Form Approved. Budget Bureau No. 42-R1424

## UNITED STATES PARTMENT OF THE INTERIOR

UNITED STATES	5. LEASE
DEPARTMENT OF THE INTERIOR	
GEOLOGICAL SURVEY	6. IF INDIAN, ALLOTTEE OR TRIBE NAME NONE
SUNDRY NOTICES AND REPORTS ON WELLS	7. UNIT AGREEMENT NAME
(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use Form 9–331–C for such proposals.)	West Lybrook Unit 8. FARM OR LEASE NAME
1. oil (X) gas rij	FEDERAL - 7
well well other  2. NAME OF OPERATOR	9. WELL NO.
KENAI OIL AND GAS INC.	10. FIELD OR WILDCAT NAME
3. ADDRESS OF OPERATOR	Lybrook (Extension)-Gallup
717 17th St., Ste. 2000, Denver, CO 80202	11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)	Sec. 7, T23N-R7W
AT SURFACE: 1650' FSL - 790' FWL	12. COUNTY OR PARISH 13. STATE
AT TOP PROD. INTERVAL: AT TOTAL DEPTH:	Rio Arriba New Mexico
	14. API NO.
16. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA	15. ELEVATIONS (SHOW DF, KDB, AND WD)
	7119' GL (graded); 7129' KB
REQUEST FOR APPROVAL TO: SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF	
SHOOT OR ACIDIZE	
PULL OR ALTER CASING	(NOTE: Report results of multiple completing of zone change on Form 9–330.)
MULTIPLE COMPLETE	
CHANGE ZONES	OF COM COM
(other)	/OIL ELET. 3
17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates,	
including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*	
Set Speedy-line bridge plug @ 5530' and completed well by perforating Lower Gallup, 5462-70' and Upper Gallup 5343-49' and acidizing and fracing each zone separately. Swab and flowing tests before recovery of all load water indicate the well will produce 10 to 15 bbls oil per day, plus 200 to 300 MCF per day; a commercial	
completion in the Gallun.	
C==CEIVED	
JUL 24'80 RECEIVE	
17 193	:U
FARMINGTON DISTRICE JUN 1.	MIGUEY
BY U. S. GEOLOGICAL S Subsurface Safety Valve: Manu. and Type FARMINGTON, N	M.
Subsurface Safety Valve: Manu. and Type	Set @ Ft.
18. I hereby certify that the foregoing is true and correct  Manager - Drilling and  SIGNED Lacet Title Production DATE 6/	
SIGNED AFE ON 10, July TITLE Production	DATE 0/
(This space for Federal or State office use)	
APPROVED BY TITLE TITLE	DATE

## P. O. Box 959 Farmington, New Mexico 87401

July 24, 1980

Kenai Oil and Gas, Inc. Attention: Mr. George B. Judd 717 17th St. Suite 2000 Denver, Colorado 80202

## Gentlemen:

Enclosed is your request for approval to change zones dated June 12, 1980, in well No. 13 Federal 7, NW4SW4 sec. 7, T. 23 N., R. 7 W., Rio Arriba County, New Mexico, lease NM 23051.

Approval is granted for perforating, treating, and testing of the Gallup with a bridge plug set at 5530 feet. You will be allowed 30 days from the date of this letter for testing of the Gallup. Production from the Gallup, after this time, will be allowed only if the Dakota is permanently abandoned. The requirements for permanent abandonment of the Dakota are as follows:

Cement off the Dakota perforations with a cement plug from T.D. to 50 feet above the top of the perforations.

or:

Set a bridge plug and cement cap above the Dakota perforations, within 100 feet of the top of the perforations. The cement cap must be at least 35 feet if placed by wireline or 25 sacks if spotted through tubing.

A form 9-330 "Well Completion Report" (six copies) is also needed for the subject well.

Sincerely yours,

James F. Sims District Oil and Gas Supervisor

Enclosure

cc: Roswell w/Enclosure

NMOCC (2) w/enclosure

Well file

Chronological file

EGBecher:lje