

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

Handwritten signatures and initials, including "NO RPD" and "12-21-90".

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-53(NSBHL)

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. 4, 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 and Rule 8 of the special Rules and Regulations for the Basin-Fruitland Coal Gas Pool, as promulgated by Division Order No. R-8768;
- (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 and said Order No. R-8768 have either been or will be met; and
- (4) No objections have been received within the waiting period prescribed by said rules.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, CNG Development Company, is hereby authorized to directionally drill its Grassy Canyon Well No. 4, the surface location of which shall be 834 feet from the North line and 2505 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 1040 feet from the North line and 1600 feet from the West line (Unit C) of said Section 31, being an unorthodox 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.

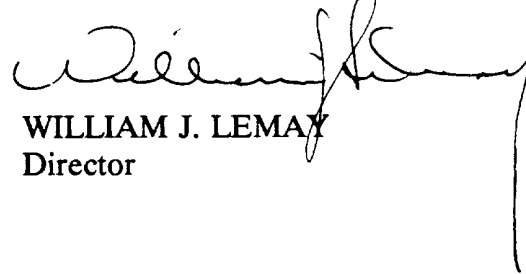
(4) Lots 1 through 4 and the E/2 W/2 (W/2 equivalent) of said Section 31 shall be dedicated to the well forming a standard 313.82-acre gas spacing and proration unit for said pool.

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

Administrative Order DD-53(NSBHL)
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



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

GARREY CARRUTHERS
GOVERNOR

1100 MID HAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-0178

Date: 11-27-90

Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504-2088

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

Gentlemen: DD

I have examined the application dated 11-26-90

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

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

Approved

Yours truly,

James Bonds



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
505/837-5500

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

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

Attention: Thomas F. Weller

RE: *Application for non-standard location: Grassy Canyon Well No. 4; 31-T32N-R7W, San Juan County, New Mexico.*

Dear Mr. Weller:

We may not process the subject application for a non-standard location 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.

☐ A plat must be submitted fully identifying the topography necessitating the non-standard location.

☐ Other: _____

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

VICINITY MAP

CNG Development Company

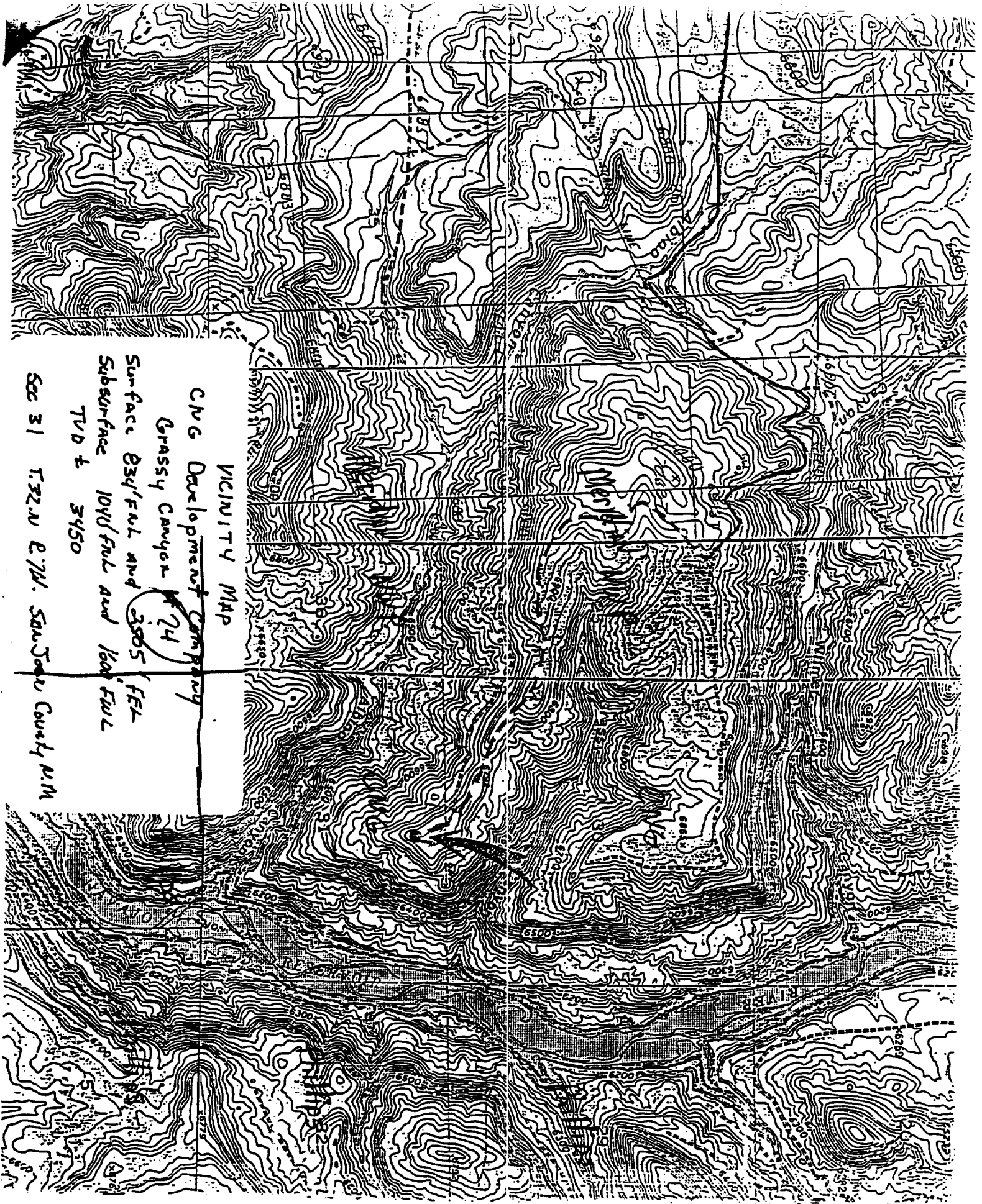
Grassy Canyon

Surface 834' full and 3505' FEI

Subsurface 1040' full and 1600' FEI

TVD ± 3450

Sec 31 T.32.N. E.74. San Juan County N.M.



