

STATE OF COLORADO
 OIL AND GAS CONSERVATION COMMISSION
 DEPARTMENT OF NATURAL RESOURCES

RECEIVED
 DEC 16 1986
 82-7309-S

APPLICATION
 FOR PERMIT TO DRILL, DEEPEN, OR RE-ENTER AND OPERATE

1a. TYPE OF WORK
 DRILL DEEPEN RE-ENTER OPERATE

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER

2. NAME OF OPERATOR
 Chandler & Associates, Inc.

3. ADDRESS OF OPERATOR
 1860 Lincoln St, Suite 1400 Denver, CO 80203

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
 At surface 1878' FNL; 1928' FEL SW NE
 At proposed prod. zone same

5. LEASE DESIGNATION AND SERIAL NO.
 82-7309-S

6. INDIAN, ALLOTTEE OR TRIBE NAME
 COMM.

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
 NE Craig St.

9. WELL NO.
 7-16

10. FIELD AND POOL, OR WILDCAT
 Wildcat

11. SEC., T., R., M. OR BLK. AND SURVEY OR AREA
 Sec. 16-7N-90W

12. COUNTY
 Moffat

13. STATE
 Colorado

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE
 Approximately 5 miles North of Craig, Colorado

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.
 (Also to nearest drig. line, if any) 1878'

16. NO. OF ACRES IN LEASE*
 640

17. NO. OF ACRES AND/OR DRILLING UNIT ASSIGNED TO THIS WELL
 320

18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
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19. PROPOSED DEPTH
 2900'

20. ROTARY OR CABLE TOOLS
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 6299' (ground)

22. APPROX. DATE WORK WILL START

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8-5/8"	24#	300'	200SX
7-7/8"	5 1/2"	15.5#	2900'	200 SX

24. IS SURFACE OWNER A PARTY TO LEASING AGREEMENT? YES NO
 If NO, surface bond must be on file.

DESCRIBE LEASE

1. Drill to TD of 2900' (Lewis).
2. Run 5 1/2" casing if commercial production is indicated.
3. If dry hole, plug and abandon as instructed by the State of Colorado.
4. Mud program will be chemical gel to TD with Mud-up at approximately 2300'.
5. Well control equipment will be furnished by the drilling contractor and will include a double hydraulic system of 900 series. A fillup line will be installed and equipment will be mechanically checked daily while drilling.

Lease Description: All of Sec. 16-7N-90W, Moffat County, Colo.

SIGNED Richard Veghte TITLE Petroleum Engineer DATE December 15, 1986

PERMIT NO. 86-857 APPROVAL DATE DEC 17 1986 EXPIRATION DATE APR 16 1987

APPROVED BY William Smith TITLE DIRECTOR DATE DEC 17 1986
 O & G Cons. Comm.

CONDITIONS OF APPROVAL, IF ANY:



A.P.I. NUMBER
 05 081 6662