

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

RECEIVED
SEP 8 1998

OIL CON. DIV.
DIST. 3

5. Lease Designation and Serial No.
N00-C-14-20-3608

6. If Indian, Allottee or Tribe Name
Allottee

Unit or CA, Agreement Designation

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Cross Timbers Operating Company

3. Address and Telephone No.

6001 Highway 64, Farmington, New Mexico 87401 (505) 632-5200

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1850' FNL & 1840' FEL, Section 10-25N-11W, Unit G

8. Well Name and No.

Canyon 1E

9. API Well No.

30-045-29683

10. Field and Pool, or Exploratory Area

Basin Dakota

11. County or Parish, State

San Juan, NM

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☐ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other Change of Operator

- ☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. 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.)*

The following change of operator is effective January 1, 1998 for the well listed above.

Old Operator: Amoco Production Company

New Operator: Cross Timbers Operating Company
6001 Highway 64
Farmington, New Mexico 87401

Cross Timbers Operating Company, the operating subsidiary of Cross Timbers Oil Company, assumes operations of the above listed well operating under Nationwide Bond No. 58-15-00.

ACCEPTED FOR RECORD

SEP 1 1998

FARMINGTON INDIAN MINERALS OFFICE

BY M. S. Dwyer
SIGNED Edwin S. Ryan, Jr. Title Land Manager - Western US Date August 31, 1998

14. I hereby certify that the foregoing is true and correct

(This space for Federal or State office use)

Approved by _____
Conditions of approval, if any:

Title _____

Date _____

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.

*See Instruction on Reverse Side
BLM COPY

UNITED STATES
DEPARTMENT OF THE INTERIOR
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Expires: March 31, 1993

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Use "APPLICATION FOR PERMIT - " for such proposals

5. Lease Designation and Serial No.

6. If Indian, Allottee or Tribe Name

N00-C-14-20-3607/3608

7. If Unit or CA, Agreement Designation

Comm Agmt (PA 5871)

8. Well Name and No.

Canyon #1E

9. API Well No.

10. Field and Pool, or Exploratory Area

Basin Dakota

11. County or Parish, State

San Juan County New Mexico

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator Attention:
Amoco Production Company Diane Banning

3. Address and Telephone No.
P.O. Box 800, Denver, Colorado 80201

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1850' FNL 1840' FE Sec. 10 T 25N R 11W

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other Surface Disturbance
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. 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.)*

Amoco Production Company requests approval for surface disturbance on existing lease for the purpose of laying a natural gas pipeline from the specified wellhead to the El Paso Natural Gas Company gathering system tie-in. See Attached for location specifics.

Although the proposed pipeline will traverse two Allottee surface leases (numbers shown above) located in Section 10, a Communitization Agreement covering the E/2 of Section 10 combining the NE/4 and SE/4 of Section 10 was approved by the Bureau of Indian Affairs on 2/6/73 as the Allotted Indian Land leases could not be indepently developed and operated in conformity with the well spacing program for the area. This CA is attached for your information.

An environmental assessment and archaeological report for this project area has previously been submitted for consideration.

A land survey and 7.5 quadrangle topo map is located in the enclosed.

14. I hereby certify that the foregoing is true and correct

Signed

Title

Date 02-07-1995

(This space for Federal or State office use)

/S/ Duane W. Spencer

Title

Date

Approved by

Conditions of approval, if any:

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.

* See Instructions on Reverse Side

NMOCD

SURFACE DISTURBANCE REQUIREMENTS ATTACHMENT

Canyon #1E

SW/4 NE/4 Sec. 10, T25N, R11W

San Juan County, New Mexico

- 1) Type of Pipe to be used: 4 1/2" X-42 OD .156
- 2) Size of Pipe: 4 1/2" OD
- 3) Length of Line: 3142' (wellhead to pipeline)
- 4) Direction Line Will Run From Well and Where it Will End:

From the wellpad in a Southerly direction 3141.7' to El Paso Natural Gas Company tie-in, points located in the NE/4 and SE/4 respectively. Line will parallel existing road.
- 5) The El Paso Natural Gas tie-in point is noted on the enclosed topo map.
- 6) Method or Trenching: Backhoe
- 7) Trench Width and Depth: Width = 30"
Depth = 60"
- 8) The Trench will be backfilled immediately.
- 9) The disturbed area will be compacted, re contoured, maintained to control settling and erosion.
- 10) The surface area disturbed will be reseeded where applicable with a seed mix approved by the BLM. The reclamation will be completed by 11/1/95 if connected by 6/1/95.
- 11) Individual who can be contacted for any necessary field inspections is Diane Banning (303) 830-4546.
- 12) Attached is a 7 1/2 minute quadrangle topo map showing the proposed line.
- 13) An Archaeological Survey and Environmental survey covering the proposed surface disturbance is attached. These were also previously submitted to the BLM.

**CENTERLINE SURVEY OF PROPOSED ACCESS ROAD AND PIPELINE
TO CANYON # 1E
WITHIN THE S½ NE¼ AND THE SE¼ OF SEC. 10, T25N, R11W, N.M.P.M.,
SAN JUAN COUNTY, NEW MEXICO
FOR AMOCO PRODUCTION COMPANY**

**S½ NE¼ SEC. 10
Indian Allotment**

AMOCO PRODUCTION CO.
Proposed Well
CANYON # 1E
1850'/N 1840'/E

31+41.7 EOL
N63°03'W 170.6'
29+71.1 PI-5

N 43° 22' W 749.5'

22+21.6 PI-4
N 37° 50' W 105.9'
21+15.7 PI-3

N03°42'E 1042.8'
GCNM Line

**SE ¼ SEC. 10
Indian Allotment**

10+72.9 PI-2

Existing Well
Canyon # 1

N 39°49'E 1030.9'

0+42.0 PI-1
N 75° 51' E 42.0'

0+00
Existing EPNG Line

Tie S 28° 24' E 3879.8'

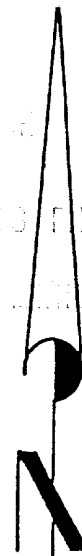
Tie N 65° 20' W 2071.0'

Length of Line - 3141.7' (190.41 rods)

T 25 N, R 11 W, N.M.P.M.

SE Cor. Sec. 10
Fd GLO BC

10 11
15 14



SCALE: 1" = 500'



I, Gary D. Vann, hereby certify that this plat was prepared from field surveys made by me or under my supervision and complies with the minimum standards for land surveying in New Mexico.

Gary D. Vann
Registered L. S. # 7016
State of New Mexico



VANN SURVEYS
304 N. Locke
Farmington, NM 87401

NOTE: All distances shown are horizontal. Only apparent and visible line crossings are shown. Contractor should call 1-800-321-2537 for location of any marked or unmarked buried pipelines or cables prior to construction.

