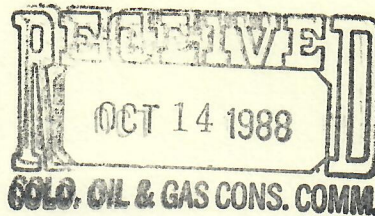




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BWAB INCORPORATED

October 13, 1988

State of Colorado
Oil and Gas Conservation Commission
1580 Logan Street, Suite 380
Denver, Colorado 80203

RE: Application for Permit to Drill
BWAB Incorporated
Federal #6-44 Well
SESE Section 6-T7N-R92W
Moffat County, Colorado

Gentlemen:

This letter is being furnished in conjunction with the above captioned Application for Permit to Drill. The proposed well is scheduled to be drilled 552 feet from the South line and 477 feet from the East line of Section 6, Township 7 North, Range 92 West, Moffat County, Colorado.

The well is to be drilled on a Federal oil and gas lease that BWAB acquired at the BLM competitive sale on September 8, 1988. This lease covers, among other lands, the Southeast Quarter of Section 6, the Northeast Quarter of Section 7 and the Northwest Quarter of Section 8. BWAB also owns a Federal oil and gas lease that includes, among other lands, the Southwest Quarter of Section 5. Therefore, BWAB Incorporated owns 100% of the working interests and all of the minerals are owned by the U.S. Government in the direct offsetting quarter sections to this proposed exception location.

Please advise me if you need any additional data for the approval of this Application for Permit to Drill.

Yours very truly,

BWAB INCORPORATED

Joseph F. Gavlick
Land Manager, Northern Division

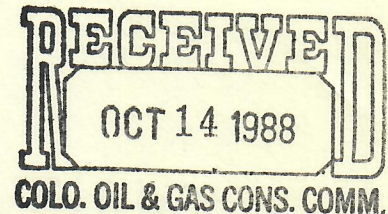
JFG/ep

BWAB INCORPORATED



October 13, 1988

State of Colorado
Oil and Gas Conservation Commission
1580 Logan Street, Suite 380
Denver, Colorado 80203



RE: Federal #6-44
SESE Section 6-T7N-R92W
Moffat County, Colorado

Gentlemen:

Enclosed please find BWAB Incorporated's State Application for Permit to Drill (original plus three copies), and copies of the Federal Application for Permit to Drill, Proposed Drilling Plan and Conditions for Drilling Permit Approval, 14 Point Plan, Survey Plat, and Location Layout for the referenced well. The above documents are executed by John R. Keller, Drilling and Production Manager of BWAB Incorporated.

Also attached are the documents supporting our request for an exception to normal spacing due to topographic considerations and the proximity to an existing plugged and abandoned well to a legal drillsite. Due to drilling and stimulation considerations, we do not feel drilling within forty feet of the dryhole is advisable. Topographic considerations limit wellsite selection to the old site, or the new site we are requesting a permit for, due to the space required for a pad and reserve pit. As the attached statement and land plat will show, correlative rights will be protected as we control all offsetting acreage and the royalty rate on the wellsite and offsetting acreage are common.

Upon approval, please return one fully executed copy to our office for our files. If you have any questions on the above, please advise. Thank you for your cooperation.

Respectfully,

BWAB INCORPORATED

John R. Keller
Drilling and Production Manager

JRK/ep
enclosures