SUBMIT IN TRIPLICATE*

Form approved. Budget Bureau No. 42-R1425.

5. LEASE DESIGNATION AND SEBIAL NO.

64

(Other instructions on reverse side) UNITED STATES

DEPARTMENT OF THE INTERIOR

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK B. TYPE OF WORK DRILL DEEPEN X PLUG BACK 7. UNIT AGREEMENT NAME OIL SINGLE X ZONE 8. FARM OR LEASE NAME 8. FARM OR LEASE NAME		GEOLO	SICAL SURV	EY.			Jicarilla 35		
DEFINE WELL DEPEN DE PLUG BACK DE STREET DE STATE DE STAT	APPLICATION	N FOR PERMIT T	O DRILL,	DEEPE	N, OR PLUG E	BACK	6. IF INDIAN, ALLOTTEE OR TRIBE NAME		
DEFFENCY DEFFENCY DEFFENCY SAME OF OPERATOR Energy Reserves Group, Inc. Defecting of the Secretarian Box 3280 Casper, Myoning 82602 At switch of the Secretarian Box 3280 Casper, Myoning 82602 At switch of the Secretarian Box 3280 Casper, Myoning 82602 At switch of the Secretarian Box 3280 Casper, Myoning 82602 At switch of the Secretarian Box 3280 Casper, Myoning 82602 At switch and Secretarian Box 3280 Casper, Myoning 82602 At switch and Secretarian Box 3280 Casper, Myoning 82602 At switch and Secretarian Box 3280 Casper, Myoning 82602 At switch and Secretarian Box 3280 Casper, Myoning 82602 At switch and Secretarian Box 3280 Casper, Myoning 82602 At switch and Secretarian Box 3280 Casper, Myoning 82602 Approximately 15 miles east from Counselors Trading Post Secretarian Box 3280 Casper, Myoning 82602 Secretarian Box 32	a. TYPE OF WORK						Jicarilla Apache 7. UNIT AGREEMENT NAME		
ONLY OF THE STATE			DEEPEN	XX	FING RA	CK 🗀			
EMBORY OFFERENCE Secretary of Ofference Secretary	OIL G					LE	S. FARM OR LEASE NAME		
BOX 3280 Casper, Wyoming 82602 LECTION OF WELL (Report location clearly and in accordance with any State requirements.) At proposed prod. some 2301' FNL & 1840' FWL (SE/NW) 4. DEFENCE IN MILES AND DESCRIPTION FROM NEAREST TOWN OR FORT OFFICE.* Approximately 15 miles east from Counselors Trading Post 12 country of American Proposed Province of Approximately 15 miles east from Counselors Trading Post 12 country for American Province of Approximately 15 miles east from Counselors Trading Post 15 country for American Province of Approximately 15 miles east from Counselors Trading Post 17 country for American Province of Approximately 15 miles east from Counselors Trading Post 17 country for American Province of Approximately 15 miles east from Counselors Trading Post 17 country for American Province of Approximate Province Province of Approximate Province Province of Approximate Province Operation Province Province Province Province Operation Province Provin	. NAME OF OPERATOR						Jicarilla		
DOX 3280 Casper, Myoming 82502 **Locating of Well. (Report location clearly and in accordance with any State requirements.) At proposed prod. some 2301' FNL 8 1840' FWL At proposed prod. some 2301' FNL 8 1840' FWL At proposed prod. some 2301' FNL 8 1840' FWL At proposed prod. some 2301' FNL 8 1840' FWL Approximately 15 miles east from Counselors Trading Post 5. DELECTOR TROUBLESS CONTROL FROM NEAREST TOWN OR POST OFFICE' **PROPERTY OR LEASE LINE, No. 16 asy, 1000' 2518.80 5. DELECTOR TROUBLESS CONTROL FLOW STATES TOWN OR POST OFFICE' **PROPERTY OR LEASE LINE, No. 16 asy, 1000' 2518.80 5. DELECTOR TROUBLESS CONTROL FROM STATES TOWN OR POST OFFICE' **PROPERTY OR LEASE LINE, No. 16 asy, 1000' 2518.80 6. DELECTOR TROUBLESS CONTROL FROM STATES TOWN OR POST OFFICE' **PROPERTY OR LEASE LINE, No. 16 asy, 1000' 2518.80 1040' 800' 800' 800' 800' 800' 800' 800'		es Group, Inc.					9. WELL NO.		
