SUBMIT IN TRIPLICATE*

(Other instructions on

Form approved. Budget Bureau No. 42-R1425.

| DEPARTMENT OF THE INTERIOR | 5. MEASE DESIGNATION AND SERIAL NO. |
|--|---|
| GEOLOGICAL SURVEY | NOO-C-14-20-5354 |
| APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BAC | 6. IF INDIAN, ALLOTTER OR TRIBE NAME |
| 8. TYPE OF WORK | 7 GAME ACCREMENT NAME |
| DRILL & | |
| b. TYPE OF WELL CIL. CIL. CAS WELL OTHER OAS SINGLE MULTIPLE ZONE ZONE | 8. FARM OR LEASE NAME |
| NAME OF OPERATOR | RUSTY NAVAJO |
| CHACE OIL COMPANY, INC. | 5 |
| 313 Washington S.E., Albuquerque, New Mex. 87108 | 10. FIELD AND POOL, OR WILDCAT |
| At surface | RUSTY MENEFEE |
| UNIT A- 790' NL & 790' EL | AND SURVEY OR AREA |
| At proposed prod. zone Same | Sec. 22, T22N-R7W |
| 4. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE® | |
| Counselor's, New Mexico 13 miles E-NE | Sandoval New Mex. |
| LUCATION TO NEAREST PROPERTY OR LEARE LINE, FT. 790! | 160 |
| (Also to nearest drig, unit line, if any) 19. PROPOSED LOCATION® 19. PROPOSED DEPTH 20 | D. ROTARY OR CABLE TOOLS |
| OR APPLIED FOR, ON THIS LEASE, FT. 5280 1 2000 1 | ROTATY 22. APPROX. DATE WORK WILL START* |
| 21. ELEVATIONS (Show whether DF, RT, GR, etc.) 6895 GR | Nov. 22, 1976 |
| 23. PROPOSED CASING AND CEMENTING PROGRAM | |
| SETTING DEPTH | QUANTITY OF CEMENT |
| SIZE OF HOLE 131 8-5/8 WEIGHT PER POOT SET 130 DE TH | 125 sxs |
| 13/2 | |
| | |
| Drill 13½" hole to 103', set 8-5/8" csg to approx surface. Using adequate mud system and BOP drill 2000' - Log with Induction and Density logs. Run Total Depth and complete as gas well. | |
| The state of the s | |
| | |
| | |
| Jar not dedicated IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on pres- zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and preventer program, if any. | ent productive zone and proposed new productive measured and true vertical depths. Give blowou |
| SHONED THE President | DATE 10-19-76 |
| (This space for Federal or State office use) | |
| APPROVAL DATE | |

*See Instructions On Reverse Side

NEW MEXICO OIL CONSERVATION COMMISSION WELL LOCATION AND ACERAGE DEDICATION PLAT

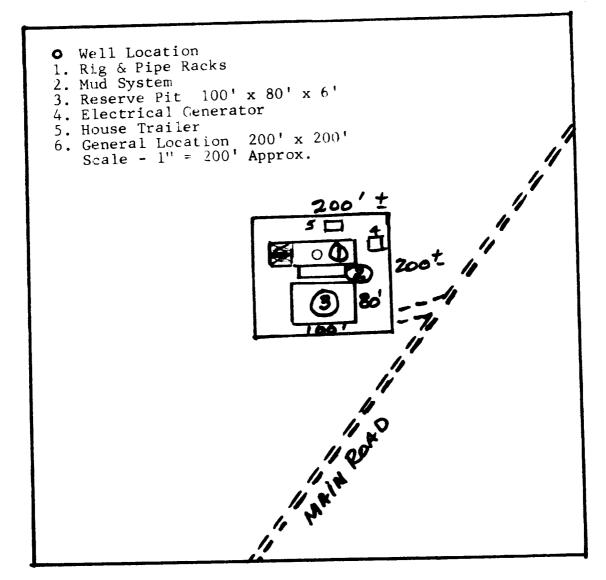
All distances must be from the outer boundaries of the Section

| | | All distances must be from the outer business of the | | | , Weil No | |
|---|---|--|--|---|---------------------------------|---------------------------------------|
| Operator Simula. | . IL 00.194 | C Z | Lease | RUSTY NAVAJO | | 5 |
| | | Cwishs 22 . C. | Kange C.1 | WEST SALD | CVAL | |
| Author Footage Corst 7 U Graind Levy Em 5895 | teet from the | , Unit | 720 80 | feet from the | riedi | tine cared Averenge 160 Acres |
| enterest and roya | alty), one lease of diff non-un-lization, | erent cwigirsh forced colo q | nip is decidated to letc? | e and identify the own | erests of all cwr | |
| l Yes lift flanswer is "no | | | | ation | | e side of this form if |
| necessary No allowabie wi pooling, or othe | li be assigned to t rwise or until a r | he well until (ion stanicari) | all interests have tunit, eliminating is | een consolidated (by uch interests, has been | communitization approved by the | n, unitization forced- Commission. |

| | | | | + 1 | | (0 /20) | 790 | |
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| The state of the s |
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| lidated (Use reverse side of this form if |
| (by communitization, unitization forced- weer approved by the Commission: |
| CERTIFICATION |
| t hereby certify that the information contained herein is true and complete to the best of my |
| knowledge and billief. Name Name |
| Royce McCary |
| President |
| Chace Oil Co., Inc. |
| 10-19-76 |
| I hereby certify that the well logger shown love |
| this plat was plotted and field page 3f actions surveys made by me a source of my supervision and that the same is true and correct and |
| knowledge and belief. |
| Date Surveyed |
| Registered Professional Engineer and/or Land Surveyor James P. Leese |
| 1463 |

Certificate No.



DEVELOPMENT PLAN FOR SURFACE RESUME

Chace Oil Company #5 Rusty Navajo Unit F 790' NL & 790' EL Sec. 22 T22N-R7W Sandoval County, New Mexico

- Locationa and vicinity map, San Juan Engineering Company Exit Hwy 44 at Lybrook.
- 2. No new road needed, see vicinity map .
- Well site is approximately 2700' West of the Rusty Navajo #2 in Unit A, Section 23, T22N-R7W.
- 4. Roads shown on vicinity plat and location plat.
- 5. In case of production (gas) well will be tied into a gathering line, but market has not been established.
 No tank batteries or separators are anticipated at this time.
- 6. Water to come from private source at Escrito Trading Post.
- 7. All trash and waste material will be placed in the mud pit and covered. No additional surface to be used, such as air strips or campsites.
- 8. None
- 9. None
- 10. Rig layout shown on township plat attached.
- 11. The topography is rolling, covered with sagebrush, sand, broom snakeweed.
- 12. Drilling pad to be completed.
- 13. After well completion, location to be restored to original condition less a few sagebrush, and sodded with required seeds.
- 14. Field representative to contact is Royce McCary, telephone 266-5562 at 313 Washington S.E., Albuquerque, New Mexico 87108.

(Fac)

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