

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

December 14, 1990

CNG Development Company
P.O. Box 15746
Pittsburgh, PA 15244

Attention: Thomas F. Weller

RECEIVED
DEC 18 1990
OIL CON. DIV
DIST. 3

Administrative Order DD-54

Dear Mr. Weller:

Under the provisions of General Rule 111 (c), (d) and (e), CNG Development Company made application to the New Mexico Oil Conservation Division on November 2, 1990, for authorization to directionally drill its proposed Grassy Canyon Well No. 3, San Juan County, New Mexico.

The Division Director Finds That:

- (1) The application has been duly filed under the provisions of Rule 111(d) and (e) of the Division General Rules and Regulations;
- (2) Satisfactory information has been provided that all offset operators have been duly notified;
- (3) The applicant has presented satisfactory evidence that all requirements prescribed in General Rule 111 will be met; and
- (4) No objections have been received within the waiting period prescribed by said rule.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, CNG Development Company, is hereby authorized to directionally drill its Grassy Canyon Well No. 3, the surface location of which shall be 795 feet from the North line and 2460 feet from the East line (Unit B) of Section 31, Township 32 North, Range 7 West, NMPM, San Juan County, New Mexico, by kicking off from the vertical at a depth of approximately 400 feet, and drilling in such a manner as to bottom in the Basin-Fruitland Coal Gas Pool within 50 feet of a point 945 feet from the North line and 1690 feet from the East line of said Section 31, being a standard coal gas well location for said pool.

PROVIDED HOWEVER THAT prior to commencing directional drilling operations into said wellbore, the applicant shall establish the location of the kick-off point by means of a directional survey acceptable to the Division.

PROVIDED HOWEVER THAT during or upon completion of directional drilling operations, the applicant shall conduct an accurate wellbore survey from the kick-off point to total depth in order that the subsurface bottomhole location, as well as the wellbore's true depth and course, may be determined.

(2) The applicant shall notify the supervisor of the Aztec district office of the Division of the date and time said wellbore surveys are to be conducted so that they may be witnessed. The applicant shall further provide a copy of said wellbore surveys to the Santa Fe and Aztec offices of the Division upon completion.

(3) Form C-105 shall be filed in accordance with Division Rule 1105 and the operator shall indicate thereon true vertical depth in addition to measured depths.

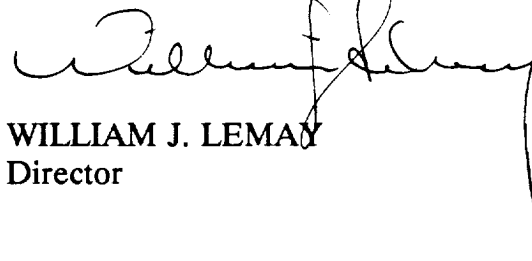
(4) Lots 5 through 9, the SE/4 NE/4 and E/2 SE/4 (E/2 equivalent) of said Section 31 shall be dedicated to the well forming a standard 309.65-acre gas spacing and proration unit for said pool.

(5) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

Administrative Order DD-54
CNG Development Company
December 14, 1990
Page No. 3

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in dark ink, appearing to read 'William J. Lemay', is written over the printed name and title. The signature is fluid and cursive, with a long vertical line extending downwards from the end of the signature.

WILLIAM J. LEMAY
Director

S E A L

cc: Oil Conservation Division - Aztec
US Bureau of Land Management - Farmington
US Bureau of Reclamation - Durango



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

1000 MIDWAY ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6170

ARREY CARROTHERS
GOVERNOR

Date: 11-27-90

Oil Conservation Division
P.O. Box 2008
Santa Fe, NM 87504-2008

Re: Proposed NC _____
Proposed DHC _____
Proposed NSL X _____
Proposed SWD _____
Proposed WFX _____
Proposed PMX _____

Gentlemen:

DD X

I have examined the application dated 11-26-90

for the CNG DEVELOPMENT CO. GRASSY CANYON #3
Operator Lease & Well No.

B-31-32N-7W and my recommendations are as follows:
Unit, S-T-R

Approved

Yours truly,

Eugene L. Buehl



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

November 7, 1990

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

CNG Development Company
P.O. Box 15746
Pittsburgh, PA 15244

RECEIVED
NOV 26 1990
OIL CON. DIV.
DIST. 3

Attention: Thomas F. Weller

RE: *Application for a directional drilled well (General Rule 111):* *Grassy Canyon Well*
No. 3; B-31-T32N-R7W, San Juan County, New Mexico.