At surface At surface At surface At surface At surface At proposed prod. some 2301' FNL & 1840' FNL (SE/NW) 4. Distance in Miles and distance from Nearist town or rotate Approximately 15 miles east from Counselors Trading Post Between Trading Post 10 corn to Nearist 11 miles Trading Post 12 country or Realist Rotation To Nearist Rotation To Nearist 12 country or Realist New Mex 13 corn to Nearist New Mex 14 corn to Nearist New Mex 15 corn to Nearist 16 corn to Nearist 17 corn to Nearist New Mex 18 corn to Nearist 19 corn to Nearist 10 duo' 19 cornect obstruct 19 cornect obstruct 10 corn to Nearist 10 duo' 10 corn to Nearist 11 duo' 12 corn to Nearist 12 corn to Nearist 13 corn to Nearist 14 duo' 15 corn to Nearist 16 corn to Nearist 17 corn to Nearist 18 corn to Nearist 19 duo' 10 duo' 10 corn to Nearist 10 duo' 10 corn to Nearist 10 duo' 10 corn to Nearist 11 duo' 10 corn to Nearist 12 corn to Nearist 12 corn to Arriba New Mex 15 corn to Nearist 16 corn to Nearist 17 corn to Nearist 18 corn to Nearist 19 corn to Nearist 19 corn to Nearist 10 duo' 10 corn to Nearist 10 duo' 11 duo' 12 corn to Reading 12 corn to Nearist 12 corn to Reading 13 corn duo' 14 duo' 15 corn duo' 16 duo' 17 corn to Nearist 17 corn to Nearist 18 corn duo' 19 corn to Nearist 19 corn to Nearist 10 duo' 10 corn to Nearist 10 duo' 10 corn to Nearist 11 duo' 11 duo' 12 corn to Nearist 12 corn to Nearist 13 corn duo' 14 duo' 15 corn duo' 16 duo' 17 corn duo' 17 corn duo' 18 corn		sper Wyoming	82602						
At proposed prod. 2001' FNL & 1840' FWL At proposed prod. 2002' FNL & 1840' FWL Approximately 15 miles east from Counselors Trading Post PROPERTY OF LEASE INFORMATION AND AND PROPOSED CACTION' PROPOSED CASING AND CEMENTING PROGRAM SIE OF POLK SIZE OF CASING WEIGHT PRE POOT SETTING DEPTH ADJUST 1979' AUGUST 1979' PROPOSED CASING AND CEMENTING PROGRAM SIE OF POLK SIZE OF CASING WEIGHT PRE POOT SETTING DEPTH CACTION' CANNIT OF CEMENT CANNIT OF				th any S	tate requirements.*)		· * * * * * * * * * * * * * * * * * * *		
At proposed prof. tone 2301 FNL & 1840 FNL (SE/NW) 4. DISTANCE IN MILES AND DIRECTION FROM MEREST TOWN OF FOUR PROPERTY OF ACCOUNTS OF PROPERTY OF ADDRESS TO BE ADDRESS TOWN OF FOUR PROPERTY OF PARTIES IN THE	At surface						11. SEC., T., R., M., OR BLK.		
4. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE. Approximately 15 miles east from Counselors Trading Post Approximately 15 miles east from Counselors Trading Post Approximately 15 miles east from Counselors Trading Post DISTANCE FROM PROPERSO (CONTROL OF ACRES IN BEASE TO THIS WELL STANCE FROM PROPERSO (CONTROL OF ACRES IN BEASE TO THIS WELL STANCE FROM PROPERSO (CONTROL OF ACRES IN BEASE TO THIS WELL STANCE FROM PROPERSO (CONTROL OF ACRES IN BEASE TO THIS WELL STANCE FROM PROPERSO (CONTROL OF ACRES IN BEASE TO THIS WELL STANCE FROM PROPERSO (CONTROL OF ACRES IN BEASE TO THE WORK WILL STANCE FROM PROPERSO (CONTROL OF ACRES IN BEASE TO THE WORK WILL STANCE FROM PROPERSO (CONTROL OF ACRES IN BEASE TO THE WORK WILL STANCE FROM PROPERSO (CONTROL OF ACRES IN BEASE TO THE WORK WILL STANCE FROM PROPERSO (CONTROL OF ACRES IN BEASE TO THE WORK WILL STANCE FROM PROPERSO (CONTROL OF ACRES IN BEASE TO THE WORK WILL STANCE FROM PROPERSO (CONTROL OF ACRES IN BEASE TO THE WORK WILL STANCE FROM PROPERSO (CONTROL OF ACRES IN BEASE TO THE WORK WILL STANCE FROM PROPERSO (CONTROL OF ACRES IN BEASE TO THE WORK WILL STANCE FROM THE WORK WILL STANCE FROM PROPERSO (CONTROL OF ACRES IN BEASE TO THE WORK WILL STANCE FROM T	At proposed prod. zon	e 2301' FNL &	1840' FWL		(SE/NW)				
