STATE OF NEW MEXICO **ENERGY AND MINERALS DEPARTMENT** OIL CONSERVATION DIVISION Revised 10-1-78 ---P. O. BOX 2088 DISTRIBUTION SA. Indicate Type of Lease SANTA FE, NEW MEXICO 87501 SANTA FE STATE X FILE 5. State Oil & Gas Lease No. U.S.G.S. L 2986 LAND OFFICE OPERATOR APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK 1a. Type of Work DRILL X DEEPEN | PLUG BACK b. Type of Well 8. Form or Lease Name MULTIPLE ZONE New Mexico State WELL SINGLE X 9. Well No. 2. Name of Operato Kenai Oil and Gas, Inc. 3. Address of Operator 10. Field and Pool, or Wildcat 2000 Energy Center One, 717-17th St., Denver, Colo., 80202 Nageezi Gallup 4. Location of Well UNIT LETTER G LOCATED 1650 PEET FROM THE North AND 1650 East East 24N 12. County San Juan . Fraposed Depth 5550 21B. Drilling Contractor Gallup Rotary 21A. Kind & Status Plug. Bond 22. Approx. Date Work will start 7010 GL Kenai Drilling Blanket PROPOSED CASING AND CEMENT PROGRAM SIZE OF HOLE SIZE OF CASING WEIGHT PER FOOT SETTING DEPTH SACKS OF CEMENT EST. TOP 23# 12.1/4 300 250 8 5/8 Circulate 10.5# 850 4 1/2 5550 Top of Ojo Selectively perforate and frac the Gallup formation. A 3000 psi WP and 6000 psi Test double gate preventer equipped with blind and pipe rams will be used for blow out prevention. The SWNE of Section 32 is dedicated to this well. DEMENS CONTRACTOR EXPIRES/0-22-8/

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUE BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. AND PROPOSED NEW PRODUCTIVE ZONE. AND PROPOSED NEW PRODUCTIVE ZONE. AND PROPOSED NEW PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. AND PROPOSED NEW PRODUCTIVE ZONE AND PROPOSED NEW PROP

CONDITIONS OF APPROVAL, IF ANYI

STATE OF NEW MEXICO

JERGY AID MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

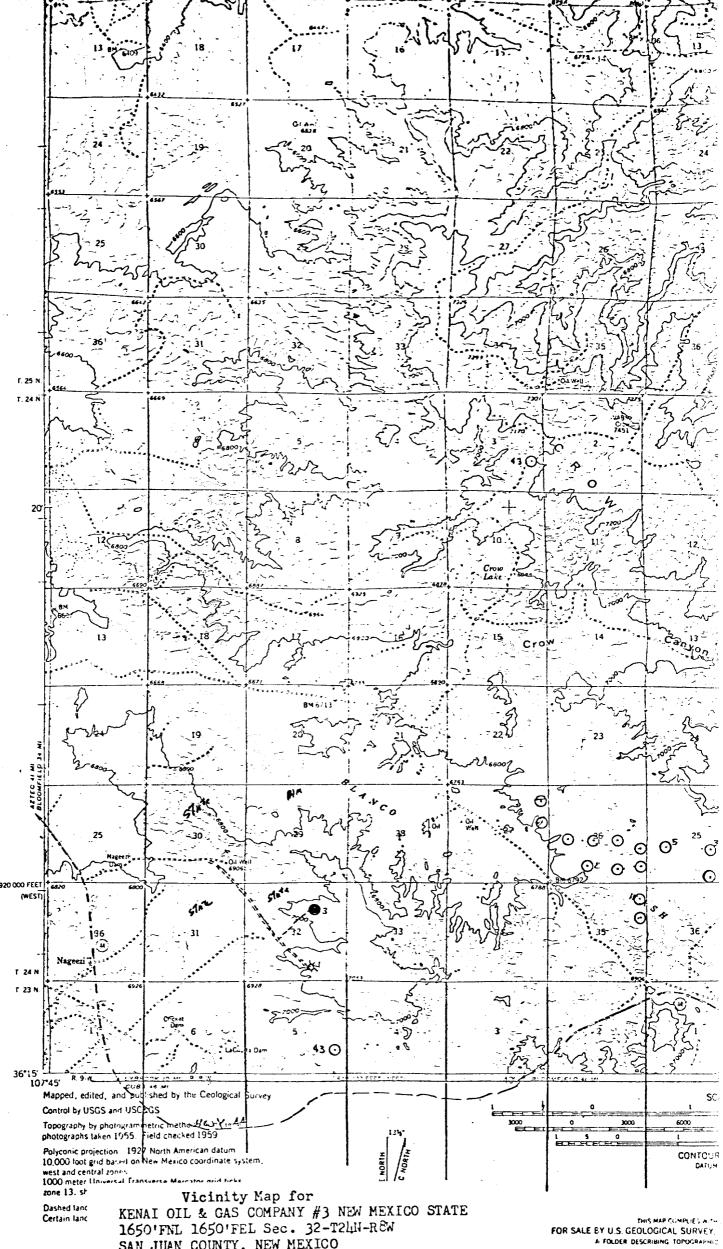
P. O. UOX 2088

SANTA FE, NEW MEXICO 87501

Form C-107 Revised 10-1-72

All distances must be from the cuter houndaries of the Section.

| Operator KENAI OIL & GAS COMPANY | | | | NEW MEXICO STATE | | | Well No. |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-------------|--------------|------------------|----------|-----------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Unit Letter Section Township | | | Range County | | | | |
| G | 32 | 24N | 1 | 8w | San | Juan | |
| Actual Footage Loca | | | | | <u> </u> | <u> </u> | |
| 1650 feet from the North line and 1650 feet from the East line | | | | | | | |
| Ground Level Elev: | Producing Form | | P∞l | | | T | Dedicated Acreage: |
| 7010 | Gallu | o | Nage | ezi Gallu | ıp | | 40 Acres |
| Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty). If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consoli- | | | | | | | |
| 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, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission. | | | | | | | |
| <u></u> | | | | | 1 | | CERTIFICATION |
| | | с. | | 1650' | | Name Name Position Age Company Ken | certify that the information con- trein is true and complete to the try knowledge and belief. The first true and complete to the try knowledge and belief. The first true and complete to the try knowledge and belief. The first true and complete to the try knowledge and belief. The first true and complete to the try knowledge and belief. The first true and complete to the try knowledge and belief. The first true and complete to the try knowledge and belief. The first true and complete to the try knowledge and belief. The first true and complete to the try knowledge and belief. The first true and complete to the try knowledge and belief. The first true and complete to the try knowledge and belief. The first true and complete to the try knowledge and belief. The first true and complete to the try knowledge and belief. The first true and complete to the try knowledge and belief. The first true and complete to the try knowledge and belief. The first true and tr |
| The state of the s | PRI2 2 1981 | 32 | | | | shown on notes of under my is true o | certify that the well location this plat was plotted from field actual surveys made by me or supervision, and that the same and correct to the best of my e and belief. |
| | D/S7. 3 | e: 1"=1000" | 1 | | | Apri- Registres and Lar Fred Certifice | MERR, IR. |



Vicinity Map for KENAI OIL & GAS COMPANY #3 NEW MEXICO STATE 1650'FRL 1650'FEL Sec. 32-T24N-R&W SAN JUAN COUNTY, NEW MEXICO