

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
DRILL DEEPEN

b. TYPE OF WELL
OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
SIRGO BROTHERS ENERGY CORP. AS AGENT
FOR MOUNTAIN STATES PETROLEUM CORP. *15346*

3. ADDRESS AND TELEPHONE NO.
P. O. BOX 3531, MIDLAND, TX 79702 (915) 685-0878

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At surface 71' FSL & 2000' FWL Unit N
At proposed prod. zone Sec. 23, T29N, R14W, NMPM
Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
5 MILES SOUTHWEST OF FARMINGTON

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
2586' from unit boundary

16. NO. OF ACRES IN LEASE
2560

17. NO. OF ACRES ASSIGNED TO THIS WELL
5/80

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
1379' from applied for well #27

19. PROPOSED DEPTH
5300'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
5536' GR

22. APPROX. DATE WORK WILL START*
March 20, 1994

5. LEASE DESIGNATION AND SERIAL NO.
14-20-603-2172

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
NAVAJO NATION

7. UNIT AGREEMENT NAME
N.W. CHA CHA UNIT

8. FARM OR LEASE NAME, WELL NO.
8095
N.W. CHA CHA UNIT #40

9. API WELL NO.
30-045-29165

10. FIELD AND POOL, OR WILDCAT
CHA CHA (GALLUP) *11880*

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
N Sec. 23, T29N, R-14W NMPM

12. COUNTY OR PARISH
SAN JUAN

13. STATE
NM

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	"GENERAL QUANTITY OF CEMENT"
12-1/4"	J-55, 8-5/8"	24#	210'	165 sacks
7-7/8"	J55, 4-1/2"	10.5#	5300'	900 sacks

RECEIVED
AUG 29 1994

OIL CON. DIV.
DIST. 3
FARMINGTON, NM
AUG 18 1994
RECEIVED
BLM

1. Circulate cement to surface on 8-5/8" surface pipe.
2. Will two stage 4-1/2" casing to circulate cement back to surface pipe.
3. BOP Diagram attached.

RECEIVED
AUG 22 1994
OIL CON. DIV.
DIST. 3

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

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 subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

SIGNED M. A. Sirgo, III TITLE President DATE Feb. 17, 1994

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:
OK 1586-3392

APPROVED BY (Signature) TITLE _____ DATE _____

APPROVED
AS AMENDED
AUG 18 1994
DISTRICT MANAGER

*See Instructions On Reverse Side

State of New Mexico
Energy, Minerals and Natural Resources Department

AMENDED

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

RECEIVED
BLM Form C-102
Revised 1-1-89

94 MAR 30 PM 3:28

070 5111 12701, 127

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

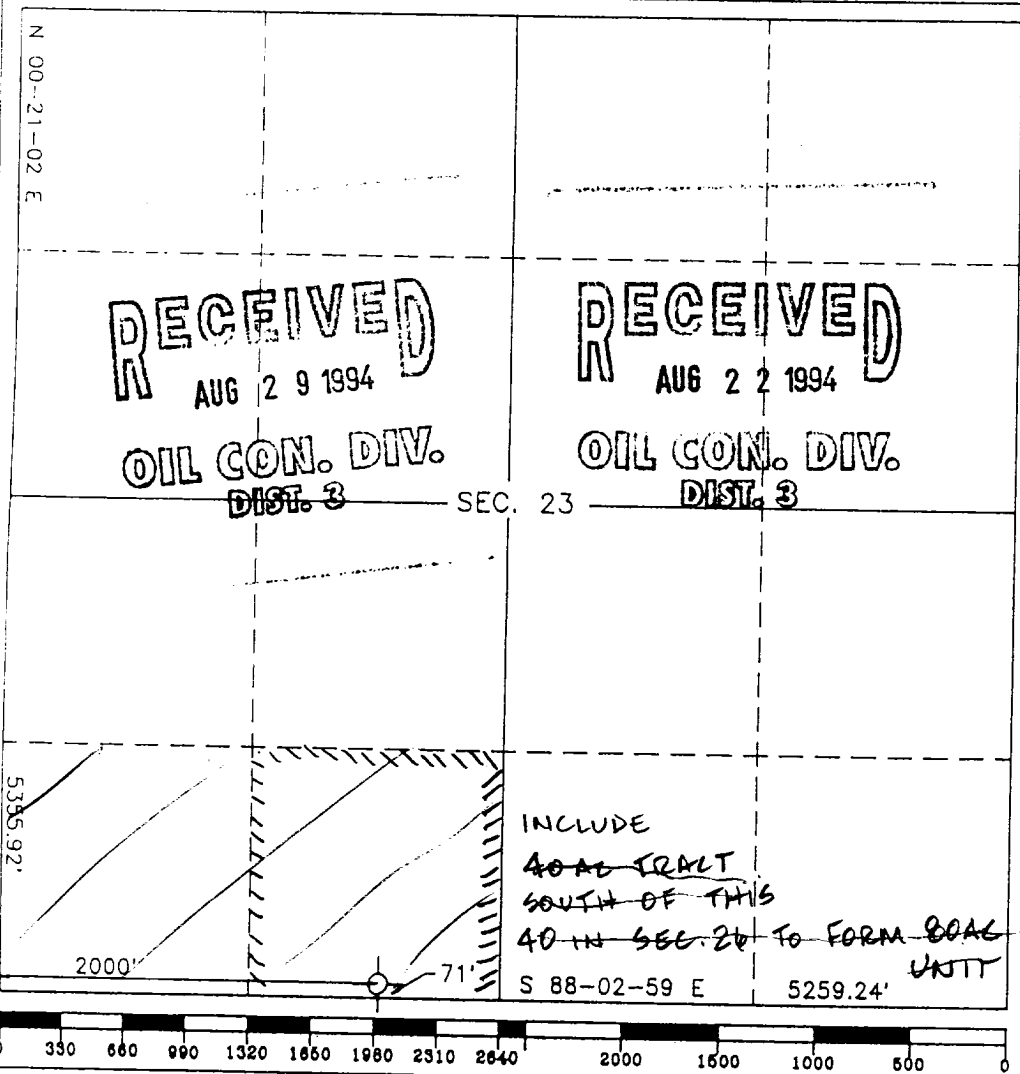
DISTRICT I
P.O. Box 1980, Hobbs, N.M. 88240

