

**AFFIDAVIT OF NON-DEVELOPMENT,
NON-PRODUCTION, AND NON-PAYMENT OF ROYALTIES**

STATE OF VIRGINIA)
COUNTY OF Fairfax) ss.

EVELYN B. NIELSEN and GORDON P. NIELSEN, her spouse, whose address is P. O. Box 1014, Springfield, VA 22151, of lawful age, an upon being first duly sworn on their oath, state as follows:

That they are familiar with the lands described in the Oil and Gas Lease dated June 28, 1980 between Evelyn Brimhall Nielsen, "Lessor", and S & I Oil Company, "Lessee", which Lease was filed in Book 899, Page 127 of the records of San Juan County, State of New Mexico on January 27, 1981, and covers the following described lands and formations located in San Juan County, New Mexico:

Township 29 North, Range 15 West, N.M.P.M.
Section 3: SE/4 SE/4
Containing 40 acres, more or less
Limited from the surface down to a depth of
6,500 feet and no deeper

RECEIVED
NOV 16 1994
OIL CON. DIV.
DIST. 3

That for at least 5 years preceding the date of the above-described Oil and Gas Lease and continuing to the present time, the Affiants have been familiar with the conditions, circumstances, and happenings concerning, affecting, and surrounding the production of oil, gas, and associated hydrocarbons or lack of such production on these lands.

That Affiants see the lands frequently and they know of their own personal knowledge, information, and observation that since January, 1991 no oil, gas, and associated hydrocarbons have been produced nor is there any shut-in well located on any part of these lands; and that no development nor drilling operations for oil, gas, and

associated hydrocarbons have been or are being prosecuted upon these lands since January, 1991.

Affiants state that no royalty payments have been paid, tendered, or received by them since August 11, 1991. This last royalty payment covered the production months of July through December, 1990. Affiants also state they have not at any time executed any extensions of the above-described Oil and Gas Lease.

The Affiants state that, based upon their own personal knowledge, information, and observation, any and all oil and gas leases covering these lands are now expired, forfeited, cancelled, or terminated; and that no conditions, circumstances or events exist or have occurred which would have allowed any prior oil and gas leases to continue to be in force and effect at this time. Affiants state they will not by acceptance of any royalty payment or in any other manner recognize any oil and gas leases as valid or existing leases.

FURTHER Affiants sayeth naught.

Evelyn B. Nielsen
Evelyn B. Nielsen

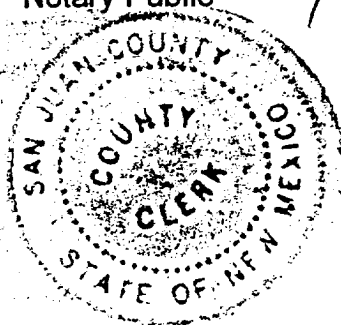
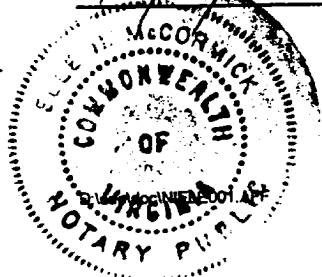
Gordon P. Nielsen
Gordon P. Nielsen, her spouse

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me on this 5th day of November, 1994 by EVELYN B. NIELSEN and GORDON P. NIELSEN, her spouse.

Ellie H. McCormick
Notary Public

My commission expires:

10/31/96



FILED OR RECORDED
BOOK 1192 PAGE 84
SAN JUAN COUNTY, NEW MEXICO

NOV 09 1994

AT 11:15 O'CLOCK A M

Carol Brady
COUNTY CLERK

DEPUTY Fay Randleman
REC # 2098874 FEES \$9.00



STATE OF NEW MEXICO

ENERGY, MINERALS and NATURAL RESOURCES DIVISION
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

May 3, 1994

MR TROY STRICKLAND
S&I OIL CO
#286 US HWY 64
FARMINGTON NM 87401

RE: BARBARA #1 P-12-29N-15W	BOB BLANCHE #1 L-12-29N-15W
DAVIE #1 M-02-29N-15W	DOROTHY #1 I-11-29N-15W
MOORE #1 E-12-29N-15W	NEILSON #1 P-03-29N-15W
TRS-EVI #1 H-11-29N-15W	