DATE SURVEYED: January 10, 1995
Basis of Bearing: Solar Observation
Well Name: CANYON # 1E

APPROVAL-CERTIFICATION-DETERMINATION

Pursuant to the authority vested in the Secretary of the Interior under the Allotted Land Leasing Act of March 3, 1909, 35 Stat. 783, U.S.C. Sec. 396, as to Allotted Indian Lands and delegated to the Area Director of the Bureau of Indian Affairs, we do hereby:

- A. Approve the attached Communitization Agreement covering (E $\frac{1}{2}$) of Section 10, Township 25 North, Range 11 West, N.M.P.M., San Juan County, New Mexico, as to natural gas and associated hydrocarbons producible from the Dakota formation.
- B. Certify and determine that the Allotted Indian Lands Leases, as to the lands committed to the attached Agreement, cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located, and that consummation and approval of the Agreement will be in the public interest.
- C. Certify and determine that the drilling, producing, rental and royalty requirements of the Indian Leases committed to said Agreement is hereby established, altered, changed, or revoked to conform with the terms and conditions of this Agreement.

Synch
2-6-73

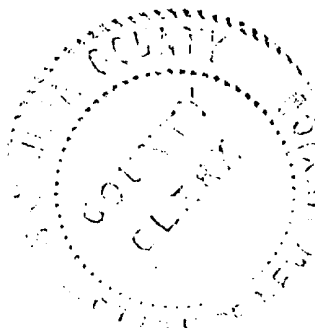
Dated FEB - 6 1973

ACTING
ASSISTANT

John F. Bohan
Area Director
Bureau of Indian Affairs

Dated _____

Regional Oil and Gas Supervisor
United States Geological Survey



FILED OR RECORDED
BOOK 114 PAGE 102
SAN JUAN COUNTY, NEW MEXICO
March 20, 1973
AT 8:32 O'CLOCK PM
Carol Bandy
COUNTY CLERK
Rec #60688 Feb 23 75
DEPUTY

NA-5871

COMMUNITIZATION AGREEMENT

THIS AGREEMENT is entered into as of the 10th day of August, 1972, by and between the parties subscribing, ratifying or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, under authority of the Act of March 3, 1909, 35 Stat. 783, as amended, Oil and Gas Mining Leases on Indian Allotted Lands may be made subject to reasonable restrictions for drilling and production in conformity to regulations by competent Federal or State authorities upon approval by the Secretary of the Interior, or his authorized representative; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established by State regulatory authority for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in the lands subject to this agreement for the purpose of developing and producing gas and associated liquid hydrocarbons in accordance with the terms and conditions of this agreement.

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as the "communitized area") are described as follows:

Township 25 North, Range 11 West, N.M.P.M.
San Juan County, New Mexico

Section 10: East Half (E/2)

containing 320.00 acres, more or less

and this agreement shall extend to and include only the Dakota Formation underlying said lands and the gas and associated liquid hydrocarbons (hereinafter referred to as "communitized substances") producible from such formation.

2. Attached hereto and made a part of this agreement for all purposes is Exhibit "A" showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area.

3. TENNECO OIL COMPANY (herein called "Operator") is hereby designated Operator of the communitized area. All matters of operation shall be governed by the Operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four executed copies of a designation of successor operator shall be filed with the Oil and Gas Supervisor.

4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of gas sales and royalties and such other reports as are deemed necessary to compute monthly royalty due the Indian lessors, as specified in the applicable oil and gas operating regulations.

5. In connection with the performance of work under this agreement, the Operator hereby agrees to employ Nava jo labor in all positions for which they are qualified, to the full extent as provided in the Allotted Indian Lease(s) committed hereto and shall protect all Indian grazing or other surface rights as therein provided. Subject to the above preference, the Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive of Executive Order 11246 (30 F.R. 12319), which are hereby incorporated by reference in this agreement.

6. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

7. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payment of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued.

8. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.

9. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.

10. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.

11. This agreement shall be effective as of the date of first production of communitized substances upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or his duly authorized representatives, and shall remain in force and effect for a period of two years and so long thereafter as communitized substances are produced from the communitized area in paying quantities, provided that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representatives, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, with reasonable diligence and within a time not exceeding sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction; provided that such operations shall not be construed as extending the term of the Indian leases committed hereto.

12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the applicable oil and gas mining leases under which the Navajo Allottees are lessors and in the applicable oil and gas operating regulations of the Department of the Interior.

13. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee or other successor in interest, and as to Indian land shall be subject to approval by the Secretary of the Interior.

14. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.

15. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instruments, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

TENNECO OIL COMPANY

Date: August 10, 1972

By L. L. Parish
L. L. Parish
Attorney-in-Fact *WV WP*

STATE OF COLORADO }

CITY & COUNTY OF DENVER }

The foregoing instrument was acknowledged before me this 11th day of August, 1972, by L. L. PARISH, as Attorney-in-Fact for and on behalf of Tenneco Oil Company, a Delaware corporation.

WITNESS my hand and official seal.

My Commission expires:
My Commission expires July 10, 1974

Elane C. Middaugh
Notary Public
Elane C. Middaugh

EXHIBIT "A"

102-D

To Communitization Agreement dated August 10, 1972, embracing the Dakota Formation underlying the E/2 of Section 10, Township 25 North, Range 11 West, N. M. P. M., San Juan County, New Mexico.

LEASES COMMITTEDTract No. 1

Lessor(s): Nah da ki yah (Na da ki yah or Na da ki ya) or heirs, as the case may be

Lessee: Tenneco Oil Company

Dated: November 23rd, 1970

Approved: March 17th, 1971

Contract No.: NOO-C-14-20-3608

Land Description: NE/4 Section 10, T-25-N, R-11-W, NMPM

Working Interest & %: Tenneco Oil Company 100%

Royalty: 16 2/3rds %

Overriding Royalty: None

Acreage Committed: 160.00

Tract No. 2

Lessor(s): Al Whol Ya, or heirs, as the case may be

Lessee: Tenneco Oil Company

Dated: November 23rd, 1970

Approved: April 23rd, 1971

Contract No.: NOO-C-14-20-3607

Land Description: SE/4 Section 10, T-25-N, R-11-W, NMPM

Working Interest & %: Tenneco Oil Company 100%

Royalty: 16 2/3rds %

Overriding Royalty: None

Acreage Committed: 160.00

ALLOCATION OF PRODUCTION

<u>Tract No.</u>	<u>No. Acres</u>	<u>% Communitized Production</u>
1	160.00	50.00000
2	160.00	50.00000
Total	320.00	100.00000

UNITED STATES
DEPARTMENT OF THE INTERIOR

Form approved.
Budget Bureau No. 1004-0136
Expires: December 31, 1991

BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒

DEEPEEN ☐

b. TYPE OF WELL

OIL
WELL ☐

GAS
WELL ☒

OTHER

SINGLE
ZONE ☒

MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

Attention:

Amoco Production Company

Julie L. Acevedo

3. ADDRESS AND TELEPHONE NO.

P.O. Box 800, Denver, Colorado 80201

(303) 830-6003

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At surface

1850FNL

1840FEL

At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

32 Miles from Aztec, N.M.

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.

