Form 9-331 C
(May 1963)

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1425.

30-043-20518

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

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

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

2. NAME OF OPERATOR: Lewis Energy Corporation % K & A/Helton

3. ADDRESS OF OPERATOR: 2200 Security Life Bldg., Denver, Colorado 80202

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface
A 500' FNL, 750 FEL Section 11, T20N, R4W
At proposed prod. zone

5. LEASE DESIGNATION AND SERIAL NO.: NM 24449

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT AGREEMENT NAME:

8. FARM OR LEASE NAME: Penistaja

9. WELL NO.: 1

10. FIELD AND POOL, OR WILDCAT: Wildcat Gallup

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Sec. 11-T20N-R4W, NMPM

12. COUNTY OR PARISH: Sandoval

13. STATE: N.M.

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: 14 miles north of Torreon, N.M.

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any): 500

16. NO. OF ACRES IN LEASE: 725.95 ? 1814.24

17. NO. OF ACRES ASSIGNED TO THIS WELL: 40

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.: -

19. PROPOSED DEPTH: 5,000

20. ROTARY OR CABLE TOOLS: Rotary and Cable Tools

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 6,949 GR

22. APPROX. DATE WORK WILL START*: October 31, 1980

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4	9 5/8	32.3	200	To Surface
8 3/4	7	20	4,350	200 sx
6 1/4	4 1/2	10.5	Liner to TD*	Per caliper, if required

Operator proposes to drill a test of the Gallup sandstone.

Details are in the attached Supplemental Data Sheet.

RECEIVED
OCT 3 1980
U. S. GEOLOGICAL SURVEY
FARMINGTON, N. M.

DEC 16 1980
OIL CON. COM.
DIST. 3

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 E. Lansberry TITLE Asst. Mgr. Operations K & A/Helton DATE 10-1-80

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED AS AMENDED
DEC 15 1980
for JAMES F. SIMS
DISTRICT ENGINEER

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

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

Form C-107
Revised 10-1-78

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

Operator	Lease	Well No.
LEWIS ENERGY CORPORATION	PENISTAJA	1

Unit Letter	Section	Township	Range	County
A	11	20N	4W	Sandoval

Actual Footage Location of Well: 500 feet from the North line and 750 feet from the East line

Ground Level Elev:	Producing Formation	Pool	Dedicated Acreage:
6949	Gallup	Wildcat	40 Acres