Dear Mr. Weller:

We may not process the subject application for directional drilling until the required information or plat(s) checked below are submitted.

- ☒ A plat must be submitted clearly showing the ownership of the offsetting leases.
- ☒ A statement must be submitted that offset operators have been notified of the application by certified mail. (Rule 111(e)).
- ☐ A plat must be submitted fully identifying the topography necessitating the directional drilling.
- ☐ Other: _____

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

**CNG Development
Company**

A **CNG** COMPANY

One Park Ridge Center
PO Box 15746
Pittsburgh, PA 15244
(412) 787-3550

October 29, 1990

RECEIVED

NOV 2 1990

Mr. William Le May
New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504

OIL CONSERVATION DIVISION

**RE: Grassy Canyon #3; Fruitland Coal Well No. 815; FNL, 2430' FEL
Section 31, T32N, R7W; San Juan County, New Mexico; Request
for Administrative Approval:**

- 1. Non-Standard Surface Location**
- 2. Directionally Deviated Wellbore**

Dear Mr. Le May:

Consolidated Natural Gas Development Company (CNG) requests administrative approval on an exception to the footage requirements of Rule #7, R-8768, for surface location of the referenced well. Administrative approval is also requested as allowed in Rule #9, R-8768, for a directionally deviated wellbore which would bottom within the standard NE proration unit boundaries.

CNG proposes to move the grassy canyon #3 with its present surface location 2460' FEL and 795' FNL, Section 31, T32N, R7W which is an unorthodox surface location to 815' FNL and 2430' FEL, Section 31, T32N, R7W due to an environmental assessment of the W 1/2 of Section 31, T32N, R7W.

One additional Grassy Canyon well to be drilled, #4, will be located on this pad with 40' x 300' extension. This addition will allow placing 2 wellbores on the same pad approximately 75' apart. (See amended cut and fill plat). The Grassy Canyon #3 surface location change from one unorthodox locale to another following recommendations from local BLM office resulting from an environmental assessment.

The well plan for the Grassy Canyon #3 is to set 9 5/8" surface casing at 300' and at approximately 400' start a directional wellbore at an angle build rate of approximately 3 degrees /100 feet South 80 degrees East to a 27 degree angle. The 27 degree angle will be held for a sufficient distance to allow a 1 1/2 degree/100 foot drop angle to return the well bore to vertical just above the uppermost fruitland coal stringer. The bottom of the hole will have a 750' foot horizontal displacement and a true vertical depth of 3450'.

Mr. William Le May
October 29, 1990
Page 2

Seven inch 23#/Foot casing will be run to total depth and cemented back to surface. The drilling rig will move off the #3 wellbore and on to the #4 Grassy Canyon wellbore once the location has been reconstructed an open hole completion rig will move on.

The completion rig will drill through the coal to true vertical depth at 3539' + or - and complete the well using the open hole completion method. A 5 1/2" 23#/Foot P-110 liner will be run through the open hole section then the liner will be perforated. However, if hole conditions dictate the liner may not be run and the well produced from the open hole.

A wellbore of this design will allow an increased drainage radius and allow for an open hole completion of an area underlying sensitive surface restrictions.

The bottom of the well will be displaced approximately 750 feet South - Southeast of the surface location and fall within the standard NE proration unit at 945 feet (+ or - 50') FNL, 1690' (+ or - 50') FEL.

The bottom of the well is planned to be orthodox and provide the best drainage for this unit in accordance with the environmental assessment that was performed.

Respectfully,



Tom Weller
Senior Staff Engineer

TW:ba

pc: Aztec OCD Office
Drew Bates, Protocom, Consultant

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator C.N.G. DEVELOPMENT CO.		Lease GRASSY CANYON		Well No. 3
Unit Letter B	Section 31	Township T.32 N.	Range R.7 W.	County SAN JUAN COUNTY
Actual Footage Location of Well: 815 feet from the NORTH line and 2430 feet from the EAST line				
Ground level Elev. 6770	Producing Formation Fruitland	Pool Basin Fruitland Coal	Dedicated Acreage: 301.82 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.