(Also to nearest drilg. unit line, if any)

16. NO. OF ACRES IN LEASE

160

17. NO. OF ACRES ASSIGNED TO THIS WELL

320 E/2

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

19. PROPOSED DEPTH

6144' TD

20. ROTARY OR CABLE TOOLS

Rotary

This application is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4

DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS"

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
8.75"	7" J-55	23#	250'	100sx Cl B Cmt to Surface
6.25"	2.875" N-80	6.5#	6144'	1198 Cu. Ft. Cl B Cmt to Surface

Notice of Staking submitted as the Canyon #1E on 12/21/95

Lease Description T25N-R11W: Section 10: NE/4 containing 160 acres, more or less.

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 preventer program, if any.

24. SIGNED Julie L. Acevedo TITLE Sr. Staff Assistant DATE 12-21-1994

(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 conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

TITLE

DATE

354135

NMCD

*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.

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code 71599	Pool Name Basin Dakota
Property Code	Property Name Canyon		Well Number #1E
OGRID No. 00778	Operator Name AMOCO PRODUCTION COMPANY		Elevation 6407

Surface Location

UL or lot no. G	Section 10	Township 25 N	Range 11 W	Lot Idn	Feet from the 1850	North/South line NORTH	Feet from the 1840	East/West line EAST	County SAN JUAN
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Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.
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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				1319.50'		1319.51'		17 OPERATOR CERTIFICATION			
				1850'		1321.16'		I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief			
				Signature		Julie L. Acevedo		Signature		Julie L. Acevedo	
				Printed Name		Sr. Staff Assistant		Printed Name		Sr. Staff Assistant	
				Title		12/19/94		Title		12/19/94	
10								18 SURVEYOR CERTIFICATION			
								I hereby certify that the well location shown on this plat 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.			
								Date of Survey		November 21, 1994	
								Signature and Seal of Professional Surveyor		Signature and Seal of Professional Surveyor	
								7016		7016	
								Certificate Number			

**ANCO PRODUCTION COMPANY
DRILLING PROGRAM**

File No.: Cany01a.xhw
Date: 12/19/94

Lease: Canyon Well No. #01E
County: San Juan County, New Mexico Surface Location: 1850' FNL & 1840' FEL of Section 10, T25N, R11W
Former name: Field: Basin Dakota

OBJECTIVE: Develop Dakota Gas formation.				
METHOD OF DRILLING		APPROXIMATE DEPTHS OF GEOLOGICAL MARKER		
TYPE OF TOOLS	DEPTH OF DRILLING	Actual GL-----Estimated KB	6407	6420
Rotary	Ground Level - TD	Marker	Depth (Ft)	SS Elev. (ft.)
LOGGING PROGRAM		Ojo Alamo	445	5,975
TYPE	DEPTH	PC	1375	5,045
SP-GR-Cal-HRI-SDL-DSN (Triple Combo)	Minimum run required	Lewis Shale	1610	4,810
		Cliff House	2,810	3,610
		Menefee Shale	2,865	3,555
		Point Lookout	3,845	2,575
		Mancos	4,097	2,323
		Gallup	4,667	1,753
		Greenhorn	5,755	665
		Dakota **	5,844	576
REMARKS:		TOTAL DEPTH	6,144	276
* Possible pay ** Probable completion Ojo Alamo is possible usable water				
SPECIAL TESTS		DRILL CUTTING SAMPLES		DRILLING TIME
TYPE	DEPTH INTERVAL, ETC	FREQUENCY	DEPTH	FREQUENCY
None				Geograph
Remarks:		Remarks:		
		Mud Logging Program: None		
		Coring Program: None		

MUD PROGRAM:

Approx. Interval	Type Mud	Weight, #/g	Vis, sec/qt	W/L, cc's/30 min.
0 - 250'	Spud			
250' - Mancos (1)	Water	8.6 - 8.8	Sufficient to clean hole	N/C
Mancos - TD (2) (3)	LSND	8.8 - 9.2	Sufficient to clean hole and run logs	As required

REMARKS:

- 1 - The hole will require sweeps to keep unloaded while fresh water drilling. Let hole conditions dictate sweep frequency.
- 2 - Mud up at the top of the Mancos Shale.
- 3 - Sweep the hole as necessary.

CASING PROGRAM:

Casing String	Estimated Depth	Casing Size	Hole Size	Landing Point, Cement, Etc
Conductor				
Surface	250'	7"	8.75"	1
Production	6,144	2-7/8"	6.25"	1, 2

Remarks:

- 1 - Circulate cement to surface.
- 2 - Production cement to be designed by Denver drilling staff.

GENERAL REMARKS:

Business Unit Engineering staff to design completion program.

Form 46 Reviewed by:

Logging program reviewed by:

PREPARED BY: P. Edwards/Logan/Ovitz	APPROVED:	APPROVED:
Form 46 7-84bw 12/20/94 9:48	For Production Dept	For Exploration Dept.

CEMENTING PROGRAM

Canyon #01E

bip

Well Name:	Canyon #01E	Field:	Basin Dakota
Location:	1850' FNL X 1840' FEL, Sec 10, T25N, R11W	API No.	
County:	San Juan	Well Flac	
State:	New Mexico	Formation:	Dakota
		KB Elev. (est.)	6420 ft.
		GL Elev. (est.)	6407 ft.

Casing Program:

Casing String	Est. Depth (ft.)	Hole Size (in.)	Casing Size (in.)	Casing Weight (lb/ft.)	Casing Grade	Thread	TOC (ft.)
Surface	250	8.75	7.000	23	J-55	8R, LT&C	Surface
Production	6,144	6.25	2.875	6.5	N-80	8R, EUE	Surface

Casing Properties:

(No Safety Factor Included)

Casing String	Casing Weight (lb/ft.)	Burst (psi.)	Collapse (psi.)	Joint St. (1000 lbs.)	Capacity (bbl/ft.)	Torque(ft. lbs.) Opt/Min/Max	Drift (in.)
Surface	23	4360	3270	313	0.0393		6.241
Production	6.4	10570	11160	144	0.00579		2.347

Mud Program:

Apx. Interval (ft.)	Mud Type	Mud Weight (lb/gal)	Recommended Mud Properties Prior Cementing:	
			PV	<20
			YP	<10
0 - SCP	Spud	8.6-8.8	Fluid Loss	<15
SCP - TD	LSND	8.8-9.2		