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

OIL CONSERVATION DIVISION
SANTA FE, N.M.

'90 NOV 13 AM 9 15

RE: GRASSY CANYON #4, FRUITLAND COAL WELL 834' FNL, 2505' 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 OUTSIDE THE STANDARD SW PRORATION UNIT BOUNDARIES IN THE NW 1/4 SECTION.

CNG PROPOSES TO MOVE THE GRASSY CANYON #4 WITH ITS PRESENT SURFACE LOCATION 1275' FSL AND 650' FWL. SECTION 31, T32N, R7W WHICH IS A UNORTHODOX SURFACE LOCATION TO 834' FNL AND 2505' 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, #3, WILL BE LOCATED ON THIS PAD WITH 40'X300' EXTENSION. THIS ADDITION WILL ALLOW PLACING 2-WELLBORES ON THE SAME PAD APPROXIMATELY 75' APART. (SEE AMENDED CUT & FILL PLAT). THE GRASSY CANYON #4 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 #4 IS TO SET 9 5/8" SURFACE CASING @ 300' AND AT APPROXIMATELY 400' START A DIRECTIONAL WELLBORE AT AN ANGLE BUILD RATE OF APPROXIMATELY 3.5 DEGREES/100 FEET SOUTH, 80 DEGREES WEST TO A 41 DEGREE ANGLE. THE 41 DEGREE ANGLE WILL BE HELD FOR A SUFFICIENT DISTANCE TO ALLOW A 2.5 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 1200 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 AND AN OPEN HOLE COMPLETION RIG WILL MOVE ON.

THE COMPLETION RIG WILL DRILL THROUGH THE COAL TO TRUE VERTICAL DEPTH @ 3634' 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 1200 FEET SOUTH - SOUTHWEST OF THE SURFACE LOCATION AND FALL OUTSIDE THE PRORATION UNIT AT 1040 FEET (+ OR - 50') FNL, 1600' (+ OR - 50') FWL. THE BOTTOM OF THE WELL IS PLANNED TO BE UNORTHODOX AND PROVIDE THE BEST DRAINAGE FOR THIS UNIT IN ACCORDANCE WITH THE ENVIRONMENTAL ASSESSMENT AS PER BLM.

RESPECTFULLY,

Tom Weller B. Drew Bates

TOM WELLER
SENIOR STAFF ENGINEER

CC: AZTEC OCD OFFICE
DREW BATES, PROTOCOM, CONSULTANT
WAIVER:

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

BY:

Von McAllister

DATE: 11-6-90

**CNG Development
Company**

October 29, 1990

RECEIVED

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

NOV 2 1990

OIL CONSERVATION DIVISION

**RE: Grassy Canyon #4; Fruitland Coal Well No. 834; FNL, 2505' 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 outside the standard SW proration unit boundaries and in the NW quartersection.

CNG proposes to move the grassy canyon #4 with its present surface location 1275' FSL and 650' FWL, Section 31, T32N, R7W which is an unorthodox surface location to 834' FNL and 2505' 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, #3, 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 #4 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 #4 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 1/2 degrees / 100 feet South 80 degrees West to a 41 degree angle. The 41 degree angle will be held for a sufficient distance to allow a 2 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 1200' 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 and an open hole completion rig will move on.

The completion rig will drill through the coal to true vertical depth at 3634' 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 1200 feet West, Southwest of the surface location and fall outside the standard SW proration unit at 1040 feet (+ or - 50') FNL, 1600' (+ or - 50') FWL.

The bottom of the well is planned to be unorthodox 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

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

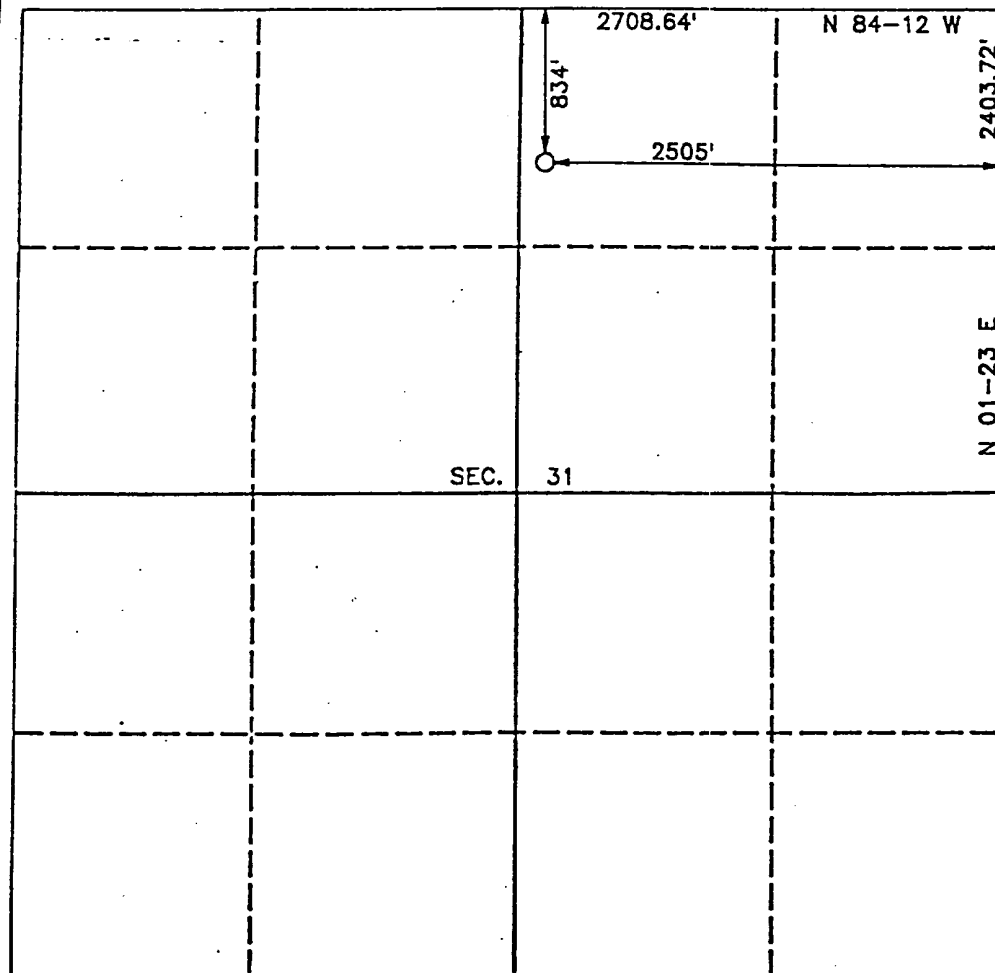
All Distances must be from the outer boundaries of the section

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: 343.82 Acres
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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.