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

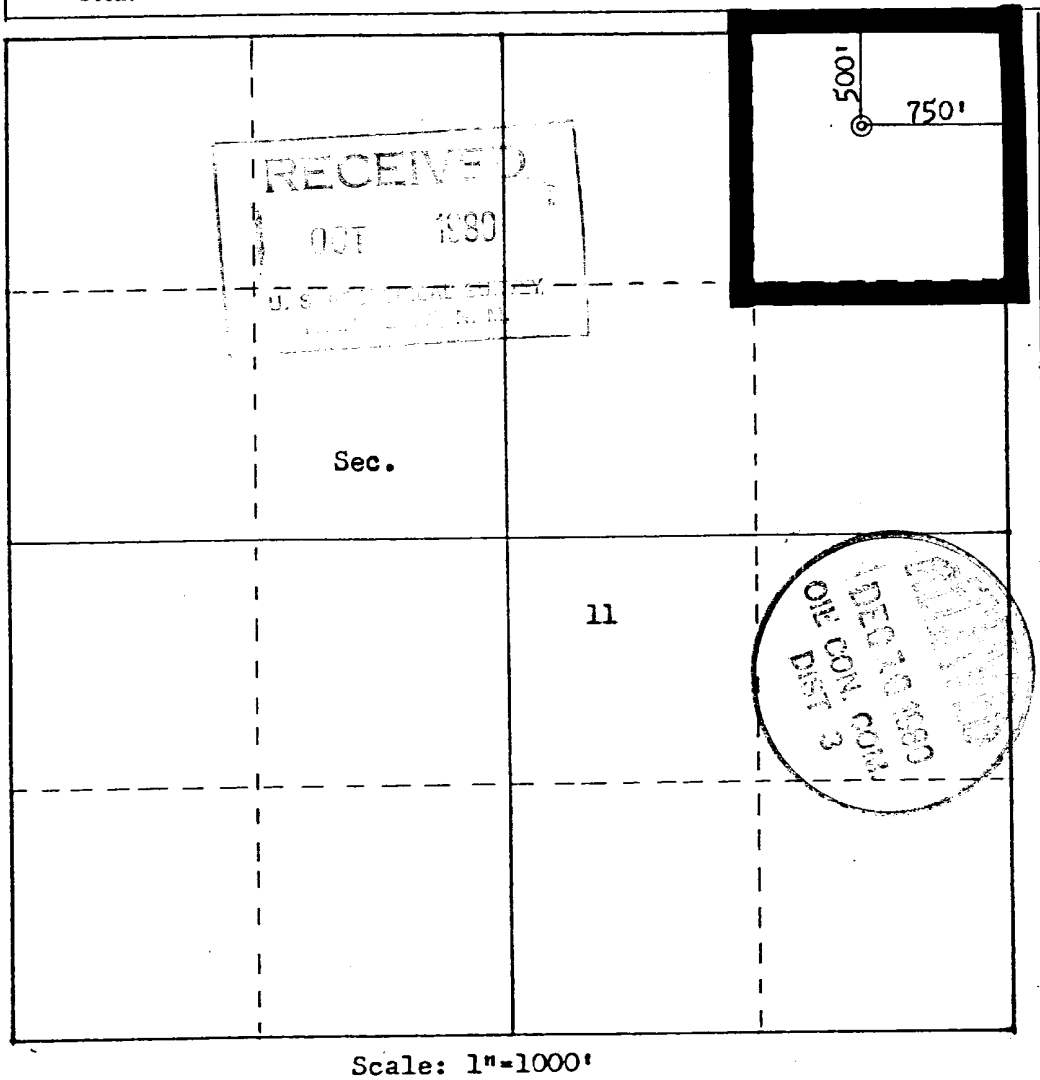
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

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 Commission.



Scale: 1"=1000'

CERTIFICATION

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

Name: W.E. Landry

Position: Asst. Mgr. Operations

Company: K & A/Helton

Date: 10-1-80

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: September 21, 1980

Registered Professional Engineer and Land Surveyor:

Fred B. Kerr Jr.

Certificate No. 3950

SUPPLEMENTAL DATA
APPLICATION FOR PERMIT TO DRILL

LEWIS ENERGY CORPORATION
PENISTAJA
WELL NO. 1
500' FNL, 750' FEL, SECTION 11-T20N-R4W
SANDOVAL COUNTY, NEW MEXICO

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1. The surface formation is Naciemiento.

2. Estimated surface formation is:

Formation	Depth (ft.)
Base of Ojo Alamo	690
Pictured Cliffs	1,040
Cliff House	1,448
La Ventana	1,830
Lower Menefee	2,530
Point Lookout	3,280
Mancos Shale	3,470
Gallup Sandstone	4,400

3. Fresh water may be producible from the Ojo Alamo but it will be protected from oil contamination by the intermediate casing.

   The Gallup formation is the only prospective oil and producing formation.

4. The proposed casing program is presented on the face of the APD.

5. Minimum pressure control equipment will consist of 2,000 psi W.P. double ram blowout preventers with hydraulic closing apparatus. In the event cable tools are elected as the mode to drill the pay interval, a 2,000 psi W.P. gate will be mounted on the 7" casing.

   The BOP will be installed on the surface casing and tested to 1,000 psi before drill out. Pipe rams will be operated daily and the blind rams will be operated whenever the drill pipe is out of the hole. A schematic sketch of the BOP is attached.

6. Water base drilling mud will be used to drill the well to the intermediate (7") casing point with weights of 8.5 to 9.6 ppg and viscosity of 29 to 45 sec. Oil will be used to drill the Gallup formation or it will be drilled dry using cable tools.

7. Auxiliary equipment will consist of a drill pipe sub with a full-opening valve in the open position is to be maintained on the floor at all times. A drill pipe float is optional to the drilling contractor.

