API # 30-006-20010

Form 3160-3
(November 1983)
(formerly 9-331C)

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK: DRILL [x] DEEPEN [ ] PLUG BACK [ ]

b. TYPE OF WELL: OIL WELL [X] GAS WELL [ ] OTHER — SINGLE ZONE [ ] MULTIPLE ZONE [ ]

2. NAME OF OPERATOR: Fossil Fuels Inc.

3. ADDRESS OF OPERATOR: P.O. Box 479, Dallas, TX 75221-0479

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 1373' from west line and 2453' from south line of Section 4
At proposed prod. zone: Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: ±10 miles southeast from Zuni Pueblo

5. LEASE DESIGNATION AND SERIAL NO.: M-70-721-88-001
6. IF INDIAN, ALLOTTEE OR TRIBE NAME: Zuni
7. UNIT AGREEMENT NAME:
8. FARM OR LEASE NAME: Zuni Tribal
9. WELL NO.: 1-Y
10. FIELD AND POOL, OR WILDCAT: Wildcat
11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Sec. 4, T8N, R18W
12. COUNTY OR PARISH: Cibola
13. STATE: NM

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any): ±6700'
16. NO. OF ACRES IN LEASE: 14,200.18
17. NO. OF ACRES ASSIGNED TO THIS WELL: 40
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.: 150' north of #1 well (P&A)
19. PROPOSED DEPTH: 2500'
20. ROTARY OR CABLE TOOLS: Rotary
21. ELEVATIONS (Show whether DF, RT, GR, etc.): GR 7345'
22. APPROX. DATE WORK WILL START*: August 10, 1989

DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS"

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17"	13-3/8"	54.5	200'	200 sx*
12-1/4"	8-5/8"	24.0	1565'	600 sx*
7-7/8"	5-1/2"	15.5	2300	155 sx*

*Exact volumes to be calculated after drilling

EXHIBITS:

A. Location Plat
B. Ten-Point Compliance Program
C. Blowout Preventor Diagram
D. Multi-Point Requirements of APD.
E. Access to Location
F. Drill Rig Layout
G. Completion Program Layout
H. Cut and Fill

RECEIVED
AUG1 4 1989
OIL CON. DIV.
DIST. 3

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 Robert A. Weldon TITLE Engineer DATE 08/08/89

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____

CONDITIONS OF APPROVAL, IF ANY:

APPROVED AS AMENDED
AUG 10 1989
AREA MANAGER

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

NMOCD

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

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

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

Form C-102
Revised 1-1-89

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator	Lease	Well No.
Fossil Fuels Inc.	Zuni Tribal	1-Y

Unit Letter	Section	Township	Range	County
K	4	8N	18W NMPM	Cibola

Actual Footage Location of Well:
1373 feet from the west line and 2453 feet from the south line

Ground level Elev.	Producing Formation	Pool	Dedicated Acreage:
7345'		Wildcat	40 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.

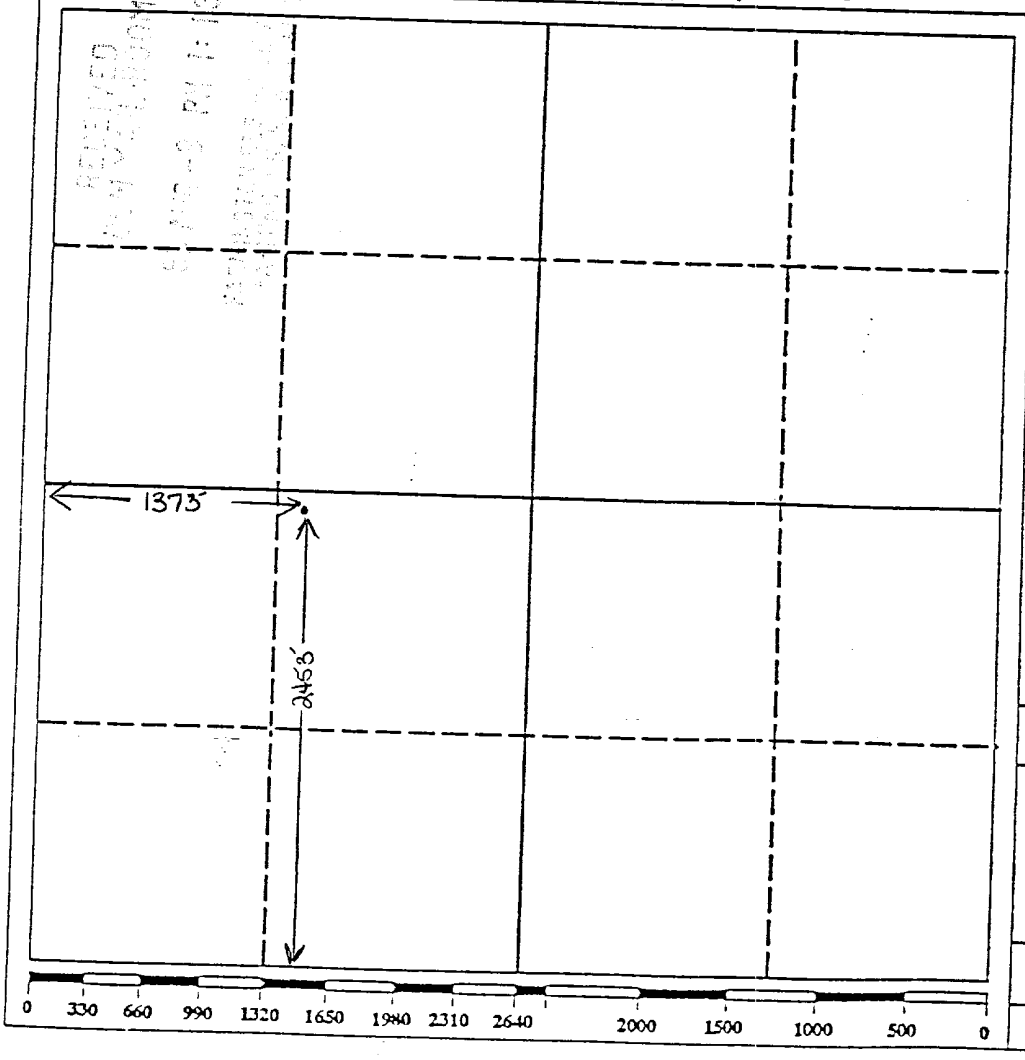
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

☐ Yes ☐ No 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 neccessary. _____

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.



OPERATOR CERTIFICATION

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

Signature: Robert A Weldon

Printed Name: Robert Weldon

Position: Engineer

Company: Fossil Fuels Inc.

