

Application for Permit to Drill
Government "AC" No. 1

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The nearest inhabited residence is the home of Mr. A. H. Rains approximately two miles east of our proposed location. Mr. Rains has a Federal grazing lease covering our proposed road and location.

The well is projected to test the Morrow Sands with a TD of 11,600'. Other shallower zones will be tested as the well is drilled.

If completed as a producer, producing 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 gathering line.

The reserve pit will be lined when it is built. If the well is completed as a producer, the pits will be backfilled, levelled, debris removed and surface equipment fenced. If it is a dry hole, the well will be plugged as per United States Geological Survey requirements, the pits backfilled and levelled and all debris removed.

The proposed casing program consists of:

13-3/8" 48# set at 600' with cement circulated.

9-5/8" 32# and 36# set at 3000' with cement circulated.

5-1/2" 17# and 20# set at 11,600' with sufficient cement to fill annular space to 9000'.

In addition to the blow out preventer program shown on the attached plat, the following will be in use prior to drilling into the Wolf-camp formation:

1. Swaco adjustable choke in choke manifold.
2. Pit volume totalizer.
3. Flow line sensor.
4. Degasser.

Prior to drilling under the 9-5/8" casing, the BOP's and related control equipment will be pressure tested to rated working pressure by Yellow Jacket Tools and Services, Inc.

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