Dear Mr. Strickland

The last reported production for any of the referenced wells was for the month of July, 1991. Allowables were cancelled at a later date for failure to file production reports. A field inspection conducted on 5-2-94 revealed that the wells are in a state of extreme neglect with gas and water leaks on wellheads, fences down or in poor repair, stripped down or vandalized production equipment, oil stains from old stuffing box leaks, junk on locations and high dry weeds constituting fire hazards.

In order to comply with Rule 201, prevent waste, protect fresh water and protect the environment, you are hereby directed to submit a plan to bring the wells into compliance and return them to production, or initiate division approved P&A procedures prior to July 4, 1994. Failure to comply will result in a case being called for Troy Strickland and EV Isbell DBA S&I Oil Co., Commercial Union Insurance and all other interested parties to appear and show cause why the subject wells should not be plugged and abandoned in accordance with division approved plugging programs.

Yours Truly

Charles Gholson
Deputy Oil & Gas Inspector

CG/cs

xc: Rand Carroll OCD Santa Fe
EV Isbell 2405 Santiago Farmington NM 87401
Commercial Union Insurance PO Box 937001 El Paso TX 79925
Well Files

NEW MEXICO OIL CONSERVATION COMMISSION

NO. OF COPIES RECEIVED	
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LAND OFFICE	
OPERATOR	

5a. Indicate Type of Lease
State <input type="checkbox"/> Fee <input checked="" type="checkbox"/>
5. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR.
USE "APPLICATION FOR PERMIT -" (FORM C-101) FOR SUCH PROPOSALS.)

1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER -	7. Unit Agreement Name
2. Name of Operator S & I OIL COMPANY	8. Farm or Lease Name Neilson
3. Address of Operator 413 W. Main Street, Farmington, N.M. 87401	9. Well No. 1
4. Location of Well UNIT LETTER P 240 FEET FROM THE South LINE AND 330 FEET FROM THE East LINE, SECTION 3 TOWNSHIP 29N RANGE 15W NMPM.	10. Hydrocarbon Pool, or Wildcat Cha Cha Gallup Ext.
15. Elevation (Show whether DF, RT, GR, etc.) 5144' G.R.	12. County San Juan

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input checked="" type="checkbox"/>	OTHER <input type="checkbox"/>

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

1/27/81 Spud Well

1/28/81 T.D. 300'. Ran 7 joints 8-5/8", 24.0 lb., K-55 casing set at 297', with 275 sacks class "B" cement with 3% Calcium Chloride and 1/4 lb. Flocele per sack. Cement circulated approximately 8 barrels. Pressure test with 500 psig. Test ok.

2/3/81 T.D. 4556'. Ran 120 joints 4-1/2", 10.50 & 11.60, K-55 casing set at 4531.87' with:

First Stage: 300 sacks 50-50 Pozmix with 6-1/4 lbs. Gilsonite and 6 lbs. salt per sack. Calculated top of cement 3600'.

Second Stage: 500 sacks 65-35 Pozmix (12% Gel) with 6-1/4 lbs. Gilsonite per sack, followed by 50 sacks Class "B" Neat Cement. State collar at 3382.30'. Calculated top of cement - surface.

FOR: S & I OIL COMPANY

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

SIGNED	ORIGINAL SIGNED BY EWELL N. WALSH Ewell N. Walsh, P.E.	TITLE	President, Walsh Engr. & Production Corp.	DATE	2/6/81
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APPROVED BY	Original Signed by FRANK T. CHAVEZ	TITLE	SUPERVISOR DISTRICT # 3	DATE	FEB 9 1981
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CONDITIONS OF APPROVAL, IF ANY:

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LAND OFFICE	
OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-103
Supersedes Old
C-102 and C-103
Effective 1-1-85

5a. Indicate Type of Lease	
State <input type="checkbox"/>	Free <input checked="" type="checkbox"/>
5. State Oil & Gas Lease No.	