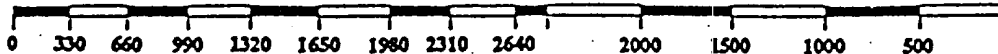
Signature
W.B. Martin Jr.
Printed Name
W.B. Martin Jr.
Position
Operator Representative
Company

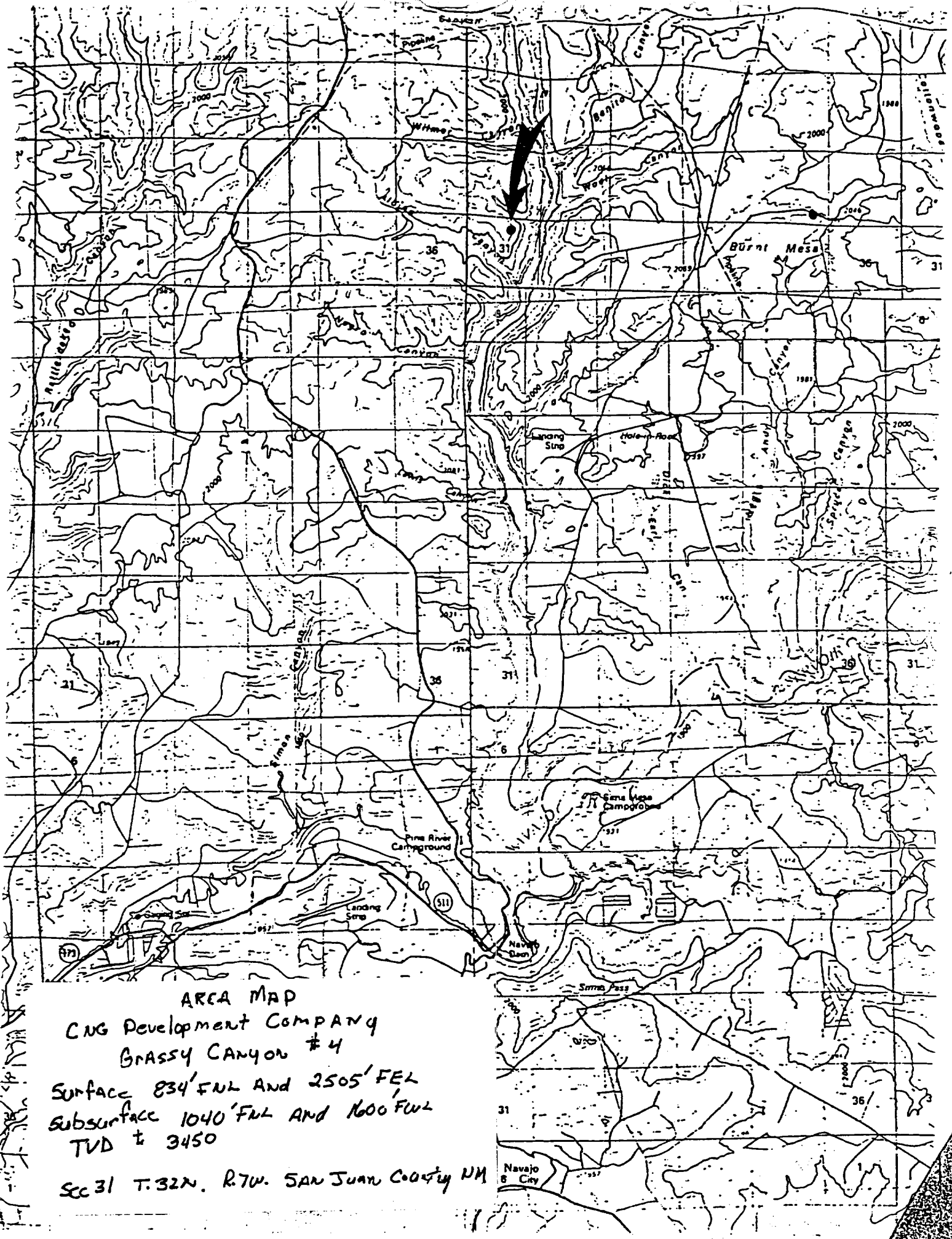
Date
10/26/90

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. 6789
Registered Professional
Land Surveyor





AREA MAP
CNG Development Company
GRASSY CANYON #4
SURFACE 834' FNL AND 2505' FEL
SUBSURFACE 1040' FNL AND 1600' FNL
TVD ± 3450
SEC 31 T. 32N. R. 7W. SAN JUAN COUNTY NM

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

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) 787-4109

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

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

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

9. API Well No.

10. Field and Pool, or Exploratory Area

Basin Fruit Land Cor 1

11. County or Parish, State

SAN JUAN N.M.

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

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 1275' ESL AND 650' FWL Sec. 31 T. 32 N. R. 7 W. to 834' FWL AND 2505' FWL Sec. 31 T. 32 N. R. 7 W. Due to problems with terrain the #4 will be directionally drilled to a subsurface location 1040' FWL AND 1600' FWL Section 31 T. 32 N. R. 7 W. with a true vertical depth of $\pm 3450'$

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

Signed W.B. Martin Jr.

