

Application for Permit to Drill Loafer Draw "B" No. 1

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October 31, 1975

A regular location was staked 1980' FNL and 660' FWL of the section. This location fell on the side of a hill that would have been extremely costly to prepare for drilling. An alternate was staked 200' east of the original; or, 1980' FNL, 860' FWL, Section 17-21S-22E. Since we are dedicating the west 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. Directions to the location are attached to this application.

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 1750' 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.

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