8. No drill stem tests are anticipated. The section of the hole between surface casing and intermediate casing point will be logged with the following:

   Dual Induction Latrology
   Compensated Neutron, Formation Density
   Bore Hole Corrected Acoustic - G.R.

   The section below the intermediate casing will be logged in a similar manner, if possible.

9. No abnormal pressures, temperatures or toxic gases are anticipated in these wells.

10. Starting date for this well is on or about November 1.

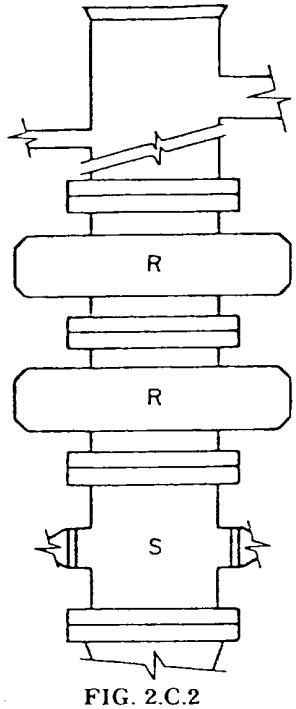


FIG. 2.C.2

ARRANGEMENT SRR
Double Ram Type Preventers, R_d, Optional.

PROPOSED LAND USE AND DEVELOPMENT PLAN

LEWIS ENERGY CORPORATION
PENISTAJA WELL NO. 1
SECTION 11-T20N-R4W

1. Existing Roads

Existing roads in the vicinity are shown on the copy of a section of the BLM Pueblo Pintado Quadrangle Map. BLM road 7104 is most accessible via New Mexico Highway 197 from Cuba, New Mexico. The trail north at the east edge of Section 14 has been improved for earlier drilling in the area.

2. Access Roads

The access road is shown in red dashes on the above map. Road width will be a minimum of 18' top with drainage ditching as necessary. There is no planned surfacing unless production is established when a gravel top may be required.

3. Location of Existing Wells

The existing wells are shown on the attached map of the area.

4. Location of Tank Batteries

In the event production is developed, the tank battery and storage facilities will be constructed on the well site. The heater treater and tanks will be sized to accommodate the total well production. Storage facilities will handle a minimum of three days production. Disturbed areas not required for production and shipping operations will be restored to natural contour and reseeded as per BLM stipulations.

5. Location and Type of Water Supply

Water will be hauled to location. Source of water will be the Encino water well, if arrangements can be made for same. Alternate sources of water would be Media and Eagle Mesa Fields.

6. Source of Construction Materials

Road and location will be constructed of on-site cut and fill materials.

7. Methods of Handling Waste Disposal

Well cuttings will be placed in the reserve pit. All flammable waste will be burned and sewage will be buried. Upon completion of the well, non-flammable waste will be dumped into the fenced reserve pit until such pit is dried out. At this time, the fence will be removed and all waste buried with adequate cover.

8. Ancillary Facilities

No ancillary facilities are proposed for this location.

9. Well Site Layout

The well site layout is presented in the attached schematic sketch.

10. Plans for Restoration of Surface

Immediately upon well completion, the reserve pit will be fenced to protect livestock. The location will then be cleaned of all waste pending the time that it becomes practical to clean up the pit. The fence will then be

10. Plans for Restoration of Surface (Cont'd.) ..

removed and all waste buried with adequate cover. All sections of the location not required for production operations will be reseeded in accordance with BLM stipulations after re-establishing the natural contour of the area.

11. Other Information

The immediate area of the well-site is in a rather rough region bearing shale ridges throughout the generally sandy loam. Vegetation at the site consists of galleta, blue grama, snake weed, rabbit bush and isolated junipers. Surface management is a responsibility of the BLM.