Approximately 15 miles east from Counselors Trading Post 0. DIRTANCE FROM PROFUSED* 10. DIRTANCE FROM PROFUSED* 11. NO. OF ACRES ASSIGNED* 11. NO. OF ACRES ASSIGNED* 12. DIRTANCE FROM PEROFUSED LOCATION* (Also to bearest drig, unit line, if any) 1000' 2515.80 400' 13. FROM PEROFUSED LOCATION* 14. FROM PROFUSED LOCATION* 15. FROM PROFUSED LOCATION* 16. HOU' 6400' ROTATION CARLE TOOLS 17. ROTATION FROM PEROFUSED LOCATION* 18. FROM PROFUSED CASING AND CEMENTING PROGRAM 22. APPROX. DATE WORK WILL START' AUGUST, 1979 3. PROPOSED CASING AND CEMENTING PROGRAM 24. APPROVED BY 350' CEMENT OF CEMENT OF CEMENT OF CASING AND CEMENTING PROGRAM 25. APPROVED BY AUGUST FROM PROFUSED PROGRAM: If proposed is to deepen or plug back, free tight on Freent productive some and proposed to drill this well to the Gallup Formation @ 6400'. This well was originally scheduled and permitted to the Chacra Formation @ 4000'. (CHANGE PLANS) N. ANDVE SPACE DESCRIBE FROM PROGRAM: If proposal is to deepen or plug back, free tight on Freent productive some and proposed new productive one. If proposed is to drill or deepen directionally, give pertinent data on subsurface regions are greatered and true vertical depths. Give blowout reventer program. If any. (CHANGE PLANS) N. ANDVE SPACE DESCRIBE FROM PROGRAM: If proposal is to deepen or plug back, free tight on Freent productive some and proposed new productive one. If proposed is to drill or deepen directionally, give pertinent data on subsurface regions are greatered and true vertical depths. Give blowout reventer program. If any. (CHANGE PLANS) ANDVE SPACE DESCRIBE FROM PROGRAM: If proposed is to deepen or plug back, free tight on Freent productive some and proposed new productive one. If proposed is to drill or deepen directionally, give pertinent data on subsurface regions are greater and true vertical depths. Give blowout reventer program. If any. (This space for Federal or Sub office use) PATE JULY 30, 1979		THE THE PERSON NAMED IN COLUMN	POST MOWN OR POS	T OFFICE			Section 2, T24N-R5W		
D. DISTANCE FROM PROPOSED TO SARESTS TO SAREST SAREST SARESTS TO SAREST SARESTS TO SAREST SAREST SARESTS TO SAREST SAREST SAREST SAREST SARESTS TO SAREST SA									
APPROVED BY SPACE DESCRIBE PROCEAM: If proposal is to deepen or plug back, give fight on present productive zone and proposed new productive rone. If proposal is to drill or deepen directionally, give pertinent data on subsurface Facultons and manuscraft and true vertical depths. (CHANGE PLANS) ADDRESS FACE DESCRIBE PROCEAM: If proposal is to deepen or plug back, give fight on present productive zone and proposed new productive rone. If proposal is to drill or deepen directionally, give pertinent data on subsurface Equipment (I app.) (CHANGE PLANS) APPROVED HANS) APPROVED HANS APPROVED HANS APPROVED HANS TITLE Field Services Adminst. PATE DATE DAT	5. DISTANCE FROM PROPO	SED*					OF ACRES ASSIGNED		
