

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

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  
 PETROLEUM ENERGY, INC.

3. ADDRESS OF OPERATOR  
 P.O. BOX 2121      DURANGO, COLORADO 81301

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.\*)  
 At surface      SE<sup>1</sup>/<sub>4</sub>SW<sup>1</sup>/<sub>4</sub>: 660' FROM THE SOUTH LINE AND  
 At proposed prod. zone      1980' FROM THE WEST LINE  
 SAME

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
 18 MILES SOUTHWEST OF SHIPROCK, NEW MEXICO

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)      660'

16. NO. OF ACRES IN LEASE      2560

17. NO. OF ACRES ASSIGNED TO THIS WELL      160

18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.      8000'

19. PROPOSED DEPTH      6700' MISS

20. ROTARY OR CABLE TOOLS      ROTARY

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

22. APPROX. DATE WORK WILL START\*  
 AUGUST 1, 1984

5. LEASE DESIGNATION AND SERIAL NO.  
 NOO-C-14-20-5420

6. IF INDIAN, ALLOTTEE OR TRIBE NAME  
 NAVAJO

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

9. WELL NO.  
 1-28

10. FIELD AND POOL, OR WILDCAT  
 WILDCAT

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA  
 SE<sup>1</sup>/<sub>4</sub>SW<sup>1</sup>/<sub>4</sub>  
 SEC. 28, T27N, R18W

12. COUNTY OR PARISH      13. STATE  
 SAN JUAN      NEW MEXICO

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/4"	13 3/8"	48.00 K	60'	167 CUBIC FEET (CIRCULATE)
12 1/4"	8 5/8"	24.00 K	1450'	229 CUBIC FEET (CIRCULATE)
7 7/8"	4 1/2"	10.50 K	6700'	229 CUBIC FEET (CIRCULATE)

LEASE NO. NOO-C-14-20-5420 COVERS SECTIONS 27, 28, 33 AND 34,  
 TOWNSHIP 27 NORTH, RANGE 18 WEST, N.M.P.M.  
 SAN JUAN COUNTY, NEW MEXICO

APPROVAL OF COMPLIANCE OFFICER AND GRAZING LESSORS ARE ATTACHED.

BEFORE ME, I HAVE READ AND UNDERSTOOD THE ABOVE AND I HEREBY CERTIFY THAT THE INFORMATION CONTAINED THEREIN IS TRUE AND CORRECT.

EXHIBIT NO. 1

CASE NO. 8307

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 Day W. Meyer TITLE Agent DATE June 27, 1984

(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

CONDITIONS OF APPROVAL, IF ANY:

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

Operator <b>PETROLEUM ENERGY, INCORPORATED</b>			Lease <b>NAVAJO 28</b>		Well No. <b>1</b>
Section Letter	Section	Township	Range	County	
	<b>28</b>	<b>27N</b>	<b>18W</b>	<b>San Juan</b>	
Well Footage Location of Well:					
<b>0</b> feet from the <b>South</b> line and		<b>1980</b> feet from the <b>West</b> line			
Well Level Elev.	Producing Formation		Pool	Dedicated Acreage:	
<b>39</b>	<b>MISSISSIPPIAN</b>		<b>WILDCAT</b>	<b>160</b> Acres	

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

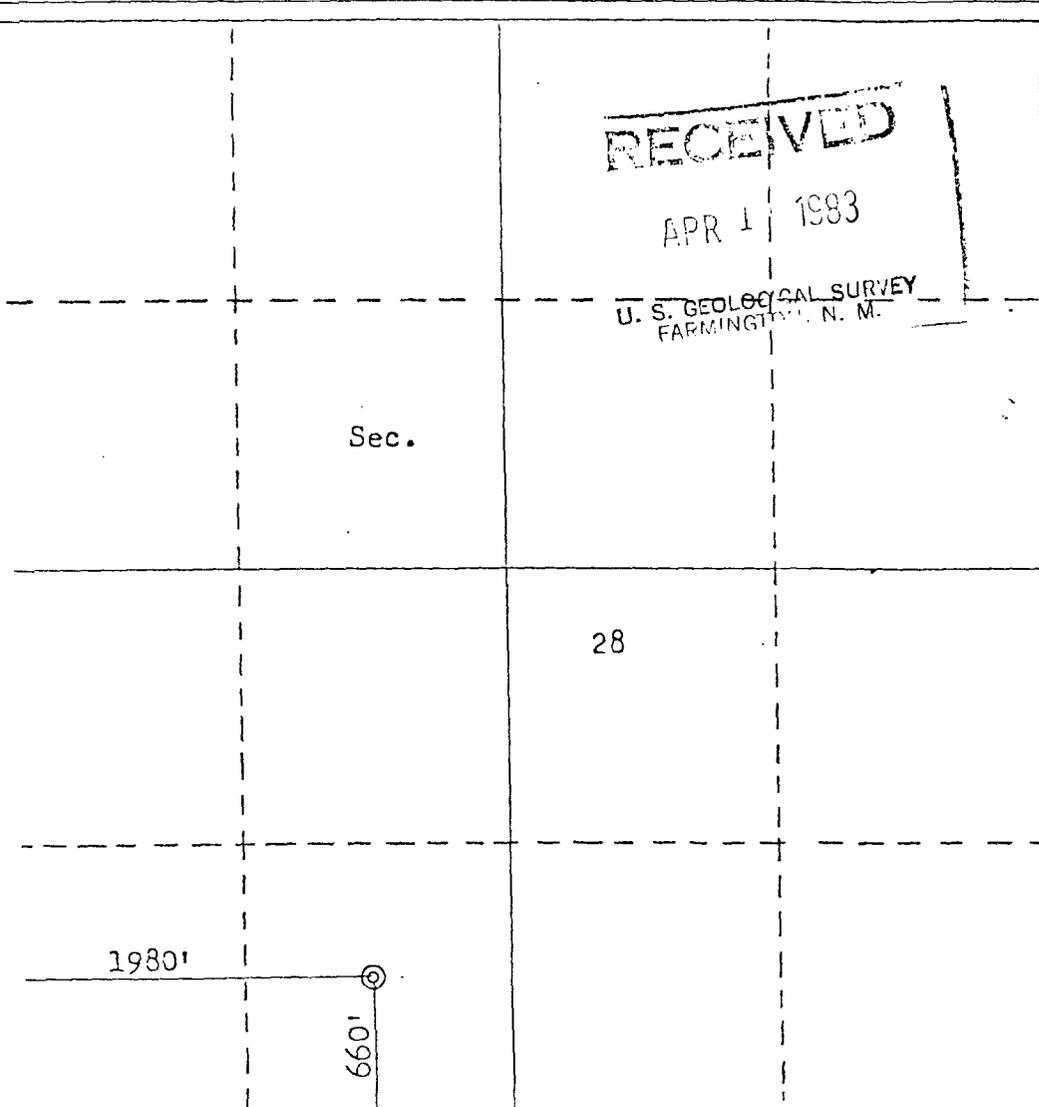
If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

If more than one lease of different ownership is dedicated to the well, have the interests of all owners been 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 Commission.



**CERTIFICATION**

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

*Jay D. Magness*  
Name  
**Jay D. Magness**  
Position  
**AGENT**  
Company  
**PETROLEUM ENERGY, INC.**  
Date  
**JUNE 27, 1984**

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 20, 1981**  
Registered Professional Geologist and/or Land Surveyor  
*[Signature]*