



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



GARY E. JOHNSON  
GOVERNOR

JENNIFER A. SALISBURY  
CABINET SECRETARY

1000 RIO BRAZOS ROAD  
AZTEC, NEW MEXICO 87410  
(505) 334-6178 FAX: (505) 334-6170

May 18, 1995

RAND CARROLL  
COUNSEL FOR NMOCD  
PO BOX 2088  
SANTA FE NM 87504-2088

RE: CMS Oil Field Ser. CARANTA #1 J-23-32N-01W ORDER NO. R-8304

Dear Rand:

The above well was brought to hearing September 17, 1986 and ordered to be plugged or the division would take steps to have the well properly plugged. Mr. Caranta was given several extensions from 12-22-94 to 4-12-95. His last letter asked for 30 days to find another operator or he would P&A well. Deadline for extension was 5-12-95.

The operator has made no effort to P&A the Caranta #1, or contact the Aztec OCD notifying us of his intentions for this well, since April 12, 1995. If there is a need for another hearing due to the length of time since the hearing in 1986 please docket a case calling John Caranta & USF+G Insurance & all interested parties to appear and show cause why the Caranta #1, located 1980 FSL & 1980 FEL of 23-32N-1W should not be plugged and abandoned according to a Division approved plugging program.

USF&G is holding plugging bond No. 01 0130 10204 89 1

Sincerely,

*Johnny Robinson*

Johnny Robinson  
Deputy Oil & Gas Inspector

cc: USF&G Insurance  
John Caranta

BEFORE EXAMINER STOGNER	
OIL CONSERVATION DIVISION	
OCD	EXHIBIT NO. 1
CASE NO.	11498



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



December 22, 1994

Sent to Rand 12-29-94

RAND CARROLL  
COUNSEL FOR NMOCD  
PO BOX 2088  
SANTA FE NM 87504-2088

RE: CARDELL OIL CO., CARANTA #1 J-23-32N-01W ORDER NO. R-8304

Dear Rand:

The above well was brought to hearing September 17, 1986 and ordered to be plugged or the division would take steps to have the well properly plugged.

To this date the operator has made no effort to P&A the Caranta #1, or contact the Aztec OCD notifying us of this intentions for this well.

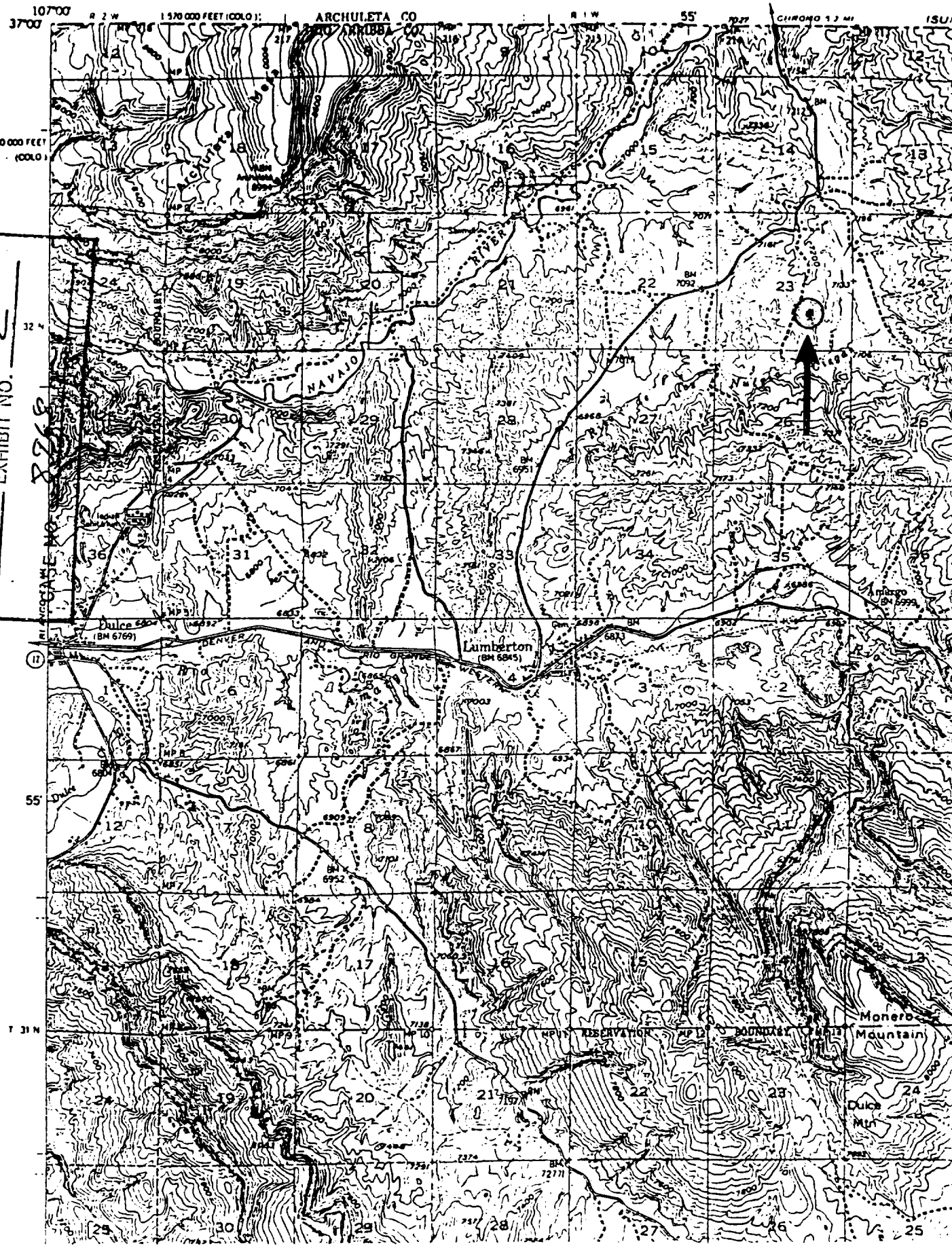
Sincerely,

Johnny Robinson  
Deputy Oil & Gas Inspector

JR/cs

OPERATOR CMS Oilfield Service		PROPERTY NAME Caranta		WELL NO.  1
DATE 5-18-95	LOCATION ULSTR) J-23-32N-1W		FOOTAGE 1980 FSL & FEL      Elevation 7133'	
API NO. 30-039-22806		POOL Wildcat Dakota		
Tops				
Mesaverde - 790' ?				
Gallup - 1905'				
Greenhorn - 2885'				
Dakota - 3015'				
CASING RECORD:				
8 5/8" 23# 221 ft.				
250 sxs, Class B cement circulated				
7" csg. set at 1900' to shut off water. Did not cement				
Drilled 6 1/4" hole to unknown depth. Appx. 2500' ??				
P&A PROCEDURE				
1- Pull 7" casing				
2- TIH with tbq. to T.D. & spot a plug to 1850 ft. to cover top of Gallup.				
3- Tag top of cement at appx. 1850'.				
4- If 7" csg. was pulled spot a 100' plug at 271' WOC & tag cement.				
5- If 7" csg. was not pulled perforate at 271' & circulate cement to the surf.				
6- Surface plug (10 sx. minimum).				
7- Install dryhole marker, fill pits & restore location				
Estimated Material				
250 sxs. class B cement . Calcium chloride may be used as needed.				
Mud between plugs (9# per gal. minimum).				
			Current Wellbore	

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY



BEFORE EXAMINER CATANACH  
OIL CONSERVATION DIVISION

EXHIBIT NO. 2

INVESTIGATE NO. 8268



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



GARY E. JOHNSON  
GOVERNOR

JENNIFER A. SALISBURY  
CABINET SECRETARY

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

Certified: P-987-892-130

January 27, 1995

John Caranta  
20 Rd 3970  
Farmington NM 87401

RE: Caranta #1, J-23-32N-01W, #30-039-22806

Dear John:

As established in our conversation of Thursday, January 26, 1995, you will need to bring the Caranta #1 up to date via the completion of a form C-103 showing a change of operator from CMS Oilfield Service back to you John Caranta, or Cardel Oil Company, along with your stated intention for further work on the above referenced well. A new plugging bond will also have to be submitted under the new operator's name.

Please be advised that you are in violation of rule #101 of the NM Rules & Regulations Manual which requires a current plugging bond for each well. Also, rule #201 requires a well to be properly abandoned if there is a period of one year in which a well has been continuously inactive.

Please submit a C-103 (a blank form is enclosed) and the plugging bond within 30 days to avoid a possible fine.

Sincerely,

Johnny Robinson  
Deputy Oil & Gas Inspector

JR/sh

enc

cc: well file  
JR file

4/11/95

Dear Johnny,

As per our conversation on 4/10/95,  
I am in the process of changing operators.  
If I am unable to find a new lesson  
then I will play the well. I should know  
something in about 30 days.

Sincerely,

John Parake

RECEIVED  
M APR 12 1995  
OIL CON. DIV.  
DIST. 3

STATUS OF CMS OIL FIELD SER.

JOHN CARANTA #1 API # 30-039-22806 J-23-32N-1W

- 12-22-94 Letter to Rand Carroll. Notification of order # R8304 & no response from operator in plugging well.
- 1-26-95 Talked to John Caranta by phone asking his intention for well.
- 1-27-95 Sent certified letter to Mr. Caranta explaining that we needed a change of operator, NIT for completion of well and the bond verified. Gave Mr. Caranta a extension of 30 days to comply with paper work.
- Feb.1995 Called Rand and asked him to delay hearing until Mr. Caranta had time to comply with Paper work. He said he would wait until I notified him.
- 2-6-95 USF+G Insurance sent a letter of verification for bond # 01 0130 10204 89 1.
- 4-10-95 No response from Mr. Caranta. Called John and asked if he had received my letter & forms. He said he had forgotten them but would send them tomorrow.
- 4-12-95 Received C103 from Mr. Caranta signed but he didn't fill out form. His letter stated that he would have a new operator or plug the well within 30 days.
- 5-18-95 Have not heard from Mr. Caranta or received any C103's for completion of well.
- 5-30-95 John Caranta called asking for a extension to 6-12-95. Approved extension.
- 6-12-95 Meeting with John Caranta to discuss Caranta # 1 cancelled until 6-22-95 due to illness. Rescheduled for 7-1-95.
- 7-2-95 John Caranta did not show up for meeting.