S. DETANCE FROM PROPOSED LOCATION'S TO NAMES WELL, DELLING, COMPLETED, ON APPROVAL DATE WELL, START'S COMPLETED, ON APPROVAL DATE. 1040'	PROPERTY OR LEASE I	INE, FT.	000'						
IN AROVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, stee that on present productive zone and proposed are productive renter program. If any. (CHANGE PLANS) IN AROVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, stee that on present productive zone and proposed new productive renter program. If any. (This space for Federal or S.M. office Use) PERMIT NO. APPROVAL DATE 22 APPROX. DATE WORK WILL START' 22 August, 1979 7 7 7 7 7 7 7 7 7	S. DISTANCE FROM PROP	OSED LOCATION*							
ABOVE SPACE DESCRIBE PROTOSED PROGRAM: If proposal is to deepen or plug back, give that on present productive zone and proposed new productive vone. If proposal is to drill or deepen directionally, give pertinent data on subsurface beginning and proposal is to drill or deepen directionally, give pertinent data on subsurface beginning and provided and proposal is to drill or deepen directionally, give pertinent data on subsurface beginning and proposed and true vertical depths. Give blowout twentier program, if any. TITLE Field Services Adminst. PATE			.040 '	640	00'	R			
SIZE OF HOLE SIZE OF CASING WEIGHT PER FOOT SETTING DEPTH QUANTITY OF CEMENT 12 1/4" 8 5/8" 24# 350'½ cement to surface 7 7/8" 5 1/2" 14# 8 15.5# 6400'½ 250 sx. Approval is requested to change plans on the above referenced well. It is proposed to drill this well to the Gallup Formation @ 6400'. This well was originally scheduled and permitted to the Chacra Formation @ 4000'. (CHANGE PLANS) N ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, size tight on Freeent productive zone and proposed new productive one. If proposal is to drill or deepen directionally, give pertinent data on subsurface relations and measured and true vertical depths. Give blowout reventer program, if any. (This space for Federal or Solve office use) PERMIT NO. APPROVAL DATE DATE DATE DATE DATE	1. ELEVATIONS (Show wh	ether DF, RT, GR, etc.)					· · · · · · · · · · · · · · · · · · ·		
SIZE OF CASING WEIGHT PERFOOT 12 1/4" 8 5/8" 24# 350'½ cement to surface 7 7/8" 5 1/2" 14# 8 15.5# 6400'½ 250 sx. Approval is requested to change plans on the above referenced well. It is proposed to drill this well to the Gallup Formation @ 6400'. This well was originally scheduled and permitted to the Chacra Formation @ 4000'. (CHANGE PLANS) NABOVE SPACE DESCRIBE PROFOSED PROGRAM: If proposal is to deepen or plug back, the 44th on Freent 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 reventer program, if any. TITLE Field Services Adminst. DATE July 30, 1979 (This space for Federal or Services DATE)							August, 1979 :		
12 1/4" 8 5/8" 24# 350'± cement to surface 7 7/8" 5 1/2" 14# & 15.5# 6400'± 250 sx. Approval is requested to change plans on the above referenced well. It is proposed to drill this well to the Gallup Formation @ 6400'. This well was originally scheduled and permitted to the Chacra Formation @ 4000'. (CHANGE PLANS) N ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, size that on Freent productive zone and proposed new productive once. If proposal is to drill or deepen directionally, give pertinent data on subsurface regulations and pressured and true vertical depths. Give blowout reventer program, if any. TITLE Field Services Adminst. Date July 30, 1979 APPROVAL DATE DATE July 30, 1979	···	p	ROPOSED CASI	NG ANI	CEMENTING PROGR.	AM.			