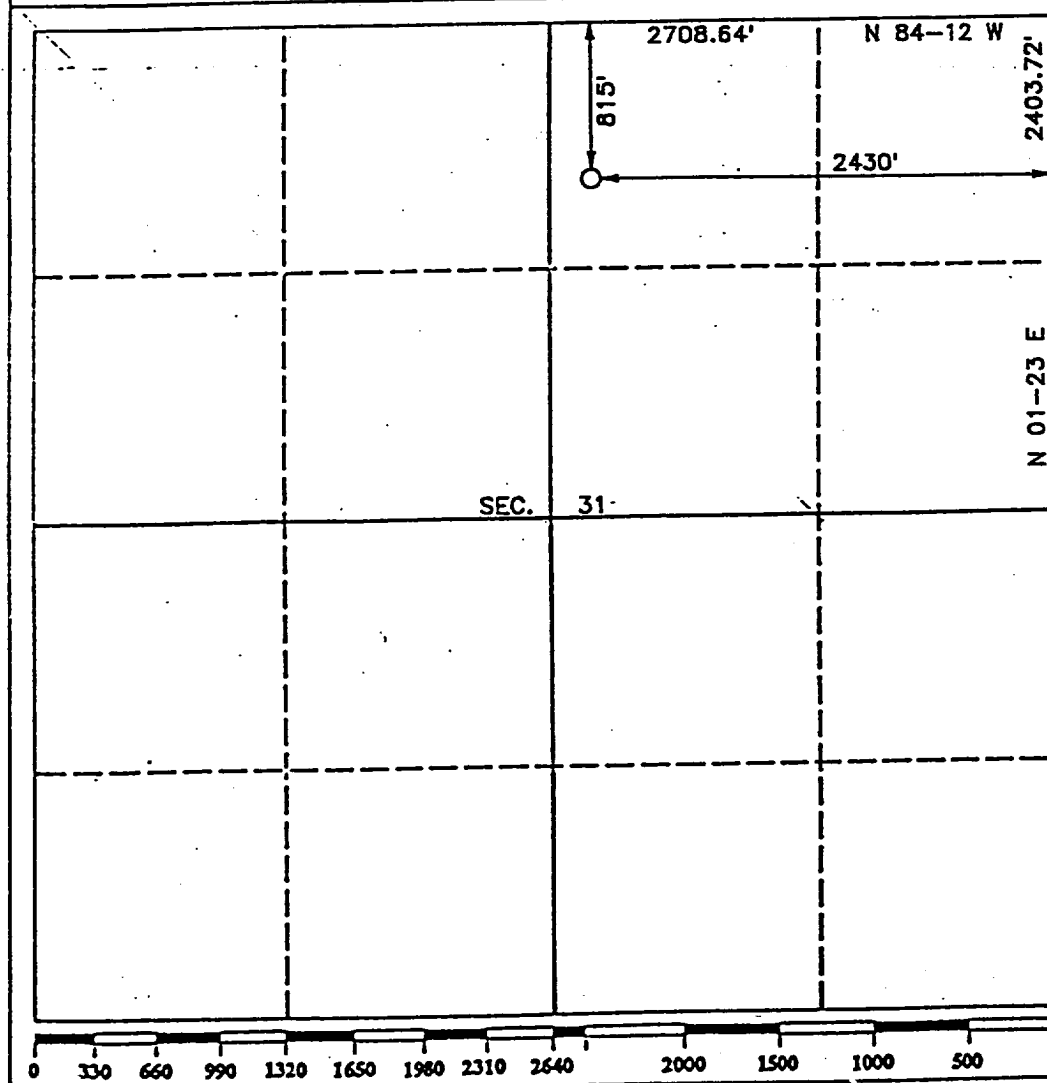
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interest 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.)

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 interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature

W.B. Martin Jr.

Printed Name

W.B. Martin Jr.

Position

Operator Representative

Company

C.N.G.

Date

10/26/90

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 knowledge and belief.

Date Surveyed

OCTOBER 22, 1990

Signature of Surveyor

B. Howard Daggett

Professional Surveyor

Certificate No.

9678

Registered Professional
Land Surveyor

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

5. Lease Designation and Serial No.

NM NM 83503

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Grassy Canyon #3

9. API Well No.

10. Field and Pool, or Exploratory Area

Basin Fruitland Coal

11. County or Parish, State

SAN JUAN N.M.

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

CNG Development Company

3. Address and Telephone No.

P.O. Box 15746 Pittsburg PA. 15244 (412) 787-4109

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

2460' FEL AND 795' FNL Sec. 31 T.32N. R.7W.