Date: August 8, 1989

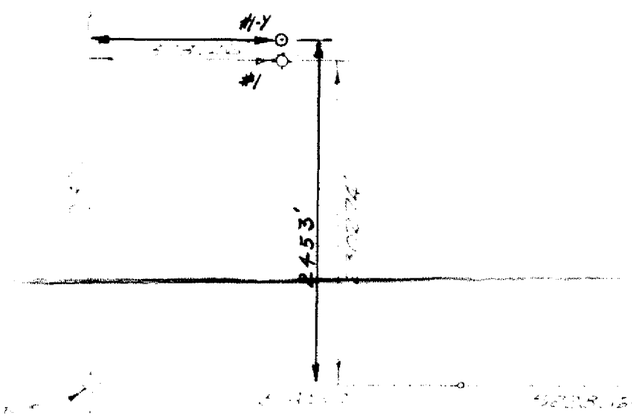
SURVEYOR CERTIFICATION

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 supervison, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

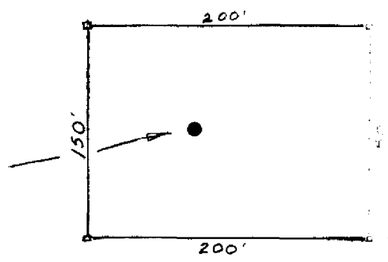
Signature & Seal of Professional Surveyor

Certificate No.



T9N
T8N

R18W



BLOCK = 1/2

1" = 1000'

SURVEY PLAT OF
FOSSIL FUEL NO. #1Y
ZIA TERRA WELL LOCATION
SECTION 4, T8N, R18W, NMPM
CIBOLA CO., NEW MEXICO

Prepared by:
STERLING - MATA
ENGINEERS - SURVEYORS
GALLUP, NEW MEXICO

I CERTIFY that this plat was prepared by me from actual field surveys and that the same is true and correct to the best of my knowledge and belief, and that I am familiar with the regular requirements of the Statutes for land surveys in New Mexico.

New Mexico P.E. & L.S. No. 5079

EXHIBIT "B"

TEN-POINT COMPLIANCE PROGRAM

OF NTL-6 APPROVAL OF OPERATIONS

Attached to form 3160-3

Fossil Fuels Inc.
Zuni Tribal #1-Y Well
1373' FWL and 2453' FSL
Section 4, T8N, R18W
Cibola County, New Mexico

1. The geologic surface formation is Dakota.

2. Estimated tops of important geologic markers:

Dakota	0
San Andres	1580
Glorieta	1700
Yeso	1940
Total Depth	2500

3. Estimated depths of anticipated water, oil, gas or minerals:

San Andres	Oil
Glorieta	Oil or Gas
Yeso	Oil

4. Proposed casing program:

Hole Size	Interval	Section Length	Size (OD)	Weight, Grade and Joint	New or Used
17"	0'-200'	200'	13-3/8"	54.5#, H-40	New
12-1/4"	0'-1565'	1565'	8-5/8"	24#, J-55	New
7-7/8"	0'-TD	@2500'	5-1/2"	15.5#, J-55	New

Cement Program: As follows, subject to change should conditions warrant after drilling well.

SURFACE: 200', 13-3/8", 48#/ft, H-40, ST&C casing cemented with 275 cubic feet of cement, consisting of 200 sx Class "B" with 2% CaCl, and 1/4# per sack Flocele. Cement is to be circulated to surface.

INTERMEDIATE: 1565', 8-5/8" 24#, J-55 ST&C casing cemented in two stages with 8-5/8" stage tool using a total of 605 sacks and estimated 1020 cubic feet of cement. **Stage 1:** 206 cubic feet of cement, consisting of 175 sx Class "B", 1% CaCl, 1/2 lb/sk flocele; **Stage 2:** 814 cubic feet of cement, consisting of 450 sx Class "B" 50/50 Poz, 2% gel, 10% salt, 10% calseal, 10#/sack of gilsonite. Cement is to be circulated to surface.

PRODUCTION: 2300', 5-1/2", 15.5#, J-55, ST&C casing cemented with 213 cubic feet of cement, consisting of 155 sx of Class 6 50/50 Poz, 2% gel, 10% salt, 10% calseal, 1/2# per sack flocele and flushed with 20 bbls. chemical wash.

5. Operator's minimum specifications for pressure control:

EXHIBIT "C" is a schematic diagram of the blowout preventer equipment. The BOP's will be hydraulically tested to the full working pressure after nippling up and after any use under pressure. Pipe rams will be operationally checked each 24-hour period, as will blind rams each time pipe is pulled out of the hole. Such checks of BOP will be noted on daily drilling reports.

Accessories to BOP will include floor safety valve, and choke manifold with pressure rating equivalent to the BOP stack.

6. Type and characteristics of the proposed circulating muds:

The well will be air-drilled. When total depth is reached, KCl water will be circulated through the hole prior to logging.

7. Auxiliary Equipment to be used:

   a. A float will be used at the bit.

   b. A stabbing valve will be used on the floor to be stabbed into the drill pipe when kelly is not in the string.

8. Testing, logging and coring programs to be followed:

   a. DST - none

   b. Logging - Dual Induction, Compensated Density-Neutron

   c. Coring - none

9. Abnormal pressures or temperatures:

No abnormal pressures or temperatures have been noted or reported in wells drilled in the area, at depths anticipated in this well. Bottom hole pressure is anticipated to be 750#.

No hydrogen sulfide or other hazardous fluids or gases have been found, reported or are known to exist at these depths in the area.

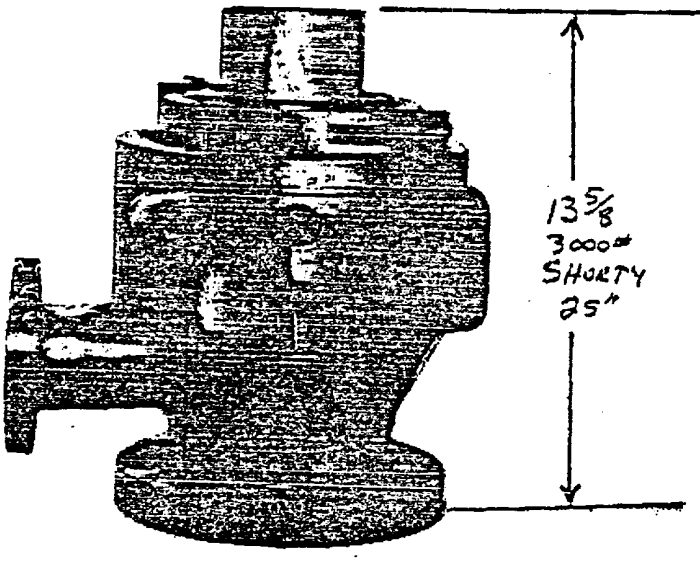
10. Anticipated starting date and duration of operations:

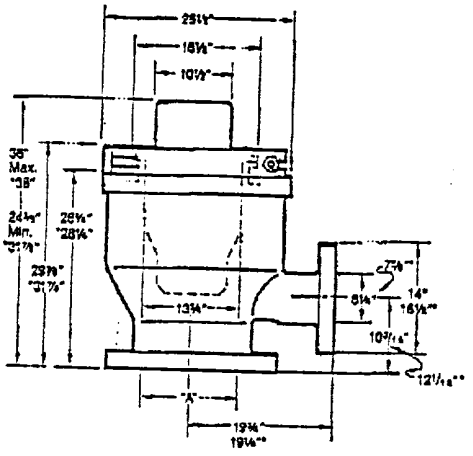
Starting date is planned for August 10, 1989, or immediately after examination and approval of drilling permit application. Operations should be completed in approximately 15 days.