Cementing Program:

	Surface	Production(foam)
Excess %, Bit	75	60
Excess %, Caliper	NA	15
BHST (est. deg. F)	60	160
Pipe Movement	NA	Rotate 10-20 rpm
Rate, Max. (bpm)	1 truck	6
Rate, Recommended (bpm)	8	4
Pressure, Max. (psi)	200	2000
Shoe Joint	40'	80
Batch Mix	NA	NA
Circulating prior cmtng (hr.)	0.5	2
Time Between Stages,(hr.)	NA	NA
Special Instructions	1,6,7	2,4,6,8

- 1 Do not wash pumps and lines
- 2 Wash pumps and lines.
- 3 Do not reverse out
- 4 Run Blend Test on Cement
- 5 Record Rate , Pressure, and Density on 3.5" disk
- 6 Confirm densometer with pressurized mud scales
- 7 1" cement to surface if cement is not circulated.
- 8 If cement is not circulated to the surface, run temp. survey 10-12 hr. after landing plug.

Notes:

- *** Displace top plug on the production casing job with 0.2% Clay Fix II or 2% KCl water.
- *** Do not wash up on top of plug. Wash pumps and lines. We want to do rig less completions.

CEMENTING PROGRAM

Canyon #01E

bip

Production: (Foam Cement)

Preflush	20 bbl. 40 bbl.	Mud Flush + dye marker + 150 scf/bbl nitrogen Fresh Water + 150 scf/bbl nitrogen	
Lead Cement Slurry 1		50/50 Std. Cmt/Poz A + Nitrogen + 2% gel (total) + 5 lb/sk gilsonite + 0.4% Halad-344 + 1/4 lb/sk flocele	966 cu. ft.
Tail Cement Slurry 2 TOC@5500		50/50 Std. Cmt/Poz A + 2% gel (total) + 5 lb/sk gilsonite + 0.4% Halad-344 + 1/4 lb/sk flocele	132 cu. ft.
Top Out Cement Slurry 3	85 sk	Standard Cement + 2% Calcium Chloride	100 cu. ft.

Slurry Properties:

	surf. density (lb/gal)	foam density (lb/gal)	surf. yield (ft3/sk)	foam yield (ft3/sk)	water (gal/sk)	nitrogen rate (scf/bbl)	depth of fill (ft)
slurry 1	13.50	10.00	1.32	1.82	5.59	150	500 - 2500
slurry 1	13.50	10.00	1.32	1.78	5.59	300	2500 - 4000
slurry 1	13.50	10.00	1.32	1.77	5.59	430	4000 - 5500
slurry 2	13.50	NA	1.32	NA	5.59	NA	5500 - TD
slurry 3	15.60	NA	1.18	NA	5.20	NA	0 - 500

Note: The job should be pumped at 6 bpm max FOAM rate. Do not exceed 6 bpm on displacement.
Slow to 2 bpm for the last 25 bbl of displacement. Displace with 2% KCl or 0.2% Clay Fix II water.
This is to be a rigless completion.

Casing Equipment: Halliburton 2 7/8", 8R, EUE, (no need to cut long pin)

- 1 Super Seal II Float Shoe
- 25 S-4 Fluidmaster Centralizer 1st 10 centralizers. everyother joint, then one every 10 joints,
1 above and below the Ojo Alamo
- 1 Lock Clamp
- 1 Weld A
- 1 Omega Latch Down Plug and Baffle

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.

SAN JUAN BASIN
DAKOTA FORMATION
PRESSURE CONTROL EQUIPMENT

Background

The objective Dakota formation maximum surface pressure is anticipated to be 1400 PSI, based on completion testing. Pressure control equipment working pressure minimum requirements are therefore 2000 PSI. Equipment to be used will conform to API RP-53 (Figure 2.C.2) for a 2000 PSI system per Federal Onshore Order No. 2. Due to available conventional equipment within the area, 3000 PSI rated pressure control equipment will typically be utilized in a double ram type arrangement. Regional drilling rigs to be utilized have substructure height limitations which exclude use of annular preventers; therefore a rotating head will be installed above these rams. This pressure control equipment will be utilized for conventional drilling below surface to total depth. No abnormal temperature, pressure or H₂S anticipated.

~~Prior to drilling below intermediate casing, a modified two (2) double ram pressure control equipment system will be installed. This system is designed for Dakota formation interval drilling with air and water. A service unit will typically be used to drill this interval, and the wellbore will be completed as an uncased open hole if commercial productivity is established. If not, the wellbore will be cased and cemented with a 4 1/2" contingency liner. Based upon maximum surface pressure criteria, 2000 PSI equipment is required. However, as stated above, 3000 PSI working pressure equipment will typically be utilized. The No. 3 pipe ram in Exhibit 2 will be 4 3/4" if 4 3/4" drill collars are run in the bottom hole assembly.~~