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- ☒ Addressee's Address
- ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

FIDELITY & DEP CO OF MARYLAND  
PO BOX 1227  
BALTIMORE MD 21203  
JR

4a. Article Number

992-134

4b. Service Type

☐ Registered ☐ Insured  
☒ Certified ☐ COD  
☐ Express Mail ☐ Return Receipt for Merchandise

7. Date of Delivery

11/24/95

5. Signature (Addressee)

6. Signature (Agent)

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3814, December 1991 U.S. GPO: 1993-352-714 **DOMESTIC RETURN RECEIPT**

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- ☐ Addressee's Address
- ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

EUGENE LUSBAUGH  
FIDELITY SURETY CLAIM DIV  
USF&G INSURANCE  
PO BOX 1138  
BALTIMORE MD 21203-1138  
JR

4a. Article Number

P-987-892-145

4b. Service Type

☐ Registered ☐ Insured  
☒ Certified ☐ COD  
☐ Express Mail ☐ Return Receipt for Merchandise

7. Date of Delivery

JUN 7 1995

5. Signature (Addressee)

6. Signature (Agent)

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1991 U.S. GPO: 1993-352-714 **DOMESTIC RETURN RECEIPT**



Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

JOHN CARANTA  
20 RD 3970  
FARMINGTON NM 87401  
JR

4a. Article Number

P-987-892-146

4b. Service Type

- ☐ Registered ☐ Insured  
☒ Certified ☐ COD  
☐ Express Mail ☐ Return Receipt for Merchandise

7. Date of Delivery

5/30/95

5. Signature (Addressee)

6. Signature (Agent)

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1991

★U.S. GPO: 1993-352-714

**DOMESTIC RETURN RECEIPT**

RECEIVED  
MAY 31 1995  
OIL CON. DIV.  
DIST. 8

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

JOHN CARANTA  
20 RD 3970  
FARMINGTON NM 87401

4a. Article Number

P-987-892-130

4b. Service Type

- ☐ Registered ☐ Insured  
☒ Certified ☐ COD  
☐ Express Mail ☐ Return Receipt for Merchandise

7. Date of Delivery

JR

5. Signature (Addressee)

6. Signature (Agent)

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1991

★U.S. GPO: 1993-352-714

**DOMESTIC RETURN RECEIPT**

POST  
OFFICE  
FARMINGTON  
NM

Thank you for using Return Receipt Service



CARAPPA #1 - J-23-32 N-1W  
5-18-95

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U.S.G.S.	
LAND OFFICE	
OPERATOR	

# NEW MEXICO OIL CONSERVATION COMMISSION

30-039-22806  
Form C-101  
Revised 1-1-85

5A. Indicate Type of Lease  
STATE ☐ FEE ☒  
6. State Oil & Gas Lease No.

## APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		7. Unit Agreement Name
b. Type of Well OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. Farm or Lease Name Caranta
2. Name of Operator AZTEC ENERGY CORP.		9. Well No. 1
3. Address of Operator 1206 E. 20th Farmington, NM 87401		10. Field and Pool, or Wildcat Wild Cat Dakota
4. Location of Well UNIT LETTER J LOCATED 1980 FEET FROM THE South LINE AND 1980 FEET FROM THE East LINE OF SEC. 23 TWP. 32N RGE. 1W NMPM		12. County Rio Arriba
19. Proposed Depth 3000		19A. Formation Dakota
20. Rotary or C.T. Rotary		21. Elevations (Show whether DF, RT, etc.) 7133' G.L.
21A. Kind & Status Plug. Bond State wide		21B. Drilling Contractor Unknown
22. Approx. Date Work will start September 15, 1981		

23.

### PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12 1/4	8 5/8	24	150	150	Surf
7 7/8	4 1/2	10.5	3000	400	1000'

A 10" 900 series b.o.p. will be in operation for all drilling below the surface casing. An adequate mud supply will be maintained on location to control any formation flow.

APPROVAL VALID  
FOR 60 DAYS UNLESS  
DRILLING COMMENCED  
EXPIRES 2-18-82

ENERGY AND MINERALS DEPARTMENT  
Oil Conservation Division  
1000 Rio Brazos Road  
Aztec, New Mexico 87410



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. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

Signed John Alexander Title Agent Date 8/7/81

(This space for State Use)

APPROVED BY Frank J. Chang TITLE SUPERVISOR DISTRICT # 3

CONDITIONS OF APPROVAL, IF ANY:

AUG 18 1981

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

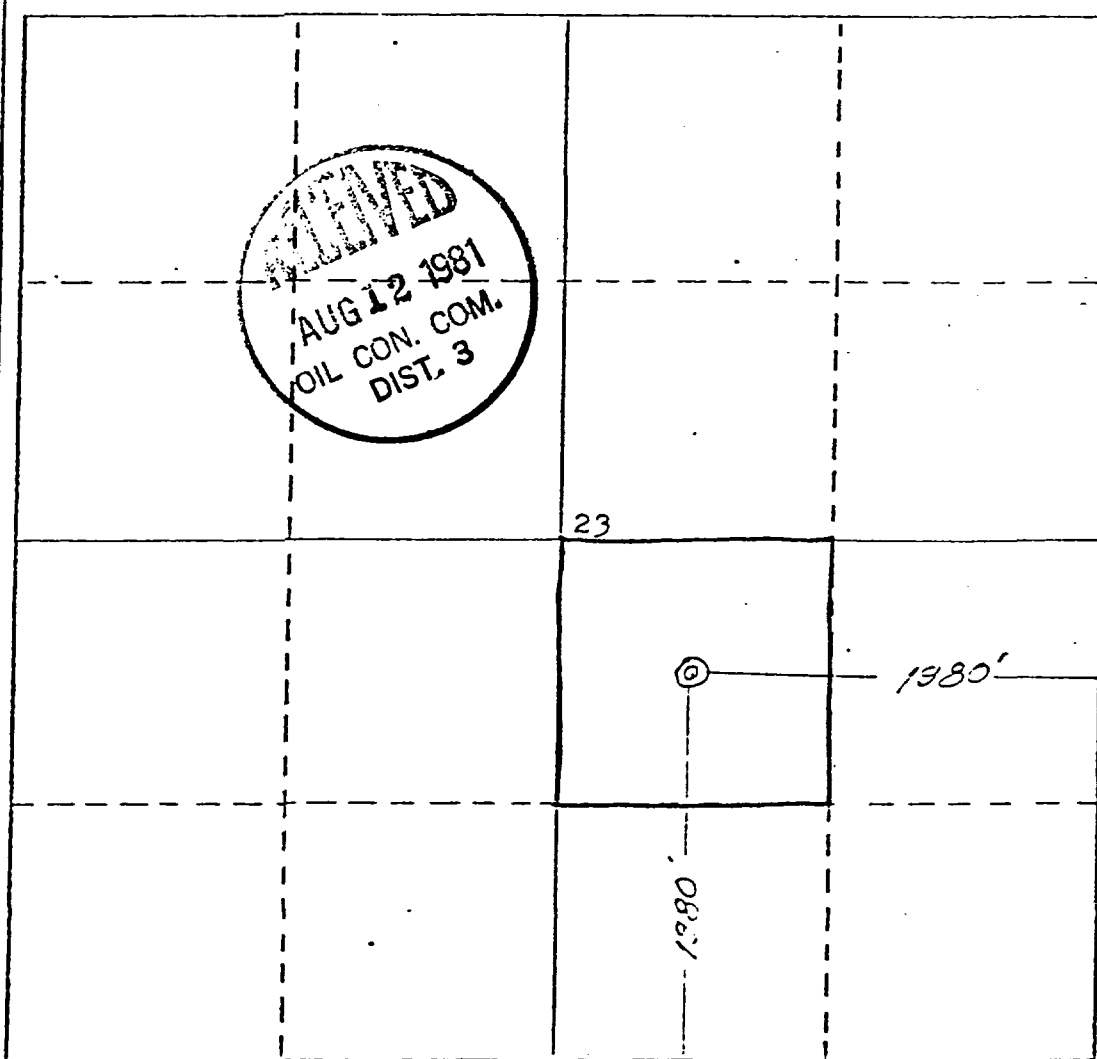
Operator <b>AZTEC ENERGY CORPORATION</b>		Lease <b>Caranta</b>		Well No. <b>1</b>
Unit Letter <b>J</b>	Section <b>23</b>	Township <b>32 NORTH</b>	Range <b>1 WEST</b>	County <b>RIO ARriba</b>
Actual Footage Location of Wells				
1980 feet from the <b>SOUTH</b> line and		1980 feet from the <b>EAST</b> line		
Ground Level Elev. <b>7133</b>	Producing Formation <b>Dakota</b>	Pool <b>Undesignated Dakota</b>	Dedicated Acreages <b>40</b>	

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 well 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.) \_\_\_\_\_

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 Division.



## CERTIFICATION

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

*John Alexander*  
Name  
John Alexander

Position  
Agent

Company  
Aztec Energy

Date  
8/7/81

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

REGISTERED PROFESSIONAL ENGINEER  
STATE OF NEW MEXICO  
NO. 1453  
JAMES P. LEASE

Date Surveyed  
3 August 1981

Registered Professional Engineer  
and/or Land Surveyor  
*James P. Lease*  
James P. Lease

Certificate No.  
1463

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

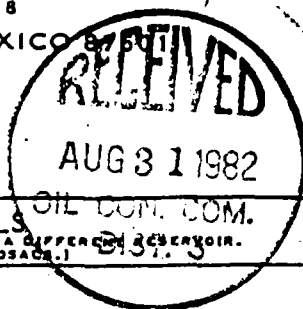
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OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

Form C-103  
Revised 10-1



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.)

1.

OIL WELL ☒

GAS WELL ☐

OTHER-

2. Name of Operator

CARDEL OIL COMPANY

3. Address of Operator

Box 3207, FARMINGTON, NM 87401

4. Location of Well

UNIT LETTER J 1980 FEET FROM THE SOUTH LINE AND 1980 FEET FROM THE EAST LINE, SECTION 23 TOWNSHIP 32N RANGE 1W NMPM.