12. Operators Representative

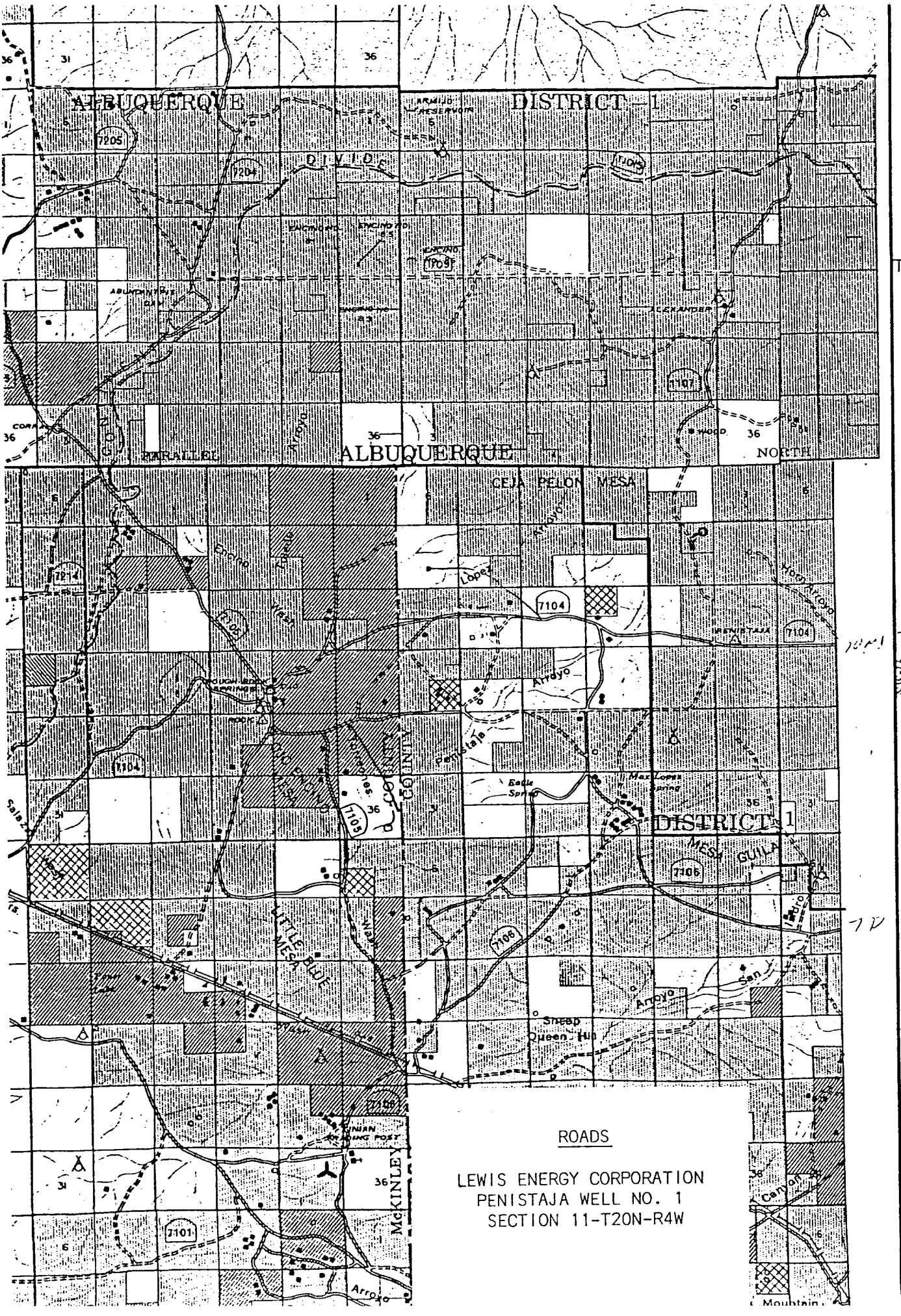
K & A/Helton Engineering and Geological Services
2200 Security Life Building
1616 Glenarm
Denver, Colorado 80202
(303) 825-7722

