

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

30-045-28480

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1A. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

B. TYPE OF WELL

OIL
WELL ☐

GAS
WELL ☒

OTHER

SINGLE
ZONE ☒

MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

CNG Development Company

3. ADDRESS OF OPERATOR

P.O. Box 15746, Pittsburgh, PA 15244

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

At surface

1275' ESE, 650' FWL 8 3/4" NA 2505'E Surface
At proposed prod. zone

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

26 miles NE of Aztec, New Mexico

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

650'

16. NO. OF ACRES IN LEASE

1131'

17. NO. OF ACRES ASSIGNED
TO THIS WELL

W/ 232 313.80

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

3000'

19. PROPOSED DEPTH

3634' 3772

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

6769 GL

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

22. APPROX. DATE WORK WILL START*

23.

PROPOSED CASING AND CEMENTING PROGRAM

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

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	9 5/8"	36#	300'	236 cuft/circulate to surface
8 3/4"	7"	23#	3555' 3673' / 11280'	236 cuft/circulate to surface
6 1/4"	5 1/2"	23#	3214' - 3634' / 3755' 3772	39 cuft/circulate to top of liner

Drill 12 1/4" hole to + 300'. Run surface casing cement to surface. WOC 12 hours. Pressure test to 600 psi/30 mins. Drill @ 8 3/4" hole to 3673' with fresh water mud. No poisonous gases or abnormal pressures are anticipated. Run intermediate casing and cement to surface WOC 12 hours. Pressure test to 1500 psi/30 minutes. Drill a 6 1/4" hole to T.D. using air or air/water combination. Run a mud logger unit while drilling this interval run the production liner. The liner will be cemented if the wells natural flow capacity indicates the need for fracture stimulation.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, 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

W.S. Matz

TITLE

Operator Representative

DATE

5/29/90

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED
AS AMENDED

APPROVED BY

TITLE

CONDITIONS OF APPROVAL, IF ANY:

Hold C-104 DD, USL NMOCD
+ Plat 2/18/90

NOV 26 1990
AREA MANAGER

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

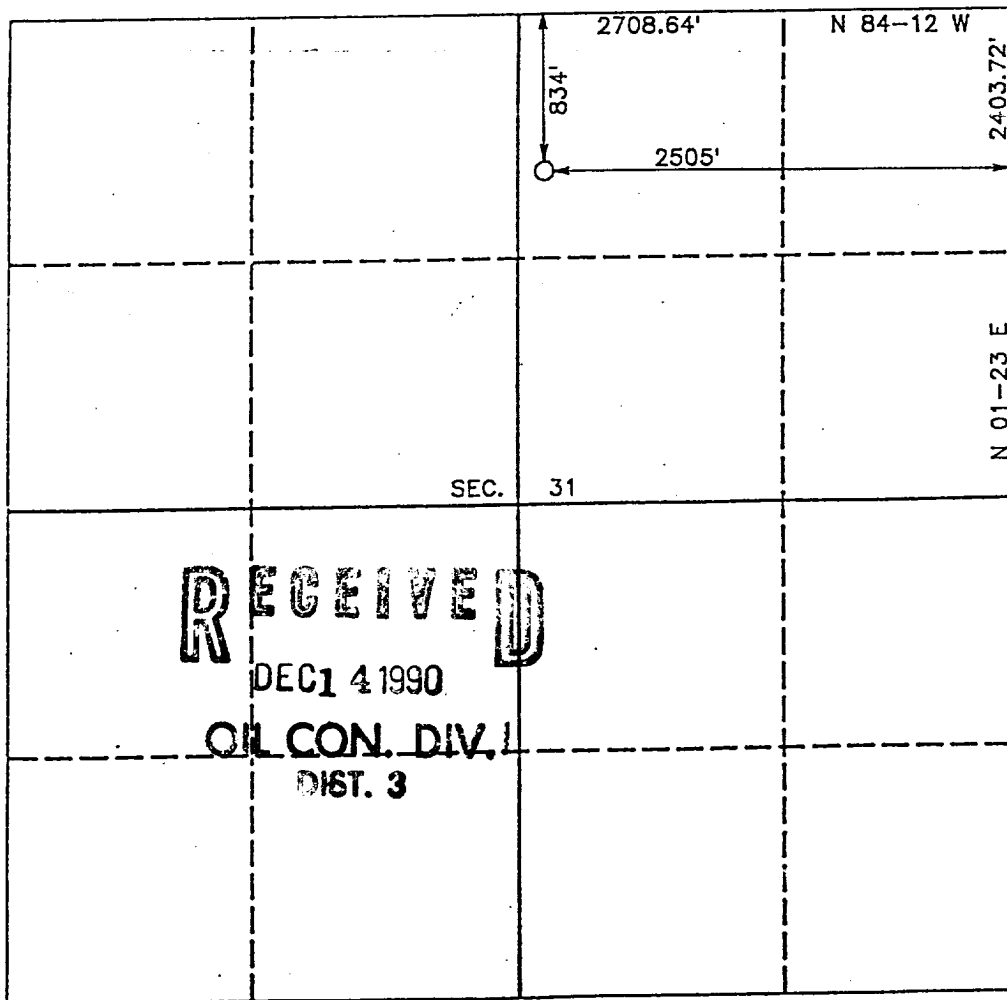
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

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. 4
Unit Letter B	Section 31	Township T.32 N.	Range R.7 W.	County SAN JUAN COUNTY
Actual Footage Location of Well: 834 feet from the NORTH line and 2505 feet from the EAST line				
Ground level Elev. 6769	Producing Formation Fruitland	Pool Basin Fruitland	Dedicated Acreage: 36.82 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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.