7. Unit Agreement Name

8. Farm or Lease Name

CARANTA

9. Well No.

1

10. Field and Pool, or Wildcat

WC DAKOTA

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

7133 GR

12. County

RIO ARRIBA

16.

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐

TEMPORARILY ABANDON ☐

PULL OR ALTER CASING ☐

PLUG AND ABANDON ☐

CHANGE PLANS ☐

OTHER OPERATOR CHANGE ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐

COMMENCE DRILLING OPS. ☐

CASING TEST AND CEMENT JOB ☐

OTHER ☐

ALTERING CASING ☐

PLUG AND ABANDONMENT ☐

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.

9-9-81 SPUD WELL

9-12-81 RUN SURFACE CASINGS AS FOLLOWS: 5 JTS. 8 5/8" 23# X-42 CGS. 206.82  
1 GUIDE SHOE 1.0'  
K.B. 13.18  
LANDED AT 221.04

RU WOODCO AND CEMENT SURFACE WITH 250 SKS. CLASS B+2% CACL + 1/4# CELLO FLAKE. GOOD CIRCULATION THROUGHOUT JOB. CIRCULATE 5BBLs. SLURRY AT SURFACE, DISPLACE WITH WATER, LEFT 30' CEMENT IN PIPE.

8-25-82 OPERATOR CHANGED FROM AZTEC ENERGY CORPORATION.

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

SIGNED [Signature] TITLE MANAGER

DATE 8/26/82

APPROVED BY Original signed by Fern Chavez

TITLE DISTRICT SUPERVISOR

DATE Sept 7, 1982

CONDITIONS OF APPROVAL, IF ANY:

## OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

Form C-103  
Revised 10-1-

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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.)

1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>	7. Unit Agreement Name
2. Name of Operator Aztec Energy Corporation	8. Farm or Lease Name Caranta
3. Address of Operator 1206 East 20th Street, Farmington, New Mexico 87401	9. Well No. #1
4. Location of Well UNIT LETTER J, 1980 FEET FROM THE South LINE AND 1980 FEET FROM East THE LINE, SECTION 23 TOWNSHIP 32N RANGE 1W NMPM.	10. Field and Pool, or Wildcat Wild Cat Dakota
15. Elevation (Show whether DF, RT, GR, etc.) 7133' G.L.	12. County Rio Arriba

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

## NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐

TEMPORARILY ABANDON ☐

PULL OR ALTER CASING ☐

OTHER ☐

PLUG AND ABANDON ☐

CHANGE PLANS ☐

## SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐

COMMENCE DRILLING OPS. ☒

CASING TEST AND CEMENT JOBS ☐

OTHER ☐ \* Abandon, lease expired

ALTERING CASING ☐

PLUG AND ABANDONMENT ☐

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.

9-9-81 Spud Well.

9-12-81 Run surface casings as follows: 5 jts. 8 5/8" 23# X-42 cgs. 206.82  
1 guide shoe 1/0  
K.B. 13.18  
Landed at 221.18

RU Woodco and cement surface with 250 sks. Class B + 2% CaCl + 1/4# Cello Flake. Good circulation throughout job. Circulate 5 bbls. slurry at surface, displace with water, left 30' cement in pipe.

9-25-82 Well not drilled to TD, lease expired, ~~abandoned well~~.

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

SIGNED Ron Allen TITLE Geologist DATE Sept. 7, 1982

APPROVED BY [Signature] TITLE SUPERVISOR CONTRACT # 3 DATE SEP 8 1982

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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.)

1. OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER- <u>WILDCAT</u>	7. Unit Agreement Name
2. Name of Operator <u>Cardel Oil Co</u>	8. Farm or Lease Name <u>CABANTA</u>
3. Address of Operator <u>1008 N. Monterey Farmington N. Mex</u>	9. Well No. <u>1</u>
4. Location of Well UNIT LETTER <u>J</u> <u>1980</u> FEET FROM THE <u>S</u> LINE AND <u>1980</u> FEET FROM THE <u>E</u> LINE, SECTION <u>23</u> TOWNSHIP <u>32N</u> RANGE <u>1W</u> NMPM.	10. Field and Pool, or Wildcat <u>WC DAKOTA</u>
15. Elevation (Show whether DF, RT, GR, etc.) <u>7133 GL</u>	12. County <u>RA</u>

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

PERFORM REMEDIAL WORK ☐  
TEMPORARILY ABANDON ☐  
PULL OR ALTER CASING ☐  
OTHER ☐

PLUG AND ABANDON ☐  
CHANGE PLANS ☐  
OTHER ☐

SUBSEQUENT REPORT OF:  
REMEDIAL WORK ☐  
COMMENCE DRILLING OPNS. ☐  
CASING TEST AND CEMENT JOBS ☐  
OTHER ☐  
ALTERING CASING ☐  
PLUG AND ABANDONMENT ☐

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.

Drilled out from under surface with cable tool  
on July 15, 1982  
Set 7" casing to shut off water June 6, 1984  
Operation suspended Dec. 8, 1984 for winter  
Moved rig to drill another hole, will be back.

RECEIVED  
MAY 10 1985  
OIL CON. DIV.  
DIST. 3

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

SIGNED Charles Gholson TITLE Driller DATE 5/4/85

Original Signed by CHARLES GHOLSON  
APPROVED BY \_\_\_\_\_ DEPUTY OIL & GAS INSPECTOR, DIST. #3  
CONDITIONS OF APPROVAL, IF ANY: \_\_\_\_\_ DATE MAY 10 1985

OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

Form C-103  
Revised 10-1-

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FILE	
U.S.O.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.)

1. OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER- <u>Wildcat</u>	7. Unit Agreement Name
2. Name of Operator <u>Cardel Oil Co</u>	8. Farm or Lease Name <u>Coranto</u>
3. Address of Operator <u>1008 N. Monterey Farmington N. Mex</u>	9. Well No. <u>1</u>
4. Location of Well UNIT LETTER <u>J</u> <u>1980</u> FEET FROM THE <u>S</u> LINE AND <u>1980</u> FEET FROM THE <u>E</u> LINE, SECTION <u>23</u> TOWNSHIP <u>32 N</u> RANGE <u>1 W</u> N.M.P.M.	10. Field and Pool, or Wildcat <u>WC Dakota</u>
15. Elevation (Show whether DF, RT, GR, etc.) <u>7133 GL</u>	12. County <u>RA</u>

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

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

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

PLUG AND ABANDON ☐  
CHANGE PLANS ☐

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

ALTERING CASING ☐  
PLUG AND ABANDONMENT ☐

OTHER ☐

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.

*Request for temporary abandonment.*

TEMPORARY ABANDONMENT  
EXPIRES

*November 10, 1985*

RECEIVED  
MAY 10 1985  
OIL CON. DIV.  
DIST. 3

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

SIGNED Charles Gholson

TITLE Driller

DATE 5/4/85

Original Signed by CHARLES GHOLSON

DEPUTY OIL & GAS INSPECTOR, DIST. #3

DATE MAY 10 1985

APPROVED BY  
CONDITIONS OF APPROVAL, IF ANY:



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

NO. OF COPIES RECEIVED	
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SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

OIL CONSERVATION DIVISION

P. O. BOX 2088  
SANTA FE, NEW MEXICO 87501

Form C-10  
Revised 1

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.)

1. OIL WELL ☐ GAS WELL ☐ OTHER- Oil well  
2. Name of Operator Model Oil Co  
3. Address of Operator 1668 N. 1st Street Santa Fe, NM  
4. Location of Well  
UNIT LETTER J 1780 FEET FROM THE S LINE AND 1780 FEET FROM  
THE F LINE, SECTION 33 TOWNSHIP 32N RANGE 11W N.M.P.M.  
15. Elevation (Show whether DF, RT, GR, etc.) 7133 G.L.

7. Unit Agreement Name  
8. Farm or Lease Name  
9. Well No. 1  
10. Field and Pool, or WHdcat WCC Dakota  
12. County B A

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 JOBS <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.

Request for extension of 6 months for  
temporary abandonment.

FINAL EXTENTION CG

RECEIVED  
DEC 09 1985  
OIL CON. DIV.  
DIST. 2

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

SIGNED Frank T. Chavez TITLE Deputy Oil & Gas Inspector DATE 12/9/85

Original Signed by FRANK T. CHAVEZ

DEPUTY OIL & GAS INSPECTOR, DIST. #3

DEC - 9 1985

CONDITIONS OF APPROVAL, IF ANY:



TONEY ANAYA  
GOVERNOR

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

1000 RIO BRAZOS ROAD  
AZTEC, NEW MEXICO 87410  
(505) 334-8178

December 5, 1985

Cardell Oil Co.  
1008 N. Monterey  
Farmington, NM 87401

Re: Caranta #1 E-23-32N-1W

Gentlemen:

Approval for temporary abandonment on the referenced well expired November 10, 1985. You may either request a six months extension of the temporary abandonment, resume immediate drilling activity, or plug and abandon the well in accordance with a Division approved plugging program.

Failure to comply will result in a case being called for Cardell Oil Co., Fidelity and Deposit Company, and all other interested parties to appear and show cause why the Caranta #1, should not be plugged and abandoned in accordance with a Division approved plugging program.

If you have any questions, please contact this office.

Yours truly,

A handwritten signature in cursive script, appearing to read "Charles Gholson".

Charles Gholson  
Oil & Gas Inspector

CG/dj

xc: Jeff Taylor  
Well File

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

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LAND OFFICE	
OPERATOR	

OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

Form C-103  
Revised 10-1

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.)

1. <input type="checkbox"/> OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER- <u>W/11100X7</u>	7. Unit Agreement Name
2. Name of Operator <u>CARROLL</u>	8. Farm or Lease Name <u>CARANTA</u>
3. Address of Operator <u>1115 N. MCINTOSH ST. BIRMINGHAM 37461</u>	9. Well No. <u>1</u>
4. Location of Well UNIT LETTER <u>A</u> , <u>1986</u> FEET FROM THE <u>S.</u> LINE AND <u>1481</u> FEET FROM THE <u>1</u> LINE, SECTION <u>33</u> TOWNSHIP <u>32 N.</u> RANGE <u>16</u> NMPM.	10. Field and Pool, or Wildcat <u>1115 MCINTOSH</u>
15. Elevation (Show whether DF, RT, GR, etc.) <u>7133</u>	12. County <u>RA</u>

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 checked="" 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"/>	

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.