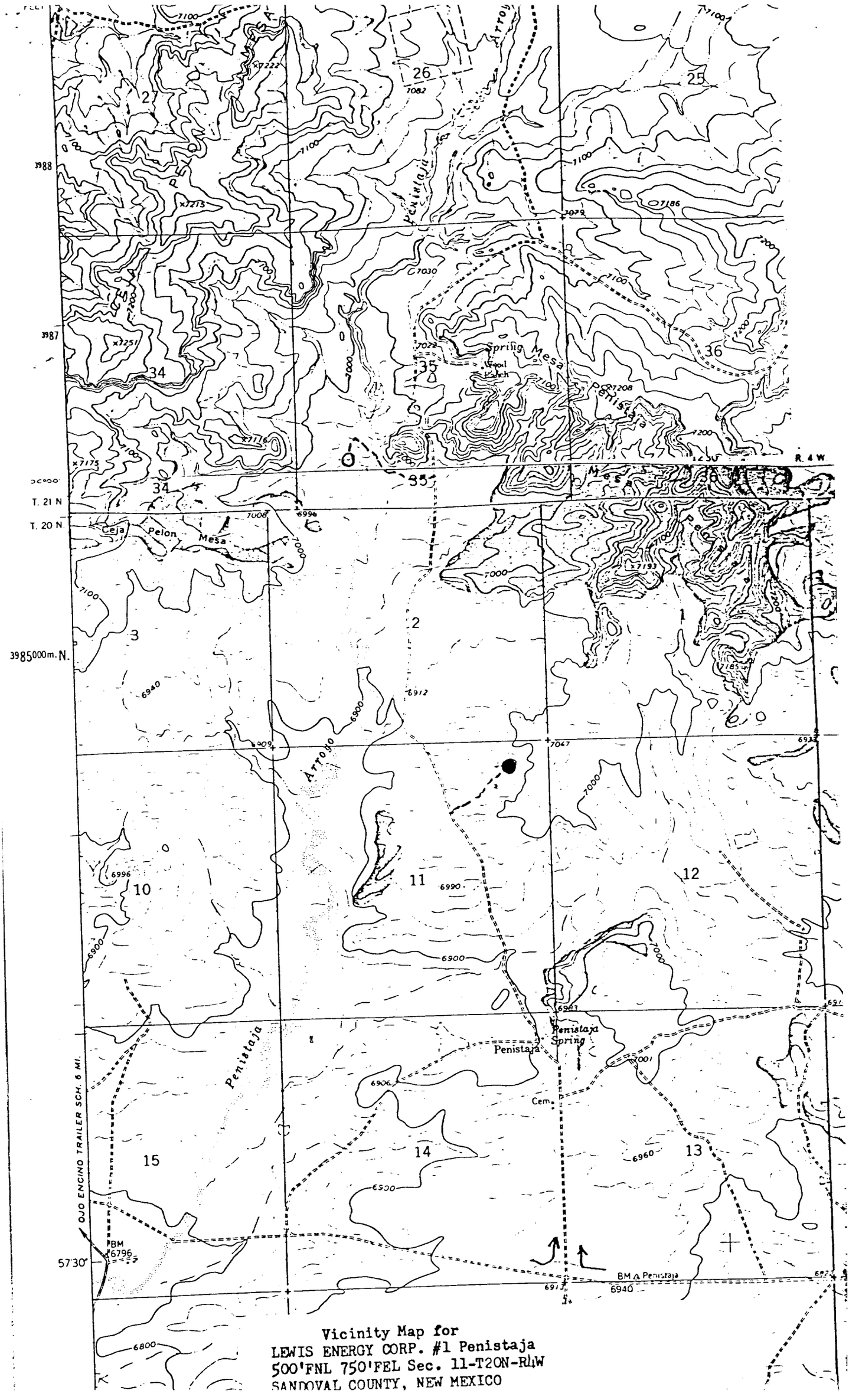
13. Certification

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Lewis Energy Corporation and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