Title Operating Representative

Date 10/26/90

(This space for Federal or State office use)

Approved by

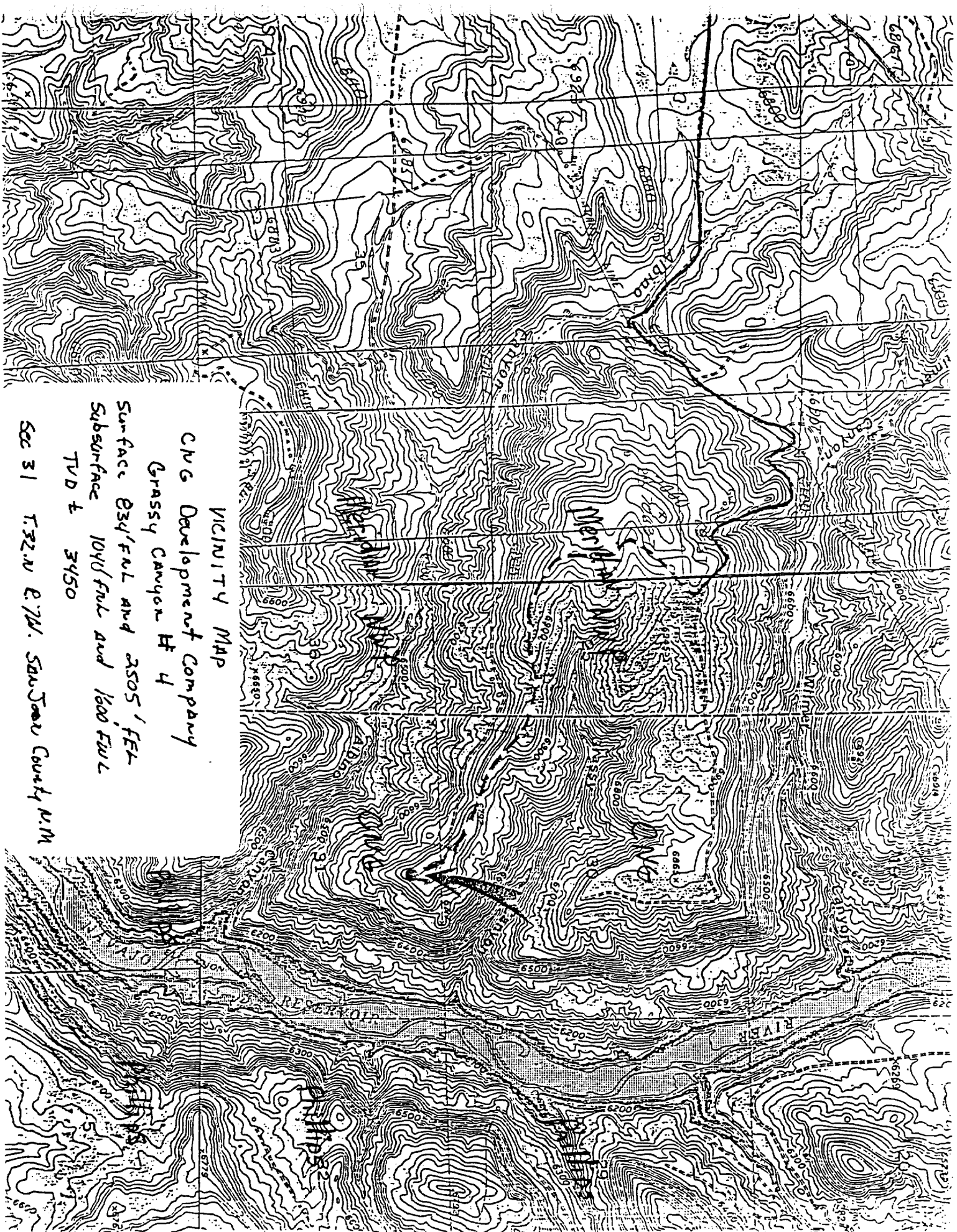
Conditions of approval, if any:

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



VICINITY MAP

CNG Development Company
Grassy Canyon # 4

Surface 834' FUL AND 3505' FUL
Subsurface 1040' FUL AND 1600' FUL

TVD ± 3450

SEC 31 T.32.N. E.74. SAN JUAN COUNTY, N.M.

OIL CONSERVATION DIVISION

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

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

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: 313.82		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 communization, 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 communization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.

2708.64'

834'

2505'

1040' FNL 1600 FWL

SEC. 31

N 84-12 W

2403.72'