EXHIBIT "C"

Model 7068

ROTATING HEAD



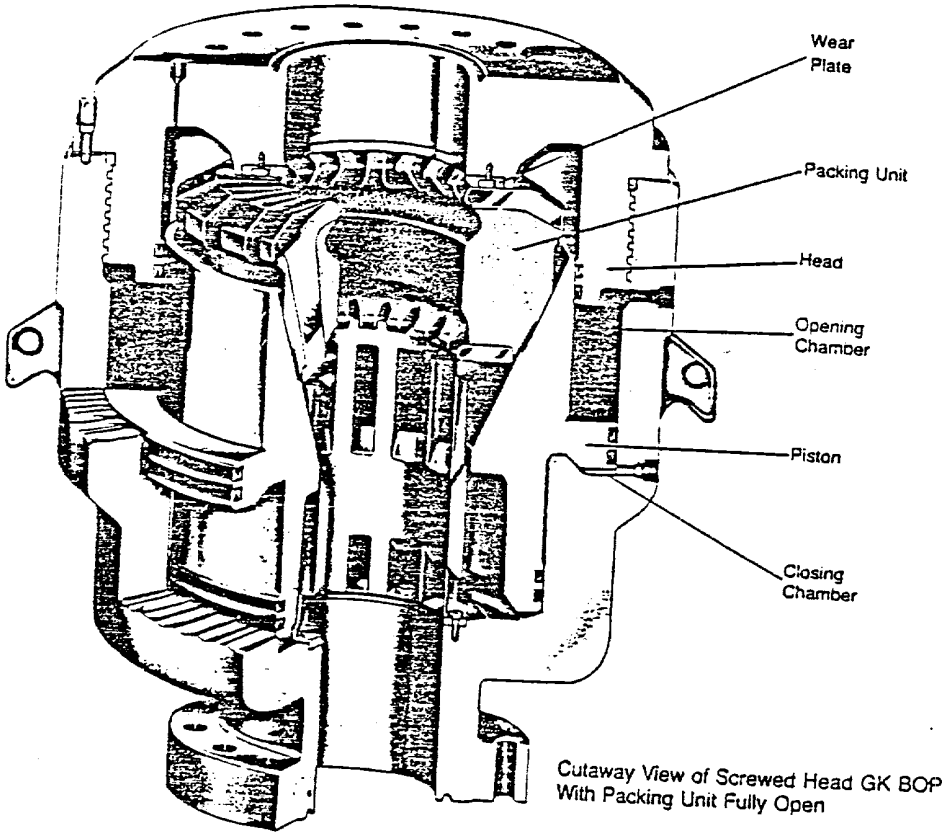


SIZE	LOWER FLANGE	MAXIMUM BORE (A)	SIDE OUTLET	HEIGHT	
				W/STD. BUSHING	W/SHORT BUSHING
10"	10"-3000/5000# combination	11¼"	8"-2000#	36"	29⅞"
10" SHORTY	10"-3000/5000# combination	11¼"	7" Threaded (Male)	—	24⅜"
12"	12"-3000#	14"	6"-2000#	36"	29⅞"
13⅝"*	13⅝"-5000#	13⅝"	8"-2000#	36"	31⅞"

KELLY BUSHINGS AVAILABLE: 3½" Hex or Square, 4¼" Hex or Square, and 5¼" Hex only.
STRIPPER RUBBERS AVAILABLE: 2⅞", 3½", 4½", 5" and 5½".
(Stationary casing Stripper Rubbers from 8⅝" thru 10¾" on special order).
Other sizes on special order.

When ordering, specify: (1) Model Number, (2) Lower Flange Size, (3) Kelly Size and Shape, (4) Drill Pipe Size, and (5) High Temperature Model, if desired.

Hydril GK Annular Blowout Preventers



Cutaway View of Screwed Head GK BOP With Packing Unit Fully Open

The GK Annular Blowout Preventer was designed especially for surface installations and is also used on offshore platforms and subsea. The GK is a universal annular blowout preventer with a long record of proven, quality performance.

Only Two Moving Parts (piston and packing unit) on the Hydril Annular BOP mean few areas are subjected to wear. The BOP is safer and more efficient, requiring less maintenance and less downtime.

A Long Piston with a length to diameter ratio approaching one eliminates tendencies to cock and bind during operations with off-center pipe or unevenly distributed accumulations of sand, cuttings, or other elements. This design ensures the packing unit will always reopen to full bore position.

The Conical Bowl Design of the Piston provides a simple and efficient method of closing the packing unit. With the piston serving as a sealing surface against the rubber packing unit, there is no metal-to-metal wear on the sealing surface and thus longer life results.

A Field Replaceable Wear Plate in the BOP Head serves as an upper non-sealing wear surface for the movement of the packing unit, making field repair fast and economical.

Maximum Packing Unit Life is possible with the provision for measuring piston stroke. This measurement indicates remaining packing unit life without disassembly and ensures the longest and safest use of the packing unit.

Three Choices of Packing Unit Rubber Compounds permit more flexible applications.

The Screwed Head Design of the GK BOP is a simple, efficient, and strong method of connecting the head to the body for safe operation with no loose parts to be lost down the hole or overboard.

The Latched Head Design is available on the GK, 11"-5000 and larger BOPs. It provides fast access to packing units and seals for minimum downtime with no loose parts to be lost down hole or overboard.

Large Pressure Energized Seals are used for dynamically sealing piston chambers to provide safe operation, long seal life, and less maintenance.

Piston Sealing Surfaces Protected by Operating Fluid lowers friction and protects against galling and wear to increase seal life and reduce maintenance time.

The Operating Chambers are Tested to Full BOP Working Pressure to ensure strength, reliability, and the ability to over-pressure the chambers in emergencies.

Stainless Steel Connection Ring Grooves are standard on all 10,000 psi BOPs and on all 2000, 3000, and 5000 psi BOPs with bore sizes 13-5/8" and larger; they are optional on all other BOPs.

