SUBMIT IN TRIPLICATE*

(Other instructions on reverse side)

UNITED STATES DEPARTMENT OF THE INTERIOR

Budget	Bureau	No.	42-R1425

	wildcat and est
DRILL S DEEPEN PLUG BACK T. UNIT AGREEMENT NAME D. TYPE OF WELL OIL OIL OIL WELL OTHER SINGLE ZONE MULTIPLE S. FARM OR LEASE NAME Krause 9. WELL NO. 7. UNIT AGREEMENT NAME Krause 1. NAME OF OPERATOR R & G Drilling Company 3. ADDRESS OF OPERATOR P.O. BOX 254, Farmington, New Mexico 87401 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*) At surface At proposed prod. zone Same 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig, unit line, if any) 15. DISTANCE FROM PROPOSED LOCATION* 16. NO. OF ACRES IN LEASE TO THIS WELL TO THIS WELL 17. NO. OF ACRES ASSIGNED TO THIS WELL TO THIS WELL 16. O. OF ACRES IN LEASE TO THIS WELL TO THE TRANCE FROM PROPOSED LOCATION*	WILDCAT and ext 8. N-R11W
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P.O. Box 254, Farmington, New Mexico 87401 4. Location of Well (Report location clearly and in accordance with any State requirements.*) At surface 1450'FNL, 1090'FEL Same Same 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 16. No. Of ACRES IN LEASE 17. No. Of ACRES ASSIGNED TO THIS WELL 18. DISTANCE FROM PROPOSED LOCATION* 19. PROPOSED DEPTH 20. ROTARY OR CABLE TOOLS	N-R11W
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70001	
OR APPLIED FOR, ON THIS LEASE, FT. — 1892' Rotary 21. ELEVATIONS (Show whether DF, RT, GR, etc.) 22. APPROX. DATE WORK	WILL STADE
6005 'GR 1/15/79	DIAGI.
23. PROPOSED CASING AND CEMENTING PROGRAM	
SIZE OF HOLE SIZE OF CASING WEIGHT PER FOOT SETTING DEPTH QUANTITY OF CEMENT	
12-1/4" 8-5/8" 24.0 100' 125 Sacks	
-7/8 or 6-3/4" $4-1/2$ " 10.50 1892 ' To be determined.	
drilling mud as a circulating medium, through the Fruitland Format Possible productive intervals in the Fruitland Formations will be completed. Productive casing will be cemented in such a manner to protect all possible productive intervals and water sand. Estimated Formation Tops	
Ojo Alamo - 700' Kirtland - 792' Fruitland - 1340' The NW/4 of Section 32 will be dedicated to this well.	
The natural gas from this well is committed.	The state of the s
IN ABOVE SPACE DESCRIBE PROCOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed ne zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths, preventer program, if any. 24. FOR D. C. Drilling Company.	
FOR: R & Gilling Shinging President, Walsh Engineer.	/70
Ewell N. Walsh, P.F. TITLE & Prod. Corp. DATE 1/5/	13
(This space for Federal or State office use)	
PERMIT NOAPPROVAL DATE	
APPROVED BY TITLE DATE CONDITIONS OF APPROVAL, IF ANY:	

*See Instructions On Reverse Side

NEW MEXICO OIL CONSERVATION COMMISSION WELL LOCATION AND ACREAGE DEDICATION PLAT

All distances must be from the outer be underses of the Section ; estatos West: Less KRAUSE R & G DRILLING COMPANY 71 Unit Letter Township Francje in tron 11W 28N San Juan Actual Footage Location of Well; 1090 1450 North East feet from the feet from the line. Ground Level Elev. Producing Formation Dedicated Acreage; Kutz Fruitland Fruitland 160 6005 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 interests of all owners been consolidated by communitization, unitization, force-pooling, etc? If answer is "yes," type of consolidation _ Yes ΠNο 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 Commission. CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. יס90ד Ewell N. Walsh, P.E. Position President Company Walsh Engin, & Prod. Corp 1/5/79 Sec 32 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 December 3, 1978 Fred

> deminima No. **3**950

DEVELOPMENT PLAN

R & G DRILLING COMPANY KRAUSE NO. 71 1450'FNL, 1090'FEL, Sec. 32-T28N-R11W San Juan County, New Mexico

- 1. Existing roads shown on attached plat.
- Planned access from existing road is approximately 300'. to new location.
- 3. Location See Above
- 4. No additional well is planned on this lease at this time.
- 5. Production equipment or storage facilities proposed for the well will be installed on location.
- 6. Water to be obtained from the San Juan River in the NW/4 Section 27-T29N-R11W.
- 7. Waste materials will be buried on location or in reserve pit.
- 8. No permanent camp is planned. A trailer house will be used on location during drilling process.
- 9. No airstrip is proposed.
- 10. See attached plat for layout.
- 11. Pits will be filled, location cleaned up, and area not in use for producing well will be reseeded.

