



NEW MEXICO INC.
OIL AND GAS PRODUCTION AND PROPERTIES

DATE: January 24, 1996
TO: Frank Chavez
COMPANY: NMOC
TELEFAX #: (505) 334-6170
FROM: J. E. Gallegos

IMPORTANT!

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MESSAGE: _____

NO. OF PAGES INCLUDING COVER SHEET: 7

If there is a problem with transmission, please call Jolene at (505) 988-4171.

12. Other Information

A. General Description

1. Archeological clearance, topography, soil character, and flora and fauna are detailed in the archeologist's report forwarded by an approved contract archaeologist to the appropriate management agency.

2. Land uses include recreation, grazing and oil and gas development.

13. Operator's Representative and Certification

Amoco Production Company
Kurt W. Unger
Drilling Superintendent
P.O. Box 800
Denver, Colorado 80201-0800
(303) 830-6036

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by AMOCO PRODUCTION COMPANY and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

Date:

17 October 95

Kurt W. Unger, Drilling Superintendent



VIA TELEFAX
(505) 599-8998

January 24, 1996

Mr. Ken Townsend
Drilling & Production Technical Advisor
Bureau of Land Management
1235 La Plata Highway
Farmington, NM 87401

RE: Basin Dakota 24B Com 1
Section 24, T25N, R11W
San Juan County, New Mexico

Dear Mr. Townsend:

Pro New Mexico has just discovered that Giant Exploration & Production Company has obtained a permit to drill a Basin Dakota well in the NE/4, Section 24, T25N, R11W, San Juan County, New Mexico. The application was designated by Giant as "confidential".

Our company holds oil and gas leases on the W/2 and SE/4 of that Section 24. Ostensibly Giant is attempting to include our leasehold in the SE/4 as part of the necessary 320 acres for dedication to the proposed Dakota well. This action has been taken without any effort to communitize the E/2 of Section 24; indeed, without even notifying Pro New Mexico.

Giant's filing with the Bureau of Land Management and New Mexico Oil Conservation Division is incomplete in that it does not designate the lease numbers or leasehold interests. It intentionally misrepresents that Giant controls the proration unit acreage on the dedication plot, fails to conform to the requirements of Rule 1102 of the Oil Conservation Commission and violates the instructions on the Form C-102.

NEW MEXICO MULTIPPOINT REQUIREMENTS

1. Existing Roads

- A. The proposed location is staked as shown on the Certified Plat.
- B. Route and distance from nearest town is identified on the form 3160-3, item #14 (also, see Exhibit A).
- C. Access road(s) to location are identified on Exhibits A and B.
- D. Not applicable unless exploratory well.
- E. All existing roads within one-mile radius of the well site are shown on Exhibit B.
- F. Improvement and/or maintenance of existing roads may be done as deemed necessary for Amoco's operations, or as required by the surface management agency.

2. Access Roads

- A. Width: 18'
- B. Maximum Grades: 5% or less
- C. Turnouts: 1 per 1/2 mile
- D. Drainage will be used as required.
- E. Size and location of culverts, if needed, will be determined at the onsite inspection or during construction.
- F. Surfacing materials may be applied to the proposed road and/or location if the conditions merit it.
- G. Gates and/or cattle guards will be installed at fence crossings if deemed necessary by the land owner or the surface management agency.
- H. The proposed new access road is center-line flagged if applicable

3. Location of Existing Wells

- A-H. All existing wells, to the best of our knowledge, are identified on Exhibit C (9 section plat).

4. Location of Existing and/or Proposed Facilities

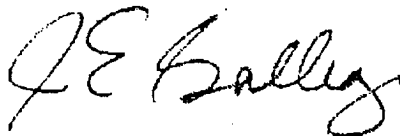
- A. All existing facilities owned or controlled by Amoco are shown on Exhibits D and E.
- B. If this proposed well is productive, Amoco will own or have control of these facilities on location: storage tanks, wellhead, production unit, and if applicable, a pump jack and/or compressor. Also there will be buried production lines from the wellhead to the production unit and/or storage tanks. Amoco will submit a Sundry Notice when off-pad plans are finalized.
- C. Rehabilitation, whether the well is productive or not, will be made on all unused areas in accordance with surface owner or manager approval.

Ken Townsend
Bureau of Land Management
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January 24, 1996

Pro New Mexico opposes the drilling of the subject well. Pro New Mexico asks that the subject Permit (copy enclosed for your reference) be revoked or, at least, suspended, until this matter can be decided by formal hearing before the NMOCD.

Very truly yours,

PRO NEW MEXICO, INC.