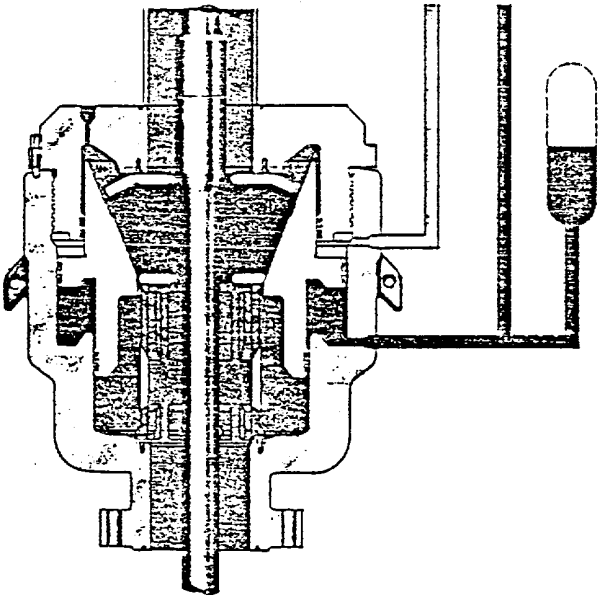
Resistance to Sulfide Stress Cracking is an available feature of all Hydril Annular BOPs. The BOP can be certified to meet requirements for internal and external resistance to sulfide stress cracking.

ɾration of the
K Blowout Preventer

HYDRIL®
Mechanical Products Division

The GK BOP has been developed especially for use on urface installations but it is also used subsea. Standard operation requires both opening and closing pressure. Seal off is effected by hydraulic pressure applied o the closing chamber which raise the piston, forcing he packing unit into a sealing engagement. Any normal closing unit having a separate pressure regulator valve or the annular BOP and sufficient accumulator volume can be used to operate the GK.

The GK is designed to be well pressure assisted in maintaining packing unit seal off once initial seal off has been effected. As well pressure further increases, closure is maintained by well pressure alone. An exception to this is the GK 7-1/16"-15,000 and 20,000 psi which is not well pressure assisted and closing pressure must be maintained on the BOP to assure seal off. Refer to the operator's manual for closing pressure curves.



Stripping Operations

Drill pipe can be rotated and tool joints stripped through a closed packing unit, while maintaining a full seal on the pipe. Longest packing unit life is obtained by adjusting the closing chamber pressure just low enough to maintain a seal on the drill pipe with a slight amount of drilling fluid leakage as the tool joint passes through the packing unit. This leakage indicates the lowest usable closing pressure for minimum packing unit wear and provides lubrication for the drill pipe motion through the packing unit.

The pressure regulator valve should be set to maintain the proper closing chamber pressure. If the pressure regulator valve cannot respond fast enough for effective control, an accumulator (surge absorber) should be installed in the closing chamber control line adjacent to the BOP — precharge the accumulator to 50% of the closing pressure required. In subsea operations, it is sometimes advisable to add an accumulator to the opening chamber line to prevent undesirable pressure variations with certain control system circuits.

AVERAGE CLOSING PRESSURE (PSI) TO ESTABLISH INITIAL SEAL OFF IN GK BLOWOUT PREVENTERS FOR SURFACE INSTALLATIONS

Pipe O.D. Inches	7 1 16-3M	7 1 16-5M	7 1 16-10M	7 1 16-15M	7 1 16-20M	9-3M	9-5M	9-10M	11-3M	11-5M	■ 11-10M	13 5 8-3M	13 5 8-5M	■ 13 5 8-10M	16-2M	16-3M	16 3 4-5M	18-2M*
6 5/8	—	—	—	—	—	—	—	—	—	350	—	700	600	—	350	450	—	500
5	—	400	—	—	—	—	—	350	450	450	500	800	650	700	400	500	—	550
4 1/2	350	400	350	2100	2200	400	450	380	450	450	500	900	650	700	500	500	600	600
3 1/2	400	450	550	2100	2200	500	600	570	550	525	700	1000	700	1200	600	600	650	650
2 7/8	400	450	750	2100	2200	550	650	760	650	800	800	1100	750	1400	700	700	750	700
2 3/8	500	500	850	2100	2200	650	750	860	750	900	1100	—	950	1400	800	800	850	750
1 90	600	600	900	—	—	750	850	850	920	—	—	—	1000	1500	900	950	950	850
1 66	700	700	1 000	—	—	850	950	1 000	950	—	—	—	1 000	1500	1.000	1.000	1.050	950
CSO	1 000	1 000	1 150	—	—	1 050	1 150	1 150	1 150	1 150	1500	1200	1 150	2200	1 150	1 150	1 150	1 150

The pressures above are a guideline. Maximum packing unit life will be realized by use of the lowest closing pressure that will maintain a seal. For subsea applications, see the appropriate Operator's Manual for computation of best closing pressure.

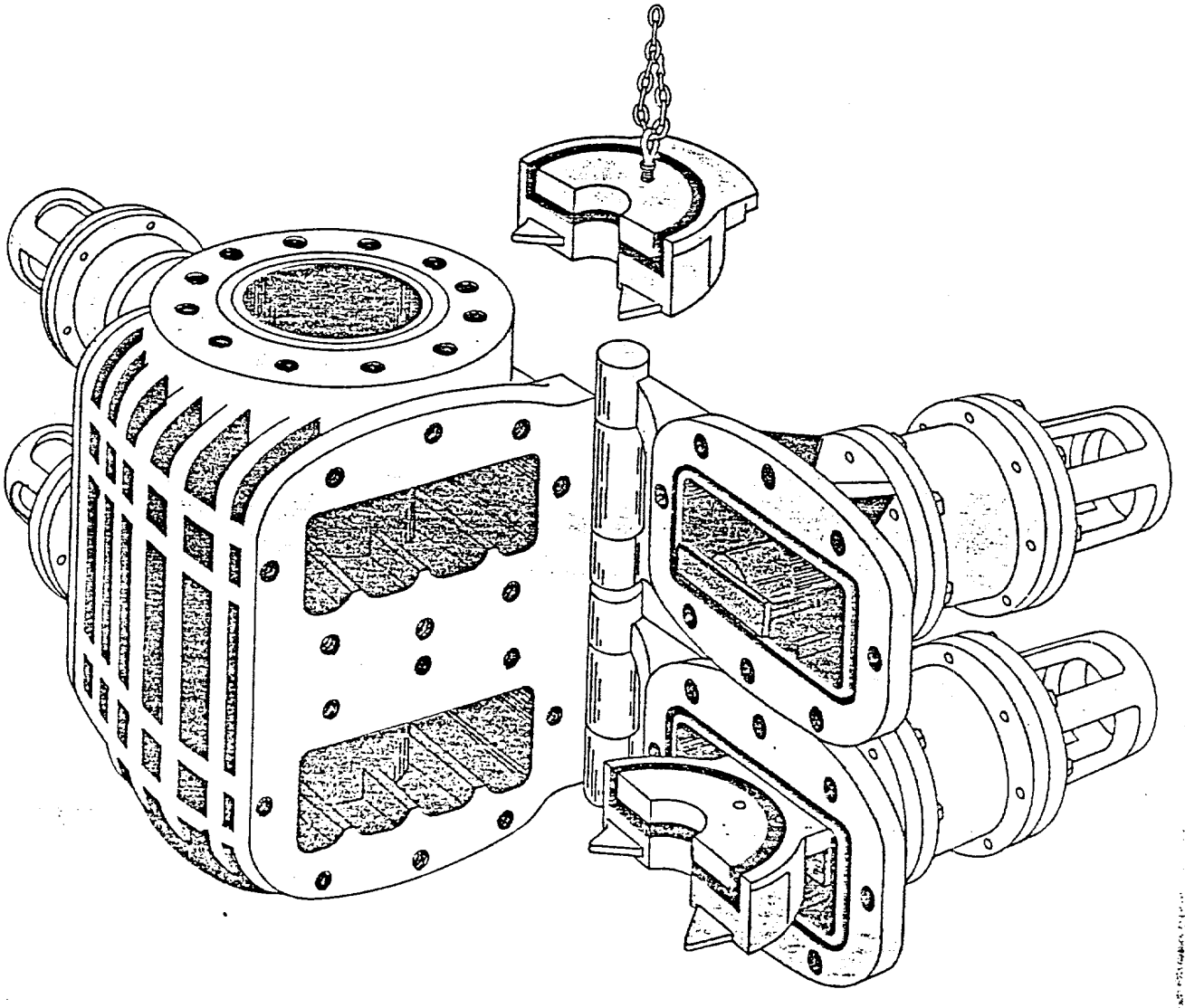
▭ Recommended test pipe for maximum packing unit life.
■ Reference only replaced by GX

