

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED
BLM MAIL ROOM
SEP 15 1987
FARMINGTON RESERVE AREA
FARMINGTON, NEW MEXICO

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
 DRILL DEEPEN PLUG BACK

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER

2. NAME OF OPERATOR
 JEROME P. McHUGH

3. ADDRESS OF OPERATOR
 P O Box 809, Farmington, NM 87499-0809

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface
 1850' FNL - 1190' FWL
 At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 29 miles north of Gobernador, NM

5. LEASE DESIGNATION AND SERIAL NO.
 NM 30016

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME
 Carracas Unit

8. FARM OR LEASE NAME
 Carracas Unit 34 A

9. WELL NO.
 #5

10. FIELD AND POOL, OR WILDCAT
 Basin Dakota

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 E
 Sec. 34, T32N, R5W, NMPM

12. COUNTY OR PARISH
 Rio Arriba

13. STATE
 NM

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
 790'

16. NO. OF ACRES IN LEASE
 480

17. NO. OF ACRES ASSIGNED TO THIS WELL
 N 320

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
 1/2 mi.

19. PROPOSED DEPTH
 8100'

20. ROTARY OR CABLE TOOLS
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 6357' GL This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4.

22. APPROX. DATE WORK WILL START*
 8/15/87

23. PROPOSED CASING AND CEMENTING PROGRAM
 DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS"

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	GENERAL REQUIREMENTS
12-1/4"	9-5/8"	36#	250'	150 cu.ft. circulated to surface
7-7/8"	5-1/2"	15.5 & 17.0	8100'	2295 cu.ft. to surface in 3 stages

Plan to drill with spud mud to set 250' of surface casing. Will then drill with water and gel-chem. mud to test the Dakota formation at ±8100'. Will run DIL-GR-SP and FDC-CNL-GR-Caliper logs. If well appears productive, will set 5-1/2" casing at TD, cement in 2 stages. Will selectively perforate, frac, clean out after frac and complete with 2-7/8" tubing.

GAS IN NOT DEDICATED.

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 SEP 21 1987
 OIL CON. DIV.
 DIST. 2

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 James S. Hazen TITLE Field Supt. DATE 8/7/87

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____

CONDITIONS OF APPROVAL, IF ANY:

APPROVED
 AS AMENDED
 SEP 18 1987
 1st Arlan B. Miner

OK
 EB

NMOCC

*See Instructions On Reverse Side FOR AREA

All distances must be from the outer boundaries of the Section.

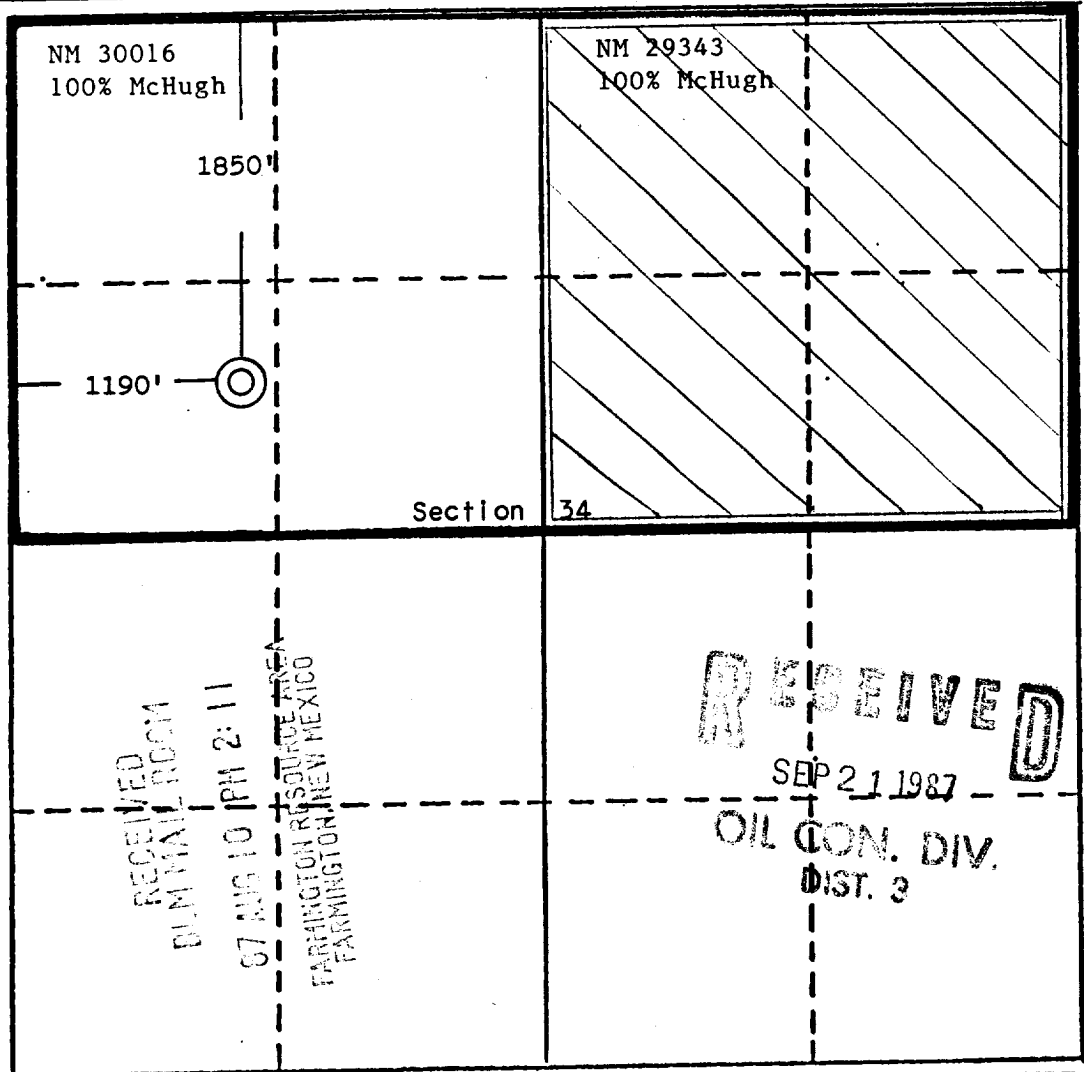
Operator Jerome P. McHugh		Lease Carracas Unit 34-A		Well No. 5
Unit Letter E	Section 34	Township 32 North	Range 5 West	County Rio Arriba
Actual Postage Location of Well: 1850 feet from the North line and 1190 feet from the West line				
Ground Level Elev. 6357	Producing Formation Dakota	Pool Basin Dakota		Dedicated Acreage: 320.0 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc.?