By 

J. E. Gallegos
President

cc(via telefax):

John Corbett, Vice President Operations, Giant
William LeMay, Director, NMOCD
Frank Chavez, District Supervisor, NMOCD

BOP Test Pressure

Amoco Production Company BOP Pressure Testing Requirements

Lease/Well#: Michener LS #3A
County: San Juan State: New Mexico

Formation	TVD	Anticipated Bottom Hole Pressure	Maximum Anticipated Surface Pressure **
Ojo Alamo	1,301		
Kirtland	1,416		
Fruitland Coal	2,041		
PC	2,346		
Lewis Shale	2,510		
Cliff House *	4,010	1200	318
Menefee Shale *	4,030		
Point Lookout *	4,617	1700	684
Mancos	5,017		
Gallup	0		
Greenhorn	0		
Graneros	0		
Dakota	0		

** Note: Determined using the following formula: $ABHP - (.22 \times TVD) = ASP$

Requested BOP Pressure Test Exception: 750

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1. TYPE OF WORK
 DRILL ☒ DEEPEN ☐

2. TYPE OF WELL
 OIL WELL ☐ GAS WELL ☒ OTHER ☐

3. NAME OF OPERATOR
 Giant Exploration & Production Company (505) 326-3325

4. ADDRESS AND TELEPHONE NO.
 P.O. Box 2810, Farmington, NM 87499

5. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
 At surface 850' FNL & 1700' FEL

6. At proposed prod. zone Same

7. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE
 22 air miles S of Bloomfield, NM

8. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any)
 850'

9. NO. OF ACRES IN LEASE
 160

10. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
 N/A

11. PROPOSED DEPTH
 6,200'

12. NO. OF ACRES ASSIGNED TO THIS WELL
 320

13. ROTARY OR CABLE TOOL
 Rotary

14. ELEVATIONS (Show whether DF, RT, QR, etc.)
 6,480' ungraded ground

15. APPROX. DATE WORK WILL START
 Feb. 15, 1996

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24# (J-55)	320'	~325 sx and to surface
7-7/8"	4-1/2"	10.5# (K-55)	6,200'	~720 sx and to surface

WILL COMMUNITIZE WITH SE4.

PLEASE KEEP CONFIDENTIAL. PLEASE KEEP CONFIDENTIAL. PLEASE KEEP CONFIDENTIAL. PLEASE KEEP CONFIDENTIAL.

RECEIVED
 JAN 12 1996
 OIL & GAS DIV.
 BUREAU OF LAND MANAGEMENT

RECEIVED
 BLM FIELD OFFICE
 95 DEC 12 PM 12:28
 UTO Field Office, NM

cc: BLM (3+2 for OCC)

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, 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.

34. [Signature] Area Engineer 12-5-95
 (This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____
 Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to operate thereon.
 CONDITIONS OF APPROVAL, IF ANY:
 APPROVED BY [Signature] TITLE _____ DATE JAN 09 1996
 DISTRICT MANAGER

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

FEDERAL CEMENTING REQUIREMENTS

1. All permeable zones containing fresh water and other usable water containing 10,000 ppm or less total dissolved solids will be isolated and protected from contamination by cement circulated in place for the protection of permeable zones per the NTL-FRA 90-1 Section III A.
2. The hole size will be no smaller than 1-1/2" larger diameter than the casing O.D. across all water zones.
3. An adequate spacer will be pumped ahead of the cement slurry to help prevent mud contamination of the cement.
4. An adequate number of casing centralizers will be run through usable water zones to ensure that the casing is centralized through these zones. The adequate number of centralizers to use will be determined by API Spec 10D.
5. Centralizers will impart a swirling action around the casing and will be used just below and into the base of the lowest usable water zone.
6. A chronological log will be kept recording the pump and slurry information and will be sent to the BLM with the subsequent sundry.

10-5-55 12 PM 12:38

" Dedicated Acres	" Joint or Infill	" Consolidation Code	" Order No.
320			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16

N 89° 52' 00" E
2630.76

N 89° 48' 00" E
2638.68

850'

1700'

N 00° 08' 00" W
2638.58

S 00° 06' 00" E
2640.00

N 00° 07' 00" W
2643.30

S 00° 05' 00" W
2647.26

N 89° 51' 00" W
26622.84

N 89° 59' 00" W
2632.74

RECEIVED
JAN 1 1996
GEL CORP. DIV.

17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.



Signature _____

Printed Name _____

Gregory E. McIntosh

Title _____

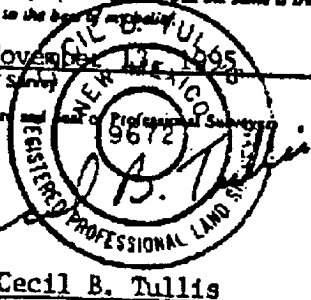
Area Engineer

Date _____

December 5, 1995

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plan was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.



November 13, 1995

Date of Survey _____

Signature _____

Cecil B. Tullis

Certificate Number 9672

CEMENTING PROGRAM

Michener LS #3A

blp

Conductor:

Preflush	10 bbl.	Fresh Water	
Slurry 1 TOC@Surface	90 sk	Standard Cement + 2% CaCl ₂ (not mixed) or 1.5 cu. yard Ready Mix	106 cu. ft.

