

Application for Permit to Drill Little Box Canyon Unit No. 1

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April 18, 1975

location fell on the side of a mound that would have been extremely costly to prepare for drilling. An alternate was staked 330' south of the original, or 1650' FSL and 1980' FEL, Sec. 7-21S-22E. Since we are dedicating the south half of the section as the 320 acre gas proration unit, this alternate will still be orthodox. We request your approval of the alternate location.

To the best of our knowledge, there are no inhabited dwellings within many miles of the location. It is on Federal land controlled by the BLM. In order to get to the well, we will have to upgrade the last four miles of the existing road and build 3.7 miles of new road (shown in red on plat). Cattle guards will be installed wherever the new road crosses a fence line. Preliminary survey indicates we will need two cattle guards.

The primary objective of the well is the Morrow Sandstone with a projected TD of 8550'. If justified, other shallower zones will be tested as the well is being drilled.

The reserve pit will be lined when it is built. Upon completion of the well, the pits will be backfilled and levelled and debris removed.

If the well is completed as a producer, production equipment will be set no closer than 150' from the well with tanks 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 pipeline.

If it is a dry hole, the well will be plugged in accordance with USGS requirements.

The proposed casing program consists of:

13-3/8" conductor pipe set at 30' by rat hole machine and cemented to the surface with Redi-Mix.

9-5/8" surface pipe set at 1800' with cement circulated to the surface.

5-1/2" production casing set at TD 8550' and cemented with sufficient volume to fill annulus to 6000'.

In addition to the blow out preventer program shown on the attached plat, the following equipment will be installed and in operation before drilling out from under the 9-5/8" casing:

1. Swaco adjustable choke in choke manifold.
2. Pit volume totalizer.