Yes No If answer is "yes," type of consolidation Unitization

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division.

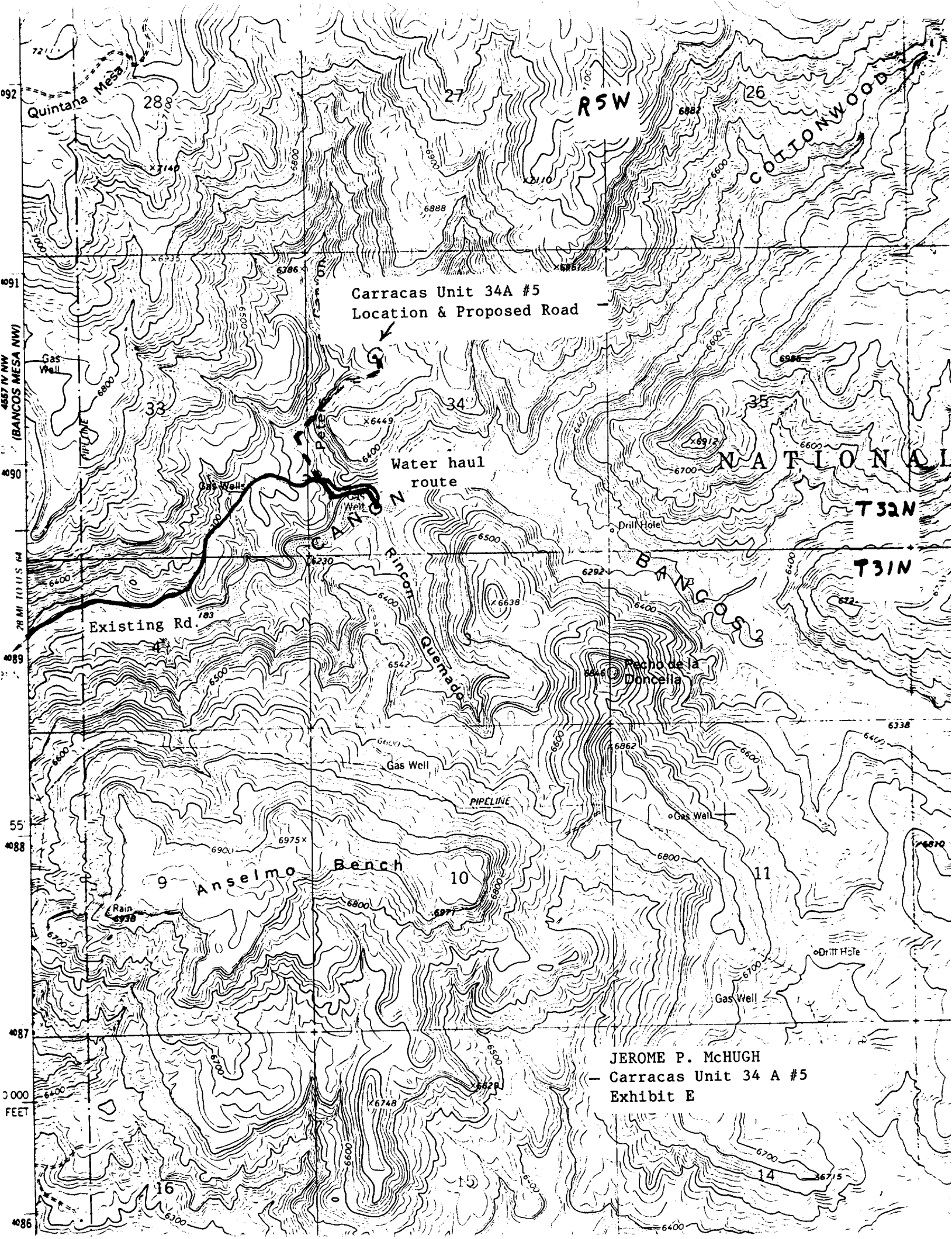


CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

James S. Hazen
Name
James S. Hazen
Position
Field Supt.
Company
Jerome P. McHugh
Date
8/7/87

Date Surveyed
July 9, 1987
Registered Professional Engineer and/or Land Surveyor
Edgar L. Risenhoover
Certificate No. 5979
Edgar L. Risenhoover, L.S.



Carracas Unit 34A #5
Location & Proposed Road

Water haul
route

Existing Rd.

JEROME P. McHUGH
- Carracas Unit 34 A #5
Exhibit E