N 01-23 E

OPERATOR CERTIFICATION

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

Signature _____

Printed Name _____

Position _____

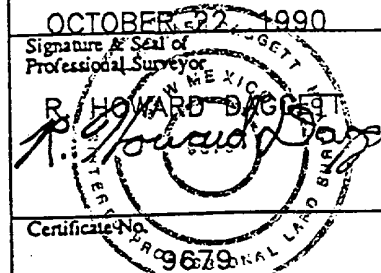
Company _____

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


Certificate No.
9679

Registered Professional
LAND SURVEYOR

0330660990132016501980231026402000150010005000

6769



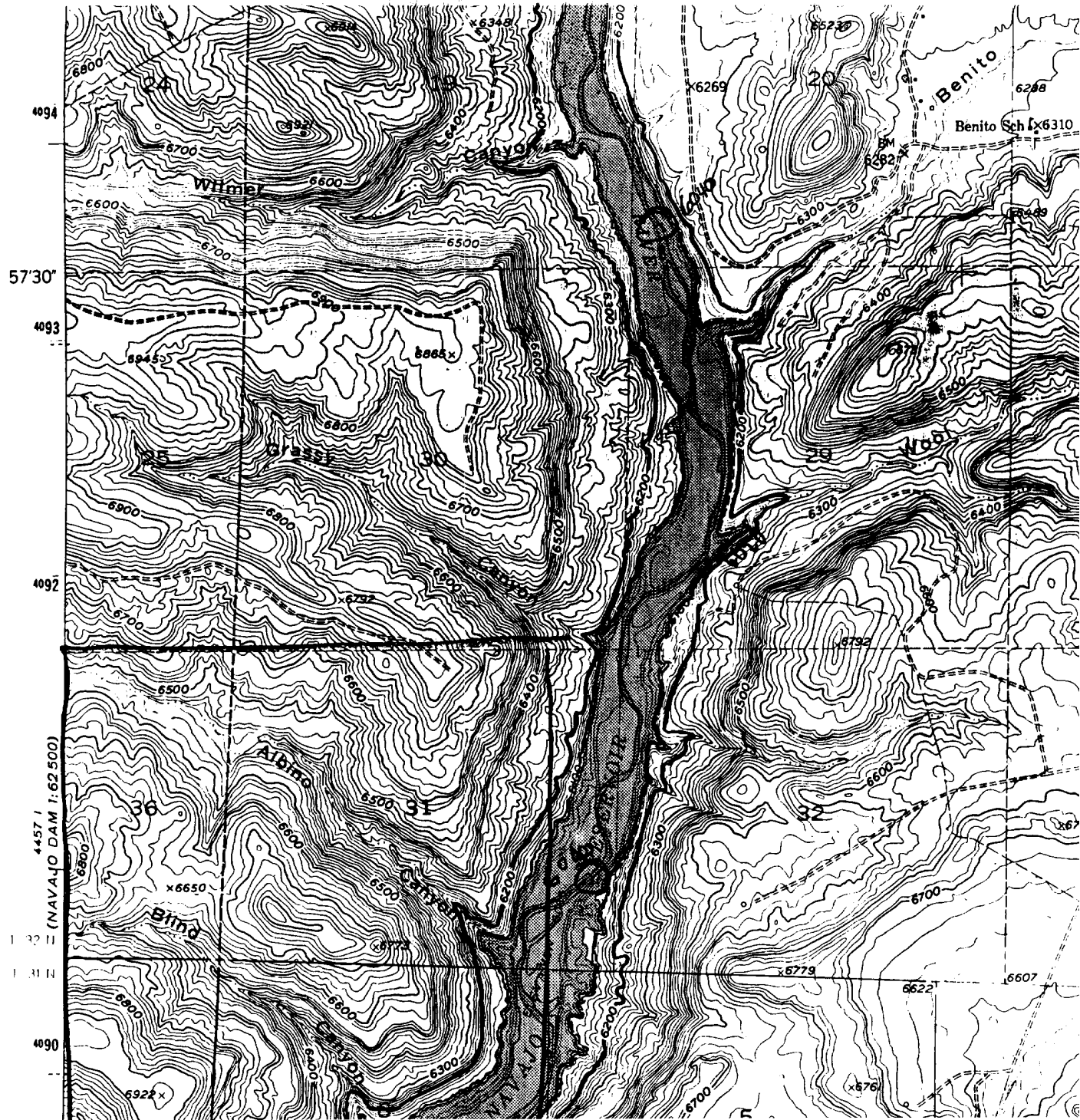
ELEV.

ELEV.

6790					
6780					
6770					
6760					
6750					
6740					

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	



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

OCTOBER 25, 1990

PAUL THOMPSON
NORTHWEST PIPELINE
3539 E. 30TH STREET
FARMINGTON, NEW MEXICO 87401

NORTHWEST PIPELINE
CORPORATION

OCT 26 1990

PRODUCTION AND DRILLING

RE: UNORTHODOX GAS WELL LOCATION
BASIN FRUITLAND COAL, GRASSY CANYON #4
SURFACE LOCATION: 834' FNL AND 2505' FEL
SECTION 31, T32N, R7W, SAN JUAN COUNTY, NEW MEXICO
SUBSURFACE: 1040' FNL AND 1600' FWL
SECTION 31, T32N, R7W, SAN JUAN COUNTY, NEW MEXICO
TRUE VERTICAL DEPTH: +/- 3450'

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

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 COAL	Dedicated Acreage: 313.82 Acres	

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

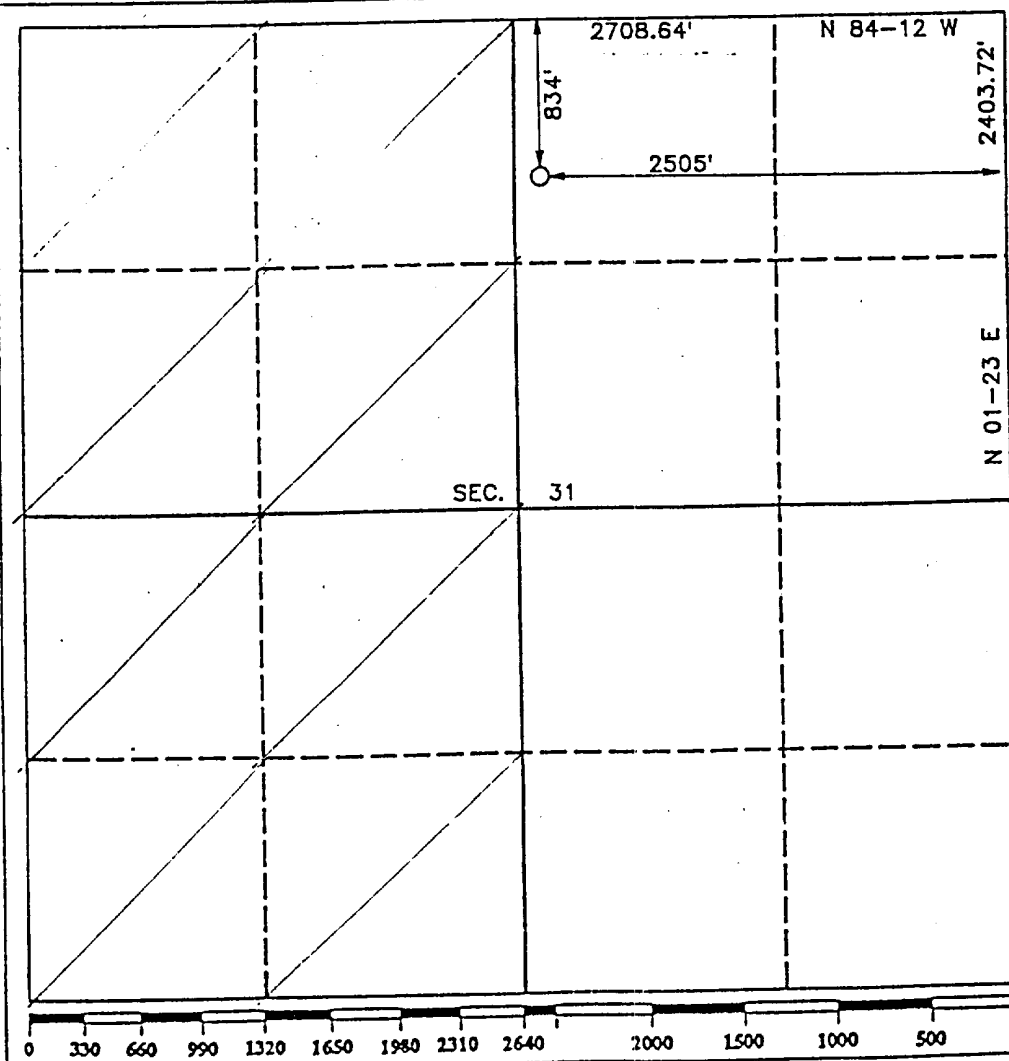
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