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 Move Location AND
Directionally Drill
- ☐ 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.)*

Proposed: Move location from 2460' FEL AND 795' FNL Sec. 31 T.32N R.7W. to 2430' FEL AND 815' FNL Sec. 31 T.32N. R.7W. Due to terrain and unorthodox production unit problems the #3 will be directionally drilled to a subsurface location at 945' FNL AND 1690' FEL Sec. 31 T.32N. R.7W. With a true vertical depth of \pm 3450'

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

Signed W.B. Thatch Jr

Title Operator Representative

Date 10/26/90

(This space for Federal or State office use)

Approved by

Conditions of approval, if any:

Title

Date

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator C.N.G. DEVELOPMENT CO.			Lease GRASSY CANYON			Well No. 3		
Unit Letter B	Section 31	Township T.32 N.	Range R.7 W.	County SAN JUAN COUNTY	NMPM			
Actual Footage Location of Well: 815 feet from the NORTH line and 2430 feet from the EAST line								
Ground level Elev. 6770		Producing Formation Fruitland		Pool Basin Fruitland Com 1		Dedicated Acreage: 30.22 Acres		

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 interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

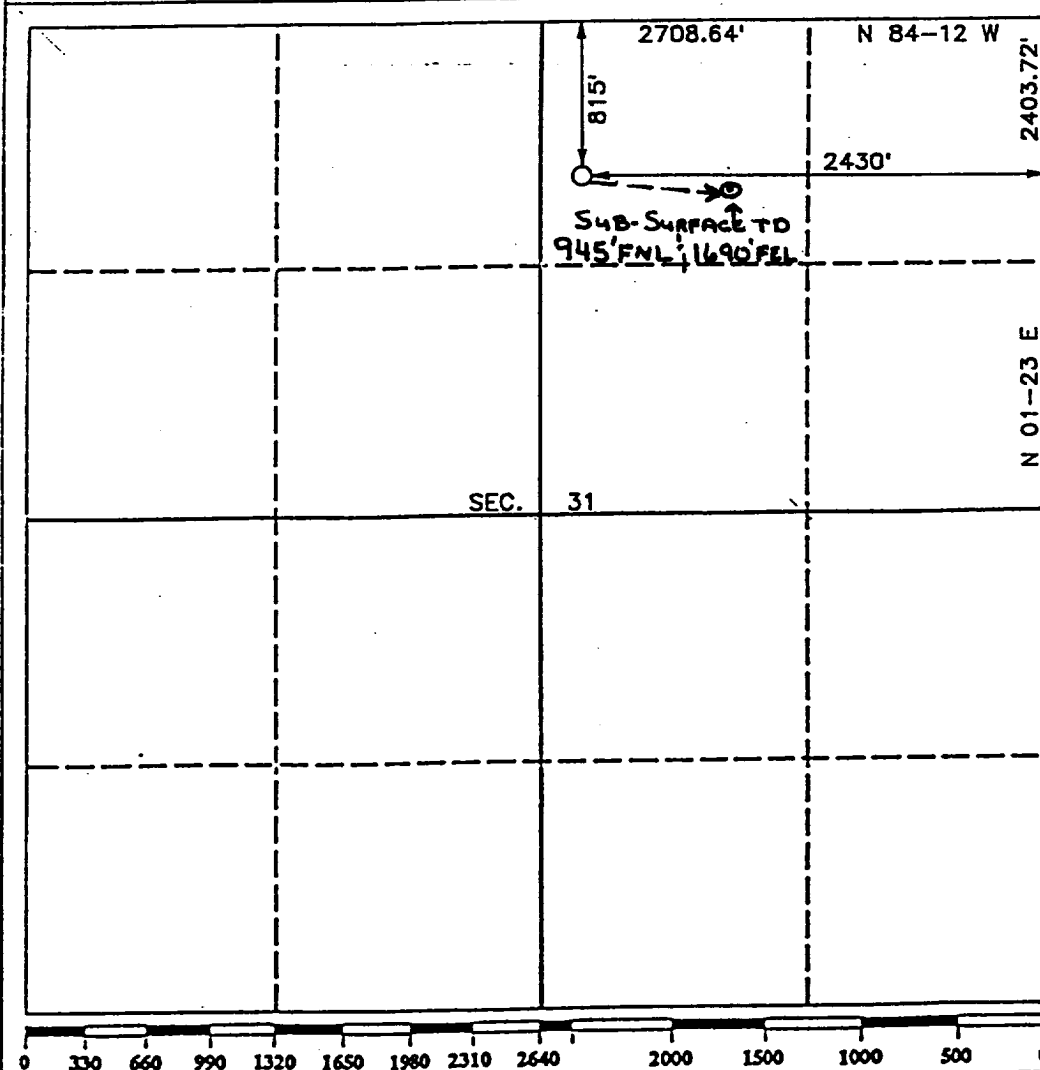
☐ Yes

☐ 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).

