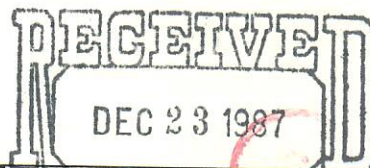


DEPT OF NATURAL RESOURCES
CONSERVATION COMMISSION
OF THE STATE OF COLORADOAPPLICATION
FOR PERMIT TO DRILL, DEEPEN, OR REENTER AND OPERATE

1a. TYPE OF WORK
DRILL ☒ DEEPEN ☐ REENTER ☐

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

2. NAME OF OPERATOR
#36960
H & M Oil Producers, Inc. & Davis Petroleum PHONE NO. 860-9888

3. ADDRESS OF OPERATOR
1580 Lincoln Street, Suite 400, Denver, CO 80203

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At surface ~~NE~~/NE Sec. 6-T33S-R45W 664 FNL 660 FEL
At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE
12 miles south & 4 miles east of Springfield, Colorado

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

16. NO. OF ACRES IN LEASE*
630.7

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

18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
no other well

19. PROPOSED DEPTH
5510'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
4301.02' GR

22. APPROX. DATE WORK WILL START
1/05-20/88 or as soon as rig available

23. 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#	± 500'	250 sacks
7 7/8"	5 1/2"	15.5#	± 5510'	150 sacks

*DESCRIBE LEASE

All of Section 6, T33S, R45W, Baca County, Colorado. containing 630.71 acres.

See attached Exhibit "A" for drilling surface hole. After drilling out of surface casing a 7 7/8" open hole will be drilled thru the Morrow to a PTD of 5510'. Shows penetrated, if any, will be drill stem tested as penetrated at discretion of working interest owners.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or reenter and operate, 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.

In accepting this permit the applicant agrees to fully abide by the requirements and rules of this Commission governing this permitted operation including his responsibility to prevent pollution of state waters during drilling, treating, testing, and producing operations and by the casing, cementing and plugging requirements particularly designed for the protection of state waters and the prevention of intermingling of the contents of all the various zones encountered in this permitted operation.

24.

SIGNED

M. Thomas Webster

TITLE

General Manager

DATE

12/22/87

(This space for Federal or State Office use)

PERMIT NO.

871069

APPROVAL DATE

DEC 29 1987

APPROVED BY

William K Smith

TITLE

DIRECTOR

DATE

DEC 29 1987

CONDITIONS OF APPROVAL, IF ANY:

O & G Cons. Comm.

A.P.I. NUMBER

05 009 6467

See Instructions On Reverse Side