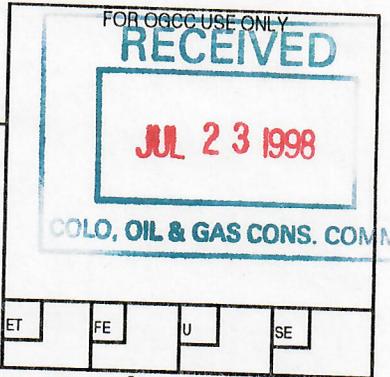




State of Colorado
Oil and Gas Conservation Commission
DEPARTMENT OF NATURAL RESOURCES



1 a. TYPE OF WORK
 Drill, Deepen, Re-enter, Recomplete and Operate

1 b. TYPE OF WELL
 OIL GAS COAL BED OTHER: _____
 SINGLE ZONE MULTIPLE ZONE COMMINGLE ZONES
 Refilling Side Track

2. OGCC Operator Number: 74522
 3. Name of Operator: Riata Energy, Inc.
 4. Address: P.O. Box 10209
 City: Amarillo State: TX Zip: 79116
 6. Well Name: Federal 399 Well Number: #23-1
 7. Unit Name (if Appl.): Unit No:
 8. Objective Formation(s): Green River Formation Code: GRRV
 9. Proposed Total Depth: 2,500'

Complete the Attachment Checklist

	Oper	OGCC
APD Original & 2 Copies	X	X
Form 2A (Reclamation) & 1 Copy		
Permit Fee (\$50)	X	
Well Location Plat	X	
Copy of Topo Map	X	
Plugging Surety		
Mineral Lease Map		
Surface Agreement/Surety		
Pit Permit (Form 15)		
Deviated Drilling Plan		
Request for Exception Location		
Exception Location Waivers		
H ₂ S Contingency Plan		
Federal Drilling Permit (1 Set)	X	
Notices of Allocation		
Sent Complete Permit Package to County	X	

WELL LOCATION INFORMATION

10. QtrQtr: SE SE Sec: 23 Twp: 3S Rng: 99W Meridan: 6th p.m.
 11. Footage From Exterior Section Lines (if directional, submit drilling plan):
 At Surface: 3' FSL and 808' FEL
 If directional, at Top Proposed Prod. Zone:
 If directional, at Bottom Hole:
 12. Ground Elevation: 7,041' GR 13. County: Rio Blanco
 14. Field Name: Sulpher Creek Field Number: 80090

LEASE, SPACING, AND POOLING INFORMATION

15. Spacing Order #(s):
 16. # Acres in Unit: 40
 17. Unit Description: SE SE Sec. 23
 19. Surface Ownership: Fee State Federal Indian Lease #: COC-01398
 Is the Surface Owner also the Mineral Owner?: Yes No
 If No: Surface Owners Agreement Attached or \$25,000 Blanket Bond \$2,000 Bond \$5,000 Bond
 20. Total Acres in Lease: 1120
 21. Describe Entire Lease by QtrQtr, Sec, Twp, Rng (attach separate sheet/map if required):
 SE SE Sec. 23, T3S - R99W
 Sec. 23: All, Sec. 25: N/2, Sec. 26: N/2 N/2
 22. Is location in a high density area (Rule 603b)? No Yes
 23. Distance to nearest Lease Line: 808'
 24. Distance to nearest Property Line: 808'
 25. Distance to nearest well completed in the same Formation: None
 26. Distance to nearest building, public road, major above ground utility or railroad: Greater than 200'

DRILLING PLANS AND PROCEDURES

27. Approx. Spud Date: October 1, 1998
 28. Drilling Contractor Number: Name: To be Determined * IF Air/Gas Drilling, Notify Local Fire Officials
 29. Is H₂S Anticipated: No Yes If yes, attach contingency plan.
 30. Will salt (>15,000 ppm TDS Cl) or oil based muds be used during drilling? No Yes
 31. Will salt sections be encountered during drilling? No Yes
 32. If questions 30 or 31 are yes, is this location in a sensitive area (Rule 903)? No Yes
 33. Mud disposal: Offsite Onsite
 Method: Land Farming Land Spreading Disposal Facility Other: Evaporation and Burial

CASING AND CEMENTING PROGRAM

Size of Hole	Size of Casing	Weight per Foot	Setting Depth	Sks Cement	Cement Bottom	Cement Top
8-3/4"	7"	23#	400'	25 sx	400'	Surface
6-1/4"	4-1/2"	10.5#	2500'	250 sx	2500'	1000'

35. BOP Equipment: Annular Preventor Double Ram Rotating Head None
 36. Comments, if any:

I hereby certify that the statements made in this form are, to the best of my knowledge, true, correct, and complete.
 Print Name: Lisa L. Smith
 Signed: *[Signature]* Title: Riata Energy, Inc. Date: 07/22/98

OGCC Approved: *[Signature]* Director of COGCC Date: SEP 24 1998
 API NUMBER 05-103-9914 Permit Number 98-864 Expiration Date: SEP 23 1999
 CONDITIONS OF APPROVAL, IF ANY: *[Signature]*