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

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

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

Operator <i>Mtn. States Oil Corp</i> SIRCO OPERATING, INC.		Lease NW CHA CHA		Well No. 40
Unit Letter N	Section 23	Township 29 NORTH	Range 14 WEST	County SAN JUAN
Actual Footage Location of Well: 71 feet from the SOUTH line and 2000 feet from the WEST line				
Ground level Elev. 5536	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 hachure 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>				



SURVEYOR CERTIFICATION

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

M.A. Sirgo III
Signature
M.A. SIRGO III
Printed Name
PRESIDENT/agent for
Position *Mtn. States Oil Corp*
SIRCO BROS ENERGY CORP
Company
8-24-94
Date

SURVEYOR CERTIFICATION

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
JANUARY 20, 1994
Signature & Seal of Professional Surveyor
Professional Surveyor
NEW MEXICO
BOY ABBUSH
REGISTERED PROFESSIONAL LAND SURVEYOR
8894
Certificate No. 8894

Attachment No. 3

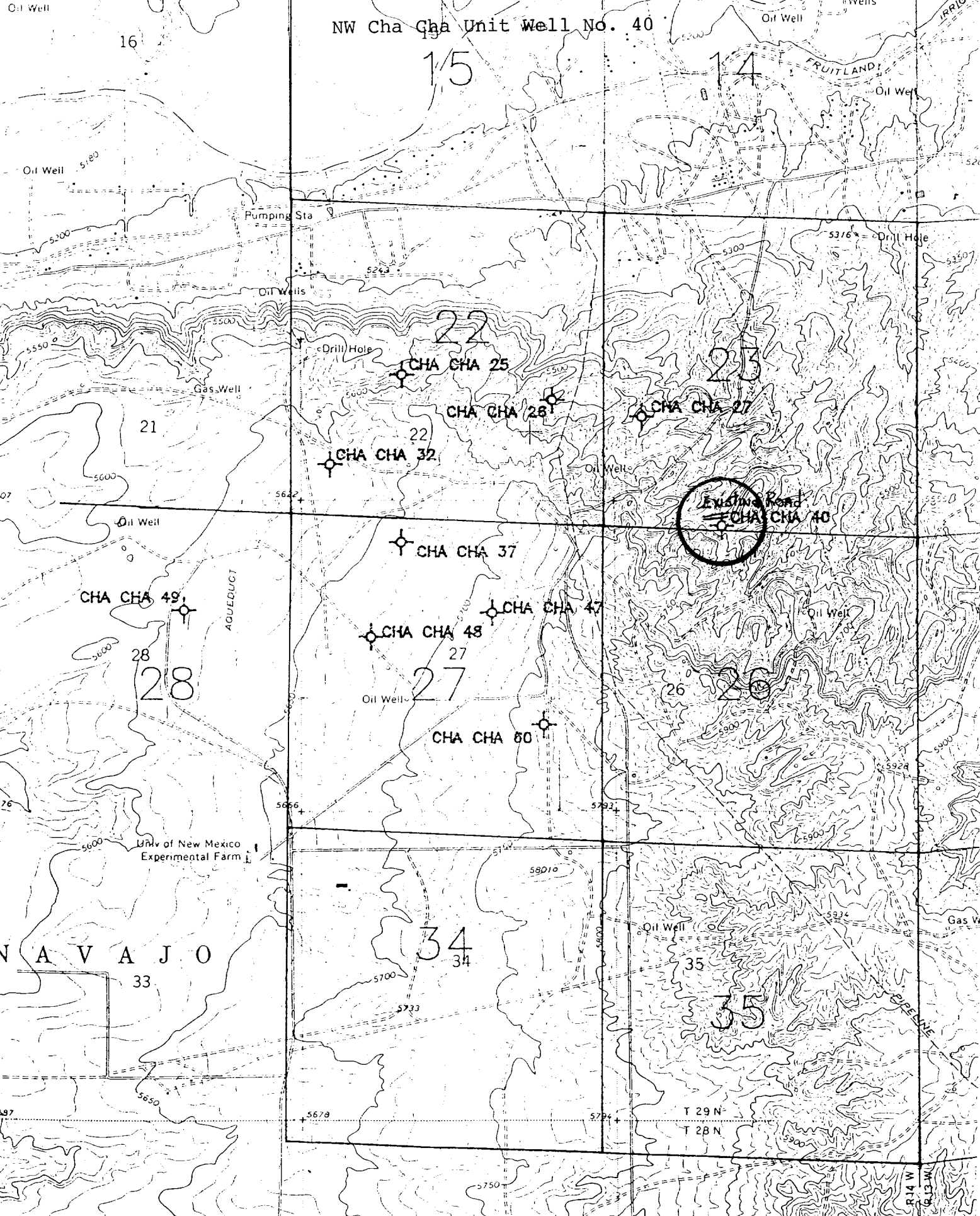
NW Cha Cha Unit Well No. 40

SAN JUAN

16

15

14



NAVAJO

33

34

35

5587

5678

5794

T 29 N

T 28 N

4119

4120