for Julie Acevedo 1/9/95

Equipment Specification

Interval

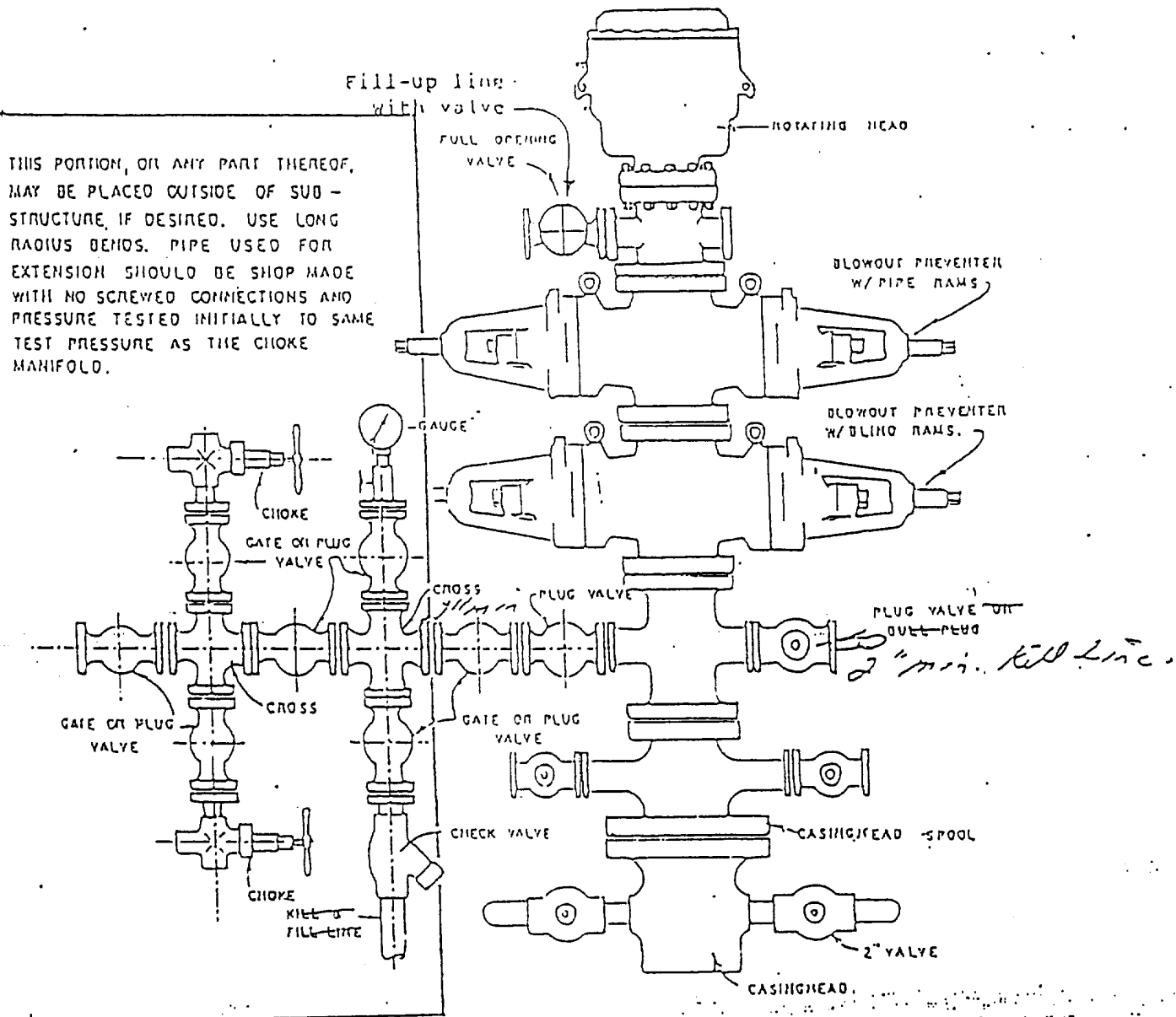
BOP Equipment

Below Surface Casing
to
Total Depth

12" nominal, 3000 PSI double ram preventer with
with rotating head

All ram type preventers and related control equipment will be hydraulically tested to 250 PSI (low pressure) and 2000 PSI (high pressure), upon installation, following any repairs or equipment replacements, or at 30 day intervals. Accessories to BOP equipment will include kelly cock, floor safety valved and choke manifold which will also be tested to equivalent pressure.

1. Upper kelly cock valve, with handle will be utilized.
2. There will be safety valves and subs to fit all drill strings in use.



BLOWOUT PREVENTER HOOKUP

NEW MEXICO MULTIPOINT 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: 8%
- C. Turnouts: None
- 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.

5. Location and Type of Water Supply

A. Water will be obtained from a privately permitted water source secured through a contract water hauling company. It will be hauled in vacuum trucks via the access road (Exhibit A). The appropriate permits for this activity have been obtained by the water transporter.

6. Source of Construction Materials

A. - D. No off-site materials will be needed to build the proposed location or access road.

7. Methods of Handling Waste Disposal

A. A closed loop mud system will be used during drilling operations. All drill cuttings will be trenched, and buried on location. Drilling fluids will be stored for reuse or disposed of at an approved disposal facility. A reserve pit for produced water containment will be constructed during completion operations. The reserve pit will be fenced on three sides and the 4th side will be fenced upon removal of the rig. The pit will be allowed to sit for 90 days and then pulled as required by NTL-2B. Produced water will be disposed of at an approved injection well or an evaporation site. Sanitary facilities and a steel mesh portable trash container will remain on location throughout drilling operations and will then be removed to a designated disposal area. The well site will be properly cleaned upon removal of the rig.

8. Ancillary Facilities.

A. To the best of our knowledge, no ancillary facilities will be needed at this time.

9. Well Site Layout

A-C. Cross-sections, etc. - See Exhibit D. Exact location of rig related equipment will be determined when Amoco contracts a drilling rig; however, all this equipment will be contained on location. The location diagram reflects actual area of well pad. Total disturbed area will vary due to cut and fill slopes.

D. Reserve pit(s):

Unlined ☒

Lined ☐ (8-10 mil reinforced plastic, size sufficient to cover pit area and fit underneath a rig tank.)

10. Plans for Restoration of Surfaces

A. Restoration of the surface will be conducted after the reserve pit has dried. The pit will then be cleaned up and back filled and the entire disturbed area will be re-contoured. The topsoil stockpile will then be uniformly placed over this area and reseeding of the site will be carried out as instructed by the appropriate management agency. Methods to protect against erosion will be employed. After final abandonment, additional restoration efforts will be applied.

11. Surface Ownership

A. The surface owner is BLM

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

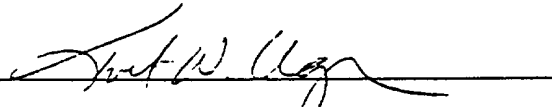
Amoco Production Company
Kurt W. Unger
Drilling Superintendent
P.O. Box 800
Denver, Colorado 80201-0800

