

|                        |     |  |
|------------------------|-----|--|
| U.S. GEOLOGICAL SURVEY |     |  |
| FIELD OFFICE           |     |  |
| TRANSPORTER            | OIL |  |
|                        | GAS |  |
| OPERATOR               |     |  |
| REGISTRATION OFFICE    |     |  |

AND  
AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

Effective 1-1-83

Chace Oil Company, Inc.

313 Washington SE, Albuquerque, NM 87108

Reason(s) for filing (Check proper box)

|                     |                          |                           |                                     |
|---------------------|--------------------------|---------------------------|-------------------------------------|
| New Well            | <input type="checkbox"/> | Change in Transporter of: |                                     |
| Completion          | <input type="checkbox"/> | Oil                       | <input checked="" type="checkbox"/> |
| Change in Ownership | <input type="checkbox"/> | Casinghead Gas            | <input type="checkbox"/>            |
|                     |                          | Dry Gas                   | <input type="checkbox"/>            |
|                     |                          | Condensate                | <input type="checkbox"/>            |

Other (Please explain)

Change of ownership give name  
and address of previous owner

DESCRIPTION OF WELL AND LEASE

|                                                                                                             |          |                                |                  |          |
|-------------------------------------------------------------------------------------------------------------|----------|--------------------------------|------------------|----------|
| Well Name                                                                                                   | Well No. | Pool Name, Including Formation | Kind of Lease    | Location |
| Jicarilla Apache #71                                                                                        | 3        | South Lindrith Gallup Dakota   | Jicarilla Indian | 71       |
| Unit Letter <u>E</u> : <u>1850</u> Feet From The <u>North</u> Line and <u>790</u> Feet From The <u>West</u> |          |                                |                  |          |
| Line of Section <u>3</u> Township <u>23N</u> Range <u>4W</u> . NMPM, <u>Rio Arriba</u>                      |          |                                |                  |          |

DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

|                                                                                                                          |                                                                          |
|--------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| Name of Authorized Transporter of Oil <input checked="" type="checkbox"/> or Condensate <input type="checkbox"/>         | Address (Give address to which approved copy of this form is to be sent) |
| PetroSource Corp.                                                                                                        | 7443 E. Dreyfus, Scottsdale, AZ 85258                                    |
| Name of Authorized Transporter of Casinghead Gas <input checked="" type="checkbox"/> or Dry Gas <input type="checkbox"/> | Address (Give address to which approved copy of this form is to be sent) |
| El Paso Natural Gas Co.                                                                                                  | P.O. Box 1492, El Paso, TX 79978                                         |
| Well produces oil or liquids, give location of tanks.                                                                    | Is gas actually connected? When                                          |
| Unit <u>E</u> Sec. <u>3</u> Twp. <u>23N</u> Rge. <u>4W</u>                                                               | yes                                                                      |

This production is commingled with that from any other lease or pool, give commingling order number:

COMPLETION DATA

|                                    |                             |          |                   |          |        |              |             |       |
|------------------------------------|-----------------------------|----------|-------------------|----------|--------|--------------|-------------|-------|
| Designate Type of Completion - (X) | Oil Well                    | Gas Well | New Well          | Workover | Deepen | Plug Back    | Same Restr. | Drill |
| None Spudded                       |                             |          |                   |          |        |              |             |       |
| Date Spudded                       | Date Compl. Ready to Prod.  |          | Total Depth       |          |        | P.B.T.D.     |             |       |
| Devotions (DF, RKB, RT, CR, etc.)  | Name of Producing Formation |          | Top Oil/Gas Pay   |          |        | Tubing Depth |             |       |
| Perforations                       |                             |          | Depth Casing Shoe |          |        |              |             |       |

TUBING, CASING, AND CEMENTING RECORD

| HOLE SIZE | CASING & TUBING SIZE | DEPTH SET | SACKS CEMENT |
|-----------|----------------------|-----------|--------------|
|           |                      |           |              |
|           |                      |           |              |
|           |                      |           |              |

TEST DATA AND REQUEST FOR ALLOWABLE OIL WELL

(Test must be after recovery of total volume of load off and must be equal to or exceed allowable for this depth or be for full 24 hours)

|                                 |                 |                                               |            |
|---------------------------------|-----------------|-----------------------------------------------|------------|
| Date First New Oil Run To Tanks | Date of Test    | Producing Method (Flow, pump, gas lift, etc.) |            |
| Length of Test                  | Tubing Pressure | Casing Pressure                               | Choke Size |
| Actual Prod. During Test        | Oil - Bbls.     | Water - Bbls.                                 | Gas - MCF  |

GAS WELL

|                                  |                           |                           |                   |
|----------------------------------|---------------------------|---------------------------|-------------------|
| Actual Prod. Test - MCF/D        | Length of Test            | Bbls. Condensate/MCF      | Gravel Condensate |
| Testing Method (pilot, back pr.) | Tubing Pressure (Shot-In) | Casing Pressure (Shot-In) | Choke Size        |

CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Commission have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

*Frank A. Welby*

Vice President Production

October 30, 1987

OIL CONSERVATION COMMISSION

APPROVED NOV 27 1987

BY Frank A. Welby SUPERVISOR DISTRICT #3

TITLE

This form is to be filed in compliance with RULE 11. If this is a request for allowable for a newly drilled well, this form must be accompanied by a tabulation of the tests taken on the well in accordance with RULE 111. All sections of this form must be filled out completely on new and recompleted wells.

Fill out only Sections I, II, III, and VI for changes in well name or number, or transportation, or other such change on existing wells. One form must be filed for each pool.