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UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEYSUBMIT IN TRIPPLICATE
(Other instructions on
reverse side)Form approved.
Budget Bureau No. 42-R1425.

1. TYPE OF WORK a. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> 2. NAME OF OPERATOR SHARON RESOURCES, INC. 3. ADDRESS OF OPERATOR 5340 South Quebec Street - Suite 2200, Englewood, CO 80111 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1820' FNL, 1820' FEL (SW $\frac{1}{4}$ NE $\frac{1}{4}$) At proposed prod. zone same 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 10 miles southwest of Rangely, Colorado 15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 1820' 16. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. N/A 17. ELEVATIONS (Show whether DF, RT, GR, etc.) 5456' GL, 5466' KB 18. LEASE DESIGNATION AND SERIAL NO. C-47481 19. IF INDIAN, ALLOTTEE OR TRIBE NAME 20. UNIT AGREEMENT NAME 21. FARM OR LEASE NAME Federal 22. WELL NO. 28-1 23. FIELD AND POOL, OR WILDCAT 24. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec 28-T1N-R103W 25. COUNTY OR PARISH Rio Blanco 26. STATE Colorado 27. NO. OF ACRES IN LEASE 160 28. NO. OF ACRES ASSIGNED TO THIS WELL 160 29. PROPOSED DEPTH 3200' 30. ROTARY OR CABLE TOOLS rotary 31. APPROX. DATE WORK WILL START* October 1, 1989		
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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" new	24# J-55	300'	to surface (Type G)
7-7/8"	4-1/2" new	10.5# J-55	3200'	65/35 POZ mix with 6% gel tailed in with Type G

1. Surface formation is the Greenhouse.
2. Geologic markers are: Sego 2600', Castlegate 3000', TD 3200'.
3. Gas is anticipated in the Castlegate at 3000'.
4. Proposed casing program: see Item 23 above.
5. Pressure control equipment: see schematic of drilling contractor's BOP stack.

A. 2,000 psi W.P. double-gate BOP.

B. Functional test daily.

(continued on next page)

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IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, 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.

SIGNED JACK STEINHOUSER TITLE President DATE September, 1989
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

APPLICATION FOR PERMIT TO DRILL - Federal No. 28-1 (continued)

5. (continued)

- C. All casing strings shall be pressure-tested (0.2 psi/foot or 1,000 psi, whichever is greater) prior to drilling the plug after cementing; test pressure shall not exceed the internal yield pressure of the casing.
- D. All ram-type preventers and related control equipment shall be tested at the rated working pressure of the stack assembly or at 70 percent of the minimum internal yield pressure of the casing, whichever is less. Tests shall be done at the time of installation, prior to drilling out, and weekly. All tests shall be for a period of 15 minutes.

6. Auxiliary Equipment:

- A. Kelly cock - yes.
- B. Float at the bit - yes.
- C. Monitoring equipment on the mud system - visually.
- D. Full opening safety valve on rig floor - yes.
- E. Rotating head - yes.
- F. The blooie line shall be at least 6" in diameter and extend at least 100' from the wellbore into the reserve/blooie pit.
- G. Blooie line ignition shall be provided by a continuous pilot (ignited when drilling below 2000').
- H. Compressors shall be tied directly to the blooie line through a manifold.
- I. A mistor with a continuous stream of water shall be installed near the end of the blooie lines for dust suppression.

7. Proposed Circulating Medium:

<u>Depth</u>	<u>Mud Type</u>	<u>Density</u> <u>(lb./gal.)</u>	<u>(Sec./Qt.)</u>	<u>Viscosity</u> <u>Water Loss</u>
0' - 300'	Air or Water			
300' - TD	Air Mist w/2T KC1 or Gelchem	8.4-9.0	28-40	15-10 cc

A sufficient quantity of mud reserve material (equal to the active mud system capacity) will be kept on hand to meet any lost circulation or well control problems.

8. Testing, Logging, and Coring Program:

- A. Cores - none.
- B. DST - none.
- C. Logging - FDC-CNL-GR, DIL-SP (GR to surface).
- D. Formation and Completion Interval: Castlegate; final determination of completion will be made by analysis of logs.
- E. Sand Fracturing - unknown; will submit Form 3160-3 for approval if fracturing is necessary.

9. Cementing Program: see Item #4 above.

The quantity of cement used for the production casing will be sufficient to circulate to the surface. If no cement returns are observed at the surface,

APPLICATION FOR PERMIT TO DRILL - Federal No. 28-1 (continued)

9. (continued)
a temperature log, or equivalent, will be run to determine remedial cementing procedures necessary to ensure adequate resource protection/isolation.
10. Anticipated Abnormal Pressures and Temperatures, Other Potential Hazards:
none.

Bottom hole pressure anticipated is 1000 psi at 80° F.

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