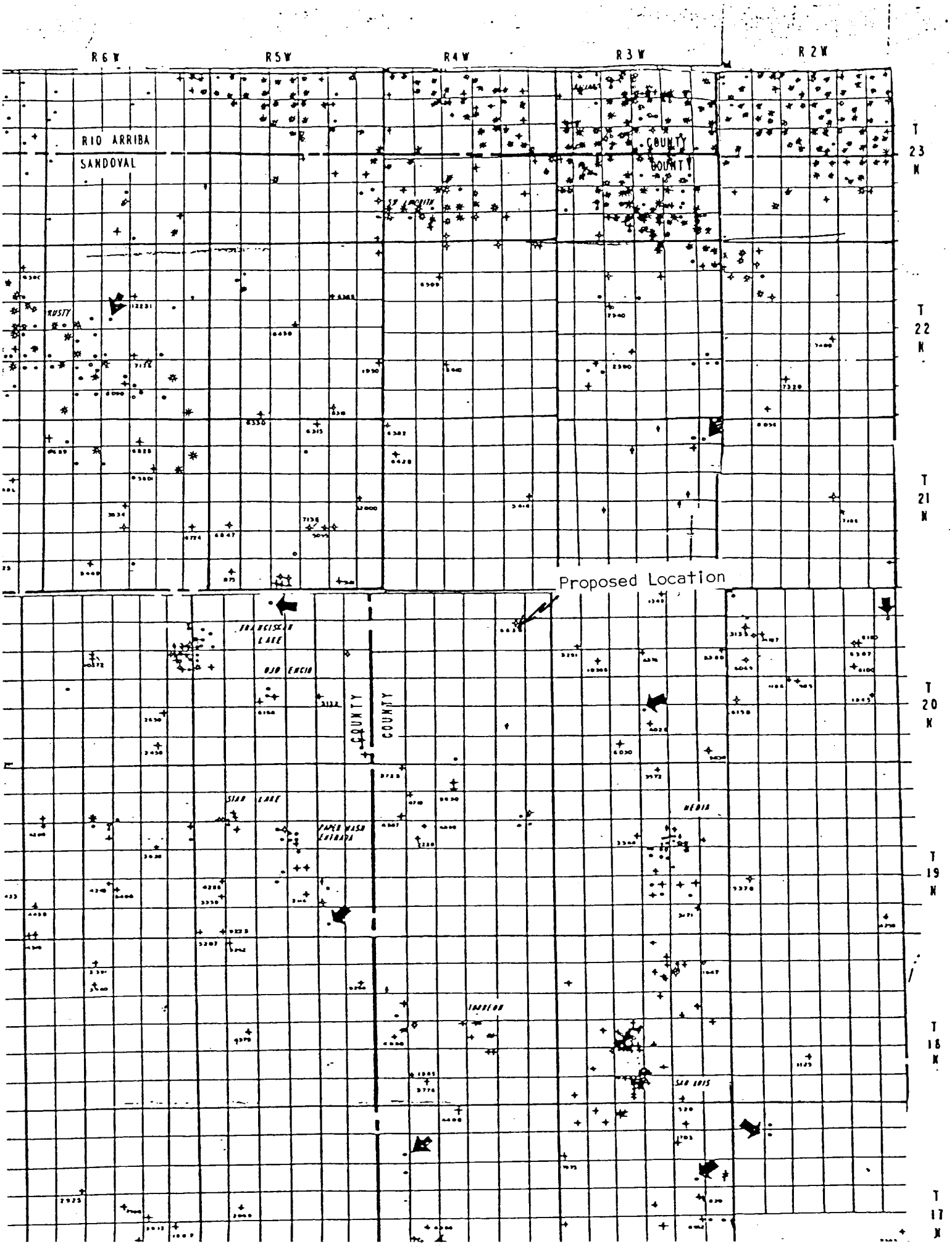
10-1-80
Date

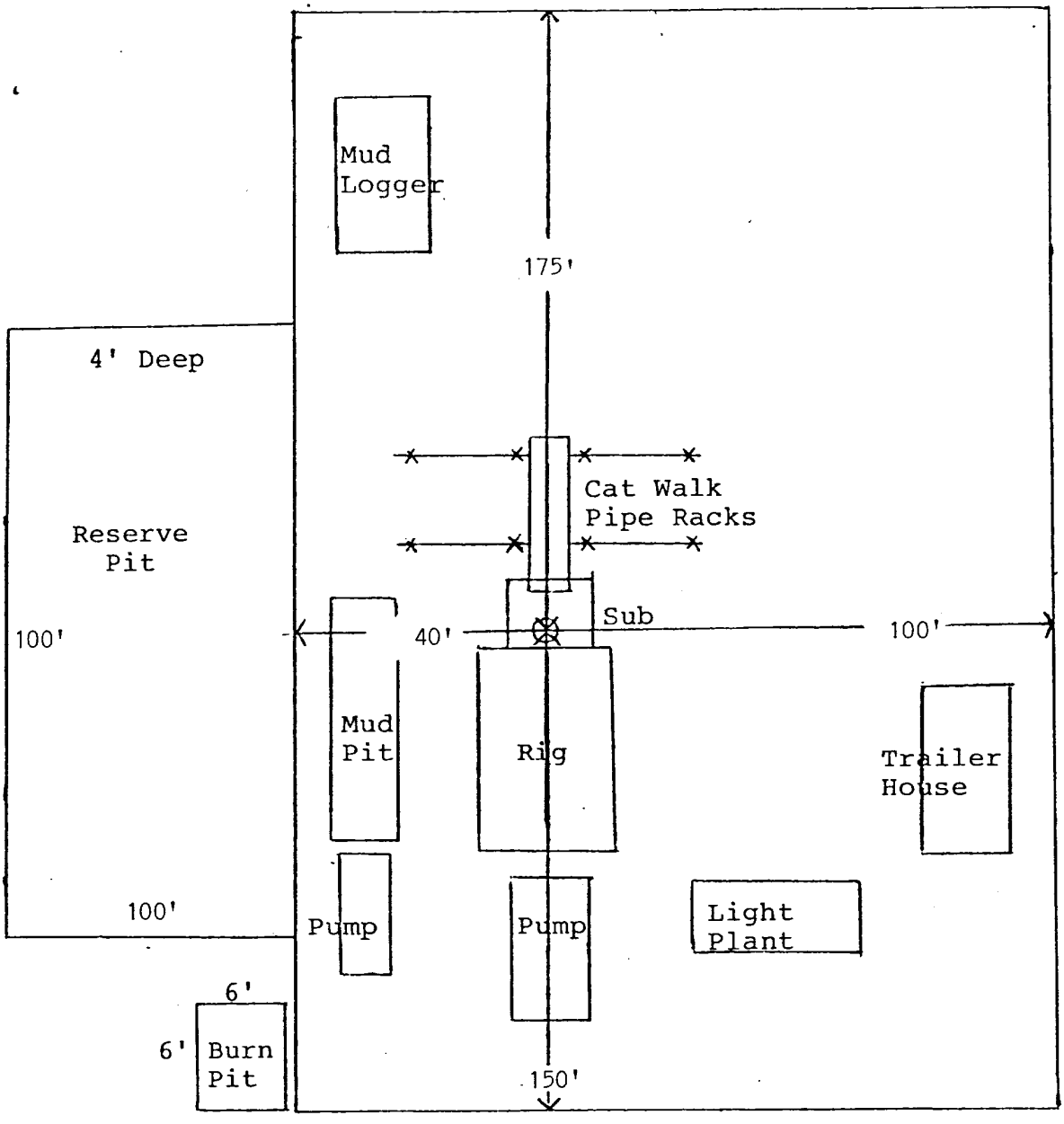
W.E. Landry
Asst. Oper. Mgr.
K & A/Helton


ALBUQUERQUE
DISTRICT 1
ALBUQUERQUE
CEJA PELON MESA
DISTRICT 1
MESA GUILA
T. 21 N.
T. 20 N.
T. 19 N.
ROADS
LEWIS ENERGY CORPORATION
PENISTAJA WELL NO. 1
SECTION 11-T20N-R4W



Vicinity Map for
LEWIS ENERGY CORP. #1 Penistaja
500'FNL 750'FEL Sec. 11-T20N-R4W
SANDOVAL COUNTY, NEW MEXICO


R6W
R5W
R4W
R3W
R2W
T 23 N
T 22 N
T 21 N
T 20 N
T 19 N
T 18 N
T 17 N
RIO ARRIBA
SANDOVAL
COUNTY
COUNTY
COUNTY
Proposed Location
RUSTY
FRANCISCAN LAKE
OJO ENCIO
SIAH LAKE
PAPER MASH CANADA
MEDIA
IMBECIO
SAN LUIS



SCHEMATIC
LOCATION LAYOUT PLAN