

30-045-09939

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

5. LEASE DESIGNATION AND SERIAL NO.
SP 077482

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
ZACHRY "D"

9. WELL NO.
1

10. FIELD AND POOL, OR WILDCAT
Basin Dakota

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec. 2-T30N-R12W

12. COUNTY OR PARISH 13. STATE
San Juan New Mexico

16. NO. OF ACRES IN LEASE

17. NO. OF ACRES ASSIGNED TO THIS WELL
318.60

19. PROPOSED DEPTH
6835'

20. ROTARY OR CABLE TOOLS
ROTARY

22. APPROX. DATE WORK WILL START*

1a. TYPE OF WORK
DRILL DEEPEN PLUG BACK

b. TYPE OF WELL
OIL WELL GAS WELL OTHER
SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
Astec Oil & Gas Company

3. ADDRESS OF OPERATOR
Drawer #570, Farmington, New Mexico

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
At surface **1600' FHL 790' FEL**
At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

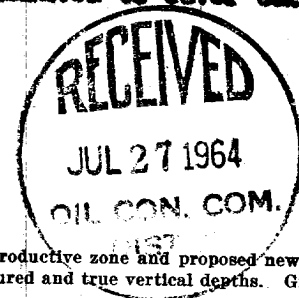
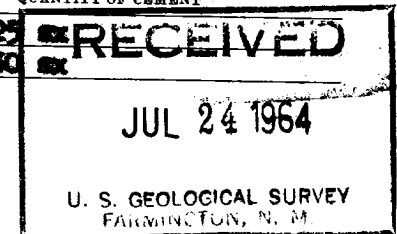
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
5772 Ground

PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH |
|--------------|----------------|-----------------|---------------|
| 12-1/4" | 8-5/8" | | 300' |
| 7-7/8" | 4-1/2" | | 6835' |



Propose to:

Set 300' 8-5/8" surface pipe cemented to surface (225 sx).
Drl with Rotary to approximately 6835'. Set 4-1/2" production casing cemented with 250 sacks.
DV tool set at base of Mesaverde and Pictured Cliffs and cemented to cover each formation (650 sacks)
Perf Dakota section. Frac with sand and water
Run 2-3/8" tubing
Pro-ration unit 1/2 Section 2 consisting of 318.60 acres

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED ORIGINAL SIGNED BY JOE C. SALMON
Joe C. Salmon TITLE District Superintendent DATE 7-23-64

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY [Signature] TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

Instructions

General: This form is designed for submitting proposals to perform certain well operations, as indicated, on all types of lands and leases for appropriate action by either a Federal or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office.

Item 1: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable State or Federal regulations concerning subsequent work proposals or reports on the well.

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on this reverse side, showing the roads to, and the surveyed location of, the well, and any other required information, should be furnished when required by Federal or State agency offices.

Items 15 and 18: If well is to be, or has been directionally drilled, give distances for subsurface location of hole in any present or objective production zone.

Item 22: Consult applicable Federal or State regulations, or appropriate officials, concerning approval of the proposal before operations are started.

NEW MEXICO OIL CONSERVATION COMMISSION
Well Location and Acreage Dedication Plat

SECTION A.

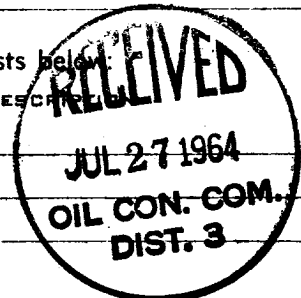
Date 7-23-64

Operator AZTEC OIL & GAS COMPANY Lease SAGREY 5th
 Well No. 1 Unit Letter H Section 2 Township 30 NORTH Range 12 WEST NMPM
 Located 1600 Feet From NORTH Line, 790 Feet From EAST Line
 County SAN JUAN G. L. Elevation 5772 Dedicated Acreage 39.69 Acres
 Name of Producing Formation Sabota Pool Sabota Sabota