*Request for permit to drill, re-enter, or plug back to be cancelled.*

PLUGGING ORDER WILL NOT BE CANCELLED. *CH*

ORDER # R-8304 WILL BE EXTENDED TO NOVEMBER 15, 1986

RECEIVED  
OCT 15 1986  
OIL CON. DIV.  
DIST. 2

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

SIGNED Charles Gholson TITLE Operator DATE 10/15/1986

APPROVED BY Original Signed by CHARLES GHOLSON

DEPUTY OIL & GAS INSPECTOR, DIST. #3

DATE OCT 16 1986

CONDITIONS OF APPROVAL, IF ANY:

Submit to Appropriate  
District Office  
State Lease - 6 copies  
Fee Lease - 5 copies

State of New Mexico  
Energy, Minerals and Natural Resources Department

103  
Form C-104  
Revised 1-1-89

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

Change of operator

API NO. (assigned by OCD on New Wells)

5. Indicate Type of Lease

STATE ☐

FEE ☒

6. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work:

DRILL ☐

RE-ENTER ☐

DEEPEN ☒

PLUG BACK ☐

b. Type of Well:

OIL  
WELL ☒

GAS  
WELL ☐

OTHER ☐

SINGLE  
ZONE ☐

MULTIPLE  
ZONE ☐

7. Lease Name or Unit Agreement Name

CARANTA

2. Name of Operator

CMS OILFIELD SERVICES, INC.

Change from  
Cardel oil co.

8. Well No.

1

3. Address of Operator

P.O. BOX 316 FARMINGTON, NM 87499

9. Pool name or Wildcat  
WC DAKOTA

4. Well Location

Unit Letter

J

: 1980

Feet From The

SOUTH

Line and

1980

Feet From The

EAST

Line

Section

23

Township

32N

Range

1W

NMPM

RIO ARRIBA

County

10. Proposed Depth

3400

11. Formation

DAKOTA

12. Rotary or C.T.

ROTARY

13. Elevations (Show whether DF, RT, GR, etc.)

7133 GR

14. Kind & Status Plug. Bond

ONE WELL

15. Drilling Contractor

JC WELL SERVICE

16. Approx. Date Work will start

4/15/89

17.

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
10	8 5/8	23	221	250	CIRCULAR
8	7	17	1900	-	FORMATION

RE ENTERING CARANTA #1, PROPOSAL, EXTEND EXISTING HOLE FROM 2500 TO APPROX. 2950  
8 5/8 set 221 w/f cement to surface, drilled 8 hole to 1900, run 7 and set on shoulder  
w/f formation shut off drilled out 6'14" hole to 2580'. CMS Oilfield proposes to rig  
up rotary operation w/f B.O.P. drilling a depth sufficient to test Dakota and top  
of Morrison formation.

RECEIVED

APR 18 1989

OIL CON. DIV.

DIST. 3

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. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

SIGNATURE

E. F. WEBB

TITLE

PRESIDENT

DATE

4-15-89

TYPE OR PRINT NAME

E. F. WEBB

TELEPHONE NO. 327-5772

(This space for State Use)

APPROVED BY

[Signature]

TITLE

SUPERVISOR DISTRICT #

DATE

4/28/89

CONDITIONS OF APPROVAL, IF ANY:

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 CMS OILFIELD SERVICES, INC.			Lease CARANTA		Well No. 1
Unit Letter J	Section 23	Township 32N	Range 1W	County RIO ARriba	
Actual Footage Location of Well: 1980 feet from the SOUTH line and 1980 feet from the EAST line					
Ground level Elev. 7133 GR	Producing Formation DAKOTA		Pool WC DAKOTA	Dedicated Acreage: 40 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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 in true and complete to the best of my knowledge and belief.

Signature

Printed Name

E.F. WEBB

Position

PRESIDENT

Company

CMS OILFIELD SERVICES, INC.

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.

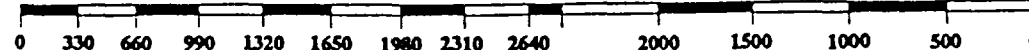
Date Surveyed

2-7-81

Signature & Seal of  
Professional Surveyor

Certificate No.

1463



BRUCE KING  
GOVERNOR

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

September 13, 1982



POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-2434

Cardel Oil  
P. O. Box 3207  
Farmington, New Mexico 87401

Re: \$5,000 One-Well Plugging Bond  
John Caranta dba Cardel Oil,  
Principal; Fidelity and Deposit  
Company, Surety; 1980' FSL  
and 1980' FEL of Sec. 23,  
T-32-N, R-1-W, Rio Arriba County  
Depth: 3,000 feet  
Bond No. 9621744

Gentlemen:

The Oil Conservation Division hereby approves  
the above-referenced one-well plugging bond effective  
September 7, 1982.

Sincerely,

JOE D. RAMEY,  
Director

dr/

cc: Oil Conservation Division  
Aztec, New Mexico



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

TONEY ANAYA  
GOVERNOR

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

July 15, 1986

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

Re: Cardell Oil Co.  
Caranta #1 E-23-32N-01W

Dear Jeff:

Temporary abandonment of the referenced well expired June 9, 1986. In order to prevent waste, protect correlative rights and protect fresh water, please docket a case calling for Cardell Oil Co., Fidelity and Deposit Co. and all other interested parties to appear and show cause why the Caranta #1, located 1980 feet from the south line and 1980' from the west line of section 23-32 North 1 West, should not be plugged and abandoned in accordance with a Division approved plugging program.

Yours truly,

A handwritten signature in cursive script, reading "Charles Gholson".

Charles Gholson  
Oil & Gas Inspector

CG/dj

xc: Well File



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

GARREY CARRUTHERS  
GOVERNOR

April 28, 1989

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

30-039-22806

CMS Oilfield Services, Inc.  
P. O. Box 316  
Farmington, New Mexico 87499

Attention: E. F. Webb

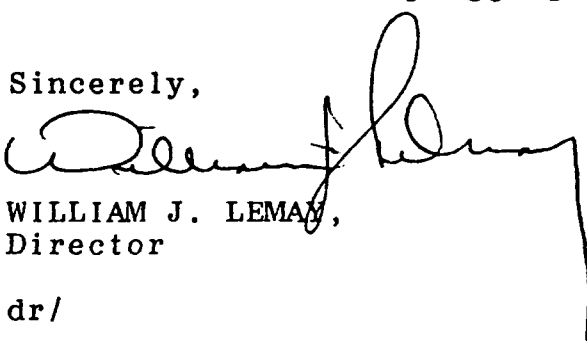
Re: \$5,000 One-Well Plugging Bond  
CMS Oilfield Services, Inc., Principal  
U. S. Fidelity and Guaranty, Surety  
1980' FSL and 1980' FEL of Sec. 23,  
T-32-N, R-1-W, Rio Arriba County  
Bond No. 01-0130-10204-89-1

PO Box 1138 BALTIMORE  
MD 21203

Dear Mr. Webb:

The Oil Conservation Division hereby approves the above-referenced one-well plugging bond effective this date.

Sincerely,

  
WILLIAM J. LEMAN,  
Director

dr/

cc: Oil Conservation Division  
Aztec, New Mexico

RECEIVED  
MAY 02 1989  
OIL CON. DIV.  
DIST. 3





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

June 20, 1994

Certified: P 987 892 079

E F WEBB  
CMS OILFIELD SERVICES INC  
PO BOX 316  
FARMINGTON NM 87499

RE: CARANTA #1 23-12N-01W

Dear Mr. Webb,

It has been brought to my attention that no reports have been filed on the above referenced well since your company was approved as operator on April 28, 1989. An inspection conducted by personnel from this office on June 17, 1994 revealed that no apparent effort has been made to deepen and test the well as stated on a Sundry report received April 18, 1989.

You are hereby directed to file form C-103, as an intent to resume operations on or before July 20, 1994. Failure to comply will result in a case being called for CMS Oilfield Services Inc., US Fidelity and Guaranty, Surety and all other interested parties to appear and show cause why the Caranta #1 should not be plugged and abandoned in accordance with a division approved plugging program. After the intent has been received and approved you will be given 90 to 180 days to initiate activity.

If you have any questions you may call me at 334-6178.

Yours truly

Charles Gholson  
Deputy Oil & Gas Inspector

CG/cs

xc: Rand Carroll, Counsel for OCD  
US Fidelity and Guaranty, Surety  
PO Box 1138 Baltimore MD 21203  
Well File



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



GARY E. JOHNSON  
GOVERNOR

JENNIFER A. SALISBURY  
CABINET SECRETARY

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

Certified: P-987-892-130

January 27, 1995

John Caranta  
20 Rd 3970  
Farmington NM 87401

RE: Caranta #1, J-23-32N-01W, #30-039-22806

Dear John:

As established in our conversation of Thursday, January 26, 1995, you will need to bring the Caranta #1 up to date via the completion of a form C-103 showing a change of operator from CMS Oilfield Service back to you John Caranta, or Cardel Oil Company, along with your stated intention for further work on the above referenced well. A new plugging bond will also have to be submitted under the new operator's name.

Please be advised that you are in violation of rule #101 of the NM Rules & Regulations Manual which requires a current plugging bond for each well. Also, rule #201 requires a well to be properly abandoned if there is a period of one year in which a well has been continuously inactive.

Please submit a C-103 (a blank form is enclosed) and the plugging bond within 30 days to avoid a possible fine.

Sincerely,

Johnny Robinson  
Deputy Oil & Gas Inspector

JR/sh

enc

cc: ~~well file~~  
JR file

4/11/95

Dear Johnny,

As per our conversation on 4/10/95,  
I am in the process of changing operators.  
If I am unable to find a new lessee  
then I will plug the well. I should know  
something in about 30 days.

