

DESIGNATION OF OPERATOR

The undersigned is, on the records of the Bureau of Land Management, holder of lease

DISTRICT LAND OFFICE:

Farmington. New Mexico

SERIAL NO .:

SF-078095 A

and hereby designates

NAME:

Kimbark Operating Company

ADDRESS:

1860 Lincoln Street. Suite 808

Denver, Colorado 80203

as his operator and local agent, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the supervisor or his representative may serve written or oral instructions in securing compliance with the Operating Regulations with respect to (describe acreage to which this designation is applicable):

> Township 31 North, Range 11 West San Juan County, New Mexico

Section 7, E/2

It is understood that this designation of operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Operating Regulations. It is also understood that this designation of operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated operator, the lessee will make full and prompt compliance with all regulations, lease terms, or orders of the Secretary of the Interior or his representative.

The lessee agrees promptly to notify the supervisor of any change in the designated operator.

KIMBARK ASSOCIATES

(Signature of lessee) Walter K. Arbuckle, General Partner

1860 Lincoln Street #808 Venver, Colorado 80203

(Address)

12/19/75

GOVERNMENT PRINTING OFFICE

OFFICF: 505/325-9881 RES.: 505/325-8194

ELLIOTT A. RIGGS

Petroleum Geologist

P. O. BOX 711

FARMINGTON, NEW MEXICO 87401

December 21, 1975

Kimbark Operating Co. # 1A
SEL 34, 32N, 11W
San Juan Co., N.M.

ARCHAEOLOGICAL CLEARANCE

Mr. R. Bruce Grove, New Mexico State University, San Juan Campus, has personally contacted me and approved subject drill site. Mr. Grove has also contacted the BLM and informed them of same. Formal reports are being prepared.

Elliott A. Riggs

Agent, Kimbark

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KIMBARK

SUITE 808 LINCOLN TOWER BUILDING
1860 LINCOLN STREET
DENVER, COLORADO 80203

303-534-7161

KIMBARK OPERATING COMPANY KIMBARK COMPANY KIMBARK ASSOCIATES

WALTER K. ARBUCKLE GEORGE WALLACE BAYNE WILLIAM R. THURSTON

December 19, 1975

United States Department of the Interior Bureau of Land Management PO Eox 1449
Santa Fe, New Mexico 87501

Gentlemen:

The 12 Point Program for Kimbark Operating Company Horton #5 well is as follows:

- 1. See attached vicinity map prepared by surveyor.
- 2. None roads in existence.
- 3. This is a development location.
- See attached surveyor's vicinity map.
- 5. No tanks or tank battery is contemplated, this should be a Mesaverde Dakota gas well with no liquids.
- 6. Nearby creek or Animas River approximately five miles.
- 7. Earth pits and cover up after drilling.
- 8. None.
- 9. None.
- 10. See attached map.
- 11. Level and plant to grass when moisture level is appropriate.
- 12. Topography not too rough at this site but some grading required.

Very Truly Yours,

KIMBARK OPERATING CO.

Walter K. Arbuckle

WKA: jl encl.

KIMBARK

SUITE 808 LINCOLN TOWER BUILDING 1860 LINCOLN STREET

DENVER, COLORADO 80203

303-534-7161

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> WALTER K. ARBUCKLE GEORGE WALLACE BAYNE WILLIAM R. THURSTON

December 19, 1975

Well:

Horton #5

Location:

Section 7, T31N, R11W San Juan County, New Mexico

Subject:

Safety and Resource Protection 7-Point Program

1)

10 3/4" 24# K-55, new 10 3/4" 900 series 6000 psi 2)

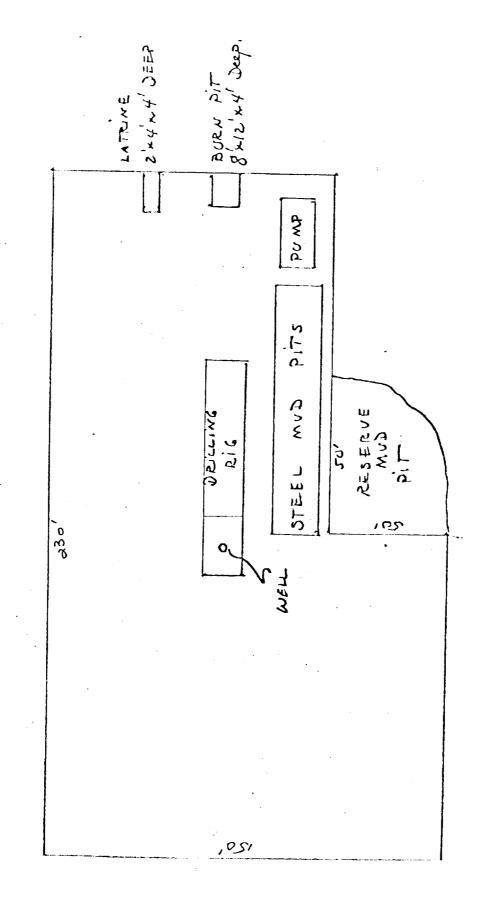
3) None

Schaffer 10 3/4", 900 series double gate, 6000 psi.

Kelly cocks available, bit float, sub and value on floor.

Anticipated BOP 1200#.

Water base mud. 7)



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HORTON 45, E/2

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SECTION 7, T31N, R11W, SAN JUAN COUNTY, NEW VEXICO