MODEL LWP RAM BLOWOUT PREVENTERS

Shaffer LWP ram blowout preventers are available in 9" and 7⅑₁₆" 3,000 psi sizes for workovers and well servicing operations. They have the same basic features as LWS BOPs.

SPECIAL FEATURES

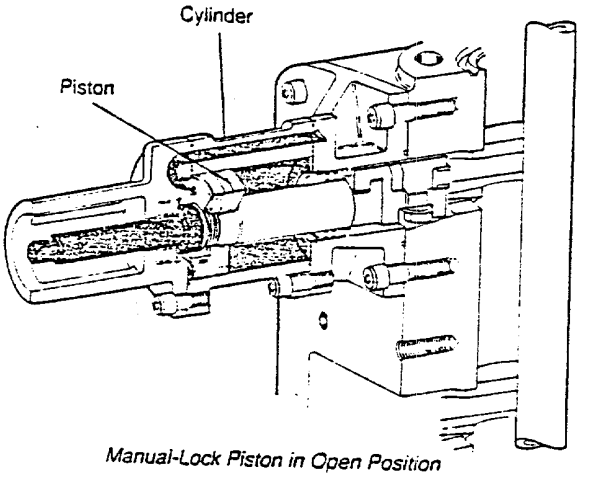
- **Ram mounts vertically onto ram shaft,** as shown below.
- **Flanged 2⅑₁₆" 3,000 psi side outlets** are available on the front and/or back (hinge) sides of the 9" LWP. No side outlets can be supplied on the 7⅑₁₆" model.
- **Manual-lock operators** are furnished on all LWP BOPs.
- **Internal or full environmental H_2S trim** is optional on the 7⅑₁₆" 3,000 psi Model LWP. H_2S rams for the 9" 3,000 psi Model LWP can be furnished on special request.



Model LWP BOP

MODEL LWP MANUAL-LOCK BOP PARTS

Easy ram change on the LWP begins by placing the rams in the fully open position, loosening the door cap screws and swinging the doors open. As the doors open, the rams are withdrawn from the BOP body. Applying closing hydraulic pressure to the pistons extends the rams for easy removal from the ram shaft. Replacement is made by lowering rams vertically down onto the ram shafts. Apply opening hydraulic pressure to return rams to the door cavities before closing and bolting the doors.



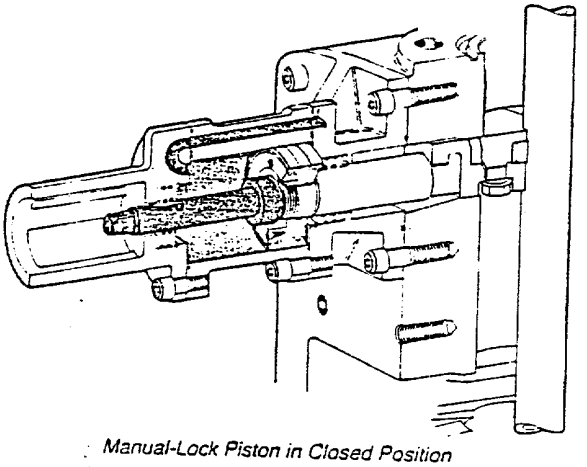
Manual-Lock Piston in Open Position

MODEL LWP HYDRAULIC SYSTEM

The hydraulic closing pressure for an LWP BOP is below 1,000 psi with rated well pressure in the bore, but the heavy duty cylinders allow any standard 1,500 psi oil field accumulator system to be used.

Less than one gallon of hydraulic fluid will close any LWP.

Hydraulic passages drilled through the body eliminate external manifold pipes between the hinges.



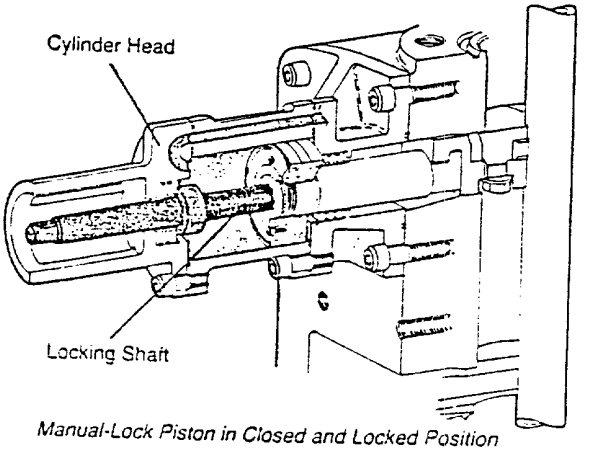
Manual-Lock Piston in Closed Position

MODEL LWP MANUAL-LOCK SYSTEM

Manual-lock pistons move inward and close the rams when closing hydraulic pressure is applied. If desired, the rams can be manually locked in the closed position by turning each locking shaft to the right until it shoulders against the cylinder head. Should hydraulic pressure fail, the rams can be manually closed and locked. They cannot be manually reopened.

The manual locking shafts are visible from outside and provide a convenient ram position indicator. Threads on the manual locking shaft are enclosed in the hydraulic fluid and are not exposed to corrosion from mud and salt water or to freezing.

Rams are opened by first turning both locking shafts to their unlocked position, then applying opening hydraulic pressure to the pistons, which move outward and pull the rams out of the well bore.