Sincerely,

John Caruth

RECEIVED  
R APR 12 1995  
OIL CON. DIV.  
DIST. 3

Submit to Appropriate  
District Office  
State Lease - 6 copies  
Fee Lease - 5 copies

State of New Mexico  
Energy, Minerals and Natural Resources Department

103  
Form C-104  
Revised 1-1-89

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

*Change of operator*

API NO. (assigned by OCD on New Wells)

5. Indicate Type of Lease

STATE ☐

FEE ☒

6. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work:

DRILL ☐

RE-ENTER ☐

DEEPEN ☒

PLUG BACK ☐

b. Type of Well:

OIL  
WELL ☒

GAS  
WELL ☐

OTHER ☐

SINGLE  
ZONE ☐

MULTIPLE  
ZONE ☐

7. Lease Name or Unit Agreement Name

CARANTA

2. Name of Operator

CMS OILFIELD SERVICES, INC.

*Change from  
GARDEL OIL CO.*

8. Well No.

1

3. Address of Operator

P.O. BOX 316 FARMINGTON, NM 87499

9. Pool name or Wildcat  
WC DAKOTA

4. Well Location

Unit Letter

J

: 1980

Feet From The

SOUTH

Line and

1980

Feet From The

EAST

Line

Section

23

Township

32N

Range

1W

NMPM

RIO ARRIBA

County

10. Proposed Depth  
3400

11. Formation  
DAKOTA

12. Rotary or C.T.  
ROTARY

13. Elevations (Show whether DF, RT, GR, etc.)  
7133 GR

14. Kind & Status Plug. Bond  
ONE WELL

15. Drilling Contractor  
JC WELL SERVICE

16. Approx. Date Work will start  
4/15/89

17.

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
10	8 5/8	23	221	250	CIRCULAR
8	7	17	1900	-	FORMATION

RE ENTERING CARANTA #1, PROPOSAL, EXTEND EXISTING HOLE FROM 2500 TO APPROX. 2950  
8 5/8 set 221 w/f cement to surface, drilled 8 hole to 1900, run 7 and set on shoulder  
w/f formation shut off drilled out 6'14" hole to 2580'. CMS Oilfield proposes to rig  
up rotary operation w/f B.O.P. drilling a depth sufficient to test Dakota and top  
of Morrison formation.

RECEIVED RECEIVED

APR 18 1989

OIL CON. DIV  
DIST. 3

JUL 20 1989

OIL CONSERVATION DIV.  
SANTA FE

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. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

SIGNATURE

*E. F. Webb*

TITLE

PRESIDENT

DATE

4-15-89

TYPE OR PRINT NAME

E. F. WEBB

TELEPHONE NO. 327-5772

(This space for State Use)

APPROVED BY

*[Signature]*

CONDITIONS OF APPROVAL, IF ANY:

BEFORE EXAMINER STOGNER

SUPERVISOR DISTRICT III

OIL CONSERVATION DIVISION

OCD

EXHIBIT NO.

1

CASE NO.

11498

DATE

4/28/89

# OIL CONSERVATION DIVISION

**P.O. Box 2088**

**Santa Fe, New Mexico 87504-2088**

## DISTRICT I

DISTRICT  
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 CMS OILFIELD SERVICES, INC.			Lease CARANTA		Well No. 1
Unit Letter J	Section 23	Township 32N	Range 1W	NMPM	County RIC ARriba
Actual Footage Location of Well: 1980 feet from the SOUTH line and 1980 feet from the EAST line					
Ground level Elev. 7133 GR	Producing Formation DAKOTA		Pool WC DAKOTA		Dedicated Acreage: 40 Acres
<p>1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.</p> <p>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).</p> <p>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.? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If answer is "yes" type of consolidation _____</p> <p>If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____</p> <p>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.</p>					
				<b>OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein in true and complete to the best of my knowledge and belief. Signature: <u>E. F. Webb</u> Printed Name: <u>E. F. WEBB</u> Position: <u>PRESIDENT</u> Company: <u>CMS OILFIELD SERVICES, INC.</u> Date: <u>7-7-81</u>	
				<b>SURVEYOR CERTIFICATION</b> 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: <u>7-7-81</u> Signature & Seal of Professional Surveyor: <u>James P. Reese</u> Certificate No.: <u>1463</u>	

OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

Form C-103  
Revised 10-1-73

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DISTRIBUTION	
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.)

1. <input type="checkbox"/> OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER- <u>WILDCAT</u>	7. Unit Agreement Name
2. Name of Operator <u>CARDELL OIL CO.</u>	8. Farm or Lease Name <u>ARANTA</u>
3. Address of Operator <u>1115 N. MONTGOMERY HARMINGTON 87461</u>	9. Well No. <u>1</u>
4. Location of Well UNIT LETTER <u>D</u> , <u>1986</u> FEET FROM THE <u>S</u> LINE AND <u>1481</u> FEET FROM THE <u>E</u> LINE, SECTION <u>23</u> TOWNSHIP <u>22 N.</u> RANGE <u>16</u> NMPM.	10. Field and Pool, or Wildcat <u>1115 DAKOTA</u>
15. Elevation (Show whether DF, RT, GR, etc.) <u>7123 CL</u>	12. County <u>RA</u>

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 checked="" type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>	CASING TEST AND CEMENT JOBS <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 1503.

*Request for withdrawal of order to plug back to be cancelled.*

PLUGGING ORDER WILL NOT BE  
CANCELLED. *CJ*

ORDER # R-8304 WILL BE EXTENDED  
TO NOVEMBER 15, 1986

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

SIGNED Theresa A. Williams TITLE Operator DATE 10-15-86

APPROVED BY Charles Johnson TITLE  DATE 10-16-86

CONDITIONS OF APPROVAL, IF ANY:

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OPERATOR	

OIL CONSERVATION DIVISION

P.O. BOX 2088

DEC 13 1985 SANTA FE, NEW MEXICO 87501

Form C-103  
Revised 10-1-

CONSERVATION DIVISION

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.)

1. OIL WELL ☐ GAS WELL ☐ OTHER ☒ *Wildcat*

2. Name of Operator *Grado Oil Co*

3. Address of Operator *1608 N. Mississippi Street, Santa Fe, NM*

4. Location of Well  
UNIT LETTER *J* *1980* FEET FROM THE *S* LINE AND *1950* FEET FROM THE *F* LINE, SECTION *23* TOWNSHIP *32N* RANGE *1W* NMPM.

7. Unit Agreement Name

8. Farm or Lease Name *Grado*

9. Well No. *1*

10. Field and Pool, or Wildcat *WCE Dakota*

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

*7133 G.L.*

12. County

*SA*

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

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

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

PLUG AND ABANDON ☐  
CHANGE PLANS ☐

REMEDIAL WORK ☐  
COMMENCE DRILLING OPNS. ☐  
CASING TEST AND CEMENT JOBS ☐

ALTERING CASING ☐  
PLUG AND ABANDONMENT ☐

OTHER ☐

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.

*Request for extension of 6 months  
Temporary abandonment.*

FINAL EXTENSION CS

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

SIGNED *Charles G. Hoban*

TITLE *Geologist*

DATE *11/9/85*

APPROVED BY *Charles G. Hoban*

TITLE *Geologist*

DATE *12-9-85*

CONDITIONS OF APPROVAL, IF ANY:

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

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OPERATOR	

OIL CONSERVATION DIVISION

P. O. BOX 2088  
SANTA FE, NEW MEXICO 87501

Form C-103  
Revised 10-1-78

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.)

1. OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER- <u>Wildcat</u>	7. Unit Agreement Name
2. Name of Operator <u>Cardel Oil Co</u>	8. Farm or Lease Name <u>Coranto</u>
3. Address of Operator <u>1008 N. Monterey Farmington N.M.</u>	9. Well No. <u>1</u>
4. Location of Well UNIT LETTER <u>J</u> <u>1980</u> FEET FROM THE <u>S</u> LINE AND <u>1980</u> FEET FROM THE <u>E</u> LINE, SECTION <u>23</u> TOWNSHIP <u>32 N</u> RANGE <u>1 W</u> NMPM.	10. Field and Pool, or Wildcat <u>WC Dakota</u>
15. Elevation (Show whether DF, RT, GR, etc.) <u>7133 GL</u>	12. County <u>RA</u>

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

PERFORM REMEDIAL WORK ☐  
TEMPORARILY ABANDON ☐  
PULL OR ALTER CASING ☐  
OTHER ☐

PLUG AND ABANDON ☐  
CHANGE PLANS ☐  
OTHER ☐

SUBSEQUENT REPORT OF:

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

ALTERING CASING ☐  
PLUG AND ABANDONMENT ☐  
OTHER ☒

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.

Request for temporary abandonment.

6 months

November 10, 1985

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

SIGNED Gloria DeWitt

TITLE Driller

DATE 5/4/85

APPROVED BY Charles H. Hoke

TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #3

DATE MAY 10 1985

CONDITIONS OF APPROVAL, IF ANY:



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

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OPERATOR	

OIL CONSERVATION DIVISION

P. O. BOX 2088  
SANTA FE, NEW-MEXICO 87501

Form C-103  
Revised 10-1-78

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 - 1" (FORM C-101) FOR SUCH PROPOSALS.)

1. <input type="checkbox"/> OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER- <u>WILDCAT</u>	7. Unit Agreement Name
2. Name of Operator <u>Cardel Oil Co</u>	8. Farm or Lease Name <u>CARANTA</u>
3. Address of Operator <u>1008 N. Monterey Farmington N. Mex</u>	9. Well No. <u>1</u>
4. Location of Well UNIT LETTER <u>J</u> <u>1980</u> FEET FROM THE <u>S</u> LINE AND <u>1980</u> FEET FROM THE <u>E</u> LINE, SECTION <u>23</u> TOWNSHIP <u>32N</u> RANGE <u>1W</u> NMPM.	10. Field and Pool, or Wildcat <u>WC DAKOTA</u>
15. Elevation (Show whether DF, RT, GR, etc.) <u>7133 GL</u>	12. County <u>RA</u>

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 JOBS <input type="checkbox"/>	OTHER <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.

Drilled out from under surface with cable tool  
on July 15, 1982  
Set 7" casing to shut off water June 6, 1984  
Operation suspended Dec. 8, 1984 for winter  
Moved rig to drill another hole, will be back.

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

SIGNED Glen L. Wilkins TITLE Driller DATE 5/9/85

APPROVED BY Charles Holman TITLE DEPUTY OIL & GAS INSPECTOR DIST. #13 DATE MAY 10 1985

CONDITIONS OF APPROVAL, IF ANY:

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LAND OFFICE	
OPERATOR	

OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

Form C-103  
Revised 10-1-78

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.)