Approval is requested to change plans on the above referenced well. It is proposed to drill this well to the Gallup Formation @ 6400'. This well was originally scheduled and permitted to the Chacra Formation @ 4000'. (CHANGE PLANS) NAMOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, the tips on Freent productive zone and proposed new productive one. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout reventer program, if any. TITLE Field Services Adminst. DATE July 30, 1979 (This space for Federal or Saute office use) PERMIT NO. APPROVAL DATE DATE				T00	L .				
Approval is requested to change plans on the above referenced well. It is proposed to drill this well to the Gallup Formation @ 6400'. This well was originally scheduled and permitted to the Chacra Formation @ 4000'. (CHANGE PLANS) NAROVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, the tight on present productive zone and proposed new productive one. If proposal is to drill or deepen directionally, give pertinent data on subsurface tentions and profound and true vertical depths. Give blowout reventer program. If any. TITLE Field Services Adminst. DATE July 30, 1979 (This space for Federal or Side office use) PERMIT NO. APPROVAL DATE APPROVAL DATE DATE				5#					
drill this well to the Gallup Formation @ 6400'. This well was originally scheduled and permitted to the Chacra Formation @ 4000'. (CHANGE PLANS) N ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, gave tida on Fresent productive zone and proposed new productive one. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout reventer program. If any. TITLE Field Services Adminst. DATE July 30, 1979 (This space for Federal or Start office use) PERMIT NO	7 7/8"	3 1/2	14# 6 15						
N ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, five that 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 reventer program, if any. SIGNED TITLE Field Services Adminst. DATE July 30, 1979 (This space for Federal or Study office use) PERMIT NO	and permitted	l to the Chacra	Formation	@ 400	00'.				
one. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout reventer program, if any. SIGNED TITLE Field Services Adminst. DATE July 30, 1979 (This space for Federal or State office use) PERMIT NO	(CHANGE PLANS	3)			And the second second				
one. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout reventer program, if any. SIGNED TITLE Field Services Adminst. DATE July 30, 1979 (This space for Federal or State office use) PERMIT NO							02010103		
TITLE Field Services Adminst. DATE July 30, 1979 (This space for Federal or Stute office use) PERMIT NO	cone. If proposal is to preventer program, if an	drill or deepen directions	proposal is to dec ally, give pertiner	pen or p it data o	plug back, give firth on pon subsurface locations a	resent pro	ductive zone and proposed new productive ed and true vertical depths. Give blowout		
APPROVED BY	1.300	him from)	TLE F	ield Services A	Adminst	. DATE July 30, 1979		
APPROVED BY DATE	(This space for Fede	eral or Shorte office use)							
APPROVED BY	PERMIT NO.				APPBOVAL DATE				
APPROVED BY									
COMPLETION OF ALL BUTTALL IF AND A		AT IF ANY:	T	TLE			DATE		
	CONDITIONS OF APPROX	au, ir aai .							

