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The regular location was staked 1980' FSL and 1930' FVL of Section 14-20S-28E. This location was only 33' South of an existing E-W county read, and it would be impossible to crill the well in this location without blocking the read. For this reason, the location was restaked 150' South of the regular location, the new fostage being 1830' FSL and 1980' FCL of Section 14. F drilling rig will fit in nicely in this additional space and your approval of this alternate location is requested. It is planned to rig up with the V door to the East and the reserve pit to the North. This will require only 100' of access road to the in to the existing county road.

Government "R" No. 1 is located 3000' West of the nearest oil production which is a shallow waterflood operated by Barber Oil Company.

The nearest inhabited residence is 3900' northeast of our location. A. H. Rains the surface lease lives in this residence. He has been notified of our intent to drill and has given verbal approval of our offer of damage settlement and our proposed drilling location and access road.

The well is scheduled to test the Devonian at approximately 12,600' with shallower zones tested as the well is drilled.

If completed as a producer, producing equipment will be set no closer than 150' from the well, with tanks being set to collect both oil and water, which will be trucked to sale or disposal. The gas purchaser will install necessary gas measuring equipment, and gathering pipe line.

The reserve pit will be lined when it is built. If the well is completed as a producer the pits will be backfilled & levelled, debris removed and surface equipment fenced. If it is a dry hole, the well will be plugged as per United States Geological Survey requirements, the pits backfilled and levelled and all debris removed.

The proposed casing program consists of:

16" set at 750' in top of the Yates formation. Cement is to be circulated. 10-3/4" set at 3100' in top of the Delaware formation with D.V. tool set 100' below top of the Capitan Reef and cemented with sufficient volume to cover the top of the Capitan Reef zone.

A 9-1/2" hole will be drilled below the 10-3/4" casing so that a record intermediate casing string of 7-5/8" pipe may be set at 11,500' if necessary. This string of casing will not be set if hole conditions indicate it is not needed.

JUN-5 1973 J. S. GRULLANSING Schools