1. ☒ OIL WELL ☐ GAS WELL ☐ OTHER-

2. Name of Operator  
CARDEL OIL COMPANY

3. Address of Operator  
BOX 3207, FARMINGTON, NM 87401

4. Location of Well  
UNIT LETTER J 1980 FEET FROM THE SOUTH LINE AND 1980 FEET FROM  
THE EAST LINE, SECTION 23 TOWNSHIP 32N RANGE 1W NMPM.

7. Unit Agreement Name

8. Farm or Lease Name

CARANTA

9. Well No.

1

10. Field and Pool, or Wildcat

WC DAKOTA

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

7133 GR

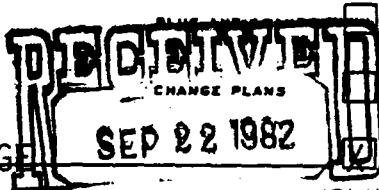
12. County

RIO ARRIBA

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

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

OTHER OPERATOR CHANGE



SUBSEQUENT REPORT OF:

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

ALTERING CASING ☐  
PLUG AND ABANDONMENT ☐

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

SANTA FE

9-9-81 SPUD WELL

9-12-81 RUN SURFACE CASINGS AS FOLLOWS: 5 JTS. 8 5/8" 23# X-42 CGS. 206.82'  
1 GUIDE SHOE 1.0'  
K.B. 13.18'  
LANDED AT 221.04'

RU WOODCO AND CEMENT SURFACE WITH 250 SKS. CLASS B+2% CACL + 1/4#  
CELLO FLAKE. GOOD CIRCULATION THROUGHOUT JOB. CIRCULATE 5BBLs. SLURRY  
AT SURFACE, DISPLACE WITH WATER, LEFT 30' CEMENT IN PIPE.

8-25-82 OPERATOR CHANGED FROM AZTEC ENERGY CORPORATION.

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

SIGNED [Signature]

TITLE MANAGER

DATE 8/26/82

APPROVED BY [Signature]

TITLE DISTRICT SUPERVISOR

DATE 9-7-82  
SEPT 7, 1982

CONDITIONS OF APPROVAL, IF ANY:

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ENERGY AND MINERALS DEPARTMENT

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LAND OFFICE	
OPERATOR	

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

Form C-103  
Revised 10-1-78

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.)

1. ☒ OIL WELL ☐ GAS WELL ☐ OTHER-

2. Name of Operator  
Aztec Energy Corporation

3. Address of Operator  
1206 East 20th Street, Farmington, New Mexico 87401

4. Location of Well  
UNIT LETTER J 1980 FEET FROM THE South LINE AND 1980 FEET FROM  
East LINE, SECTION 23 TOWNSHIP 32N RANGE 1W NMPM.

7. Unit Agreement Name

8. Farm or Lease Name

Caranta

9. Well No.

#1

10. Field and Pool, or Wildcat

Wild Cat Dakota

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

7133' G.L.

12. County

Rio Arriba

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

PERFORM REMEDIAL WORK ☐

TEMPORARILY ABANDON ☐

PULL OR ALTER CASING ☐

PLUG AND ABANDON ☐

CHANGE PLANS ☐

OTHER ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐

COMMENCE DRILLING OPNS. ☒

CASING TEST AND CEMENT JOBS ☐

OTHER ☒ \* Abandon, lease expired

ALTERING CASING ☐

PLUG AND ABANDONMENT ☐

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.

9-9-81 Spud Well.

9-12-81 Run surface casings as follows: 5 jts. 8 5/8" 23# X-42 cgs. 206.82'  
1 guide shoe 1/0'  
K.B. 13.18'  
Landed at 221.18'

RU Woodco and cement surface with 250 sks. Class B + 2% CaCl +  
1/4# Cello Flake. Good circulation throughout job. Circulate  
5 bbls. slurry at surface, displace with water, left 30' cement  
in pipe.

9-25-82 Well not drilled to TD, lease expired, abandoned well.

SEP 21 1982  
OIL CONSERVATION DIVISION  
SANTA FE

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

SIGNED Ron Allen  
Ron Allen

TITLE Geologist

DATE Sept. 7, 1982

APPROVED BY [Signature]

TITLE

DATE

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

# NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101  
Revised 1-1-65

5A. Indicate Type of Lease

STATE ☐ FEE ☒

5. State Oil & Gas Lease No.

## 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

AZTEC ENERGY CORP.

3. Address of Operator

1206 E. 20th Farmington, NM 87401

4. Location of Well

UNIT LETTER J LOCATED 1980 FEET FROM THE South LINE

AND 1980

FEET FROM THE East LINE OF SEC. 23 TWP. 32N RGE. 1W NMPM

7. Unit Agreement Name

8. Farm or Lease Name

Caranta

9. Well No.

1

10. Field and Pool, or Wildcat

Wild Cat Dakota

12. County

Rio Arriba

19. Proposed Depth

3000

19A. Formation

Dakota

20. Rotary or C.T.

Rotary

21. Elevations (Show whether DF, RT, etc.)

7133' G.L.

21A. Kind & Status Plug. Bond

State wide

21B. Drilling Contractor

Unknown

22. Approx. Date Work will start

September 15, 1981

23.

## PROPOSED CASING AND CEMENT PROGRAM

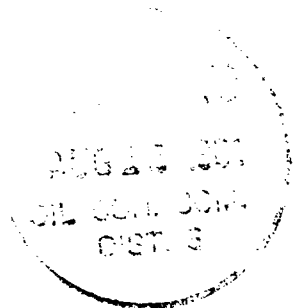
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12 1/4	8 5/8	24	150	150	Surf
7 7/8	4 1/2	10.5	3000	400	1000'

A 10" 900 series b.o.p. will be in operation for all drilling below the surface casing. An adequate mud supply will be maintained on location to control any formation flow.



EXPIRES 2-19-82

ENERGY AND MINES  
Oil Conservation  
1008 N. 5th Street  
Aztec, New Mexico 87410



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. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

Signed John Alexander Title Agent Date 8/7/81

APPROVED BY John P. Chang TITLE Director DATE 8-18-81

CONDITIONS OF APPROVAL, IF ANY:

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

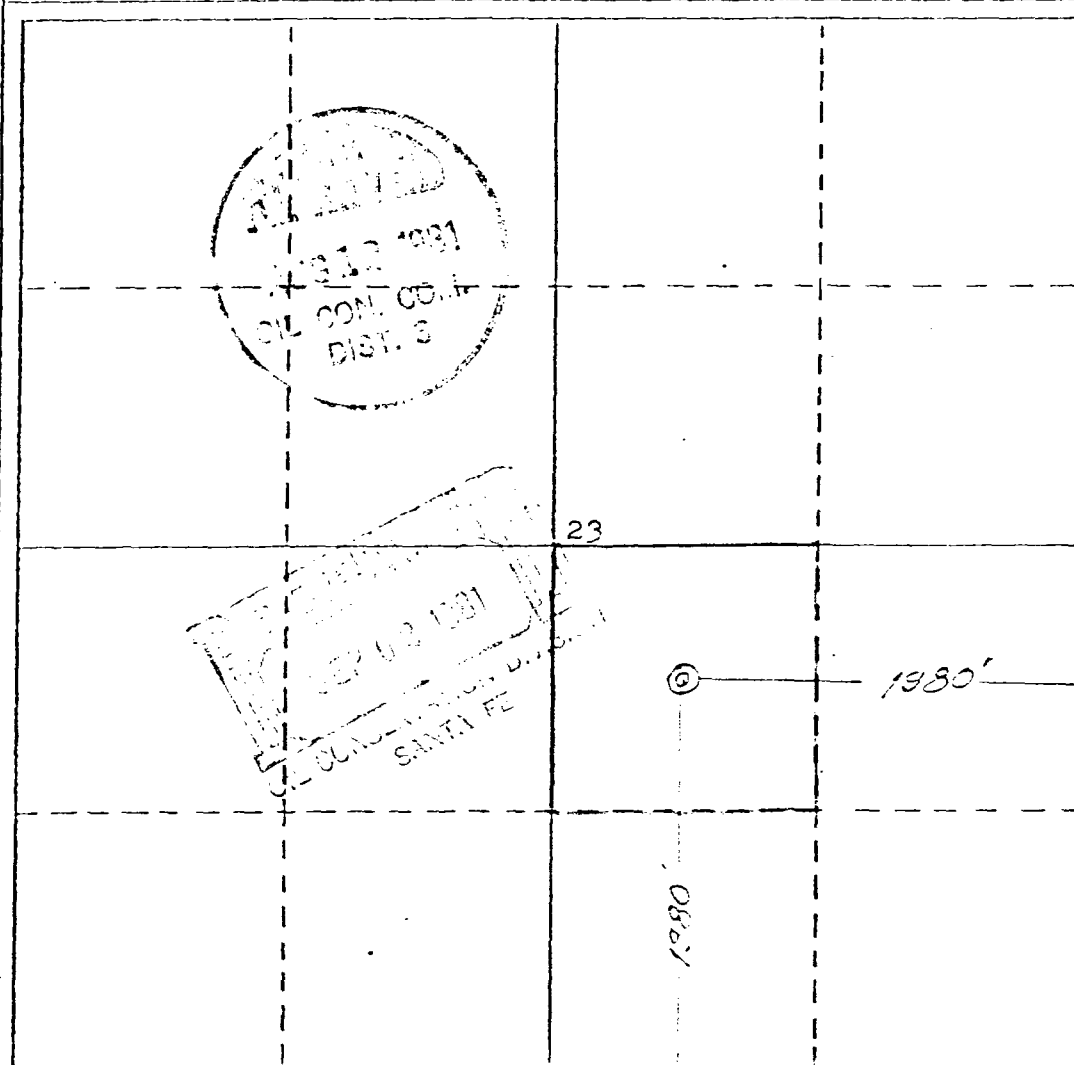
Operator <b>AZTEC ENERGY CORPORATION</b>			Lease <b>Caranta</b>		Well No. <b>1</b>
Unit Letter <b>J</b>	Section <b>23</b>	Township <b>32 NORTH</b>	Range <b>1 WEST</b>	County <b>RIO ARriba</b>	
Actual Footage Location of Well: <b>1980</b> feet from the <b>SOUTH</b> line and <b>1980</b> feet from the <b>EAST</b> line					
Ground Level Elev. <b>7133</b>	Producing Formation <b>Dakota</b>		Pool <b>Undesignated Dakota</b>	Dedicated Acreage: <b>40</b>	