aui

*See Instructions On Reverse Side

State

0		All detailed	must be from the out	er boardsries o	the section	 	
Operator Fnorm	r Reserves Gr	oun Ind	Leaso Ji	carilla 35			Well No.
Unit Letter	Section	Township	Range		County		
Lot 11	2	24 No	orth	5 West	Rio	Arriba	
Actual Footage Location of Wells							
2301			line and 1840	fee	t from the	West	line
Ground Lovel Elev:	Producing For		P∞1	ro Gallup	3.0	′ [Dedicated Acreage:
<u>671:7</u>	Gallup			· · · · · · · · · · · · · · · · · · ·	exx		Acres
1. Outline th	e acreage dedica	ated to the ou	bject well by co	lored pencil o	or hachure	marks on th	e 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 a	nswer is "yes	;" type of consoli	dation	· · · · · · · · · · · · · · · · · · ·	 	
	is "no," list the f necessary.)	owners and tr	act descriptions	which have a	ctually bee	en consolida	ted. (Usc reverse side of
	-					-	nunitization, unitization, approved by the Commis-
4 13.93	ac. 3	13.9720 2	14.03 ac.	1 /4	.07ac.		
5		6	7	8			CERTIFICATION
40 8		10 ac.	7 40 ac.	40	2 20	_	
40 0	72.	+0 dc.	40 94.	1 40	06.	1	ertify that the information con-
	, ,	,		1]	Į.	ein is true and complete to the
	1 030	,		[·		,	1
	\mathbf{i}			i .	1		
				' 		Name M	100
12	.	11	10	1 9		Position	lan / this
				i		1	rvices Adminstrator
, by				1		Company	
1	i			!		Energy R	eserves Group, Inc.
40	ac. 4	0 ac.	40 ac.	40	2C.	Date	1070
, -	'		•	i	1	July 30,	
- Chicalification of the Control		Section		 			
	1			1		I hereby	certify that the well-location
	i			; ;		1	this plot was plotted from field
	1			1		notes of a	ictual surveys made by me or
	ļ			1	1	under my s	supervision, and that the same
	1 .	-	- Constitution	- Annual Control		1	nd correct to the best of my
	i	1	get Andrews	1	1	knowledge	and belleft y
	+		/	1 - 1		30	Marine Carlo
	l	1	1	1 epol		Date Sirvey	dono chal
	1		100	ほい 1 2 3分)		1 1	8, 1979
	i		1 5F			Registered P	
	1		1012	151. 7		and Land	Troyof Jaly
	!		The same of	1 September 300	1		OF HEN Stortect
<u></u>		<u> </u>		The state of the s		Certificate N	lo.
0 330 660	90 1320 1650 191	en 2310 2640	2000 1500	1000	4-1-1 1	1	Note:

Supplemental to Form 9-3310

- The geologic name of the surface formation.
 Undivided tertiary
- 2. The estimated tops of important geologic markers.

Kirtland	2410'	Mancos	4830 '
Pictured Cliffs	2770 '	Gallup	5800 '
Chacra	3600'	T.D.	6400 '
Cliff House	4030 ¹		

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

 Pictured Cliffs @ 2770' & Chacra @ 3600' are expected to be gas bearing.

 Gallup @ 5800'-6400' is expected to be oil bearing.
- 4. The proposed casing program, including the size, grade, and weight-per-foot of each string and whether new or used.

8
$$5/8$$
" - $k-55$ - 24 # - new 5 $1/2$ " - $k-55$ - 14 # & 15.5 # - new and used.

5. The lessee's or operator's minimum specifications for pressure control equipment which is to be used, a schematic diagram thereof showing sizes, pressure ratings (or API series), and the testing procedures and testing frequency.

A 10" series 900 dual ram hydraulic BOP will be used. It will be tested to 800 psi after installation and prior to drilling out from under surface casing.

The BOE will be operated on each trip.

6. The type and characteristics of the proposed circulating medium or mediums to be employed for rotary drilling and the quantities and types of mud and weighting material to be maintained.

A fresh water base chemical mud gel will be used for drilling operations. Adequate supplies will be on location to handle minor lost circulation and blow out prevention.

7. The auxiliary equipment to be used, such as (1) kelly cocks, (2) floats at the bit, (3) monitoring equipment on the mud system, (4) a sub on the floor with a full opening valve to be stabbed into drill pipe when the kelly is not in the string.

A kelly cock, a float on the bit, and a sub with drill pipe thread and full opening valve on the rig floor will be used. Monitoring equipment will be used on the mud system.

Page 2

8. The testing, logging, fracing, and coring programs to be followed with provision made for required flexibility.

No coring is planned. No DST's are planned. Logs will consist of DIL-Gamma Ray-Density Neutron. Fracing will probably consist of a gel water frac.

9. Any anticipated abnormal pressures or temperatures expected to be encountered or potential hazards such as hydrogen sulfide gas, along with plans for mitigating such hazards.

No abnormal pressures or temepratures are anticipated. H2s is not a potential problem in the Pictured Cliffs, Chacra and Gallup Formations.

10. The anticipated starting date and duration of the operations.

It is planned to commence operations as soon as regulatory approval is obtained and a rig becomes available. It is estimated it will take 15-20 days to drill, log, complete, and test this well.

