleum Corp.

Date: 11-3-82

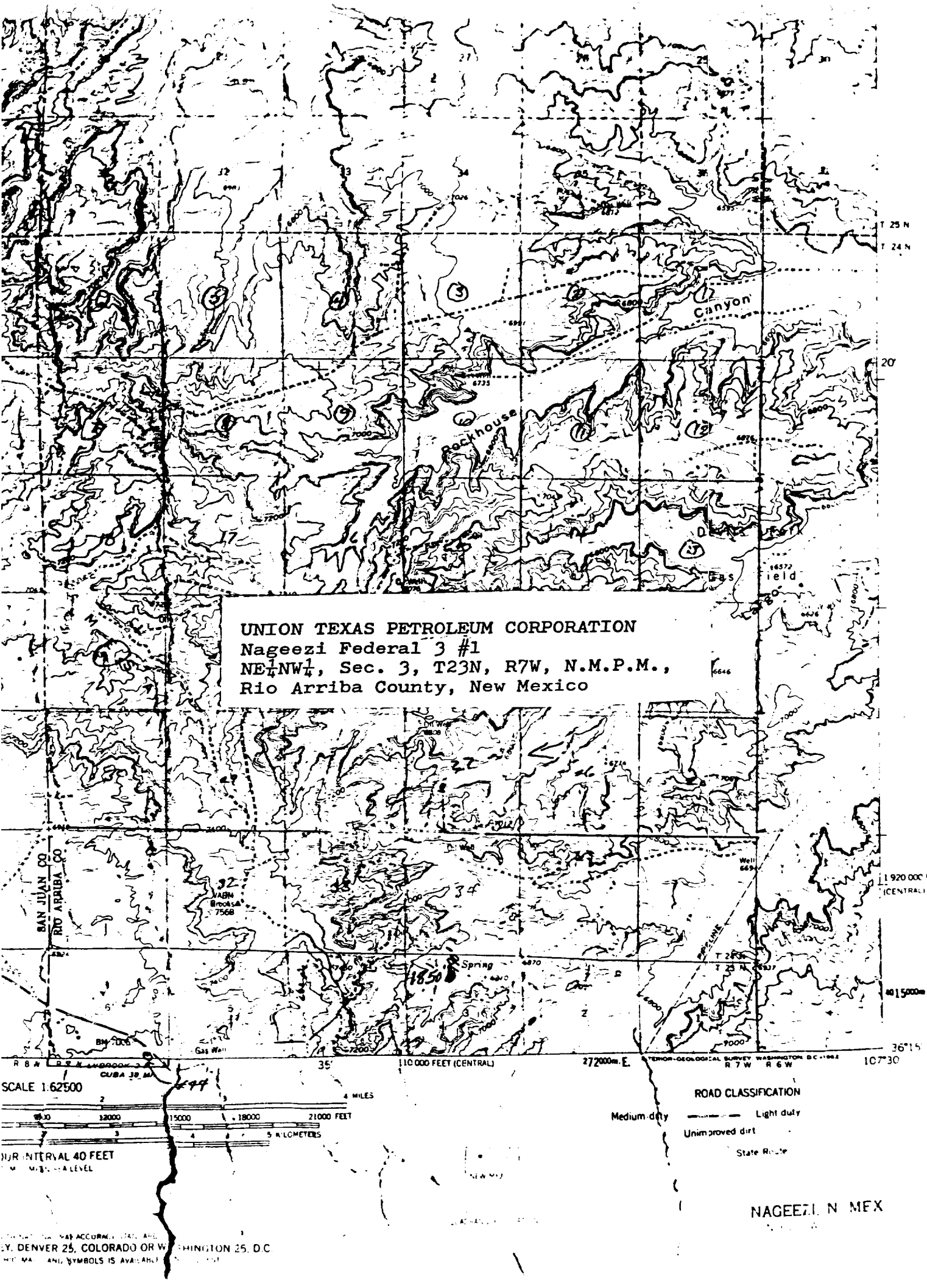
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: October 29, 1982

Registered Professional Engineer and/or Land Surveyor: Michael Daly

Certificate No. 5992

MICHAEL DALY
NEW MEXICO
5992
REGISTERED PROFESSIONAL ENGINEER AND LAND SURVEYOR


UNION TEXAS PETROLEUM CORPORATION
Nageezi Federal 3 #1
NE¼NW¼, Sec. 3, T23N, R7W, N.M.P.M.,
Rio Arriba County, New Mexico
Canyon
Rockhouse
Spring
SAN JUAN CO
RIO ARRIBA CO
T 25 N
T 24 N
T 23 N
R 8 W
R 7 W
R 6 W
10 000 FEET (CENTRAL)
272000m. E.
36°15
107°30
SCALE 1:62500
4 MILES
21000 FEET
5 KILOMETERS
CONTOUR INTERVAL 40 FEET
ROAD CLASSIFICATION
Medium duty
Light duty
Unimproved dirt
State Route
NAGEEZI, N MEX

UNION TEXAS PETROLEUM CORPORATION

Nageezi Federal 3 No. 1

1. The geologic name of the surface formation is "Wasatch".

2. The estimated tops of important geologic markers are:

A.	Top of the Ojo Alamo	1377	ft.
B.	Kirtland	1512	ft.
C.	Fruitland	1817	ft.
D.	Pictured Cliffs	2040	ft.
E.	Chacra	2960	ft.
F.	Cliff House	3477	ft.
G.	Point Lookout	4237	ft.
H.	Gallup	4872	ft.

3. The estimated depths at which anticipated water, oil or other mineral bearing formations are expected to be encountered are:

A.	Top of the Ojo Alamo	1377	ft.	Water
B.	Kirtland	1512	ft.	Water
C.	Fruitland	1817	ft.	Water
D.	Pictured Cliffs	2040	ft.	Gas
E.	Chacra	2960	ft.	Gas
F.	Cliff House	3477	ft.	Water
G.	Point Lookout	4237	ft.	Gas
H.	Gallup	4872	ft.	Oil & Gas

4. The casing program is shown on form 9-331C and all casing is new.

5. The lessee's pressure control equipment schematics are attached, along with minimum specifications, testing procedures, and frequencies.

6. The type, estimated volumes, and characteristics of the circulating medium are as follows:

A.	0 - 300 ±	ft.	Natural Mud
B.	300 ± - 5680 ±	ft.	Permaloid non-dispersed mud containing approx. 150 sx. gel, 60 sx. of permaloid and 15 sx. of CMC.

7. The auxiliary equipment to be used will be floats at the bit and a sub on the floor with a full opening valve to be stabbed into the drill pipe when the kelly is not in the string.

8. Mud logger from 3400 ft. to TD. The logging program is as follows:

A. G.R. - DIFL
B. GR - CAL
C. F.D.C.- C.N.L.
D. SNL
E. Temperature

9. We do not expect to find any abnormal pressures, temperatures or hydrogen sulfide problems in this partially developed area.

10. The anticipated starting date for this well is: May 25, 1983