(303) 830-6036

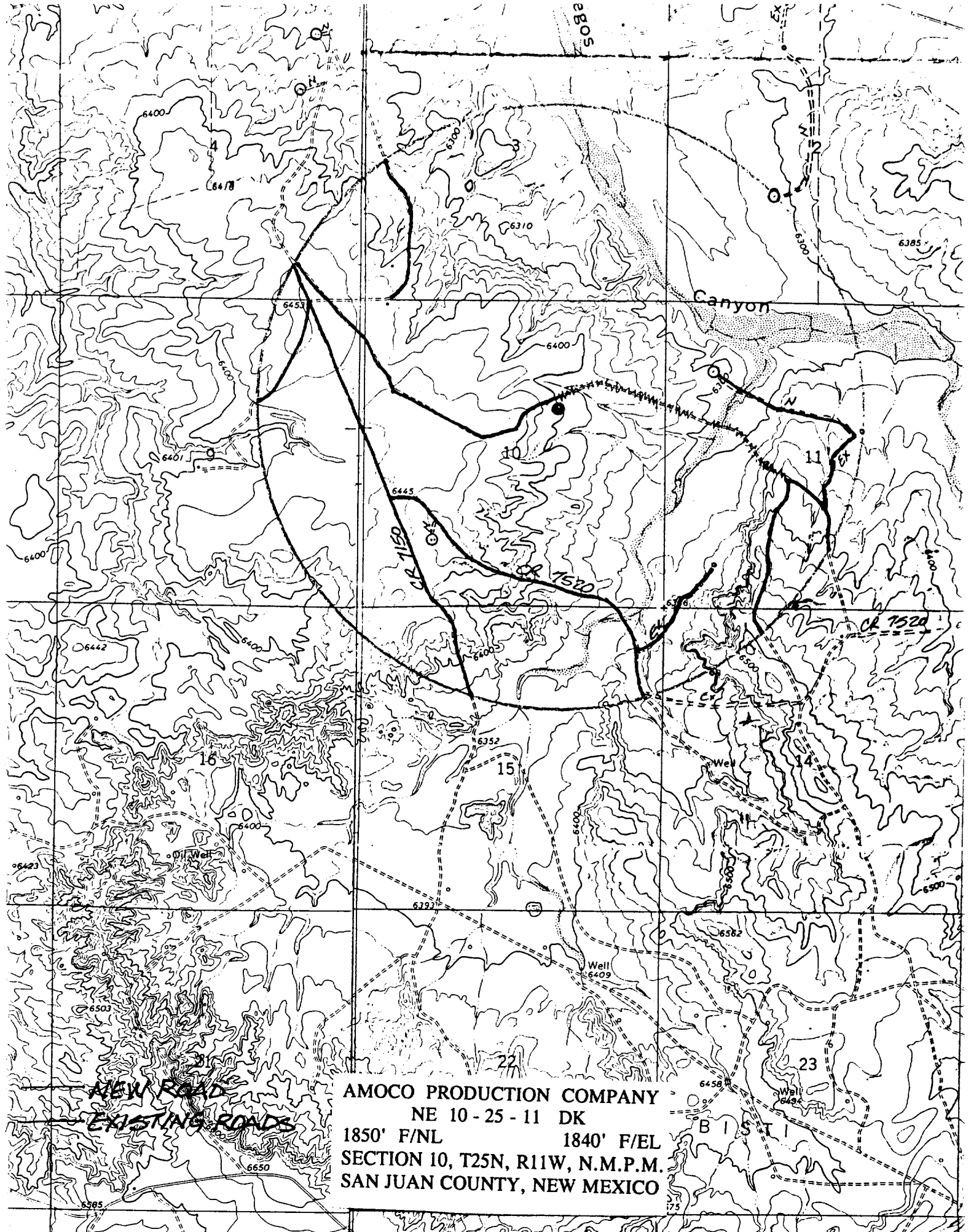
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated 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: _____

19 Dec '94



Kurt W. Unger, Drilling Superintendent

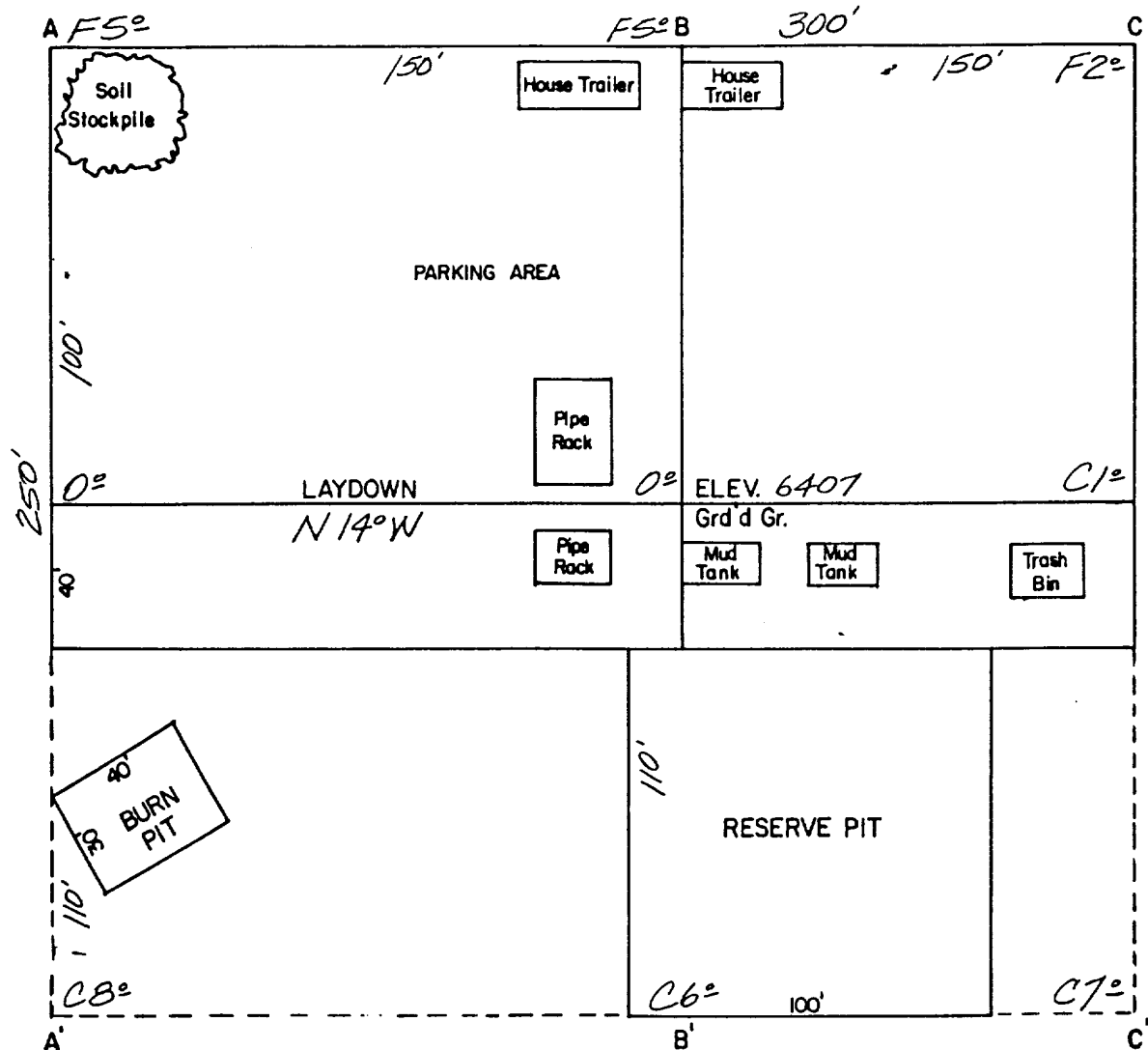


NEW ROAD
EXISTING ROADS

AMOCO PRODUCTION COMPANY
NE 10 - 25 - 11 DK
1850' F/NL 1840' F/EL
SECTION 10, T25N, R11W, N.M.P.M.
SAN JUAN COUNTY, NEW MEXICO

PROFILE FOR
JCO PRODUCTION COMPANY
NE 10 - 25 - 11 DK
1850' F/NL 1840' F/EL
SECTION 10, T25N, R11W, N.M.P.M.
SAN JUAN COUNTY, NEW MEXICO

