



SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved
Budget Bureau No. 1004-0136
Expires: December 31, 1991

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
RE DRILL DEEPEN

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

2. NAME OF OPERATOR
Twin Arrow, Inc.

3. ADDRESS AND TELEPHONE NO.
P.o. Box 948, Rangely, CO 81648 970-675-8226

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At surface 1920' FNL, 1440' FWL Sec 12, T1N R102W
At proposed prod. zone 1920' FNL, 1440' FWL Sec 12, T1N R102W

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
1 mile north to Rangely

16. NO. OF ACRES IN LEASE 910.97
17. NO. OF ACRES ASSIGNED TO THIS WELL 10

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 50'
19. PROPOSED DEPTH 4000'

20. ROTARY OR CABLE TOOLS Rotary

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

22. APPROX. DATE WORK WILL START* 3/22/97

5. LEASE DESIGNATION AND SERIAL NO.
D-033804-B

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARMOR LEASE NAME, WELL NO.
Newton

9. API WELL NO.
16AX

10. FIELD AND POOL, OR WILDCAT
Rangely - Mancos

11. SEC., T., R., M., OR BLM. AND SURVEY OR AREA
S12, T1N, R102W, 6th PM

12. COUNTY OR PARISH Rio Blanco
13. STATE CO

PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | GRADE SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|----------------------|-----------------|---------------|---------------------|
| 7 7/8 | 7" | | 60' | 10 sacks to surface |
| | | | | |

On 3/19/97 we plugged the Newton 16A because of a fish in the hole at a depth of 2150'. This well is replacement well on the same well pad but located 50' west of the 16A well. Twin Arrow, Inc. proposed to set 60' of Surface 7" casing with the 7" well being cemented to surface. A 6 1/8" hole will be drilled to the base of the mancos, 4000' or to the first commercial oil zone which ever is shallower.

Attachment "A" - 10 Point Drilling Program



RECEIVED
 MAR 24 AM 7:27
 BUREAU OF LAND MANAGEMENT
 DENVER, CO. 81641-0028

"Conditions of Approval Attached"

"APPROVAL TO FLARE GRANTED WHILE DRILLING AND TESTING"

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, 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 Gay L. Hinaman TITLE President DATE 3/19/97

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY John Mehlhoff TITLE Area Manager DATE 3-25-97

*See Instructions On Reverse Side