Form approved.
Budget Bureau No. 42-R1425.

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

30-045-22723

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 [ ] GAS WELL [X] OTHER — SINGLE ZONE [X] MULTIPLE ZONE [ ]

2. NAME OF OPERATOR: UNITED COMPANY

3. ADDRESS OF OPERATOR: Suite 507 Texas Commerce Bank Bldg. Lubbock, Texas 79401

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 888' fnl & 1678' fwl
At proposed prod. zone: same

5. LEASE DESIGNATION AND SERIAL NO.: NM-013885

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT AGREEMENT NAME:

8. FARM OR LEASE NAME: Federal

9. WELL NO.: # 1,

10. FIELD AND POOL, OR WILDCAT: Fulcher Kutz PC

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Sec. 24, T 29 N-R 12 W NMPM

12. COUNTY OR PARISH: San Juan

13. STATE: New Mex.

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*:

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any): 160

16. NO. OF ACRES IN LEASE: 160

17. NO. OF ACRES ASSIGNED TO THIS WELL: 160

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

19. PROPOSED DEPTH: 1800'

20. ROTARY OR CABLE TOOLS: Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.): Gr. 5544

22. APPROX. DATE WORK WILL START*: 10/1/77

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
9-7/8"	7-5/8"	26.4	150'	65 ft^3 (circulates)
6-1/4"	4-1/2"	10.5	1800'	220 ft^3 (covers Toa)

Selectively perforate and sand water frac the Pictured Cliffs formation.

A 3000 psi WP and 6000 psi test single gate preventer equipped with pipe rams will be used for blowout prevention on this well.

The N½NW¼, SW¼NW¼, and the NW¼SW¼, is dedicated to this well.

[NMO&GCC order no. R-5494]

SEP 1977
OIL CON. COM.
DIST. 3

Gas not dedicated

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 B. F. Lack TITLE Agent DATE 8/31/77

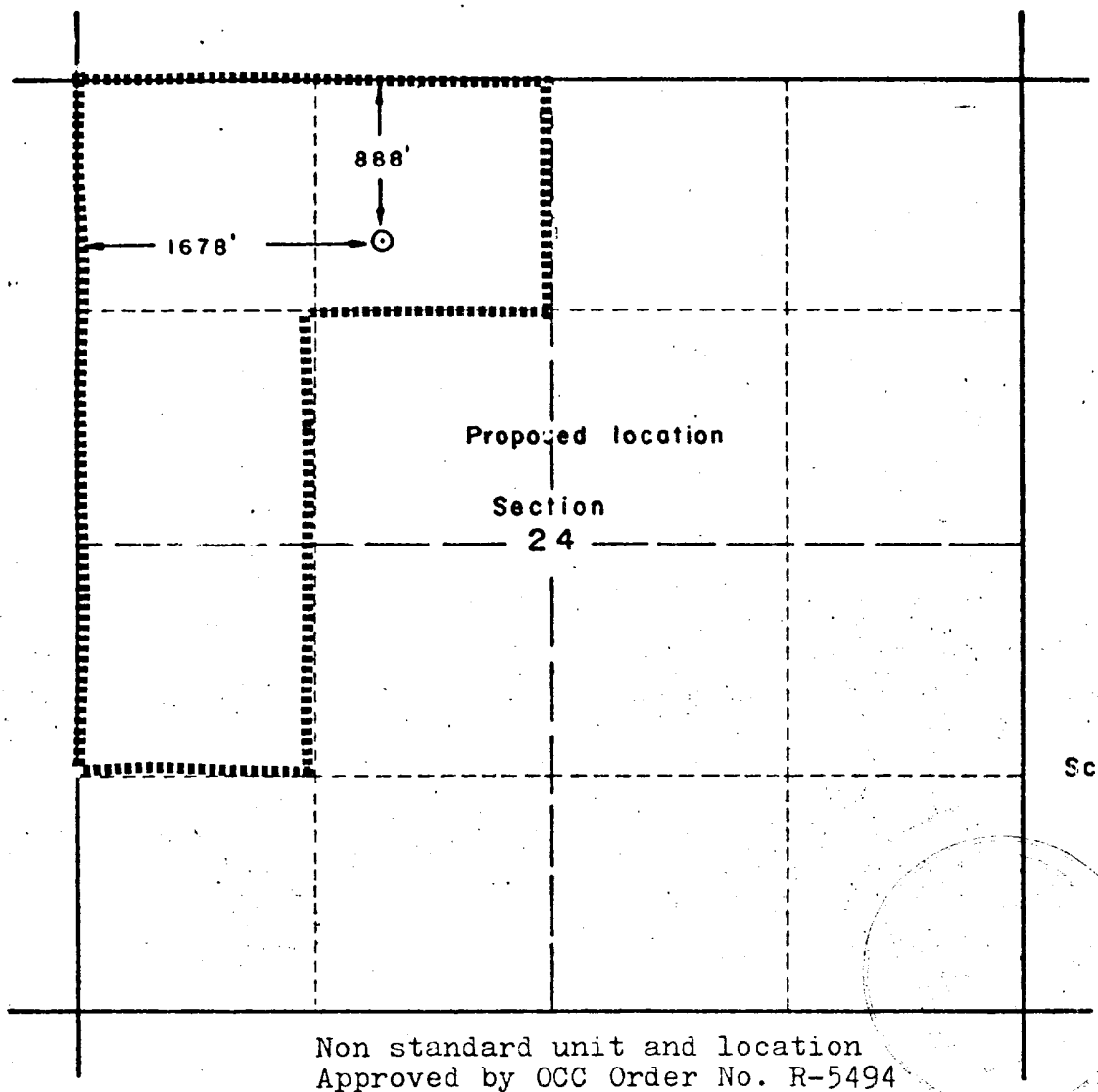
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