MULTI-POINT SURFACE USE PLAN

1. EXISTING ROADS

See attached topographical map Existing roads in the area are presently maintained by Energy Reserves Group, Inc., Amoco, and El Paso Natural Gas Company.

2. PLANNED ACCESS ROADS

Approximately 4 mile of new access road will be necessary

- (1) Maximum width will be a 20' running surface (2) Maximum grade will be less than 8%
- (3) No turn outs are planned
- (4&5) Culverts will be installed as per B.I.A. recommendations
 - (6)
 - (6) It is not planned to surface any roads(7) No gates, cattle guards, or fence cuts are required
 - (8) The road route was flagged @ the time the well was staked

3. LOCATION OF EXISTING WELLS

See attached topographical map

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

- There is presently a tank battery @ Well #1
- (2) Oil production facilities are located @ Well #1
- There is an existing buried oil gathering line from Well #2 to the tank battery located @ Well #1
- (4) Gas gathering lines are buried and are owned by El Paso Natural Gas Company
- Injection Lines NA (5)
- (6) Disposal Lines NA

NEW FACILITIES

- (1&2) See attached plat It is proposed to increase the size of the location from what was originally permitted to allow for a larger rig.
 - If new tanks are required it will be necessary to haul in gravel for base, otherwise natural material will be used.
 - (4) All rotating parts will be guarded, pits if any will be fenced and flagged so as to protect livestock and wildlife.
 - (5) After drilling and completion operations have been completed those disturbed areas no longer needed will be recontoured and reseeded as per B.I.A. recommendations.

5. LOCATION AND TYPE OF WATER SUPPLY

- Description of location Largo Canyon, 7-8 miles south west of lease
- Water will be hauled by truck over existing roads (2)
- (3) It is not planned to drill a water well

SOURCE OF CONSTRUCTION MATERIALS

No construction materials will be obtained from Federal or Indian Lands without prior approval. If any material is required it will be hauled over existing access roads.

7. METHODS FOR HANDLING WASTE DISPOSAL

Cuttings and drilling fluids will be contained in the reserve pit. Any produced fluids will be contained in tanks and hauled from the location. Sewage will be disposed of either in a chemical toilet or temporary hole dug with a dry hole digger. Garbage and other waste material will be put into a deep trash pit fenced with sharp wire to prevent scattering. Garbage will be burned and/or buried. Upon completion of operations the entire area will be policed up and all trash placed into the pit. After the reserve pit has dried sufficiently it will be back filled and recontoured to its original condition.

8. ANCILLARY FACILITIES

None are planned

9. WELL SITE LAYOUT

See attached drawing

MULTI-POINT SURFACE USE PLAN

10. PLANS FOR RESTORATION OF SURFACE

Upon completion of operations those areas no longer needed for producing operations will be recontoured and reseeded as per B.I.A. recommendations. The pit will be fenced and allowed to dry before backfilling. If there is oil on the pit it will be removed or flagging will be installed. Clean up operations will commence as soon as the rig has moved and the pit will be covered as soon as it dries.

11. OTHER INFORMATION

The area is generally high desert type country with numerous gullies and washes with occasional rock out croppings. Vegetation consists of Pinion - Juniper trees, sage and other small bushes, and assorted native grasses. Surface and mineral ownership is that of the Jicarilla Apache Indian Tribe. There are no occupied dwellings in the immediate vicinity of the area to be disturbed. An Archaeological inspection is planned to determine if there are any cultural or historical values.

12. LESSEE'S OR OPERATOR'S REPRESENTATIVES

Bill Fiant, T.C. Durham, or Roscoe Gillespie will be responsible for assuring compliance with approved surface use and operations plan.

BILL FIANT

Box 3280 Casper, Wyoming 82602 307-265-7331 Office 307-265-2529 Home T.C. DURHAM

Box 977
Farmington, New Mexico
87401
505-327-1639 Office
505-325-7978 Home
505-325-1873 Mobil
#539

R. GILLESPIE

Box 3280 Casper, Wyoming 82602 307-265-7331 Office 307-234-0745 Home 307-265-4541 Mobil

13. CERTIFICATION

See attached