Manual-Lock Piston in Closed and Locked Position

RAMS FOR MODEL LWP BOPS

Pressure	BOP Size	Ram Type or Model	Ram Assembly		Ram Components		
			Regular Duty	Support Rod Pipe	Holder	Rubber	
3,000	9	LWP	64	None	64	64	64
	7	LWP	64	None	64	64	64

EXHIBIT "D"

Fossil Fuels Inc.
Zuni Tribal #1-Y Well
1373' FWL & 2453' FSL
Section 4, T8N, R18W
Cibola County, New Mexico

1. Existing roads

A. The proposed well site and elevation plat is shown as Exhibit "A".

B. Directions: As shown on Exhibit "E", from State Highway 36 and Zuni Highway 8, go west on Highway 8 approximately 7 miles, turn right on unimproved road past the windmill and travel approximately 2 miles east-northeast, then north approximately 0.5 miles; east approximately 1 mile; then south approximately 0.6 miles on existing unimproved roads. Flags will indicate the short section of new road to be established to location on right.

C. All roads to location are indicated on Exhibit "E". Existing roads will be maintained in at least the same condition, if not better.

D. Exploratory wells, existing roads:

E. Development wells, existing roads:

F. Improvement and maintenance: As needed.

2. Planned access roads

The proposed access road will be constructed as a one track road with a 15-20 foot driving surface width. Road bed will be constructed of surrounding material. Grade will be consistent with local terrain. All proposed access road and location is on Lease No. M70-721-88-0001 on Zuni Tribal land.

3. Location of existing wells

To our knowledge there are no wells of any type within a one mile radius of this well. There is a water well on the lease, exact location unclear at this time, other than that it is located in the SE/4, Section 19, T9N, R18W, which is farther than one mile from this well.

4. Location of existing and/or proposed facilities

A. Within a one mile radius of location, there are no production facilities, tank batteries, hydrocarbon gathering lines, injection lines or disposal lines.

B. If production is obtained, new facilities will be as follows:

1. All production facilities will be located on the pad.

2. All well flow lines will be buried and will be on the well site and battery site.

3. Drill pad will be 150 feet long and 200 feet wide.

4. No construction materials for battery site and pad will be necessary.

5. Any necessary pits will be fenced and flagged to protect livestock and wildlife.

6. Rehabilitation whether well is productive or dry, will be made on all unused acres in accordance with BLM stipulations.

5. Water Source

A. The source of water will be Zuni Tribal water.

B. Water will be transported by truck over existing roadways.

C. No water well is to be drilled on this lease.

6. Construction materials

A. No construction materials are needed for drilling and access roads into the drilling location unless production is obtained. The surface soil materials will be sufficient or will be provided by the Dirt Contractor as needed.

B. No construction materials will be taken off Federal or Indian Lands.

C. All surface soil materials for construction of access roads are sufficient.

D. All major access roads presently exist as shown on EXHIBIT "E"

7. Waste Materials and Disposal

A. Drill cuttings will be buried in the reserve pit and covered.

B. Drilling fluids will be handled in the reserve pit.

C. Any fluids provided during drilling test or while making production test will be collected in a test tank. If a test tank is not available during drilling, fluids will be handled in reserve pit. Any spills of oil, gas, salt waters or other noxious fluids will be cleaned up and removed.

D. Chemical facilities will be provided for human waste.

E. Garbage and non-flammable waste and salts and other chemicals produced during drilling or testing will be handled in trash pit. Flammable waste will be disposed of in burn pit. Drill fluids, water drilling mud and tailings will be kept in reserve pit, as shown on Exhibit "G". Reserve pit will be fenced on three sides and the fourth side fenced upon removal of the rig.

F. After the rig moves out, all materials will be cleaned up and no adverse materials will be left on location. Any dangerous open pit will be fenced during drilling and kept closed until such time as the pit is leveled.

8. Ancillary Facilities

No air strip, camp or other facilities will be build during drilling of this well.

9. Well Site Layout

A. EXHIBIT "G" is the Drill Pad layout.

Topsoil, if removal required, will be stockpiled per specifications determined at time of pre-drill inspection.

B. EXHIBIT "G" is a plan diagram of the proposed rig and equipment reserve pit, burn and trash pit, pipe racks and mud tanks. No permanent living facilities are planned. There will be a trailer on site.

C. The reserve pits will not be lined. Steel mud tanks may be used during drilling operations.

10. Plans for Restoration

A. Backfilling, leveling and contouring are planned as soon as all pits have dried. Waste disposal and spoils materials will be buried or hauled away immediately after drilling is completed. If production is obtained, the unused area will be restored as soon as possible.

B. The soil banked material, if removal required, will be spread over the area. Revegetation will be accomplished by planting mixed grasses as per formula provided by the BLM.

C. Three sides of the reserve pit will be fenced during drilling operations. Prior to rig release, the reserve pit will be fenced on the fourth side to prevent livestock or wildlife from becoming entrapped; and the fencing will be maintained until leveling and cleanup is accomplished.

D. The rehabilitation operations will begin as soon as possible after the drilling rig is removed. Removal of oil or other adverse substances will begin immediately or area will be flagged and fenced. Other cleanup will be done as needed. Planting and revegetation is considered best from July 15 to September 15, unless requested otherwise.

11. Other Information

A. Soil - sand and sandy clay

Vegetation: sagebrush, pinon, ponderosa pine.

B. The primary surface use is for grazing. The surface is owned by the Zuni Tribe.

C. The closest live water is unknown. There is no live water known near the location.

There are no known occupied dwellings in the area of the location. There are no known archaeological, historical, or cultural heritages that will be disturbed by this drilling.

D. Drilling is planned for on or about July 1, 1989, or as soon as the permit application is approved. Operations should be completed in about 15 days.

12. Lessee's or Operator's Representatives

Robert Weldon
P.O. Box 479
Dallas, TX 75221-0479
Office: 214/969-5555
Home: 817/497-7215

Rodney Rhea
Route 7, Box 208-A
Tyler, TX 75707
Office: 214/566-8651
Home: 214/566-2382

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 Fossil Fuels Inc. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

August 8, 1989
Date

Robert A. Weldon
Robert A. Weldon

EXHIBIT "E"