Offset
NSL R-5494
NWU R-5494



Non standard unit and location
Approved by OCC Order No. R-5494

WELL LOCATION: UNITED COMPANY - Federal No. 1

Located 888 feet South of the North line and 1678 feet East of the West line of Section 24
Township 29 North Range 12 West New Mexico Principal Meridian
San Juan County, New Mexico.
Existing ground elevation determined at 5544 feet based on U.S.G.S. Datum

I hereby certify the above plat represents a survey made under my supervision and that it is accurate to the best of my knowledge and belief

Frederick H Reed

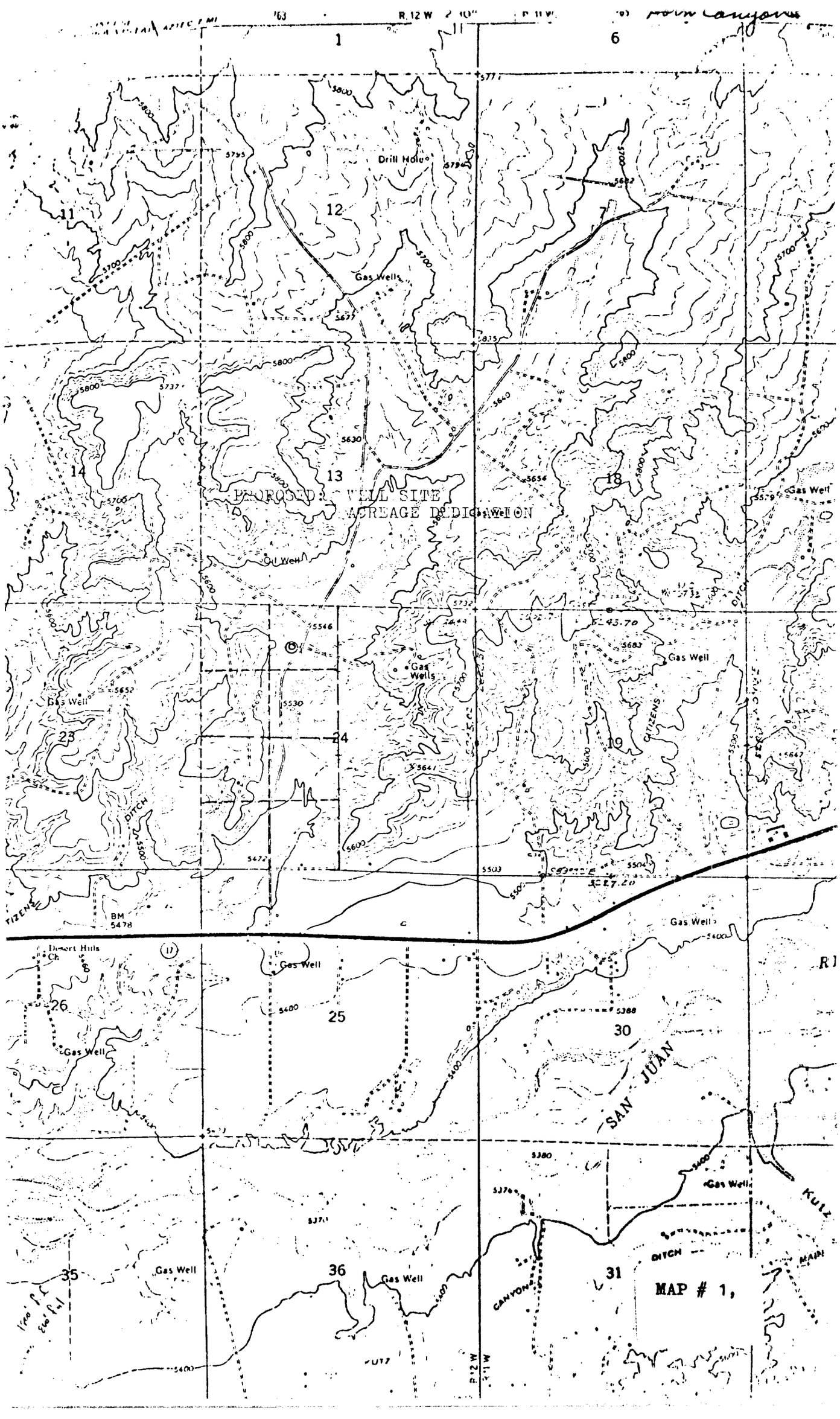
FREDERICK H REED
Registered Land Surveyor

