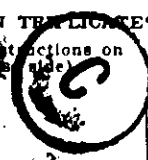




103-09699  
UNITED STATES  
MENT OF THE INTERIOR  
AU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE  
(Other instructions on  
reverse side)

Form approved.  
Budget Bureau No. 1004-0136  
Expires August 31, 1985



APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK  
 DRILL       DEEPEN       PLUG BACK

b. TYPE OF WELL  
 OIL WELL       GAS WELL       OTHER

2. NAME OF OPERATOR  
 Chaparral Resources, Inc. (303) 293-2340

3. ADDRESS OF OPERATOR  
 621 - 17th Street, Suite 1301, Denver, CO 80293

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)  
 At surface  
 NESW (1960' FWL, 1814' FSL) Section 2, T4S-R102W  
 At proposed prod. zone  
 Same

5. LEASE DESIGNATION AND SERIAL NO.  
 C-03961

6. IF INDIAN, ALLOTTEE OR TRIBE NAME  
 N/A

7. UNIT AGREEMENT NAME  
 N/A

8. FARM OR LEASE NAME  
 South Douglas Creek

9. WELL NO.  
 32

10. FIELD AND POOL, OR WILDCAT  
 South Douglas Creek  
 Castlegate

11. SEC., T., R., M., OR BLK.  
 AND SURVEY OR AREA  
 Section 2, T4S-R102W

12. COUNTY OR PARISH  
 Rio Blanco

13. STATE  
 Colorado

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
 Approximately 29 miles south of Rangely, Colorado

15. DISTANCE FROM PROPOSED\*  
 LOCATION TO NEAREST  
 PROPERTY OR LEASE LINE, FT.  
 (Also to nearest drig. unit line, if any)      700'

16. NO. OF ACRES IN LEASE  
 1,403.78

17. NO. OF ACRES ASSIGNED  
 TO THIS WELL      40

18. DISTANCE FROM PROPOSED LOCATION\*  
 TO NEAREST WELL, DRILLING, COMPLETED,  
 OR APPLIED FOR, ON THIS LEASE, FT.      100'

19. PROPOSED DEPTH  
 1,452'

20. ROTARY OR CABLE TOOLS  
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)  
 6,550' GR

22. APPROX. DATE WORK WILL START\*  
 August 10, 1994

23. PROPOSED CASING AND CEMENTING PROGRAM (USED)

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | * QUANTITY OF CEMENT                                 |
|--------------|----------------|-----------------|---------------|--|
| 12-1/4"      | 10-3/4" J-55   | 40.5#           | 0-40'         | 15 sx. Circulate to Surface                          |
| 8-3/4"       | 7" J-55        | 20.0#           | 0-250'        | 70 sx. Circulate to Surface                          |
| 6-1/4"       | 4-1/2" J-55    | 10.5#/11.6#     | 0-1,352'      | 120 sx. Circulated back to 1,000'<br>with 30% excess |

\*Cement volumes may change due to hole size.  
Calculated from Caliper Log.

RECEIVED  
MAY 20 1994

EIGHT-POINT RESOURCE PROTECTION PLAN ATTACHED.

I hereby certify that Chaparral Resources, Inc. is authorized by the proper Lease Interest Owners to conduct lease operations associated with this Application for Permit to Drill the SDC #32, Federal Lease #C-03961. Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by Chaparral Resources, Inc., Statewide Bond #CO-0097, who will be responsible for compliance with all the terms and conditions of that portion of the lease associated with this Application.

A.P.I. 103-09699

Cause 311  
Piceance Basin

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.

24. SIGNED [Signature] TITLE Vice President DATE May 18, 1994

(This space for Federal or State office use)

PERMIT NO. 94-802 APPROVAL DATE JUN 27 1994 exp dt DEC 24 1994

APPROVED BY [Signature] TITLE Director DATE JUN 27 1994

CONDITIONS OF APPROVAL, IF ANY:  
1. 24 Hour spud notice required. Contact COGCC Field Engineer Jaime Adkins (303) 878-4652.

\*See Instructions On Reverse Side