FOSSIL FUELS INC.
Zuni Tribal #1Y Well

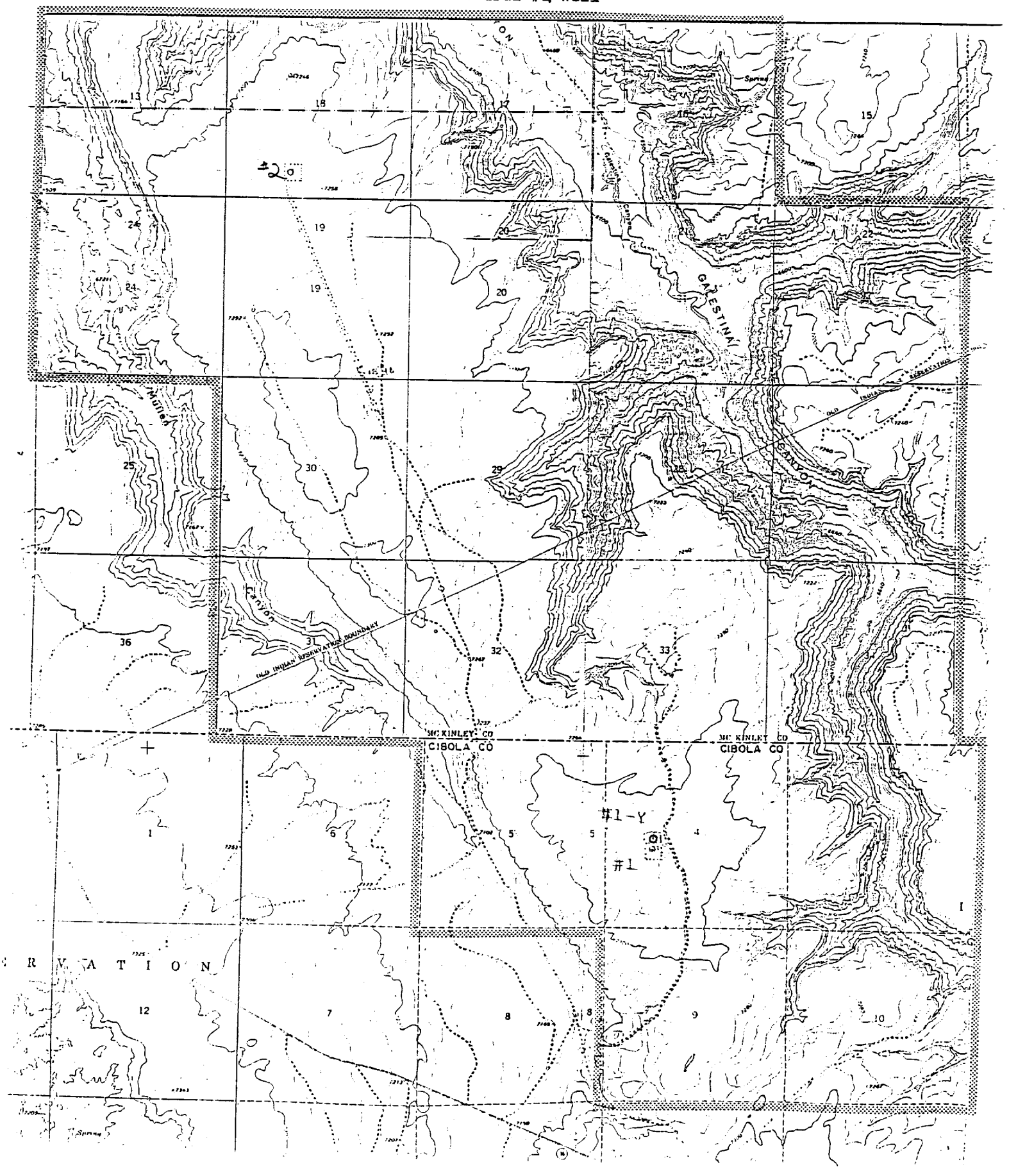
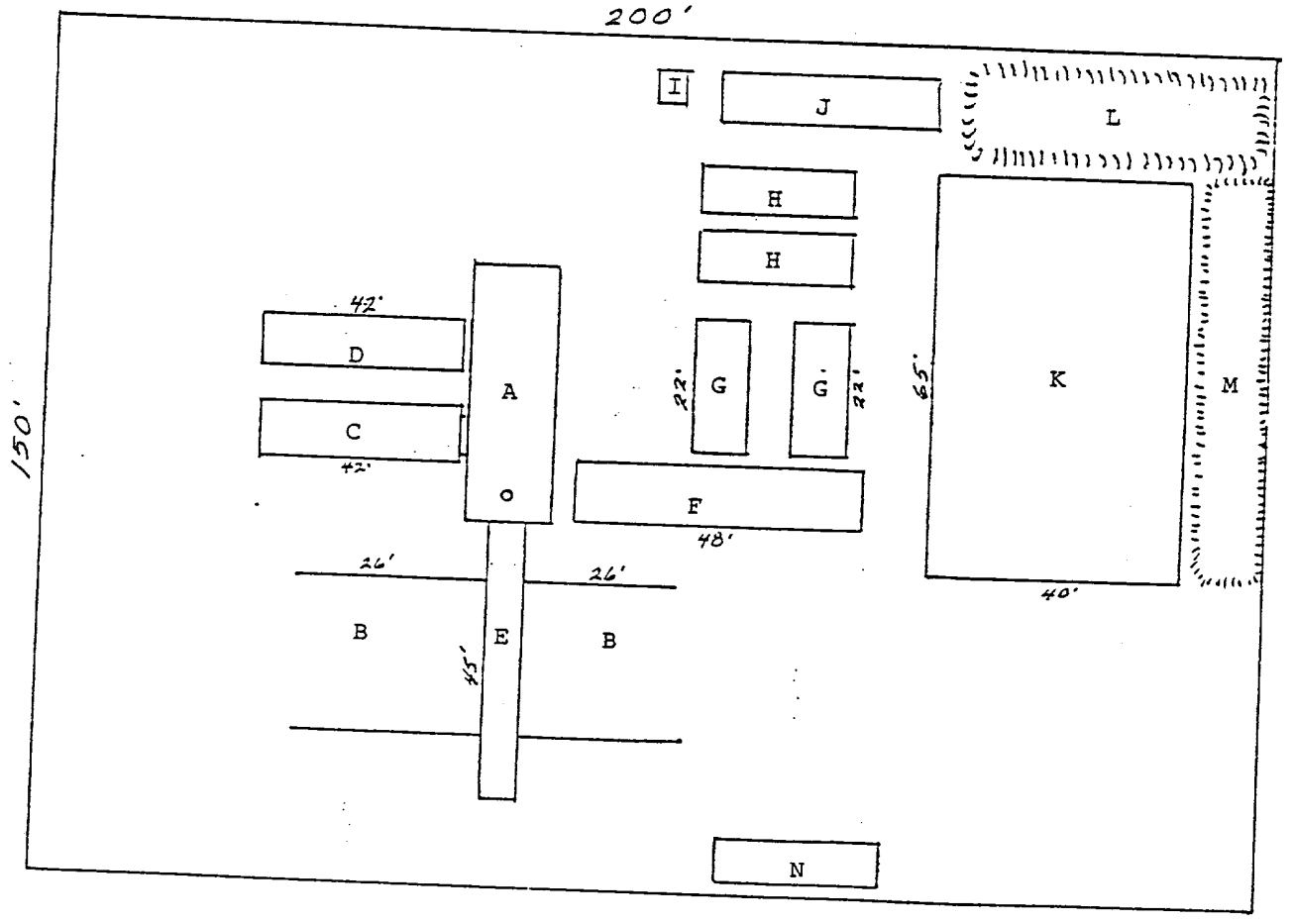


EXHIBIT "F"