RECEIVED
DEC 14 1990
OIL CON. DIV. I
DIST. 3

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

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 & Seal of
Professional Surveyor
R. HOWARD BAGGETT
Certificate No.
9679

Registered Professional
Land Surveyor

CNG Development Company
Grassy Canyon #4
1275' FSL, 650' EWL
Section 30, T32N - R7W
San Juan County, New Mexico

Field: Basin Fruitland Coal

Elevation: 6732' GL

Geology:

Formation Tops: San Jose - Surface
Ojo Alamo - 2575'
Kirtland - 2805'
Fruitland - 3235'
Intermediate TD - 3335'
Upper Pictured Cliffs - 3635'
Total Depth - 3634'

Logging Program: No logs will be run at Intermediate TD. A one man mud logging unit will be run from Intermediate TD to Total Depth.

Drilling:

Contractor:

Toolpusher:

Operator's Representative:

Mud Program: 0 - 300' : Spud mud of lime and gel.
300' - 3235' : Polymer and water with 5 sack gel sweeps every 500' or less if hole conditions dictate.
3235' - 3335' : Fresh water, low solids mud. Mud wt. - 9.5 to 10.0 ppg, as necessary to control well. 35-40 sec./qt. viscosity. 6-8 cc water loss.

Start mud up 100' above Fruitland.

3335' - 3634' : Air and air/water combination

Material:

Casing Program:

Hole Size	Depth Set	Casing Size	Wt. and Grade
12 1/4"	300'	9 5/8"	36# , K-55
8 3/4"	3335' 3'	7"	23# , K-55
6 1/4"	3214' - 3634'	5 1/2"	13# , P110
	3355 3772		

Materials: Cont'd

Float Equipment:

- 9 5/8" surface casing - Texas Pattern Guide Shoe. Threadlock guide shoe.
- 7" intermediate casing- Texas Pattern Guide Shoe. Self fill insert float valve run one joint above shoe.
Ten (10) bow spring centralizers.
Five run every other joint above shoe and five run across the Ojo Alamo.
Thread-lock shoe and float valve.
- 5 1/2" liner - Geyser guide shoe. Threadlock shoe.
Right hand rotating, left hand set liner hanger with lead seal ring packoff.

Wellhead Equipment:

9 5/8" x 10" 3000 casing head with 7" automatic slips. 10" 3000 x 6" 3000 tubing head with a 2 7/8" EUE Tubing hanger.

Cement Program:

- 9 5/8" surface casing - 200 sacks (236 cuft) of Clas B w/2% CaCl and 1/4# flocele per sack. 300% excess to circulate to surface. WOC 12 hours. Pressure test to 600 psi for 30 minutes prior to drilling surface shoe.
- 7" intermediate casing- 500 sacks (890 cuft) of 65/35 Class B Pox with 6% gel, 1/4# flocele per sack, by 125 sacks (148 cuft) Class B with 1/4# flocele per sack. 200% excess to circulate to surface. WOC for 12 hours. Run temperature survey after 8 hours if cement does not circulate. Pressure test to 1500 psi/30 minutes prior to drilling shoe.
- 5 1/2" liner - 30 sacks (39 cuft) of Class B with 0.2% retarder, 1% CaCl, 1.3 % fluid loss additive, and 6 1/4# gilsonite per sack. 100% excess to circulate to liner top. Note: cement is optional. Liner may not be cemented if hole conditions dictate.

Miscellaneous:

Operate pipe rams daily and record in tour reports. Operate Blind rams on each trip and record in tour reports. 7" casing rams are to be installed prior to running the production casing. 5 1/2" casing rams are to be installed prior to running the production liner.

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 23503

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

GRASSY CANYON #4

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 Pittsburgh PA. 15244 (412) 787-4189

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

834' ENL AND 2565' FEL 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 *NEW CASING AND
Cement Program*
☐ 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:	size HOK	size of casing	weight/ft	setting depth	quantity of Cement
	12 1/4"	9 5/8"	36 #	306'	236 ft ³ circulate to surface
	8 3/4"	7"	23 #	3673	1170 ft ³ circulate to surface
	6 1/4"	5 1/2"	23 #	3555-3772	39 cuft circulate to top of liner

