

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. 14-20-603-2198A	
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME NAVAJO NATION	
2. NAME OF OPERATOR SIRGO BROTHERS ENERGY CORP. AS AGENT FOR MOUNTAIN STATES PETROLEUM CORP., 15346		7. UNIT AGREEMENT NAME N.W. CHA CHA UNIT	
3. ADDRESS AND TELEPHONING P. O. BOX 3531, MIDLAND, TX 79702 (915)685-0878		8. FARM OR LEASE NAME WELL NO. N.W. CHA CHA UNIT #27 ✓	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 1884' FSL & 652' FWL Unit L At proposed prod. zone sec. 23, T29N, R14W, NMPM Same		9. AM WELL NO. 30-045-29164 ✓	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 5 MILES SOUTHWEST OF FARMINGTON		10. FIELD AND POOL, OR WILDCAT CHA CHA (GALLUP)	
15. DISTANCE FROM PROPOSED LOCATION* 2068' from unit boundary 1379' from applied for well #40		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA L Sec. 23, T29N, R14W, NMPM	
16. NO. OF ACRES IN LEASE 600		12. COUNTY OR PARISH SAN JUAN	
17. NO. OF ACRES ASSIGNED TO THIS WELL N/80		13. STATE NM	
18. PROPOSED DEPTH 5350'		20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 5508' GR ✓		22. APPROX. DATE WORK WILL START* March 20, 1994	

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	J-55, 8-5/8"	24#	210'	165 sacks
7-7/8"	J-55, 5-1/2"	15.5#	5350'	860 sacks

1. Circulate cement to surface on 8-5/8" surface pipe.
2. Will two stage 5-1/2" casing to circulate cement back to surface pipe.
3. BOP Diagram attached.

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DIST. 3

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FARMINGTON, NM

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on sub-surface locations and measurements to true vertical depths. Give blowout preventer program, if any.

SIGNED M. A. Sirgo, III TITLE President DATE Feb. 17, 1994
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____
Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:
1126-3392 AMCOG
APPROVED BY _____ TITLE _____ DATE AUG 18 1994
DISTRICT MANAGER

State of New Mexico
Energy, Minerals and Natural Resources Department

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Form O-102
Revised 1-1-80

AMENDED

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

54722-5 AM 9:37

OTO PLAT, T10N, 36N

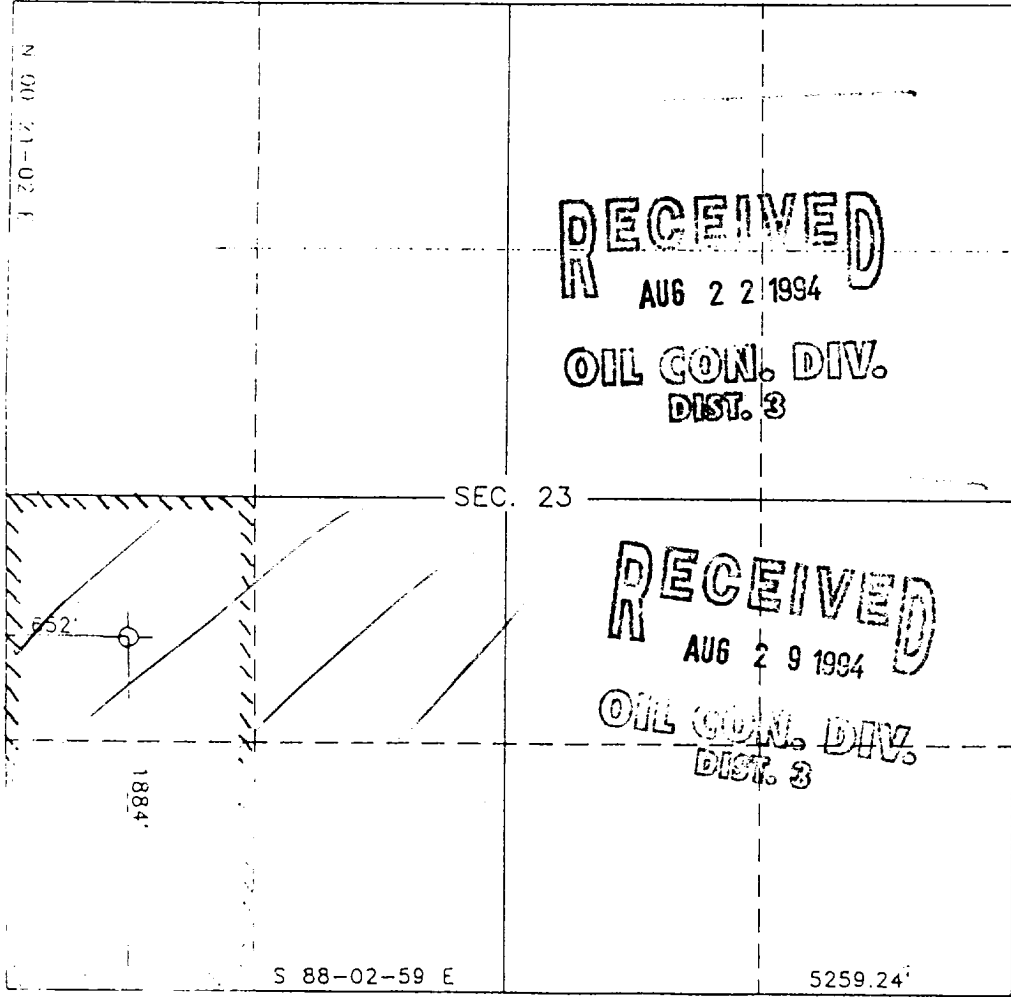
Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 2 copies

DISTRICT I
P.O. Box 1980, Hobbs, N.M. 88240

DISTRICT II
P.O. Drawer DD, Artesia, N.M. 88210

DISTRICT III
1000 Rio Grande Ave., Alamo, N.M. 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT
All Distances must be from the outer boundaries of the section

Operator: <i>Ntn. States Pet Corp</i> <i>SIRGO OPERATING, INC.</i>		Lease NW CHA CHA		Well No. 27
Unit Letter L	Section 23	Township 29 NORTH	Range 14 WEST NMPM	County SAN JUAN
Actual Footage Location of Well: 1884 feet from the SOUTH line and 652 feet from the WEST line				
Ground level Elev 5508	Producing Formation Gallup	Pool Cha Cha Gallup	Dedicated Acreage: 80 Acres	
<p>1. Outline the acreage dedicated to the subject well by colored pencil or hatchure mark on the plat below.</p> <p>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).</p> <p>3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No If answer is "yes" type of consolidation _____</p> <p>If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____</p> <p>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 interest, has been approved by the Division.</p>				
			<p>SURVEYOR CERTIFICATION</p> <p><i>C. A. Sirgo</i></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature: <i>M. A. Sirgo III</i></p> <p>Printed Name: <i>M. A. Sirgo III</i></p> <p>Position: <i>PRESIDENT agent for Ntn. States Pet Corp</i></p> <p>Company: <i>SIRGO PROSENERGY CORP</i></p> <p>Date: <i>8-24-94</i></p> <p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>Date Surveyed: <i>ROY A. RUSH</i> <i>JANUARY 20, 1994</i></p> <p>Signature & Seal of Professional Surveyor: <i>ROY A. RUSH</i> <i>8894</i></p> <p>Certificate No.: <i>8894</i></p>	

NW Cha Cha Unit Well No. 27