FOSSIL FUELS INC.
Zuni Tribal #1Y Well

Drill Rig Layout

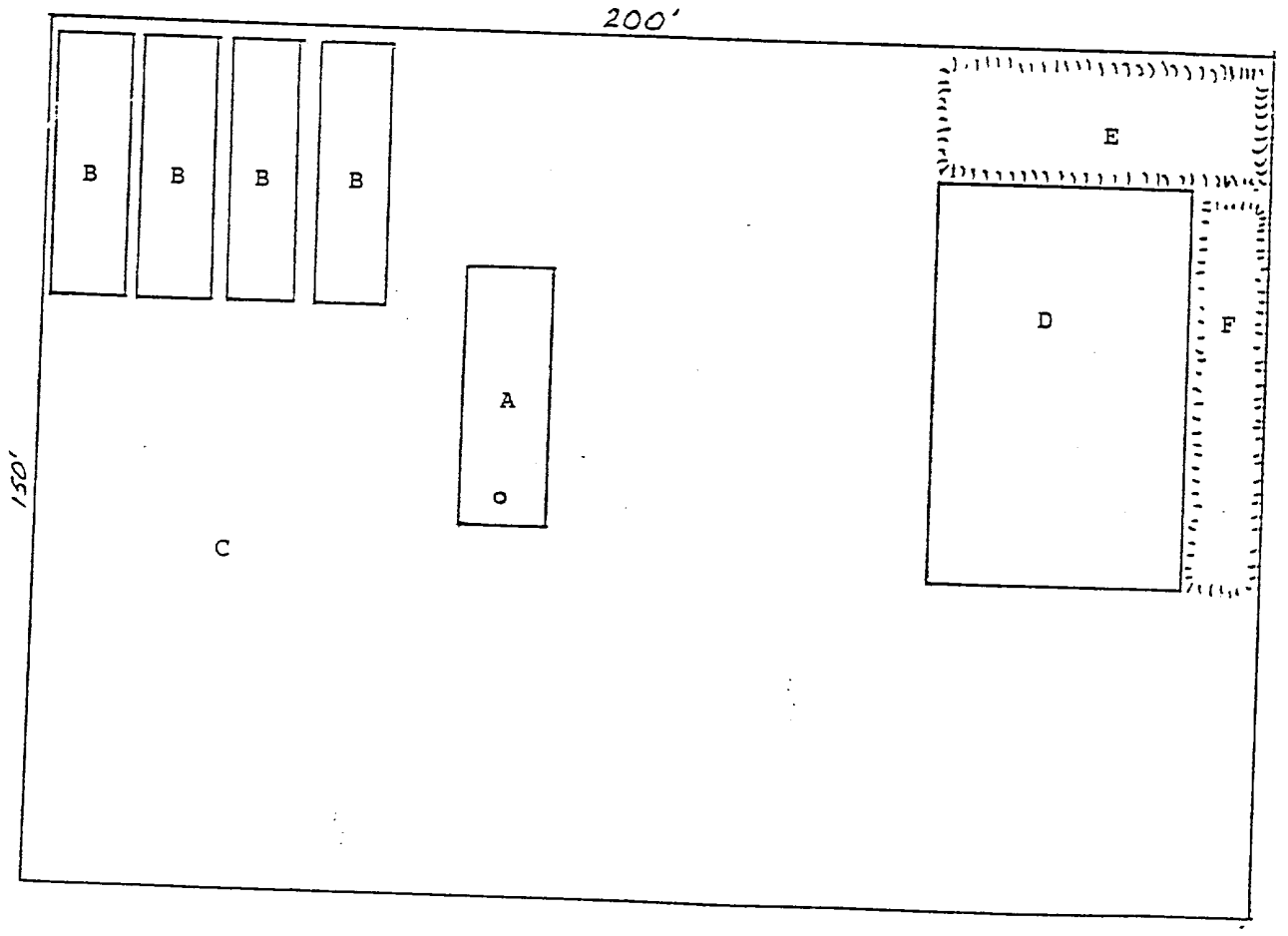


A Rig
B Pipe Racks
C Doghouse, Generator
D Fuel Tank
E Catwalk
F Mud Working Pit
G Mud Pump
H Water Tank - 500 Bbl.
I Latrine
J Burn Pit
K Reserve Pit
L Top Soil
M Reserve Pit Soil
N Mud Logger Trailer

EXHIBIT "G"

FOSSIL FUELS INC.
Zuni Tribal #1yWell

Completion Program Layout

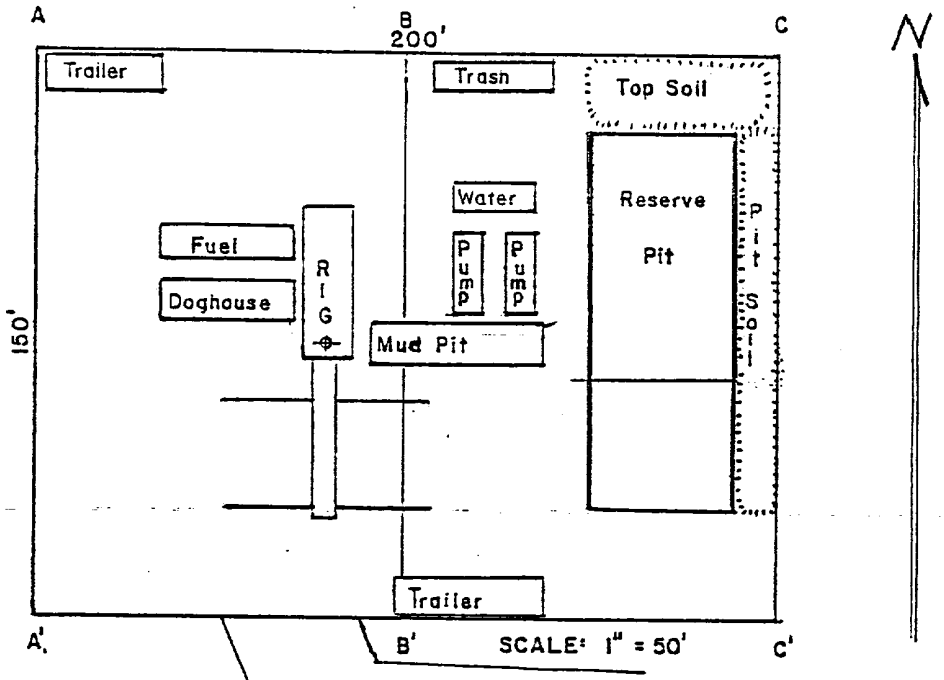


A Completion Rig
B Frac - Oil Tanks
C Frac Equipment Area
D Reserve Pit
E Top Soil
F Reserve Pit Soil

EXHIBIT "H"

PROFILE FOR

FOSSIL FUELS INC.
ZUNI TRIBAL #1-Y WELL
1373' FWL & 2453' FSL
Sec. 4, T8N, R18W, NMPM
Cibola County, New Mexico



SCALE: 1" = 100' Horiz.
1" = 25' Vert.

A - A'

7350'					
7340'	Surface				
7330'					
7320'					

B - B'

7350'					
7340'	Surface				
7330'					
7320'					

C - C'

7350'					
7340'	Surface				
7330'					
7320'					