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 interest, has been approved by the Division.



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

Position

Company

Date

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 knowledge and belief.

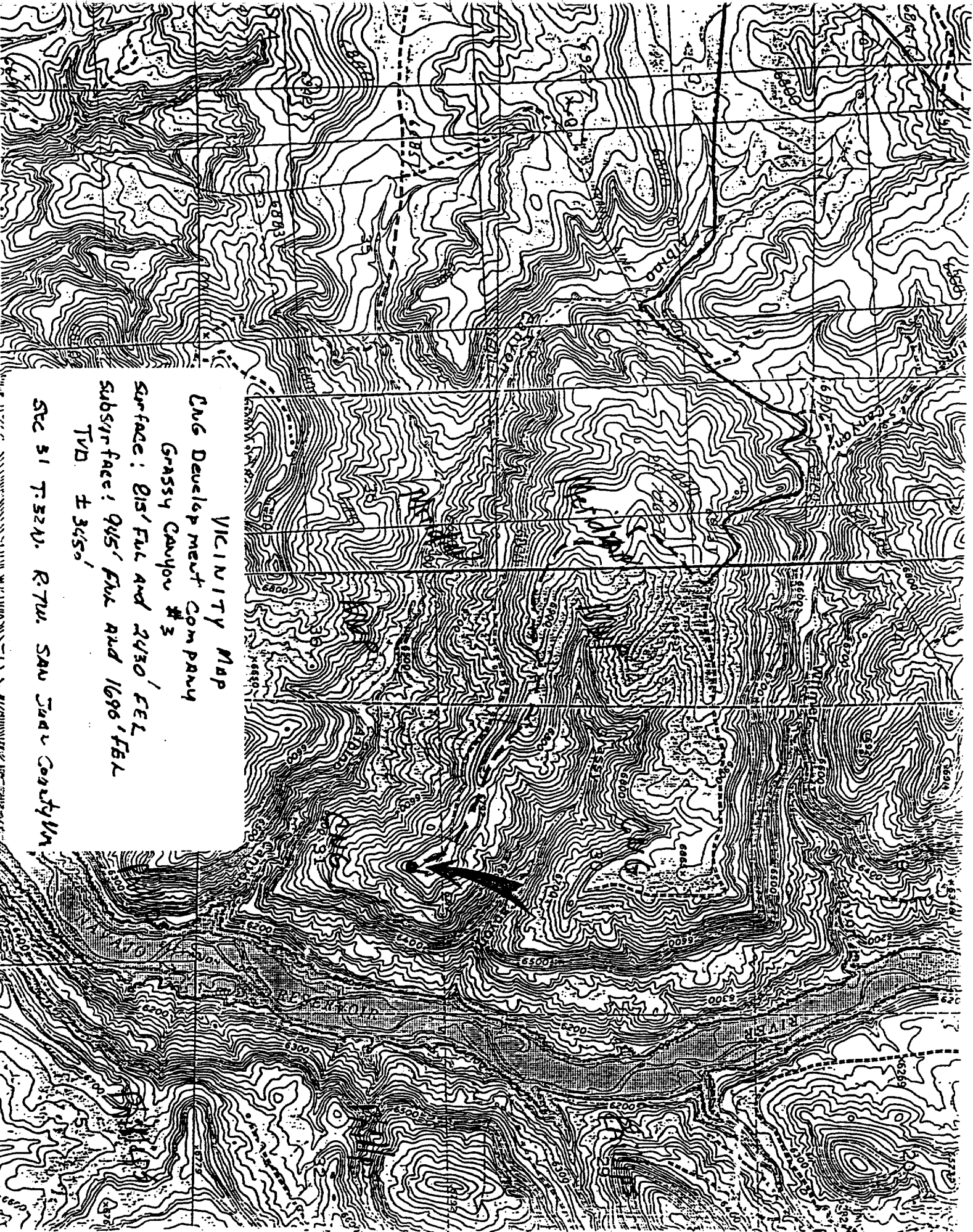
Date Surveyed

OCTOBER 22, 1990

Signature & Seal of
Professional Surveyor

B. HOWARD DAGGETT
9679
9679
REGISTERED PROFESSIONAL LAND SURVEYOR

Registered Professional
Land Surveyor



VICINITY MAP

ENG Development Company

Grassy Canyon #3

Surface: 815' FUL and 2430' FEL

Subsurface: 945' FUL and 1696' FEL

TVD $\pm 3450'$

SEC 31 T.32N. R.7W. SAN JUAN County NM

6790					
6780					
6770					
6760					
6750					

Sec. 31 Township No. 32 North of Range No. 7 West

①		⑥ 38.08	⑤ 37.36
②		⑦ 38.05	
③		⑧ 38.05	
④		⑨ 38.11	

OIL CONSERVATION DIVISION
RECEIVED

MR. WILLIAM LE MAY
NEW MEXICO OIL CONSERVATION DIVISION
P.O. BOX 2088
SANTA, FE, NEW MEXICO 87504

'90 NOV 8 AM 9 51

RE: GRASSY CANYON #3, FRUITLAND COAL WELL 815' FNL, 2430' FEL
SECTION 31, T32N, R7W, SAN JUAN COUNTY, NEW MEXICO.
REQUEST FOR ADMINISTRATIVE APPROVAL:

1. DIRECTIONALLY DEVIATED WELLBORE

DEAR MR. LE MAY:

CONSOLIDATED NATURAL GAS DEVELOPMENT COMPANY (CNG) REQUESTS ADMINISTRATIVE APPROVAL ON AN EXCEPTION OF THE REFERENCED WELL AS ALLOWED IN RULE #9, R-8768, FOR A DIRECTIONALLY DEVIATED WELLBORE WHICH WOULD BOTTOM WITHIN THE STANDARD NE PRORATION UNIT BOUNDARIES.