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.) \_\_\_\_\_

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 Division



## CERTIFICATION

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

John Alexander

Agent

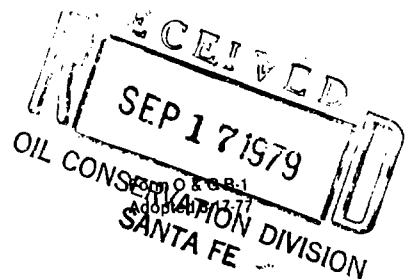
Aztec Energy

Date  
8/7/81

I hereby certify that the well location shown on this plat was obtained from field notes, 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  
3 August 1981  
Registered Professional Engineer  
and/or Land Surveyor  
James P. Leese

Certificate No.  
1463



STATE OF NEW MEXICO  
ONE-WELL PLUGGING BOND

FOR CHAVES, EDDY, LEA, MCKINLEY, RIO ARRIBA, ROOSEVELT,  
SANDOVAL, AND SAN JUAN COUNTIES ONLY

BOND NO. 9SE064857  
(For Use of Surety Company)  
AMOUNT OF BOND \$5,000.00  
COUNTY Chaves

NOTE: For wells less than 5,000 feet deep, the minimum bond is \$5,000.00\*  
For wells 5,000 feet to 10,000 feet deep, the minimum bond is \$7,500.00\*  
For wells more than 10,000 feet deep, the minimum bond is \$10,000.00

\* Under certain conditions, a well being drilled under a \$5,000.00 or \$7,500.00 bond may be permitted to be drilled as much as 500 feet deeper than the normal maximum depth, i.e., a well being drilled under a \$5,000.00 bond may be permitted to go to 5,499 feet, and a well being drilled under a \$7,500.00 bond may be permitted to go to 10,500 feet (See Rule 101)

File with Oil Conservation Commission, P. O. Box 2088, Santa Fe 87501

KNOW ALL MEN BY THESE PRESENTS:

That H. W. Pace, an individual, (An individual) (a partnership)  
(a corporation organized in the State of Texas, with its principal office in the city of  
Midland, State of Texas and authorized to do business  
in the State of New Mexico), as PRINCIPAL, and American Manufacturer's Mutual Insurance Co., a  
corporation organized and existing under the laws of the State of Illinois,  
and authorized to do business in the State of New Mexico, as SURETY, are held firmly bound unto the State of New  
Mexico, for the use and benefit of the Oil Conservation Commission of New Mexico pursuant to Section 65-3-11, New  
Mexico Statutes Annotated, 1953 Compilation, as amended, in the sum of Five Thousand (\$5,000.00)  
Dollars lawful money of the United States, for the payment of which, well and truly to be made, said PRINCIPAL and  
SURETY hereby bind themselves, their successors and assigns, jointly and severally, firmly by these presents.

The conditions of this obligation are such that:

WHEREAS, The above principal has heretofore or may hereafter enter into oil and gas leases, or carbon dioxide (CO<sub>2</sub>) gas leases, or  
helium gas leases with the State of New Mexico; and

WHEREAS, The above principal has heretofore or may hereafter enter into oil and gas leases, or carbon dioxide (CO<sub>2</sub>) gas leases, or  
helium gas leases on lands patented by the United States of America to private individuals, and on lands otherwise owned by private  
individuals; and

WHEREAS, The above principal, individually, or in association with one or more other parties, has commenced or  
may commence the drilling of one well not to exceed a depth of 5,000 feet, to prospect for and produce oil  
or gas, or carbon dioxide (CO<sub>2</sub>) gas or helium gas, or does own or may acquire, or operate such well, or such well  
started by others on land embraced in said State oil and gas leases, or carbon dioxide leases, or helium gas leases,  
and on land patented by the United States of America to private individuals, and otherwise owned by private  
individuals, the identification and location of said well being State Lease No. LG016  
330 ft. from S line & 660 ft. from E line (Here state exact legal subdivision by lot, block, section, township, range, and meridian)  
Section 30, Township 10S (North) (South), Range E (East) (West), N.M.P.M.  
Chaves County, New Mexico.

NOW, THEREFORE, If the above bounden principal and surety or either of them or their  
plug said well when dry or when abandoned in accordance with the rules, regulations, and orders of  
Mexico in such way as to confine the oil, gas, and water in the strata in which they are found, and  
strata; or assigns, or any of them, shall  
Oil Conservation Commission of New  
event them from escaping into other

THEN, THEREFORE, This obligation shall be null and void; otherwise and in default of complete compliance with any and all of said  
obligations, the same shall remain in full force and effect.

BEFORE EXAMINER STOGNER	
OIL CONSERVATION DIVISION	
OGD	EXHIBIT NO. <u>2</u>
CASE NO. <u>11495</u>	

H. W. Pace  
PRINCIPAL  
P.O. Box 7435 Midland, Texas 79703  
Address  
By H. W. Pace  
Signature  
Owner  
Title

(Note: Principal, if corporation, affix corporate seal here.)

American Manufacturers Mutual Insurance Co.  
SURETY  
20 N. Wacker Drive, Chicago, Ill. 60606  
Address  
By Robert E. Ferguson  
Attorney-in-fact  
ROBERT E. FERGUSON

(Note: Corporate seal here.)



#### ACKNOWLEDGEMENT FORM FOR NATURAL PERSONS

STATE OF New Mexico  
COUNTY OF Eddy ss.

On this 13th day of September, 19 79, before me personally appeared H. W. Pace, to me known to be the person (persons) described in and who executed the foregoing instrument and acknowledged that he (they) executed the same as his (their) free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year in this certificate first above written.

November 19, 1979  
My Commission expires

Margaret J. Belshé  
Notary Public

#### ACKNOWLEDGEMENT FORM FOR CORPORATION

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_ ss.

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me personally appeared \_\_\_\_\_, to me personally known who, being by me duly sworn, did say that he is \_\_\_\_\_ of \_\_\_\_\_ and that the foregoing instrument was signed and sealed on behalf of said corporation by authority of its board of directors, and acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year in this certificate first above written.

My Commission expires

Notary Public

#### ACKNOWLEDGEMENT FORM FOR CORPORATION SURETY

STATE OF New Mexico  
COUNTY OF Eddy ss.

On this 13th day of September, 19 79, before me appeared Robert E. Ferguson, to me personally known, who, being by me duly sworn, did say that he is Attorney-in-fact of American Manufacturers Mutual Insurance Co. and that the foregoing instrument was signed and sealed on behalf of said corporation by authority of its board of directors, and acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year in this certificate first above written.

November 19, 1979  
My Commission expires

Margaret J. Belshé  
Notary Public

(Note: Corporate surety attach power of attorney.)

APPROVED BY:

OIL CONSERVATION COMMISSION OF NEW MEXICO

By Joe H. Hargis

Date \_\_\_\_\_



POWER OF ATTORNEY

Serial No. **A 2309**

Dated **December 14, 1977**

KNOW ALL MEN BY THESE PRESENTS:

That the AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY, a corporation organized and existing under the laws of the State of Illinois, and having its principal office in the Village of Long Grove, Illinois, does hereby appoint

**ROBERT E. FERGUSON**  
**ROBERT A. FERGUSON II**

its true and lawful agent(s) and attorney(s)-in-fact, to make, execute, seal, and deliver during the period beginning with the date of issuance of this power and ending December 31, 1982, unless sooner revoked for and on its behalf as surety, and as its act and deed:

ADMINISTRATORS & EXECUTORS BONDS, provided the amount of no one bond exceeds \$50,000 when bond amount is double the appraised value of all personal property of the estate, otherwise \$25,000 (NO AUTHORITY granted where estate involves a going business or where Principal had prior custody of assets or where Principal is indebted to the estate or where a bond was previously filed for the same estate); LICENSE & PERMIT BONDS, provided the amount of no one bond exceeds \$10,000 (NO AUTHORITY granted for bonds involving financial guarantees, credit guarantees or the payment of taxes); PUBLIC OFFICIAL BONDS, provided the amount of no one bond exceeds \$10,000 (NO AUTHORITY granted for bonds covering Sheriffs, Constables and other Process Serving Officials); PLAINTIFFS COURT BONDS such as Cost, Removal, Replevin and Attachment Bonds, provided the amount of no one bond exceeds \$5,000; (NO AUTHORITY granted for any bond where Defendant is the Principal); LOST SECURITIES BONDS provided the amount of no one bond exceeds \$5,000. (NO AUTHORITY granted for any bond covering bearer or negotiable instruments.) NO FURTHER AUTHORITY GRANTED.

This authority does not permit the same obligation to be split into two or more bonds in order to bring each such bond within the dollar limit of authority as set forth herein.

This appointment may be revoked at any time by the AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY.

The execution of such bonds and undertakings in pursuance of these presents shall be as binding upon the said AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY as fully and amply to all intents and purposes, as if the same had been duly executed and acknowledged by its regularly elected officers at its principal office in Long Grove, Illinois.

THIS APPOINTMENT SHALL CEASE AND TERMINATE WITHOUT NOTICE AS OF DECEMBER 31, 1982

IN TESTIMONY WHEREOF, the AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY has caused this instrument to be signed and its corporate seal to be affixed by its authorized officers as of the date of this issuance.

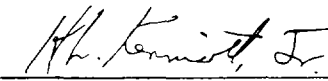
Attested and Certified:

AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY



C. G. Swan, Secretary  
STATE OF ILLINOIS }  
COUNTY OF LAKE } ss



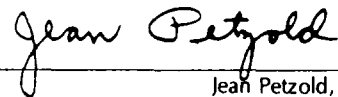
By 

H. L. Kennicott, Jr., Vice President

I, Jean Petzold, a Notary Public, do hereby certify that H. L. Kennicott, Jr., and C. G. Swan personally known to me to be the same persons whose names are respectively as Vice President and Secretary of the American Manufacturers Mutual Insurance Company, a Corporation of the State of Illinois, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they being thereunto duly authorized signed, sealed with the corporate seal and delivered the said instrument as the free and voluntary act of said corporation and as their own free and voluntary act for the uses and purposes therein set forth.