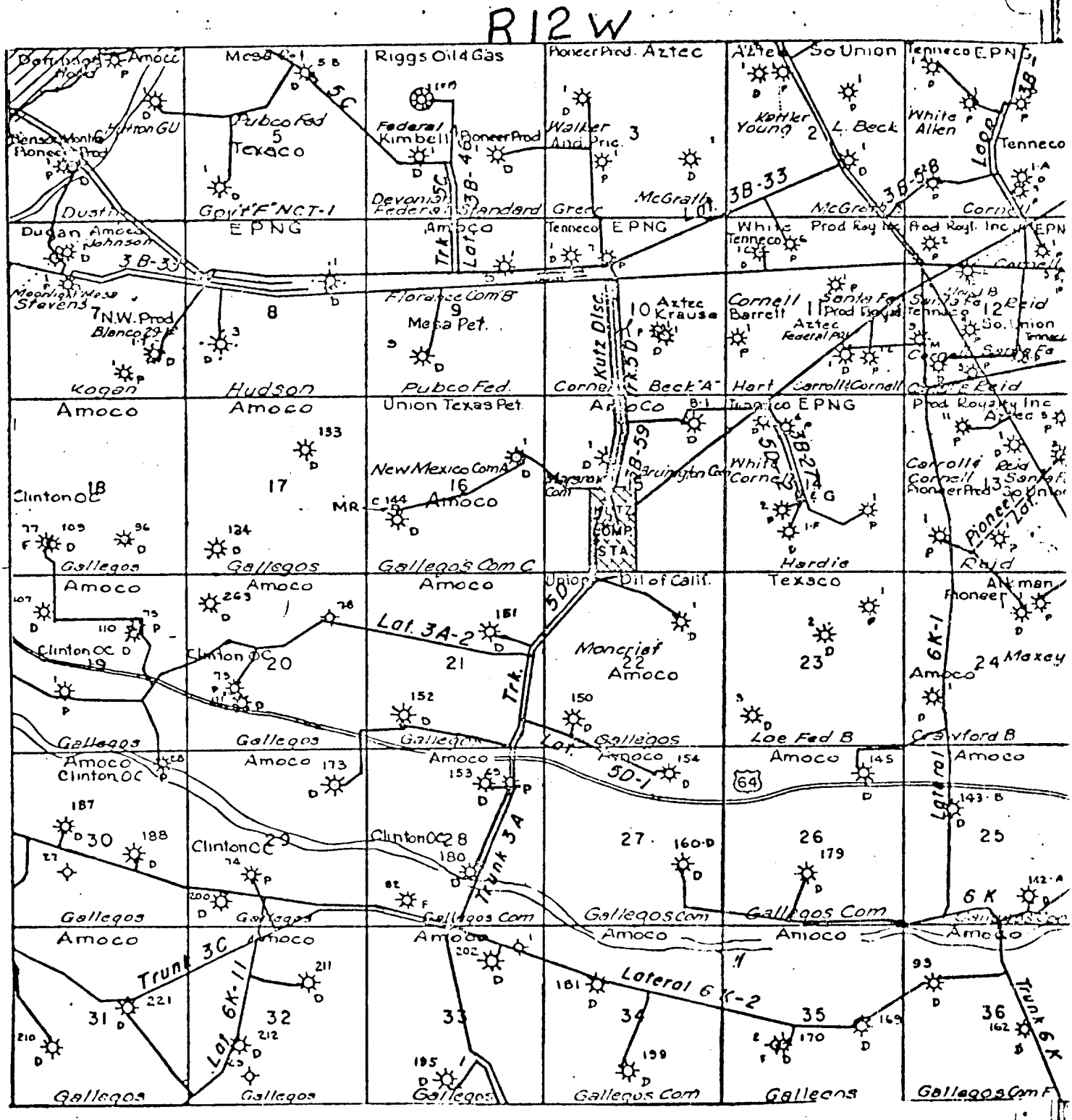
UNITED COMPANY
Lubbock, Texas

WELL LOCATION PLAT
Sec. 24 T29N R12W
San Juan Co., New Mexico

CLARK-REED & ASSOC.
Durango, Colorado

DATE: July 28, 1977
FILE NO: 77055


PROPOSED WELL SITE
ACREAGE DEDICATION
Drill Hole
Gas Wells
Gas Well
Oil Well
Desert Hills Ch
SAN JUAN
CANYON
DITCH
CITIZENS
BM 5478
MAP # 1,


R12W
Riggs Oil & Gas
Pioneer Prod. Aztec
So Union
Tenneco EPNG
Mesa
Pubco Fed
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Texaco
Federal Kimbell
Pioneer Prod
Devonian Federal
Standard
Walker And Price
3
Kettler Young
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L. Beck
White Allen
Tenneco
Dugan Amoco
Johnson
EPNG
Ampco
Tenneco EPNG
White Tenneco
Prod Royl. Inc
Moonlight Mesa
Stevens
7
N.W. Prod
Blanco
8
Florance Com B
9
Mesa Pet.
Pubco Fed.
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Aztec
Krause
Cornell
Barrett
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Aztec
Federal
Santa Fe
Prod Royl
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Reid
So. Union
Kogan
Hudson
Corne
Beck "A"
Hart
Carroll
Cornell
Reid
Amoco
Union Texas Pet.
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Tenneco EPNG
Prod Royalty Inc
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Texaco
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Map # 2,

Multi-Point Surface Use Plan
United Co. Federal #1,
ne/nw ¼ Sec. 24, T 29N R. 12W

1. Existing Road- Please refer to Map No. 1 which shows the existing roads. No new roads will be required.

2. Planned Access Roads - Please refer to Map No. 1. The grade of the access roads will be consistent with that of the local terrain. The road surface will not exceed thirty feet (30') in width. Upon completion of the project, the access road will be adequately drained to control soil erosion. Drainage facilities may include ditches, water bars, culverts or any other measure deemed necessary by trained Company personnel to insure proper drainage. It is not anticipated that in excess of 100' of access road will be required.