CNG PROPOSES TO MOVE THE GRASSY CANYON #3 WITH ITS PRESENT SURFACE LOCATION 2400' FEL AND 795' FNL, SECTION 31, T32N, R7W WHICH IS WITHIN THE STANDARD UNIT PRORATION BOUNDARIES TO 815' FNL AND 2430' FEL, SECTION 31, T32N, R7W DUE TO THE FACT ONE ADDITIONAL GRASSY CANYON #4 WELL IS TO BE LOCATED ON THE SAME WELL PAD. THE ORIGINAL PAD WAS EXTENDED BY 40' X 300' FROM THE LEFT FRONT CORNER TO THE LEFT REAR CORNER.

THIS ADDITION WILL ALLOW PLACING 2-WELLBORES ON THE SAME PAD APPROXIMATELY 75' APART. (SEE AMENDED CUT & FILL PLAT). THE GRASSY CANYON #3 SURFACE LOCATION CHANGE HAS BEEN THE RESULT OF A NON BLM APPROVED #1 GRASSY CANYON WELL LOCATED 1275' FNL, 650' FEL, SECTION 31, T32N, R7W AND THROUGH AN EXTENSIVE ENVIRONMENTAL ASSESSMENT PERFORMED ON SECTIONS 30 & 31 IN T32N, R7W. IT WAS DEEMED NECESSARY TO MOVE THE SURFACE LOCATION OF THE #4 GRASSY CANYON TO THE PAD OF #3 GRASSY CANYON.

THE WELL PLAN FOR THE GRASSY CANYON #3 IS TO SET 9 5/8" SURFACE CASING @ 300' AND AT APPROXIMATELY 400' START A DIRECTIONAL WELLBORE AT AN ANGLE BUILD RATE OF APPROXIMATELY 3 DEGREES/100 FEET SOUTH 80 DEGREES EAST TO A 27 DEGREE ANGLE. THE 27 DEGREE ANGLE WILL BE HELD FOR A SUFFICIENT DISTANCE TO ALLOW A 1.5 DEGREE / 100 FOOT DROP ANGLE TO RETURN THE WELLBORE TO VERTICAL JUST ABOVE THE UPPERMOST FRUITLAND COAL STRINGER. THE BOTTOM OF THE HOLE WILL HAVE A 750 FOOT HORIZONTAL DISPLACEMENT AND A TRUE VERTICAL DEPTH OF 3450'.