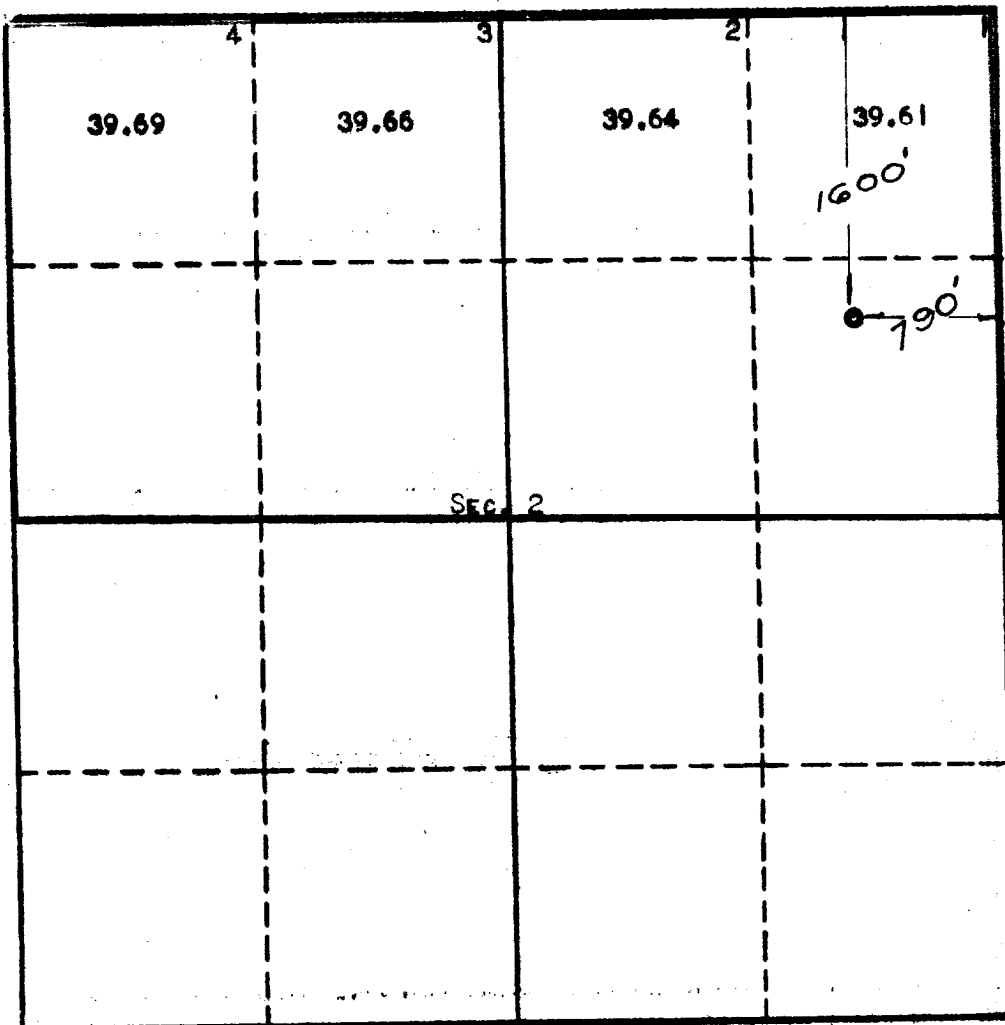
1. Is the Operator the only owner* in the dedicated acreage outlined on the plat below? Yes _____ No X
2. If the answer to question One is "No," have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes X - No _____. If answer is "Yes," Type of Consolidation Communitization

3. If the answer to question Two is "No," list all the owners and their respective interests below:

| OWNER | LAND DESCRIPTION |
|-------|------------------|
| | |
| | |
| | |



SECTION B.

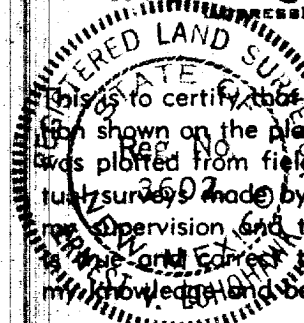


This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief.

Aztec Oil & Gas Company
(OPERATOR)

ORIGINAL SIGNED BY JOE C. SALMON
(REPRESENTATIVE)

370, Farmington, New Mexico



Date Surveyed JULY 21, 1964

Four States Engineering Co.
FARMINGTON, NEW MEXICO.

Samuel J. Cochran
REGISTERED ENGINEER OR
LAND SURVEYOR

Certificate No. 3602