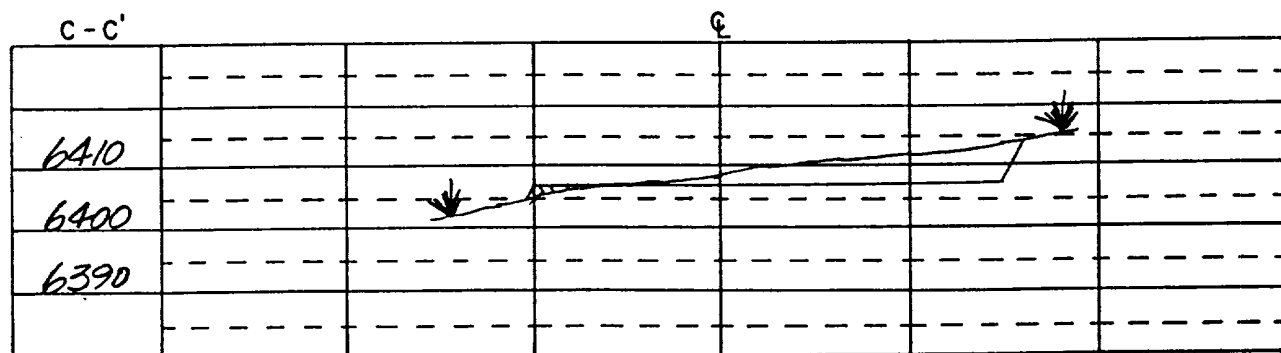
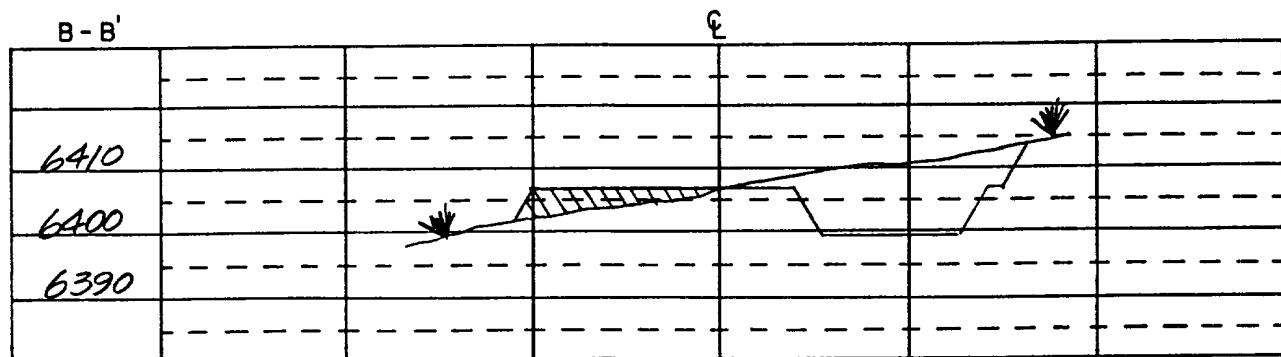
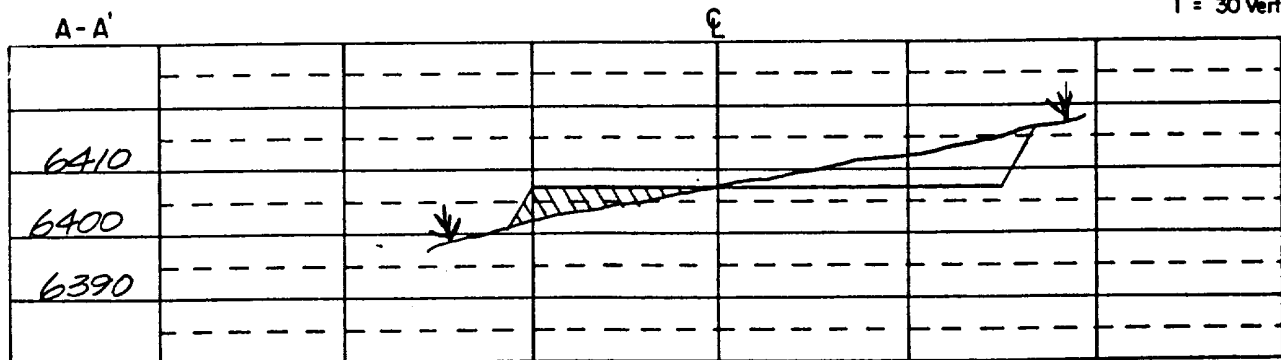
EXHIBIT "D"

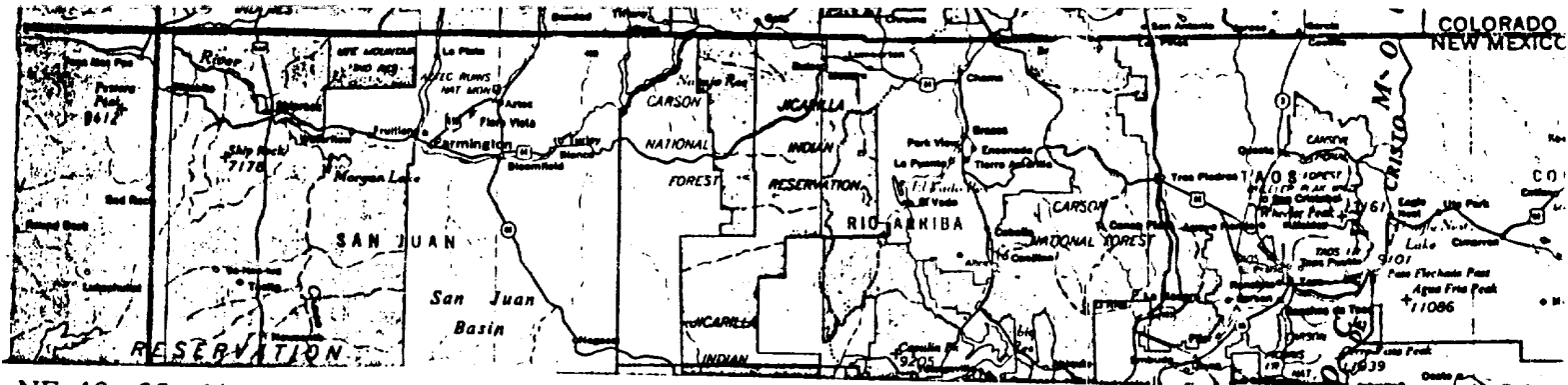


NOTE: Contractor should call 1-800-321-2537 for location of any marked or unmarked buried pipelines or cables on well pad and/or access road at least 2 days prior to construction.

