5. LEASE

UNITED STATES DEPARTMENT OF THE INTERIOR

| GEOLOGICAL SURVEY | Navajo Operating Agreement 6. IF INDIAN, ALLOTTEE OR TRIBE NAME Navajo |
|--|---|
| SUNDRY NOTICES AND REPORTS ON WELLS (Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use Form 9-331-C for such proposals.) | 7. UNIT AGREEMENT NAME None |
| 1. oil gas | 8. FARM OR LEASE NAME None |
| 2. NAME OF OPERATOR | 9. WELL NO. Navajo Nation 3 43 |
| Petroleum Energy, Inc. | 10. FIELD OR WILDCAT NAME Beautiful MtnBarker Creek |
| P. O. Box 2121 Durango, CO 81301 | 11. SEC., T., R., M., OR BLK. AND SURVEY OR |
| 4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.) NW1/2SE1/4 | AREA Sec. 29, T27N, R19W, NMPM |
| AT SURFACE: 2230' FSL; 1780' FEL AT TOP PROD. INTERVAL: | 12. COUNTY OR PARISH 13. STATE San Juan New Mexico |
| AT TOTAL DEPTH: SAME | 14. API NO. |
| 16. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA | 15. ELEVATIONS (SHOW DF, KDB, AND WD) |
| REQUEST FOR APPROVAL TO: SUBSEQUENT REPORT-OF | 5799' GR |
| CHANGE ZONES ABANDON* (other) Spud Date and Surface Casing Report 17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state including estimated date of starting any proposed work. If well is d measured and true vertical depths for all markers and zones pertinen December 6, 1981: Moved in Rotary. Vert | change on Form 9-330.) e all pertinent details, and give pertinent dates, irectionally drilled, give subsurface locations and to this work.)* coal permission from U.S.G.S. |
| Will drill 7 7/8" hole | # surface with 350 sacks. |
| Subsurface Safety Valve Manu. and Type | Set @ F£. |
| Agent | CUM ENERGY, INC. |
| Jay Magness | DATE |
| (This space for Federal or State off APPROVED BY | ACCEPTED FOR RECORD |
| CONDITIONS OF APPROVAL, IF ANY: | APR 08 1982 |
| | FARMINGTON DISTRICT |

*See Instructions on Reverse Side **NMOCC**