SEVEN INCH 23#/FOOT CASING WILL BE RUN TO TOTAL DEPTH AND CEMENTED BACK TO SURFACE. THE DRILLING RIG WILL MOVE OFF THE #3 WELLBORE AND ON TO THE #4 GRASSY CANYON WELLBORE ONCE THE LOCATION HAS BEEN RECONSTRUCTED AN OPEN HOLE COMPLETION RIG WILL MOVE ON.

THE COMPLETION RIG WILL DRILL THROUGH THE COAL TO TRUE VERTICAL DEPTH @ 3539' + OR - AND COMPLETE THE WELL USING THE OPEN HOLE COMPLETION METHOD. A 5 1/2" 23#/FOOT P-110 LINER WILL BE RUN THROUGH THE OPEN

A WELLBORE OF THIS DESIGN WILL ALLOW AN INCREASED DRAINAGE RADIUS AND ALLOW FOR AN OPEN HOLE COMPLETION OF AN AREA UNDERLYING SENSITIVE SURFACE RESTRICTIONS.

THE BOTTOM OF THE WELL WILL BE DISPLACED APPROXIMATELY 750 FEET SOUTH - SOUTHWEST OF THE SURFACE LOCATION AND FALL WITHIN THE PRORATION UNIT AT 945 FEET (+ OR - 50') FSL, 1690' (+ OR - 50') FWL.

THE BOTTOM OF THE WELL IS PLANNED TO BE ORTHODOX AND PROVIDE THE BEST DRAINAGE FOR THIS UNIT.

RESPECTFULLY,

Tom Weller By Drew Bates

TOM WELLER
SENIOR STAFF ENGINEER

CC: AZTEC OCD OFFICE
DREW BATES, PROTOCOM, CONSULTANT

WAIVER:

Phillips Petroleum Company HEREBY WAIVES OBJECTION TO CNG DEVELOPMENT COMPANY APPLICATION FOR AN UNORTHODOX LOCATION FOR THEIR BASIN FRUITLAND COAL, GRASSY CANYON PROJECT AS PROPOSED ABOVE.

BY: *A. R. Jones* DATE: 11/6/90

CNG DEVELOPMENT COMPANY
P.O. BOX 15746
PITTSBURGH, PA 15244

OCTOBER 25, 1990

MR. PAUL THOMPSON
NORTHWEST PIPELINE
3539 E. 30TH STREET
FARMINGTON, N.M. 87401

NORTHWEST PIPELINE
CORPORATION

OCT 26 1990

RE: UNORTHODOX GAS WELL LOCATION
BASIN FRUITLAND COAL, GRASSY CANYON #3
SURFACE LOCATION: 2430' FEL AND 815' FNL
SECTION 31, T32N, R7W, SAN JUAN COUNTY, NEW MEXICO
SUBSURFACE: 945' FWL AND 1690' FEL
SECTION 31, T32N, R7W, SAN JUAN COUNTY, NEW MEXICO
TRUE VERTICAL DEPTH: +/- 3450'

PRODUCTION AND DRILLING

DEAR PAUL:

ENCLOSED ARE COPIES OF A LETTER AND APPLICATION CNG DEVELOPMENT COMPANY HAS SENT TO THE NEW MEXICO OIL CONSERVATION REQUESTING ADMINISTRATIVE APPROVAL OF AN UNORTHODOX WELL LOCATION FOR THE CNG GRASSY CANYON #3.

PLEASE REVIEW THIS MATERIAL AND THEN SIGN THE WAIVER OF OBJECTION AND RETURN ONE COPY TO MR. LE MAY IN SANTA FE AND ONE COPY TO MR. TOM WELLER IN PITTSBURGH. THE COPY OF THE APPLICATION IS FOR YOUR FILES.

YOUR COOPERATION IN THIS MATTER IS GREATLY APPRECIATED.

SINCERELY,



W.B. MARTIN, JR.
OPERATOR REPRESENTATIVE

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

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Santa Fe, New Mexico 87504-2088

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1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

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Unit Letter B	Section 31	Township T.32 N.	Range R.7 W.	County SAN JUAN COUNTY
Actual Footage Location of Well: 815 feet from the NORTH line and 2430 feet from the EAST line				
Ground level Elev. 6770	Producing Formation FRUITLAND	Pool BASIN FRUITLAND COAL		Dedicated Acreage: 301.82 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.