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

Date
OCTOBER 26, 1990

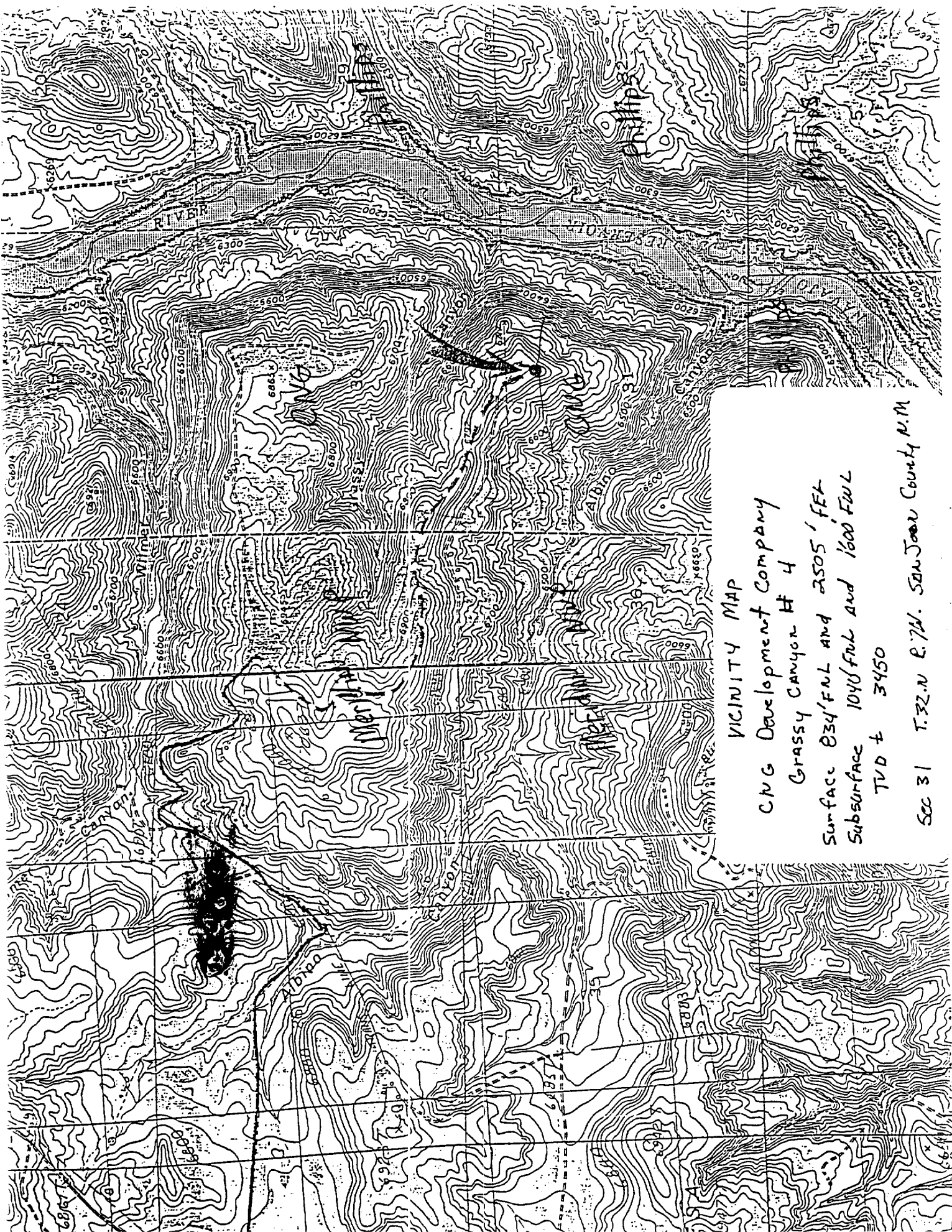
SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes actual surveys made by me or under my supervision, and that the same is true as correct to the best of my knowledge and belief.

Date Surveyed
OCTOBER 22, 1990
Signature & Seal of
Professional Surveyor

R. Howard Duggan
Certificate No.
9679

Registered Professional
Land Surveyor



VICINITY MAP

CNG Development Company
Grassy Canyon # 4

Surface 834' FNL and 2505' FEL
Subsurface 1040' FNL and 1600' FNL

TVD ± 3450

Sec 31 T.32.N R.74.W. San Juan County, N.M.

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 location.
Use "APPLICATION FOR PERMIT—" for such proposals.

SUBMIT IN TRIPLICATE

RECEIVED
DEC 10 1991

OIL CON. DIV.
DIST. 3

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	8. Well Name and No. Grassy Canyon #4
2. Name of Operator CMB Producing Company (304) 623-8840	9. API Well No.
3. Address and Telephone No. Crosswind Corporate Park Route 2 Bridgeport WV 26330	10. Field and Pool, or Exploratory Area Basin Fruitland coal
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 834 FNL - 2505' FCL SEC 31 T32N R74W	11. County or Parish, State San Juan N.M.

