

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
 DRILL DEEPEN PLUG BACK

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

2. NAME OF OPERATOR
 Chace Oil Company

3. ADDRESS OF OPERATOR
 313 Washington, S.E., Albuquerque, New Mexico 87108

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
 At surface Unit 'G' 1850' FNL and 1932' FEL
 At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE
 17 miles W-SW of Lindrith, New Mexico

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.
 1850' from lease line
 530' from unit line (Also to nearest drlg. unit line, if any)

16. NO. OF ACRES IN LEASE
 1920

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.
 2110'

19. PROPOSED DEPTH
 7310'

20. ROTARY OR CABLE TOOLS
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 7107' GR
 DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS"

22. APPROX. DATE WORK WILL START*
 9-21-84

23. PROPOSED CASING AND CEMENTING PROGRAM

This action is subject to administrative appeal pursuant to 30 CFR 290.

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH
12 1/4"	8 5/8"	24#(J-55)	225'
7 7/8"	4 1/2"	11.6#(N-80)	7310'

QUANTITY OF CEMENT
 225 SxS (405 CF) Class B Cement
 1st stage: 750 SxS (1350 CF)
 50/50 pozmix
 2nd stage: 505 SxS (909 CF)
 40/60 pozmix, 12% gel
 40 SxS (72 CF) Class B Cement

Drill 230' of 12 1/4" surface hole. Set 225' of 8 5/8" casing. Cement to surface with 225 SxS (405 CF) cement. Use an oil base mud, (15% oil), and Schaeffer 5000# standard doublegate hydraulic BOP. Drill 7 7/8" hole to 7310' to test the Dakota Formation.

Estimated Tops:

Ojo Alamo	2345'	Pt. Lookout	4902'	Dakota 'A'	6988'
Picture Cliffs	2781'	Gallup	5576'	Dakota 'D'	7110'
Chacra	3134'	Tocito	6696'	Burro Canyon	7210'
Cliff House	4297'	Greenhorn	6890'		

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 Monte Anderson Geologist

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ CONDITIONS OF APPROVAL, IF ANY: _____

RECEIVED
 SEP 13 1984
 OIL CON. DIV.
 NMCCC

APPROVED
 AS AMENDED
 SEP 10 1984
 AREA MANAGER
 FARMINGTON RESOURCE AREA

*See Instructions On Reverse Side

All distances must be from the outer boundaries of the Section.

Operator CHACE OIL COMPANY		Lease JICARILLA			Well No. 41
Unit Letter G	Section 9	Township 23 NORTH	Range 4 WEST	County RIO ARRIBA	

Actual Footage Location of Well:
1850 feet from the **NORTH** line and **1932** feet from the **EAST** line

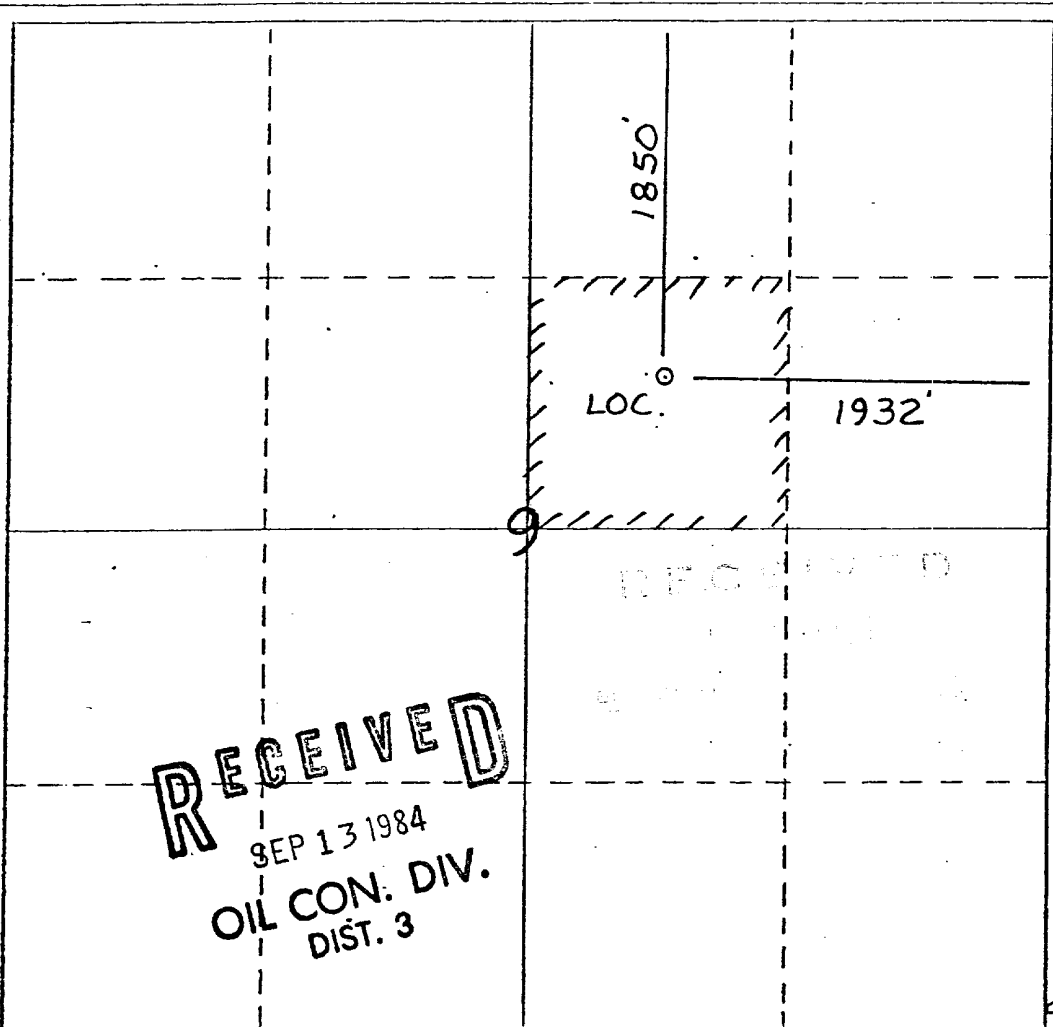
Ground Level Elev. 7107	Producing Formation Gallup - Dakota	Pool S. Lindrith	Dedicated Acreage: 40 Acre
-----------------------------------	---	----------------------------	--------------------------------------

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 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 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



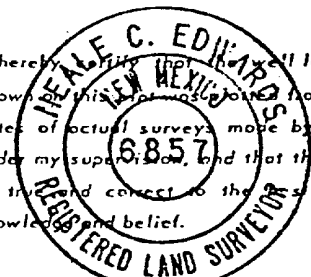
RECEIVED
 SEP 13 1984
 OIL CON. DIV.
 DIST. 3

CERTIFICATION

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

Name	Monte Anderson
Position	Geologist
Company	Chace Oil
Date	7-20-84

I hereby certify that the well location shown on this plat is based on 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	6-27-84
Registered Professional Engineer and/or Land Surveyor	W. Earle C. Edwards

Certificate No. **6857**