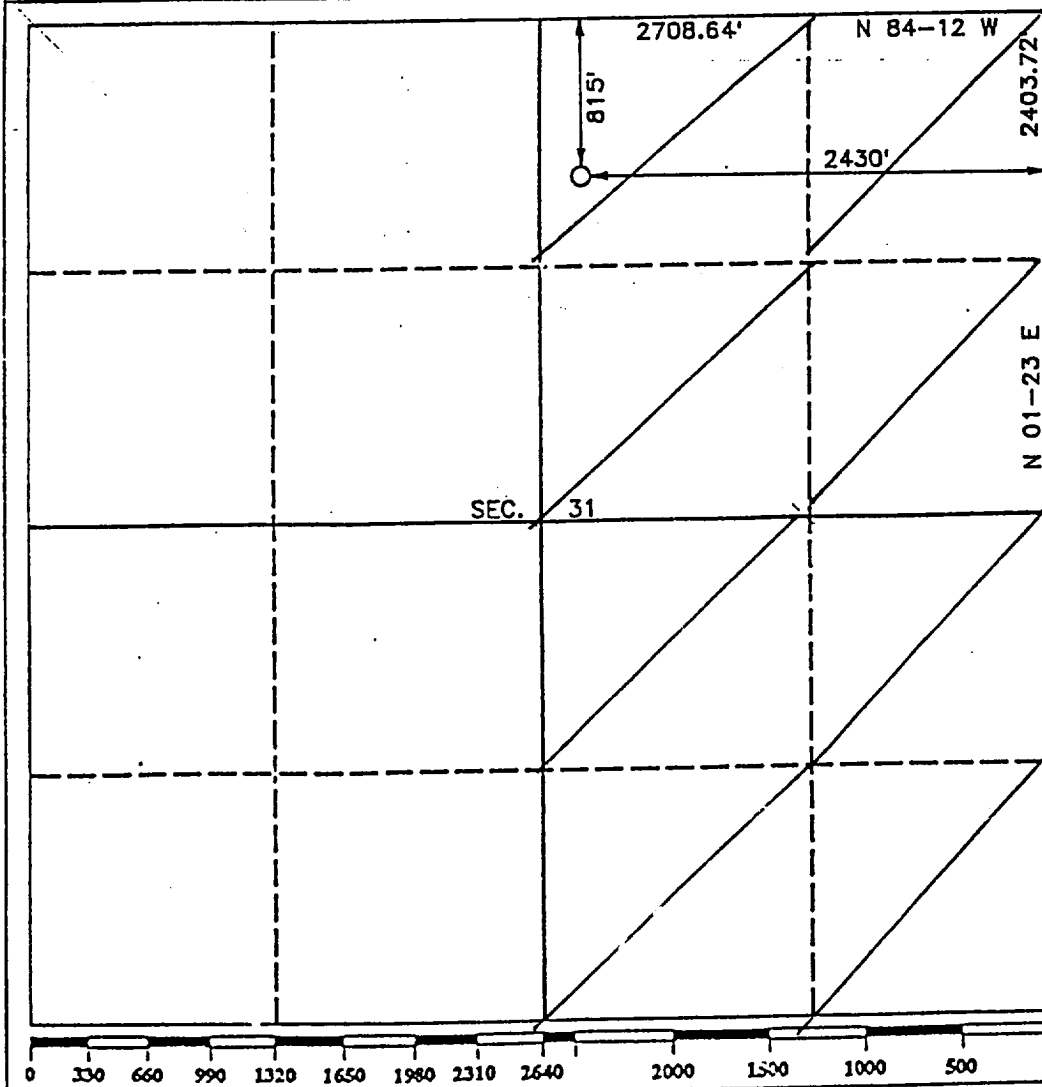
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interest 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.) _____

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 interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature

W.B. Martin Jr.

Printed Name

W.B. MARTIN, Jr.

Position

OPERATOR Representative

Company

C.N.G. Development Co.

Date

October 26, 1990

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 knowledge and belief.

Date Surveyed

OCTOBER 22 1990

Signature & Seal of
Professional Surveyor

R. Howard Daggett

R. HOWARD DAGGETT

9679

Certificate No.

9678

Registered Professional
Land Surveyor

VICINITY MAP

CUG Development Company

Grassy Canyon #3

Surface: 813' FUL AND 2430' FEL

Subsurface: 945' FUL AND 1696' FEL

TVD $\pm 3650'$

SEC 31 T.32N. R.7W. SAN JUAN COUNTY NM