DEVELOPMENT PLAN

12. Lessee's or operator's representative.

Ewell N. Walsh: 327-4892; Radio Dispatch 325-1873, Car 620 Address: P.O. Box 254, Farmington, New Mexico 87401

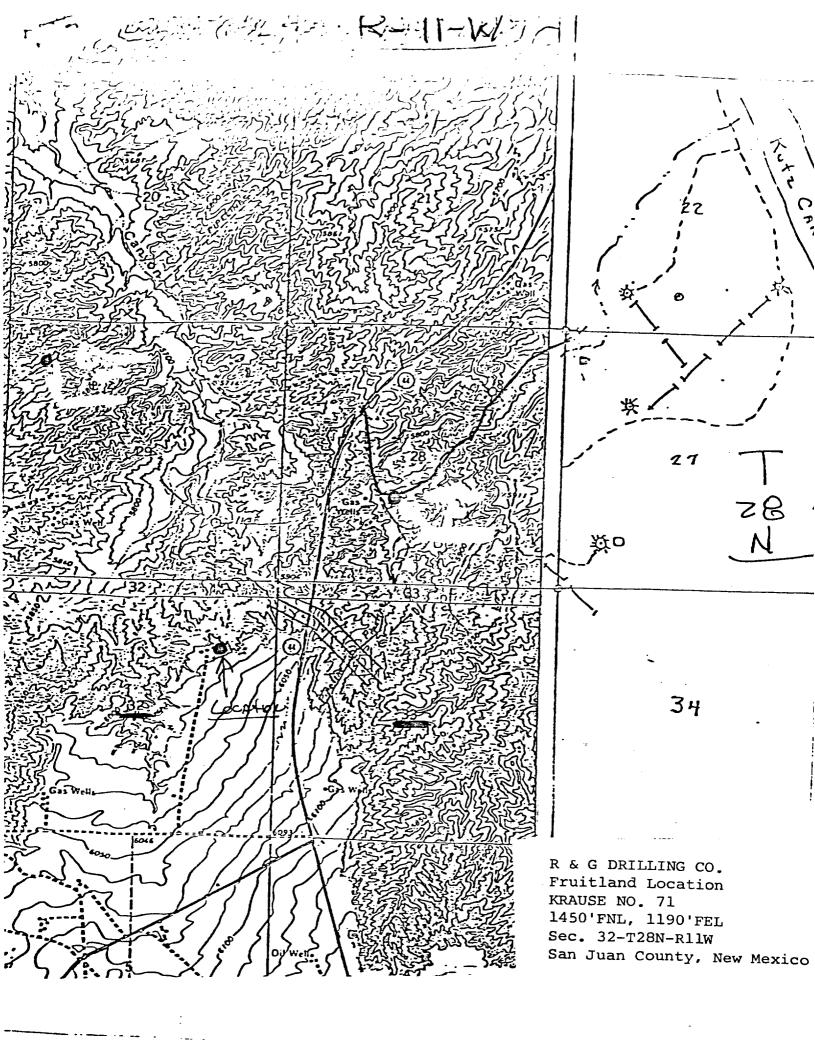
13; CERTIFICATION:

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:

R & G Drilling Company

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

Ewell N. Walsh, P.E., President, Walsh Engineering & Production Corporation

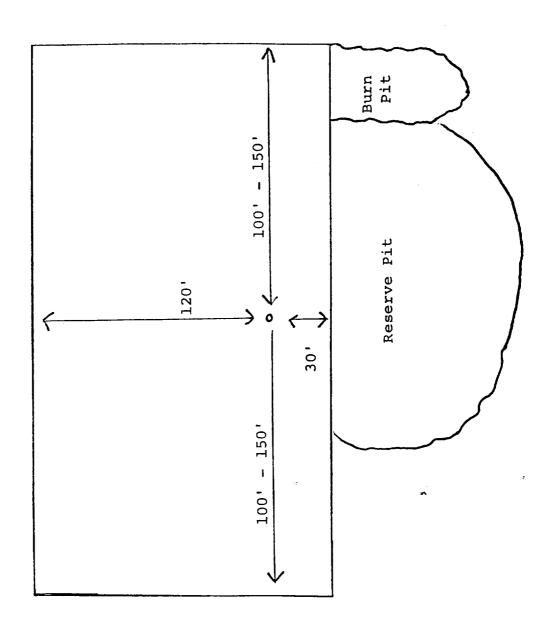


R & G DRILLING COMPANY

KRAUSE NO. 71

1450'FNL, 1090'FEL, Sec. 32-T28N-R11W

San Juan County, New Mexico



R & G DRILLING COMPANY KRAUSE NO. 71 1450'FNL, 1090'FEL, Sec. 32-T28N-R11W San Juan County, New Mexico

Seven Point Well Control Program

- Surface Casing.
 See Application for Permit to Drill.
- 2. Spools and Flanges
 - A. Surface Casing Scwd Series 600, 2000 psi W.P.
 - B. Production Scwd Series 600, 2000 psi W.P.
 - C. Tubing Head Series 600, 2000 psi W.P.
- Intermediate Casing.None
- 4. Blowout Preventers Production Hole - 8", 2000 psi Fill, kill and choke manifold - 5000 psi W.P.
- 5. Addition Equipment (If necessary)
 - A. Kelly Cock
- D. Pit Level Indicator

B. Bit Float

E. Sub with Valve for

C. Degasser

- Drill Pipe.
- 6. Anticipated Bottom Hole Pressure.
 700 psi. Current mud program is for 9.2 lb/gal mud with hydrostatic head of 904 psi at 1892 feet. Mud weight will be increased if necessary for higher pressures.
- 7. Drilling Fluid. Native mud with gel-chemical for logging.