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

Signed *W.B. Martin Jr.*

Title *Operator Representative*

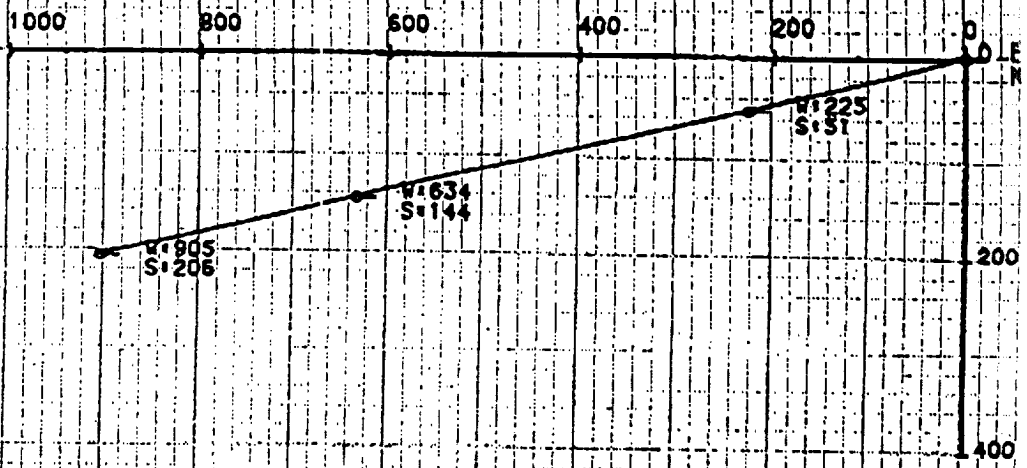
Date *11/1/90*

(This space for Federal or State office use)

Approved by _____
Conditions of approval, if any:

Title _____

Date _____

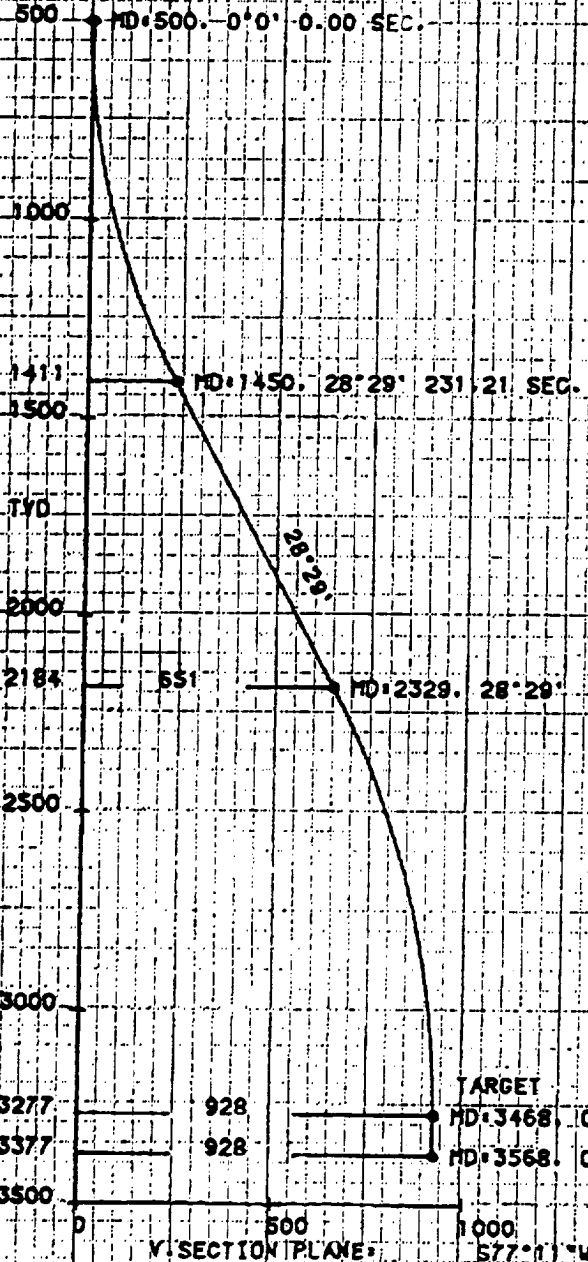


SCALE 1"=200FT.

NOTE: COORDINATES RELATIVE TO SLOT

Formation To DS:

San Jose	Surface
Ojo Alamo	2812'
Kirtland	2843'
Fruitland	3272'
Intermediate T.O	3372'
Upper Disturbed Chfs	3673'
Total Depth	3671'



Y-SECTION PLANE:

PROPOSAL: P00591.DCG

CNG

GRASSY CANYON

SAN JUAN COUNTY, NEW MEXICO

WELL: GRASSY CTN #1

SLOT: 3

SCALE 1"=500FT.

P. 9/21

NOV 13 '90 14:36 EC CASPER

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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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)

1275' ESL AND 650' FWL Sec. 31 T. 32N. R. 7W.

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 #4

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Basin Fruit Land Coal

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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.)

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Proposed: Move location from 1275' ESL AND 650' FWL Sec. 31 T. 32N. R. 7W. to 834' FWL AND 2505' FWL Sec. 31 T. 32N. R. 7W. Due to problems with terrain the #4 will be directionally drilled to a subsurface location 1046' FWL AND 1600' FWL Section 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. Martin

Title Operator Representative

Date 10/24/90

(This space for Federal or State office use)

Approved by _____
Conditions of approval, if any:

Title _____

Date _____