AMOCO PRODUCTION COMPANY
 NE 10 - 25 - 11 DK
 1850' F/NL 1840' F/EL
 SECTION 10, T25N, R11W, N.M.P.M.
 SAN JUAN COUNTY, NEW MEXICO

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





NE 10-25-11 DK

1850' F/NL

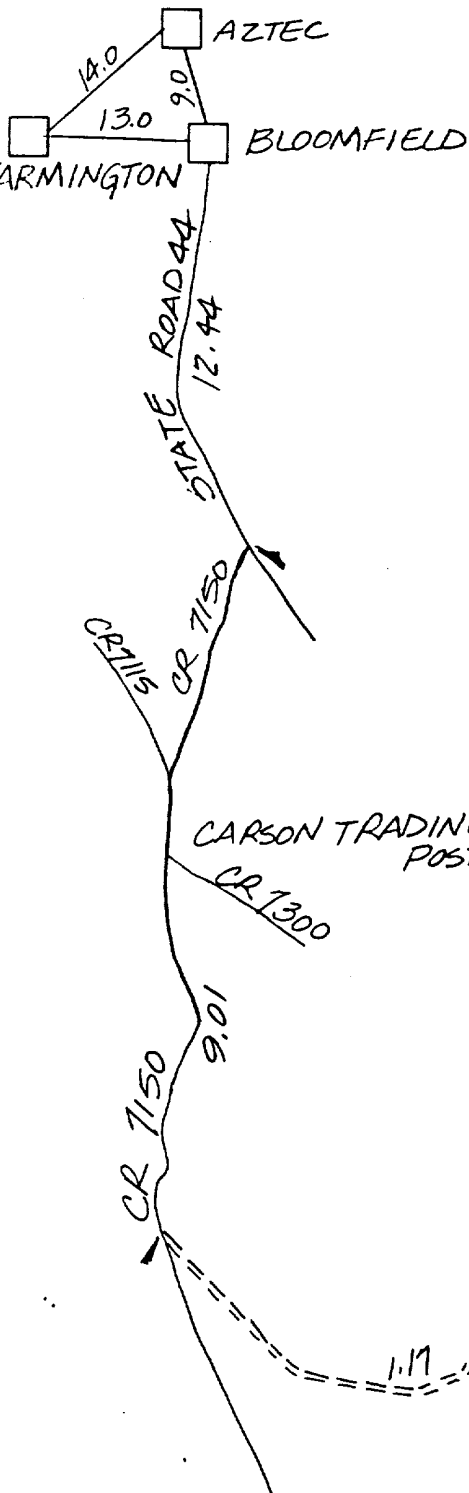
1840' F/EL

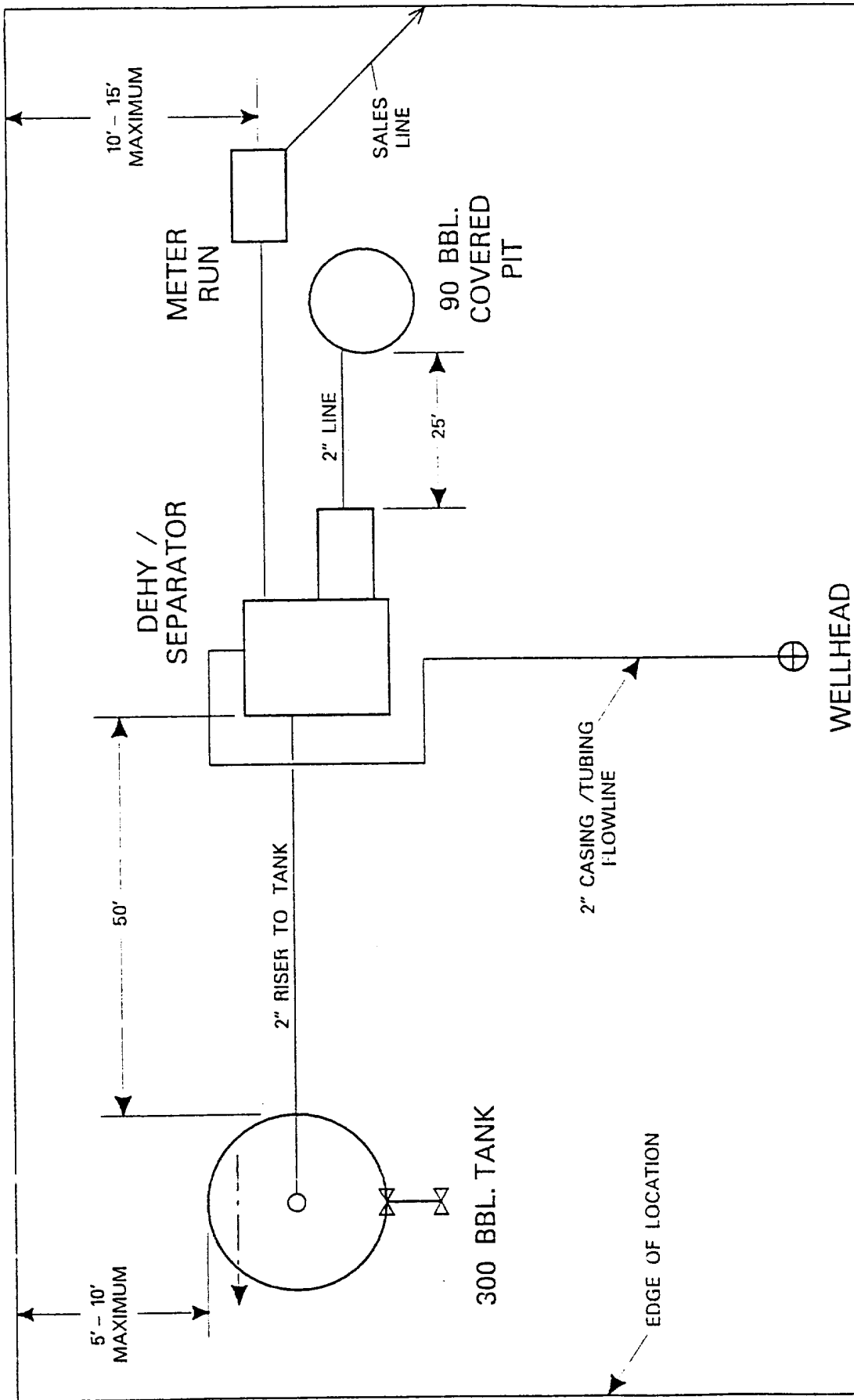
SECTION 10, T25N, R11W, N.M.P.M.

RAIL POINT: 175 miles from Montrose, Co.

MUD POINT: 32 miles from Aztec, N.M.

CEMENT POINT: 36 miles from Farmington, N.M.





NOTE: Compression and Dehydration facilities will be added as required for wellsite production constraints.

SITE SCHEMATIC
SAN JUAN OPERATIONS CENTER
SAN JUAN, NEW MEXICO

12 / 20 / 94