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT -" (FORM C-101) FOR SUCH PROPOSALS.)

1. <input checked="" type="checkbox"/> OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER-		7. Unit Agreement Name
2. Name of Operator S & I OIL COMPANY		8. Farm or Lease Name Neilson
3. Address of Operator 413 W. Main Street Farmington, N.M. 87401		9. Well No. 1
4. Location of Well UNIT LETTER P 240 South 330 FEET FROM THE LINE AND FEET FROM East 3 29N 15W THE LINE, SECTION TOWNSHIP RANGE NMPM.		10. Field and Pool, or Wildcat Meadows Gallup Ext.
15. Elevation (Show whether DF, RT, GR, etc.) 5144' G.R.		12. County San Juan

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data
NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	Fracture Treatment <input checked="" type="checkbox"/>

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

SEE ATTACHED FRACTURE TREATMENT.



FOR: S & I OIL COMPANY

18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.
ORIGINAL SIGNED BY EWELL N. WALSH President, Walsh Engr. & Production Corp.
SIGNED Ewell N. Walsh, P.E. TITLE DATE 3/11/81

APPROVED BY Original Signed by FRANK T. CHAVEZ SUPERVISOR DISTRICT 3 DATE MAR 11 1981

CONDITIONS OF APPROVAL, IF ANY:

FRACTURE TREATMENT

Formation Gallup Stage No. 1 Date 2/18/81

Operator S & I Oil Company Lease and Well Neilson No. 1

Correlation Log Type GR-CCL From 4531' To 4000'

Temporary Bridge Plug Type _____ Set At _____
 Perforations 4210'-15'; 4218'-22'; 4226'-32'; 4236'-46'; 4255'-62';
4266'-68'; 4278'-82'; 4292'-95'; 4297'-99'; 4301'-12';
4316'-18'; 4336'-38'

2 Per foot type 3-3/8 Carrier Gun (Select
Fire)

Pad 8,400 gallons. Additives 1% Kcl. 2 lbs.
FR-20 per 1000 gallons. 15 lbs Frac Flo per
1000 gallons.

Water 62,958 gallons. Additives 1 % Kcl. 2 lbs.
FR-20 per 1000 gallons.

Sand 70,000 lbs. Size 20/40

Flush 3,108 gallons. Additives 1 % Kcl. 2 lbs.
FR-20

Breakdown 1700 psig

Ave. Treating Pressure 1200 psig

Max. Treating Pressure 1500 psig

Ave. Injecton Rate 64 BPM

Hydraulic Horsepower 1882 HHP

Instantaneous SIP 1700 psig

5 Minute SIP 300 psig

10 Minute SIP 150 psig

15 Minute SIP 100 psig

Ball Drops: 20 Balls at 15,778 gallons 50 psig
20 Balls at 31,556 gallons 50 psig
20 Balls at 47,334 gallons 100 psig
 increas
 increas
 increas

Remarks: _____

Walsh ENGINEERING & PRODUCTION CORP.

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LAND OFFICE	
OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-103
Supersedes Old
C-102 and C-103
Effective 1-1-81

1a. Indicate Type of Lease
State <input type="checkbox"/> Free <input checked="" type="checkbox"/>
5. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR.
USE "APPLICATION FOR PERMIT -" (FORM C-101) FOR SUCH PROPOSALS.)

1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>	7. Unit Agreement Name
2. Name of Operator S & I OIL COMPANY	8. Farm or Lease Name Neilson
3. Address of Operator 413 W. Main Street Farmington, New Mexico 87401	9. Well No. 1
4. Location of Well UNIT LETTER P 240 FEET FROM THE South LINE AND 330 FEET FROM THE East LINE, SECTION 3 TOWNSHIP 29N RANGE 15W NMPM.	10. Field and Pool, or Wildcat Cha Cha Gallup Ext.
15. Elevation (Show whether DF, RT, GR, etc.) 5144' G.R.	12. County San Juan

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data
NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input checked="" type="checkbox"/> Change in Operator	CASING TEST AND CEMENT JOBS <input type="checkbox"/>	OTHER <input type="checkbox"/>

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

Change Operator Name

FROM: E. V. Isbell
TO: S & I Oil Company

Nonstandard location Approved under NSL 1159.