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input checked="" type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input checked="" type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input type="checkbox"/> Other
	<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.)*

Completed operations 11/26/91 - Set cement retainer @ 3450' spot 17ft³ plug on top of retainer. Move up hole spot 114ft³ across Ojo Alamo 2784-3138. Move up hole spot 33ft across Navinto @ 1050 to 1150. Move up hole spot 33ft³ across surface guide with shoe @ 257-357'. Move spot surface plug with 17ft³. All cement Class B.
Next:

RECEIVED
BLM
DEC -3 AM 11:28
DISTRICT OFFICE, N.M.

14. I hereby certify that the foregoing is true and correct	
Signed <u>W.S. Mark</u>	Title <u>Operator Representative</u>
(This space for Federal or State office use)	Date <u>11/27/91</u>
Approved by _____	Title _____
Conditions of approval, if any:	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

NMOOD

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

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SUBMIT IN TRIPLICATE

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DEC 07 1990

OIL CON. DIV
DIST. 3

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. (412)-787-4109

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

834' FNL AND 2505' FEL 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

9. API Well No.

10. Field and Pool, or Exploratory Area

Basin Fruitland Coal

11. County or Parish, State

SAN JUAN N.M.

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 Request
☐ 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: Due to cultural, environmental and topographical concerns CNG WAS required to do an Environmental Assessment on NMNM # 83503 oil and gas lease. This EA CAUSED A delay in the release of our APO's. Therefore: CNG respectfully requests an extension of one month from 12/1/90 to 12/31/90 during the closure of our lease for Big Game Winter Habitat. We also request the same extension for roads and rights of way.

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

Signed

[Signature]

Title

Operator Representative

Date

11/12/90

(This space for Federal or State office use)

Approved by

[Signature]

Title

Act. A.M.

Date

11/14/90

Conditions of approval, if any:

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE*

(See other In-
structions on
reverse side)FOR APPROVED
OMB NO. 1004-0137
Expires: December 31, 1991

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. TYPE OF WELL: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> Other _____		5. LEASE DESIGNATION AND SERIAL NO. NM/NM 83503																			
b. TYPE OF COMPLETION: NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEP-EN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> Other _____		6. IF INDIAN, ALLOTTEE OR TRIBAL NAME																			
2. NAME OF OPERATOR CNG Producing Company (304) 623-2840		7. UNIT AGREEMENT NAME																			
3. ADDRESS AND TELEPHONE NO. Crosswind Corporate Park Route 2 Box 698 Bridgeport WV 26320		8. FARM OR LEASE NAME, WELL NO. Grassy Canyon #4																			
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)* At surface 834' FWL - 2505' FWL At top prod. interval reported below At total depth 1047' FWL - 1605' FWL		9. API WELL NO. 30-045-28480																			
14. PERMIT NO.		10. FIELD AND POOL, OR WILDCAT Basin Fruitland Coal																			
DATE ISSUED 11/23/90		11. SEC. T., R., M., OR BLOCK AND SURVEY OR AREA Sec 31 T.32N. R.7W.																			
15. DATE SPUDDED 12/10/90	16. DATE T.D. REACHED 6/26/91	17. DATE COMPL. (Ready to prod.) 6/26/91	18. ELEVATIONS (DF, RKB, RT, GR, ETC.)* 6769 GR																		
19. ELEV. CASINGHEAD 6769 GR	20. TOTAL DEPTH, MD & TVD 3926 MD 3603 TVD																				
21. PLUG, BACK T.D., MD & TVD 3925 MD 3602 TVD	22. IF MULTIPLE COMPL., HOW MANY*	23. INTERVALS DRILLED BY 0-3926 MD	24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)* 3763 - 3916 MD Basin Fruitland Coal 3440 - 3593																		
25. WAS DIRECTIONAL SURVEY MADE Yes			26. TYPE ELECTRIC AND OTHER LOGS RUN GR, CCL, CBL																		
27. WAS WELL CORRED No			28. CASING RECORD (Report all strings set in well)																		
<table border="1"><thead><tr><th>CASING SIZE/GRADE</th><th>WEIGHT, LB./FT.</th><th>DEPTH SET (MD)</th><th>HOLE SIZE</th><th>TOP OF CEMENT, CEMENTING RECORD</th><th>AMOUNT PULLED</th></tr></thead><tbody><tr><td>9 5/8 K-55</td><td>36</td><td>306</td><td>12 1/4</td><td>2654' Circulate to surface</td><td></td></tr><tr><td>7" K-55</td><td>23</td><td>3598</td><td>8 3/4</td><td>1542' 13"</td><td></td></tr></tbody></table>				CASING SIZE/GRADE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	TOP OF CEMENT, CEMENTING RECORD	AMOUNT PULLED	9 5/8 K-55	36	306	12 1/4	2654' Circulate to surface		7" K-55	23	3598	8 3/4	1542' 13"	
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29. LINER RECORD				30. TUBING RECORD																	
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SIZE	DEPTH SET (MD)	PACKER SET (MD)																			
2 1/2 S-55	3800																				
31. PERFORATION RECORD (Interval, size and number)				32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.																	
3763-76 .75 52 3825-27 .75 8 3831-53 .15 28 3910-16 .75 24				<table border="1"><thead><tr><th>DEPTH INTERVAL (MD)</th><th>PROPORT AND KIND OF MATERIAL USED</th></tr></thead><tbody><tr><td>N/A</td><td></td></tr></tbody></table>		DEPTH INTERVAL (MD)	PROPORT AND KIND OF MATERIAL USED	N/A													
DEPTH INTERVAL (MD)	PROPORT AND KIND OF MATERIAL USED																				
N/A																					
33. PRODUCTION																					
DATE FIRST PRODUCTION 6/26/91		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) Flowing																			
DATE OF TEST 6/24/91		HOURS TESTED 2	CHOKE SIZE AOF	PROD'N. FOR TEST PERIOD 0	OIL—BBL. 22.50																
FLOW. TUBING PRESS. 1068(51)		CASING PRESSURE 351(51)	CALCULATED 24-HOUR RATE 270	GAS—MCF. 100	WATER—BBL. 8.3																
34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) Sold																					
35. LIST OF ATTACHMENTS																					
36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records																					
SIGNED W.B. Martz Jr.		TITLE Operator Representative		DATE 8/24/91																	

