

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

SUBMIT IN THIS DATE\*  
(Other if State on  
reverse side)

Form approved.  
Budget Bureau No. 42-R1425.

1. TYPE OF WORK <b>DRILL</b> <input checked="" type="checkbox"/> <b>DEEPEN</b> <input type="checkbox"/> <b>PLUG BACK</b> <input type="checkbox"/>			5. LEASE DESIGNATION AND SERIAL NO. <b>USL - OR - 7399</b>
2. NAME OF OPERATOR <b>MICHEL F. HALBOUY</b>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME <b>Not applicable</b>
3. ADDRESS OF OPERATOR <b>5600 Westheimer, Suite 501, Houston, Texas 77056</b>			7. UNIT AGREEMENT NAME <b>Non-unit</b>
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface <b>334 feet from east line and 229' from north line of Section 10, T-23-S, R-20-E, W. M.</b> At proposed prod. zone <b>Vertical hole</b>			8. FARM OR LEASE NAME <b>OR 7399 (USL)</b>
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* <b>9 miles NNW of Burns, Oregon</b>			9. WELL NO. <b>1</b>
15. DISTANCE FROM PROPOSED* <b>334'</b> to property line to east		16. NO. OF ACRES IN LEASE <b>2500.19 ac.</b>	10. FIELD AND POOL, OR WILDCAT <b>Wildcat</b>
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.		19. PROPOSED DEPTH <b>Max. 3500'</b>	11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA <b>Sec. 10, 23S, 29E - W. M.</b>
21. ELEVATIONS (Show whether DF, RT, GR, etc.) <b>4761' Gr.</b>		20. ROTARY OR CABLE TOOLS <b>Rotary tools</b>	12. COUNTY OR PARISH    13. STATE <b>Harney                    Oregon</b>
22. APPROX. DATE WORK WILL START* <b>October 15, 1976</b>			

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
30"	24"	47#/ft.	100' ±	To completely fill annulus
20"	18"	35#/ft.	400' ±	To completely fill annulus
14-3/4"	10-3/4"	40.5#/ft.	2500' ±	Sufficient to tie into 16" conductor casing.
9-7/8"	7" or 8-5/8"	23# & 20#/ft.	3000' ±	From shoe to 500' above any possible productive zone

Projected Geologic Intervals

0' - 2400' - Tertiary - Tertiary  
 2400' - 4500' - Quaternary - Recent  
 4500' - 7000' - Quaternary  
 7000' - T. B. Jurassic - Triassic

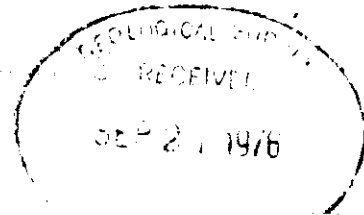
CITATIONS:  
 FEDERAL RESERVE  
 STATE  
 OTHER  
 See attached tentative drilling program. *std 017*

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 prevention program, if any.

SIGNED Doyle W. McClennen TITLE General Manager DATE 9-13-76

APPROVED BY D. F. Russell DISTRICT ENGINEER DATE Nov. 8, 1976

cc - BLM, Burns, Oregon  
 Harney County Planning Commission, Burns Oregon  
 Oregon Dept. of Geology & Min. \*See Instructions On Reverse Side  
 Industry, Portland, OR



Your proposed work is approved subject to the following requirements:

1. Compliance with Federal Oil and Gas Operating Regulations.
2. The date actual drilling is started shall be reported promptly to the District Engineer.
3. Any change in the approved program must receive prior approval of the District Engineer.
4. Install adequate blowout prevention equipment and maintain in good condition at all times. Rams should be tested occasionally by opening and closing and against pressure.
5. All pertinent data, including electrical logs, directional surveys, core descriptions and analyses, stratigraphic and faunal determinations, formation tests, and similar information shall be submitted in duplicate. Electrical logs and similar surveys and the results of formation tests should be submitted as soon as the records are available. Other data not previously submitted shall be included in or submitted with the log and history.
6. Notify the District Engineer in advance of formation or water shut-off tests.
7. Before the production string is cemented or the hole abandoned, the District Engineer shall be notified and allowed sufficient time to examine cores, electric logs or other records.
8. All rigs or wells shall be permanently marked in a conspicuous place with the name of the operator, the lease serial number and the number and location of the well. This marker to be maintained at all times.
9. Drilling equipment shall not be removed from any suspended drilling well without first securing the written consent of the District Engineer.
10. Two copies of the Lessee's Monthly Report of Operations (Form 9-329) must be forwarded not later than the sixth of the following month to:

Area Oil and Gas Supervisor  
 U. S. Geological Survey  
 Pacific Area  
 7744 Federal Building  
 300 North Los Angeles Street  
 Los Angeles, California 90012