3. Location of Existing Wells - Please refer to Map No. 2.

4. Location of Tank Batteries, Producion Facilities, and Production Gathering and Service Lines - Please refer to Maps No. 1 and No. 2. Map No, 2 shows the existing and proposed gas gathering lines. Map No. 1 shows the existing roads and new proposed access roads. All known production facilities are shown on these two maps.

5. Location and Type of Water Supply - Water for the proposed project will be obtained from the San Juan River in the vicinity of Bloomfield, New Mexico.

6. Source of Construction Materials - No additional materials will be required to build either the access road or the proposed location.

7. Methods of Handling Waste Materials - All garbage and trash materials will be put into a burn pit shown on the attached Location Plat No. 1. When clean-up operations are begun on the proposed project, the burn pit with its refuse will be buried to a depth of at least three feet (3'). A latrine, the location of which is also shown on Plat No. 1 will be provided for human waste. If large amounts of liquids are left in the reserve pit after completion of the project, the pit will be fenced until the liquids have had adequate time to dry. The location clean-up will not take place until such time as the reserve pit can be properly covered over to prevent run-off from carrying any of these materials into the watershed. No earthen pit will be located on natural drainages; all earthen pits will be so constructed as to prevent leakage from occurring.

8. Ancillary Facilities - No camps or airstrips will be associated with this project.

9. Wellsite Layout - Please refer to the attached Plat No. 1.

10. Plans for Restoration of the Surface - After completion of the proposed project, the location will be cleaned and leveled. The location will be left in such acondition that will enable reseeding operatons to be carried out. We await specific instructions from the BLM as to reseeding. The reseeding operation will be performed during the time period set forth by the regulatory body.

11. Other Information - The immediate area is flat and sandy. The only vegetation is some sage brush and greasewood growing. A few head of cattle graze the proposed project site.

12. Operator's Representative - B. F. Latch, 93 Riverview Drive, Durango, Colorado 81301

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 the United Company and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

B. F. Latch

B. F. Latch
Agent for the United Company

Operations Plan
United Co. Federal #1

1. Location: 888' fsl & 1678' fwl
Sec. 24, T 29N., R 12W., NMPM

Field: Fulcher Kutz PC El. 5544 G. L.

2. Geology:
A. Formation tops:

Ojo Alamo	270'
Kirtland	440'
Fruitland	1300'
Pictured Cliffs	1600'
Lewis	1780'

B. Logging program: Run GR - CNL in 4½" csg. - TD to surface.

C. Coring program: None

3. Drilling:
A. Mud program: gel mud from surface to T.D.

4. Materials:
A. Casing Program:

Hole Size	Depth	Casing Size	Wt. & Grade
9 7/8"	150'	7 5/8"	26.4 K-55
6¼"	1800'	4½"	10.5 K-55

B. Float Equipment: 7 5/8" surface casing. Halliburton Texas pattern guide shoe.
4½" production casing - Halliburton guide shoe and insert float valve 1 joint above shoe. Use 4 Halliburton 4½" centralizers, every other joint above shoe.