*(See Instructions and Spaces for Additional Data on Reverse Side)

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NM0000

#4

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries):

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	GEOLOGIC MARKERS		
				NAME	MEAS. DEPTH	TRUE VERT. DEPTH
050 A/lam	2834	3078	Sandstone quartzite, white, medium to coarse grain, Angular, medium sorted, predominantly unconsolidated	See Jose 050 Plane Kint land Fruitland	Surface	2531 (+4253)
					2834	2763 (+4402)
					3078	
					3408	3080 (+3704)

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

DEC 1 0 1991

OIL CON. DIV.

DEC 1 9

5. Lease Designation and Serial No.

NMNM 83563

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 Cor 1

11. County or Parish, State

San Juan N.M.

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

CNG Producing Company (304) 623-8840

3. Address and Telephone No.

Crosswind Corporate Park Route 2 Bridgeport W.V. 26330

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

834 FAL + 2505' FEL

SEC. 31 T32N, R7W

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

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(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 Operations: 11/26/91 Set cement retainer @ 3950'. Spot 20 ft³ on top of retainer. Move up hole spot 114 ft³ across Ojo Alamo 2704-3128. Move up hole spot 33 ft³ across Macments @ 1050 to 1150. Move up hole spot 33 ft³ across surface casing joint shoe 257-357. Move up hole spot surface Plug with 17 ft³. Cement Class B neat.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

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

Signed

W.B. Martz, Jr.

Title

Operator Representative

Date

11/25/91

(This space for Federal or State office use)

Approved by

Conditions of approval, if any:

Title

Date

RECEIVED
BLM
DEC-3 AM 11:28
FARMINGTON, N.M.

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*See Instruction on Reverse Side

IN REPLY REFER TO
(019)

UNITED STATES DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT
FARMINGTON RESOURCE AREA
1235 LA PLATA HIGHWAY
FARMINGTON, NEW MEXICO 87401

Attachment to Notice of

Re: Permanent Abandonment

Intention to Abandon

Well: 4 Grassy Canyon

CONDITIONS OF APPROVAL

1. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal Leases."
2. Mark Kelly with the Farmington Office is to be notified at least 24 hours before the plugging operations commence (505) 326-6201.
3. Blowout prevention equipment is required.
4. The following modifications to your plugging program are to be made (when applicable):

Office Hours: 7:45 a.m. to 4:30 p.m.

GENERAL REQUIREMENTS FOR
PERMANENT ABANDONMENT OF WELLS ON FEDERAL AND INDIAN LEASES
FARMINGTON RESOURCE AREA

1. Secure prior approval either on a Sundry Notice (Form 3160-5) or verbally from the Fluids Drilling & Production Section at this office before changing the approved plugging program.

2. Plugging equipment used shall have separate mixing and displacement pumps and a calibrated tank to assure proper displacement of plugs. The Operator is responsible for providing all measuring devices needed to assure proper measurement of materials being used.

3. A proper tank or pit will be used to contain all fluids pumped from the well during plugging operations. Unattended pits are to be fenced.

4. All cement plugs are to be placed through tubing (or drillpipe) and shall be a minimum of 100 feet in length with 50% excess inside casing or 100% excess when plug is set in open hole or squeezed into perforations. 15.6#/gal slurry weight is to be used when using class B neat cement or when CaCl_2 is used. Use the recommended slurry weight of other type cements when they are used (Class C, Pozzolan etc.).

5. Any cement plugs placed when well is not full of fluid, or when well may be taking fluid, (i.e. across perfs-unless bridge plug or retainer is used, across bad csg., or fresh water formations) will be tagged (touched) after cement has set to verify proper location.

5a. Testing The first plug below the surface plug shall generally be tested by either tagging the plug with the working pipe string, or pressuring to a minimum pump (surface) pressure of 1000 psig, with no more than a 10 percent drop during a 15-minute period (cased hole only). If the integrity of any other plug is questioned, it must be tested in the same manner. Also, any cement plug which is the only isolating medium for a fresh water interval or a zone containing a valuable mineral deposit should be tested by tagging with the drill string.

6. Mud must be placed between plugs. Plugging mud is to be made up with a minimum of 15 lbs/bbl of sodium bentonite, and a nonfermenting polymer. Minimum consistency of plugging mud must be 9 lbs/gal and with a minimum viscosity of 50 sec/qt. Fresh water is to be utilized for mixing mud.

7. Following the placement of a cement plug, the withdrawal rate for at least the length of the cement plug shall not exceed 30 ft/min, in order to minimize the contamination of the plug.

8. Within 30 days after plugging work is completed, file a Sundry Notice (Subsequent Report of Abandonment, Form 3160-5), in quintuplicate with Area Manager, Bureau of Land Management, 1235 La Plata Highway, Farmington, NM 87401. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. Show date well was plugged.

9. All permanently abandoned wells are to be marked with a regulation marker (4" pipe extending 4' above the ground line) containing the information as specified in 43 CFR 3162.6(d). Unless otherwise approved.

10. After plugging work is completed the surface is to be rehabilitated in accord with instructions from the Fluids Surface Management Section of the Farmington Resource Area Office.

All above are minimum requirements. The period of liability under the bond of record will not be terminated until the lease is inspected and surface work approved.

Please advise this office when the well location is ready for final inspection.

Failure to comply with the above conditions of approval may result in an assessment for noncompliance and/or a Shut-in Order being issued pursuant to 43 CFR 3163.1.

You are further advised that any instructions, orders or decisions issued by the Bureau of Land Management are subject to administrative review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4 and 43 CFR 4.700.