



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



FOR OGCC USE ONLY RECEIVED JAN 23 98 COGCC

APPLICATION FOR PERMIT TO:

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

1 b. TYPE OF WELL OIL [X] GAS [ ] COAL BED [ ] OTHER: SINGLE ZONE [X] MULTIPLE ZONE [ ] COMMINGLE ZONES [ ]

Refiling [ ] SideTrack [ ]

ET [ ] OE [ ] PR [ ] ES [ ]

Complete the Attachment Checklist

2. OGCC Operator Number: 12844 3. Name of Operator: Caddo Corporation 4. Address: Kaleido I-215, 9390 Research Blvd. City: Austin State: TX Zip: 78759 5. Contact Name & Phone: Frank B. Lyon No: 512-345-8966 Fax: 512-345-4393 6. Well Name: Sand Arroyo Ranch Well Number: 22-1 7. Unit Name (If Appl.): Unit No: 8. Objective Formation(s): Arbuckle Formation Code: ABCK 9. Proposed Total Depth: 4000'

Table with 2 columns: Attachment Name, Op, OGCC. Includes items like APD Original & 2 Copies, Form 2A (Reclamation) & 1 Copy, Permit Fee (\$200), Well Location Plat, Copy of Topo Map, etc.

WELL LOCATION INFORMATION

10. QtrQtr: SESE Sec: 22 Twp: 33S Rng: 49W Meridian: 6th 11. Footage From Exterior Section Lines (if directional, submit drilling plan): At Surface: 660' FSL, 660' FEL 12. Ground Elevation: 4839 13. County: Baca 14. Field Name: Wildcat Field Number: 99999

LEASE, SPACING, AND POOLING INFORMATION

15. Spacing Order #(s): 16. # Acres in Unit: 40 17. Unit Description: SESE 18. Mineral Ownership: [X] Fee [ ] State [ ] Federal [ ] Indian 19. Surface Ownership: [X] Fee [ ] State [ ] Federal [ ] Indian 20. Total Acres in Lease: 1104 21. Describe Entire Lease by QtrQtr, Sec, Twp, Rng (attach separate sheet/map if required): ALL of Sec. 22, T33S, R49W except 10' strip along bottom of section. W/2 of Sec. 29, T33S, R49W. SW 1/4 Sec. 23 except northern 15 rods. 22. Is location in a high density area (Rule 603b)? [X] No [ ] Yes 23. Distance to nearest Lease Line: 650' 24. Distance to nearest Property Line: 660' 25. Distance to nearest well completed in the same Formation: none 26. Distance to nearest building, public road, major above ground utility or railroad: 660'

DRILLING PLANS AND PROCEDURES

27. Approx. Spud Date: 2/7/98 28. Drilling Contractor Number: Name: Yet to be determined Phone #: 29. Is H2S Anticipated: [X] No [ ] Yes 30. Will salt (>15,000 ppm TDS Cl) or oil based muds be used during drilling? [X] No [ ] Yes 31. Will salt sections be encountered during drilling? [X] 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 [X] Onsite Method: [ ] Land Farming [ ] Land Spreading [ ] Disposal Facility [X] Other: Drying & Burial in Res. Pit

CASING AND CEMENTING PROGRAM

Table with 7 columns: Size of Hole, Size of Casing, Weight per Foot, Setting Depth, Sks Cement, Cement Bottom, Cement Top. Row 1: 17 1/2", 13 3/8", 48, 300, 300, 300', Surface. Row 2: 7 7/8", 4 1/2", 9.5, 4000', 225, 4000, 2850'

35. BOP Equipment: [X] Annular Preventor [X] 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: Frank B. Lyon Signed: [Signature] Title: President Date: 1/14/98

OGCC Approved: [Signature] Director of COGCC Date: FEB 02 1998

API NUMBER 05-009-6578 Permit Number: 98-079 Expiration Date: FEB 01 1999

CONDITIONS OF APPROVAL, IF ANY: Las Animas

at 719-336-2843. If production casing is set provide annular cement coverage from top of Day Creek to base of surface casing. Run Cement Bond Log to verify coverage. If well is a dry hole set plugs at the following depths: 1) 40 sks cement +/-50' above any significant Arbuckle zone and/or significant DST zone 2) 40 sks cement at top of Day Creek 3) 60 sks cement 1/2 out, 1/2 in 13 3/8" casing 4) 15 sks cement top 13 3/8" csg, cut 4 ft below GL, weld on plate 4) 5 sks cement in rat hole and mouse hole