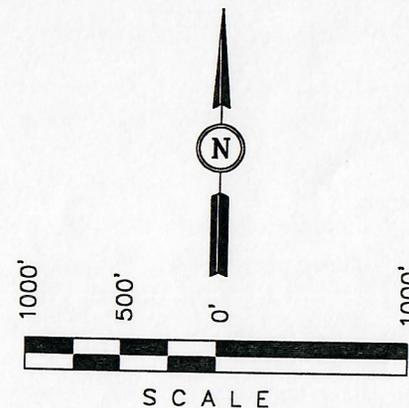
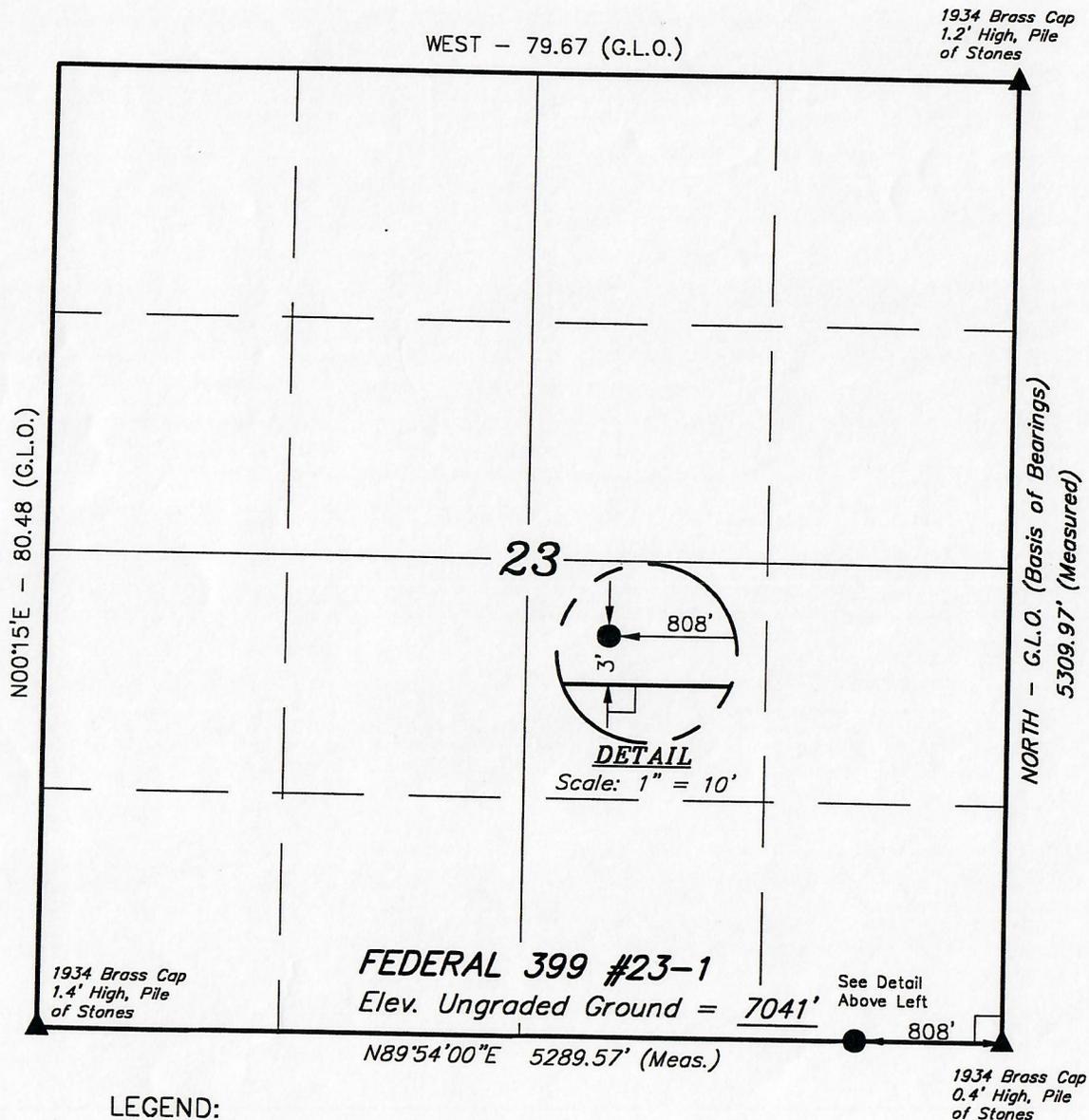
T3S, R99W, 6th P.M.

RIATA ENERGY, INC.

Well location, FEDERAL 399 #23-1, located as shown in the SE 1/4 SE 1/4 of Section 23, T3S, R99W, 6th P.M. Rio Blanco County, Colorado.

BASIS OF ELEVATION

SPOT ELEVATION AT THE SOUTHWEST CORNER OF SECTION 23, T3S, R99W, 6th P.M. TAKEN FROM THE YANKEE GULCH QUADRANGLE, COLORADO, RIO BLANCO COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 7853 FEET.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Robert L. Key
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 17492
 STATE OF COLORADO

UINTAH ENGINEERING & LAND SURVEYING
 85 SOUTH 200 EAST - VERNAL, UTAH 84078
 (435) 789-1017

LEGEND:

- └ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

SCALE 1" = 1000'	DATE SURVEYED: 6-29-98	DATE DRAWN: 7-2-98
PARTY G.S. J.K. C.B.T.	REFERENCES G.L.O. PLAT	
WEATHER HOT	FILE RIATA ENERGY, INC.	