It is requested that Form C-101, Application For Permit to Drill be extended for 6 months.

APPROVAL YEAR
FOR 6 mos UNLESS
DRILLING COMMENCED,

EXPIRES 7-19-81

FOR: S & I OIL COMPANY

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

ORIGINAL SIGNED BY
EWELL N. WALSH

President, Walsh Engr. &
Production Corp.

SIGNED Ewell N. Walsh, P.E.

TITLE

DATE 1/16/81

Original Signed by FRANK T. CHAVEZ

SUPERVISOR DISTRICT # 3

APPROVED BY

TITLE

DATE JAN 19 1981

CONDITIONS OF APPROVAL, IF ANY:

STATE OF NEW MEXICO
OIL AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-103
Revised 10-1-78

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SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

5a. Indicate Type of Lease
State ☐ Fee ☒
5. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR.
USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

OIL WELL ☒ GAS WELL ☐ OTHER ☐

Name of Operator
E.V. Isbell

Address of Operator
2405 Santiago Farmington, N.M. 87401

Location of Well
UNIT LETTER D 330 FEET FROM THE EAST LINE AND 240 FEET FROM

THE SOUTH LINE, SECTION 3 TOWNSHIP 29N RANGE 15W NMPM.

15. Elevation (Show whether DF, RT, GR, etc.)

7. Unit Agreement Name

8. Farm or Lease Name

9. Well No.

10. Field and Pool, or Wildcat

Meadows Gallup

12. County

SAN JUAN

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data
NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK ☐
TEMPORARILY ABANDON ☐
REPAIR OR ALTER CASING ☐

PLUG AND ABANDON ☐
CHANGE PLANS ☒

REMEDIAL WORK ☐
COMMENCE DRILLING OPNS. ☐
CASING TEST AND CEMENT JOB ☐
OTHER ☐

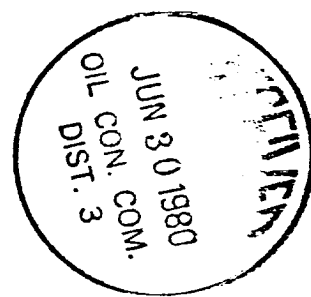
ALTERING CASING ☐
PLUG AND ABANDONMENT ☐

OTHER Need Extension for 90 days ☒

Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

WORK ON THIS NON-STANDARD LOCATION IS PLANNED TO
BEGIN AROUND THE LAST WEEK OF AUGUST.

APPROVAL VALID
FOR 90 DAYS UNLESS
DRILLING COMMENCED,
EXPIRES 9-22-80



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

SIGNED E.V. Isbell

TITLE Operator

DATE 6-25-80

Original Signed by FRANK T. CHAVEZ

SUPERVISOR DISTRICT #9

DATE JUN 30 1980

All distances must be from the outer boundaries of the Section.

Operator S&I Oil Company			Lease Nelson		Well No. 1
Unit Letter P	Section 3	Township 29 North	Range 15 West	County San Juan	
Actual Footage Location of Well: 330 feet from the E line and 240 feet from the S line					
Ground Level Elev. 5144	Producing Formation Ballyp		Pool Meadows	Dedicated Acreage: 40	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☒ Yes ☒ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) THE ENTIRE TRACT IS LEASED FROM NIELSEN & THE HIGHWAY DEPT OF THE STATE OF NEW MEXICO
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Divisor

CERTIFICATION

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

Name

Damon L. Weems

Position

Attorney for:

Company

S&I Oil Company

Date

7/21/82

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 knowledge and belief.

SEE PREVIOUSLY FILED

Date Surveyed

C-102

Registered Professional Engineer
and/or Land Surveyor

Certificate No.

0 330 660 990 1320 1650 1980 2310 2640 2970 3300 3630 3960 4290 4620 4950 5280 5610 5940 6270 6600