CONDITIONS OF APPROVAL, IF ANY:

UNITED STATES DEPARTMENT OF THE INTERIOR

Form approved. Budget Bureau No. 42-R1425.

JUN 2 3 1983 5. There designation and Medial No.

| | GEOLO | SF 047039-C | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| APPLICATION | FOR PERMIT | TO DRILL, DEE | PEN, OPHLIGO | EXCEDIV. IF INDIAN, ALLOTTEE OR TRIBE NAME |
| 1a. TYPE OF WORK DRIL | L X | DEEPEN [] | PLUG BA | 7. UNIT AGREEMENT NAME |
| D. TYPE OF WELL OIL WELL X GAS WELL | L OTHER | | SINGLE X MULTIP | PLE 8. FARM OR LEASE NAME |
| 2. NAME OF OPERATOR | | | | Congress Lachman |
| | etroleum Corp | 9. WELL NO. | | |
| 3. Address of operator P. O. Box 808 | , Farmington, | 10. FIELD AND POOL, OR WILDCAT | | |
| 4. LOCATION OF WELL (Rep | ort location clearly and | Undesignated Gallup | | |
| 1657 ft./S | South and 1650 | GOJ 11 SEC., T., E., M., OR BLK. AND SURVEY OR AREA | | |
| At proposed prod. zone | | Lec. 7. T-28N, R-10W. | | |
| Same as at | | PEST TOWN OR POST OFF | ICE® | SURVE N. M. P.M. |
| | | field, New Mex | II S. USTAGEON | San Juan New Mexico |
| 15. DISTANCE FROM PROPOSI | PD * | II. NO. OF ACRES ASSIGNAD | | |
| LOCATION TO NEAREST 574 ft. PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 330 ft. | | | 497.86 | 27.55 23.60 |
| | | | | 20. ROTARY OR CABLE TOOLS |
| OR APPLIED FOR, ON THIS | LEASE, PT. 8 | 60 ft. | 60801 | Rotary |
| 21. ELEVATIONS (Show wheth | er DF, RT, GR, etc.) | DRILLING OPERATIO | NS AUTHORIZED ARE | .22. APPROX. DATE WORK WILL START* |
| 5752 GR | | | LANCE WITH ATTACHED | June 5, 1983 This action is subject to administrative |
| | | Budichery C Warning | NO CEMENTING PROGRA | #ppeal pursuant to 30 CFR 290. |
| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | |
| 13-3/4" | 9-5/8" 7" | 36.0# K-55 | 300' | 250 cu. ft. (circulated) |
| 8-3/4" 6-1/4" | 4-1/2" | 26.0# K55 11.6# K55 | 5400' 5200'-6080' | 1400 cu. ft. (circulated) 150 cu. ft. (top of liner) |
| medium. Run new circulated to the Drill 8-3/4" hold circulating medicement first statement first statement for the pipe to 1500 natural gas as twith approx. 150 Clean the well urods. Set a pum Gathering System transporter. NO | e surface. Presented approximate to approximate the general the lass "B". Circle PSIG for 10 the circulating cu. ft. of 50 p. Run new 2-ping unit and and test the TE: Actual correspondent if | g to TD. Ceme ressure test to 5400 ft. using well. Run new x. 750 cu. ft. second stage roulate cement minutes. Dril g medium. Log 0/50 Poz mix3/8" EUE, 4.7 tanks. Insta well. The gament volumes proposal is to deepen of | nt with approx. he casing to app a starch base, 7" casing to TD of 65/35/6 foll with approx. 450 to surface. Dr l out with 6-1/4 the well. Run WOC. Perforate #, J-55 tubing t ll a pipeline fre s from this well to be calculated | using natural mud as a circulating 250 cu. ft. of Class "B" cement prox. 800 PSIG for 10 minutes. permaloid, nondispersed mud as the with a DV tool at approx. 2000 ft. lowed by approx. 100 cu. ft. of cu. ft. 65/35/12 followed by approx. ill out the DV tool. Pressure test but to approx. 6080 ft. using new 4-1/2" casing to TD and cement and fracture the Gallup zone. To the Gallup zone. Run rod pump and the wellhead to the existing Rudy has previously been dedicated to a from caliper log. Tresent productive zone and proposed new productive not measured and true vertical depths. Give blowout |
| 24. | $\bigcap A$ | | | |
| BIGNED W K | Oper | TITLE | Field Operations | Manager DATE May 3, 1983 |
| (This space for Federal | or State office use) | | | |
| DED MATERIA | | | APPROVAL DATE | APPROVED |
| PERMIT NO. | | i de la constitución de la const | MARKET PARK | AS AMENDED |
| APPROVED BY | | TITLE | | my the falle |

JAMES F. SIMS DISTRICT ENGINEER

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

Form C-102 Revised 10-1-

All distances must be from the outer boundaries of the Section. Operator Well No. UNION TEXAS PETROLEUM CORPORATION CONGRESS LACHMAN Unit Letter Township 28 NORTH 10 WEST SAN JUAN Actual Fastage Location of Well: feet from the SOUTH 1650 line and WEST feet from the Ground Level Elev. Producing Formation Pool Dedicated Acreages 5752 **GALLUP** UNDESIGNATED Lot 3 23.60 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 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 comtained herein is true and complete to the JUL 7-1383 OR CON. DIV. Name Rudy'D. Motto DIST. 3 Position Area Operations Manager 6.8,22 N/39042W 2612.28 Company 23.60 24.12 24.05 Union Texas Petroleum Corp. 3. 2 1650 WELL June 29, 1983 41.94 80 1657 n 0 559057 5344,02 Date Surveyed March 8, 1983 Registered Professional Engineer and/or Land Surveyor Michael Daly Certificate No. 5992

Congress Lachman No. 7

- J. The geologic name of the surface formation is "Wasatch".
- 2. The estimated tops of important geologic markers are:

| 679 | ft. |
|------|---------------------------------------------|
| 879 | ft. |
| 1684 | |
| 1889 | ft. |
| 2862 | ft. |
| 3514 | ft. |
| 4229 | ft. |
| 5434 | ft. |
| | 879 1684 1889 2862 3514 4229 |

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

| as |
|----|
| • |

- 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. $0 300 \pm ft$. Natural Mud
 - B. 300± 5400± ft. Permaloid non-dispersed mud containing approx. 450 sx. gel, 60 sx. of permaloid and 15 sx. of CMC.
 - C. $5400 \pm 6080 \pm$ ft. Natural Gas
- 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. The well is in an area which is partially developed; therefore, we will not have a testing and coring program. The logging program is as follows:
 - A. G.R. DIFL
 - B. GR CAL
 - C. F.D.C.
- 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: June 5, 1983