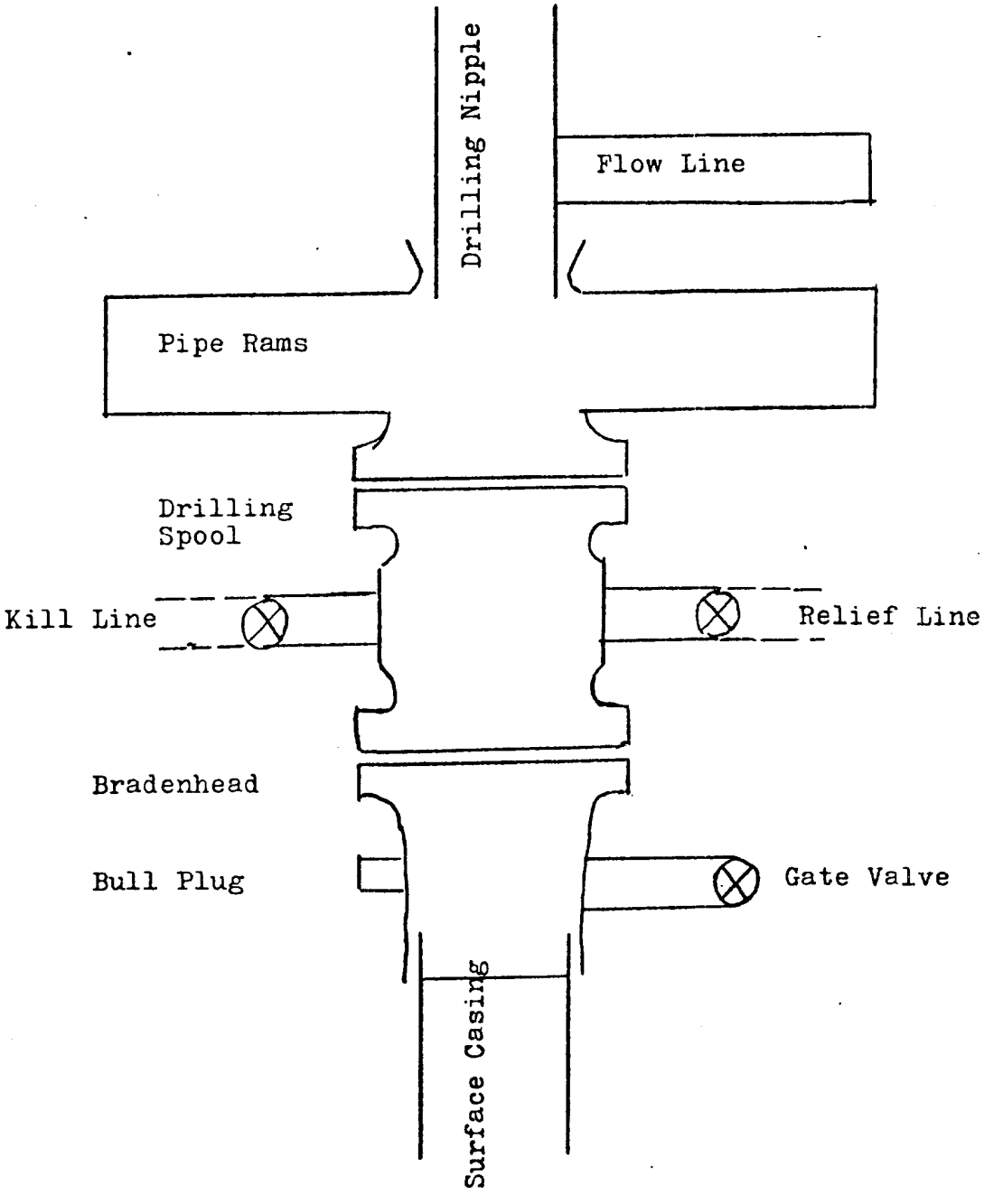
C. Tubing: 1750' of 2 3/8" 4.70 lb. J-55 8rd EVE tubing @ common pump seating nipple above perforated nipple @ bull plugged full joint for mud anchor.

D. Well Head: 2000 psi test tree.

5. Cementing:

7 5/8" surface casing - use 55 sx class B cement w 2% CaCl (65 ft.³ slurry) 100% excess to circulate to surface). WOC 12 hrs. Test casing to 500 psi 30 minutes.

$4\frac{1}{2}$" production casing - precede cement w 20 bbls. fresh water. Use 75 sx class B cement w 6% gel, tailed in by 75 sx class B cement. Total of 150 sx = 218 ft^3 or 25% excess to cover Ojo Alamo and tie back to surface casing WOC 24 hours.



Series 900 Single gate BOP, rated @ 3000 psi working pressure.