Slurry Properties:	density (lb/gal)	yield (ft ³ /sk)	water (gal/sk)
slurry 1	15.60	1.18	5.20

Casing Equipment: (Halliburton) 8 5/8", 8R, ST&C

1 Top Wooden Plug

Surface:

Preflush	20 bbl. 20 bbl.	Mud Flush Fresh Water + dye marker	
Lead Slurry 1 TOC@Surface		50/50 Standard Cement/Blended Silicalite + 0.2% gel (total) + 0.5% Versaset + 0.4% Halad-344 + 0.2% CaCl ₂ + 1/4 lb/sk floccle	608 cu. ft.
Tail slurry 2	100 sk	Standard Cement + 0.4% Halad-344 + 0.4% CFR-3 + 2.0% Microbond + 5 lb/sk gilsonite + 1/4 lb/sk floccle	129 cu. ft.

Slurry Properties:	density (lb/gal)	yield (ft ³ /sk)	water (gal/sk)
slurry 1	12.00	2.03	11.45
slurry 2	15.11	1.29	5.40

Casing Equipment: (Halliburton) 5 1/2", 8R, ST&C

- 1 Type Regular Guide Shoe
 - 1 Super Seal II Float Collar
 - 1 Weld A
 - 14 S-4 Centralizer
 - 1 Top Rubber Plug
- 1 ea. on 1st 12 joints, 1 ea. above and below Ojo Alamo



VIA TELEFAX
(505) 327-7987

January 24, 1996

Giant Exploration & Production Company
P.O. Box 2810
Farmington, NM 87499-2810

Attn: Gregory E. McIntosh, Area Engineer

RE: Basin Dakota 24B Com 1
Section 24, T25N, R11W
San Juan County, New Mexico

Gentlemen:

Pro New Mexico has just discovered that Giant Exploration & Production Company has obtained a permit to drill a Basin Dakota well in the NE/4, Section 24, T25N, R11W, San Juan County, New Mexico. The application was designated by Giant as "confidential".

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Your filing with the NMOCD and BLM intentionally misrepresents that Giant controls the proration unit acreage on the dedication plat and fails to conform to the requirements of Rule 1102 of the Oil Conservation Commission and violates the instructions on the Form C-102.

AMOCO PRODUCTION COMPANY
DRILLING and COMPLETION PROGRAM

Lease/Well#: Michener LS 3A
 County: San Juan
 Former name: New Mexico
 Surface Location: 1390' FNL & 1840' FWL of Section 15, T28N, R9W
 Field:

OBJECTIVE: Mesa Verde Gas

METHOD OF DRILLING
 TYPE OF TOOLS
 DEPTH OF DRILLING
 Ground Level - TD
 Marker

LOGGING PROGRAM
 TYPE
 No open hole logs required.

SPECIAL TESTS
 TYPE
 None

MUD PROGRAM:
 Approx. Interval
 Type Mud
 Weight, #/gal
 Vis, sec/qt
 W/L, cc's/30 min.
 N/C

Mud Program Remarks:
 1 - The hole will require sweeps to keep unloaded while fresh water drilling. Let hole conditions dictate frequency.
 2 - If required to mud up, mud up with a LSN designed for good hole cleaning.
 3 - If required to mud up, mud up with a LSN designed for good hole cleaning. API WL between 10-15.

CASING PROGRAM:
 Casing String
 Estimated Depth
 Casing Size
 Hole Size
 Landing Point, Cement, Etc

Casing Program Remarks:
 1 - Circulate cement to surface.
 2 - Set casing a minimum of 150' into the Lewis Shale
 3 - Circulate cement a minimum of 300' into the surface casing overlap.

GENERAL REMARKS:
 Business Unit Engineering staff to design completion program.

Form 46 Reviewed by:
 Logging program reviewed by:

PREPARED BY:
 P. Edwards/Craig/Ovitz

Form 46 7-84bw
 Date: 10/12/95

Rev. Date: 10/12/95 15:05
 File: michis05.xlsx

Giant E & P Company
Page 2
January 24, 1996

Pro New Mexico opposes the drilling of the subject well, opposes Giant being the operator of a well on any of the acreage and will ask that this matter be decided by formal hearing before the NMOCD, if Giant persists in going forward.

Very truly yours,

PRO NEW MEXICO, INC.

By



J. E. Gallegos
President

cc(via telefax):

John Corbett, Vice President Operations, Giant
William LeMay, Director, NMOCD
Frank Chavez, District Supervisor, NMOCD
Ken Townsend, D & P Technical Advisor, BLM

PROFILE OF PAD LAYOUT
 AMOCO PRODUCTION COMPANY
 MICHER LS # 3A
 1390' F/NL 1840' F/WL
 SEC. 15, T28N, R9W, N.M.P.M.
 SAN JUAN COUNTY, NEW MEXICO

SCALE: 1" = 100' Horiz.
 1" = 30' Vert.