My commission expires: April 29, 1980





Jean Petzold, Notary Public

CERTIFICATION

I, Sven L. Johanson, Secretary of the American Manufacturers Mutual Insurance Company, do hereby certify that the attached Power of Attorney is a true and correct copy and that the same has been in full force and effect since the date thereof and is in full force and effect on the date of this certificate; and I do further certify that the said H. L. Kennicott, Jr. and C. G. Swan who executed the Power of Attorney as Vice President and Secretary respectively were on the date of the execution of the Attached Power of Attorney the duly elected Vice President and Secretary of the American Manufacturers Mutual Insurance Company.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the corporate seal of the American Manufacturers Mutual Insurance Company on this 13th day of September, 1979.





Sven L. Johanson, Secretary

This Power of Attorney limits the acts of those named therein to the bonds and undertakings specifically named therein, and they have no authority to bind the Company except in the manner and to the extent herein stated.



**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

1. ☒ I wish to receive the following services (for an extra fee):

1. ☒ Addressee's Address

2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

CMS Oilfield Services, Inc.  
P. O. Box 316  
Farmington, New Mexico 87499

4a. Article Number

Z 765 962 275

4b. Service Type

- ☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service

**ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT**

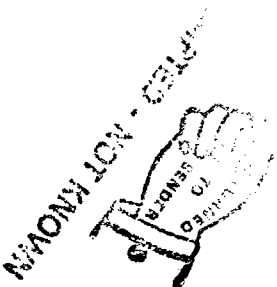
OIL CONSERVATION DIVISION  
2040 S. PACHECO  
SANTA FE, NM 87505

UNDELIVERABLE AS  
FORWARDING ORDER

CMS Oilfield Services, Inc.  
P.O. Box 316  
Farmington, New Mexico 87499

**ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION  
2040 S. PACHECO  
SANTA FE, NM 87505



**CERTIFIED**

CMS Oilfield Services, Inc.  
P. O. Box 316  
Farmington, New Mexico 87499

(F)

Z 765 962 775  
CMS-316 874012015 IN 03/06/96  
NO FORWARD ORDER ON FILE  
UNABLE TO FORWARD  
RETURN TO SENDER

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

Wait for the following service (extra fee):  
☐ Registered ☐ Insured  
☐ Certified ☐ COD  
☐ Express Mail ☐ Return Receipt for Merchandise  
Consult postmaster for fees.

3. Article Addressed to:  
United State Fidelity and  
Guaranty Company  
P. O. Box 1138  
Baltimore, Maryland 21203-1138

4a. Article Number  
176013149  
4b. Service Type  
☐ Registered ☐ Insured  
☒ Certified ☐ COD  
☐ Express Mail ☐ Return Receipt for Merchandise  
7. Date of Delivery  
3/5/96

5. Signature (Addressee)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Agent)

PS Form 3817, December 1991 \* U.S.G.P.O. : 1992-307-530 DOMESTIC RETURN RECEIPT

Z 765 962 275



**Receipt for Certified Mail**

No Insurance Coverage Provided  
Do not use for International Mail  
(See Reverse)

Sent to	
CMS Oilfield Services, Inc.	
Street and No.	
P. O. Box 316	
P. O., State and ZIP Code	
Farmington, N.M. 87499	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, March 1993

P 176 013 149



**Receipt for Certified Mail**

No Insurance Coverage Provided  
Do not use for International Mail  
(See Reverse)

Sent to	
United States Fidelity & Guar	
Street and No.	
P. O. Box 1138	
P. O., State and ZIP Code	
Baltimore, Maryland 21203-1138	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, June 1991

Fold at line over top of envelope to the right of the return address

BEFORE EXAMINER STOGNER

OIL CONSERVATION DIVISION

OCD

EXHIBIT NO.

CASE NO.

11498

Fold at line over top of envelope to the right of the return address

PS Form 3800, March 1993

Sent to	
John Caranta dba Cardel Oil	
Street and No.	
John Caranta dba Caranta	
P. O. Box and ZIP Code	
Farmington, N.M. 87401	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	



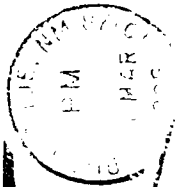
**Receipt for Certified Mail**

No Insurance Coverage Provided  
Do not use for International Mail  
(See Reverse)

Z 765 962 274

**ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION  
2040 S. PACHECO  
SANTA FE, NM 87505



UNDELIVERABLE AS  
FORWARDED ORDER

CMS Oilfield Services, Inc.  
P. O. Box 316  
Farmington, New Mexico 87499

**ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION  
2040 S. PACHECO  
SANTA FE, NM 87505



CMS Oilfield Services, Inc.  
P. O. Box 316  
Farmington, New Mexico 87499



**CERTIFIED**

Z 765 962 275  
CMS-316 874012015 IN 03/06/96  
RETURN TO SENDER  
NO FORWARD ORDER ON FILE  
UNABLE TO FORWARD  
RETURN TO SENDER

LOS ALAMOS NM, NM  
MAR 11 1996

Z 765 962 275



# Receipt for Certified Mail

No Insurance Coverage Provided  
Do not use for International Mail  
(See Reverse)

Sent to	
CMS Oilfield Services, Inc.	
Street and No.	
P. O. Box 316	
P. O., State and ZIP Code	
Farmington, N.M. 87499	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, March 1993

P 176 C13 149



# Receipt for Certified Mail

No Insurance Coverage Provided  
Do not use for International Mail  
(See Reverse)

United States Fidelity & Guar	
P. O. Box 1138	
Baltimore, Maryland 21203-1138	
	\$
	\$
Postmark or Date	

PS Form 3800, June 1991

Fold at line over top of envelope to the right of the return address

Z 765 962 274



# Receipt for Certified Mail

No Insurance Coverage Provided  
Do not use for International Mail  
(See Reverse)

Sent to	
John Caranta dba Cardel Oil Co.	
Street and No.	
John Caranta dba Caranta Bros.	
P. O., State and ZIP Code	
Farmington, N.M. 87401	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, March 1993

Fold at line over top of envelope to the right of the return address

Is your RETURN ADDRESS completed on the reverse side?

<p><b>SENDER:</b></p> <ul style="list-style-type: none"> <li>• Complete items 1 and/or 2 for additional services.</li> <li>• Complete items 3, 4b, 4c &amp; b.</li> <li>• Print your name and address on the reverse of this form so that we can return this card to you.</li> <li>• Attach this form to the front of the mailpiece, or on the back if space does not permit.</li> <li>• Write "Return Receipt Requested" on the mailpiece below the article number.</li> <li>• The Return Receipt will show to whom the article was delivered and the date delivered.</li> </ul>		<p>I also wish to receive the following services (for an extra fee):</p> <p>1. <input type="checkbox"/> Addressee's Address</p> <p>2. <input type="checkbox"/> Restricted Delivery</p> <p>Consult postmaster for fee.</p>	
<p>3. Article Addressed to:</p> <p>United State Fidelity and Guaranty Company</p> <p>P. O. Box 1138</p> <p>Baltimore, Maryland 21203-1138</p>		<p>4a. Article Number</p> <p>176013149</p>	
<p>5. Signature (Addressee)</p> <p><i>[Signature]</i></p>		<p>4b. Service Type</p> <p><input type="checkbox"/> Registered <input type="checkbox"/> Insured</p> <p><input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD</p> <p><input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise</p>	
<p>6. Signature (Agent)</p> <p><i>[Signature]</i></p>		<p>7. Date of Delivery</p> <p>3/5/96</p>	
<p>PS Form 3817, December 1991 ☆ U.S.A.P.O. : 1992-307-530</p>		<p>8. Addressee's Address (Only if requested and fee is paid)</p>	

DOMESTIC RETURN RECEIPT

Thank you for using Return Receipt Service.



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO  
SANTA FE, NEW MEXICO 87505  
(505) 827-7131

March 1, 1996

***Certified Mail – Return Receipt Requested***

CMS Oilfield Services, Inc.  
P. O. Box 316  
Farmington, New Mexico 87499

John Caranta dba Cardel Oil Company  
John Caranta dba Caranta Bros.  
20 Rd. 3970  
Farmington, New Mexico 87401

United States Fidelity and Guaranty Company  
P. O. Box 1138  
Baltimore, MD 21203-1138

***Attn: Eugene Lushbaugh, Claim Division***

***RE: OCD Case No. 11498***

***Application of the New Mexico Oil Conservation Division for a Show Cause Hearing requiring CMS Oilfield Services, Inc., John Caranta dba Cardel Oil Company and/or Caranta Brothers and United States Fidelity and Guaranty Company to appear and show cause why the Caranta Well No. 1 located in Unit J of Section 23, T32N, R1E, Rio Arriba County, New Mexico should not be plugged and abandoned***

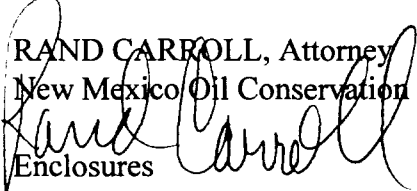
Dear Sir/Madam:

This letter is to advise you that the New Mexico Oil Conservation Division has filed the enclosed application seeking a Show Cause Hearing requiring CMS Oilfield Services, Inc., John Caranta dba Cardel Oil Company and/or Caranta Brothers and United States Fidelity and Guaranty Company to appear and show cause why it/they should not be ordered to plug and abandon the above-referenced well.

This application has been set for hearing before an Examiner of the Oil Conservation Division on March 21, 1996. You are not required to attend this hearing, but as an owner of an interest that may be affected by an order issued in this cause, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases have been requested by the Division (Memorandum 20-90--- Enclosed) to file a Prehearing Statement substantially in the form prescribed by the Division. Prehearing statements should be filed by 4:00 o'clock p.m. on the Friday before a scheduled hearing.

Very truly yours,

RAND CARROLL, Attorney  
New Mexico Oil Conservation Division  
Enclosures 

RC:sm

cc: Johnny Robinson, OCD Aztec