

A. R. KENDRICK

BOX 516 • AZTEC, NEW MEXICO 87410 • (505) 834-2555

September 14, 1988

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

*BIA doesn't want to
be bothered
w/ such matters.*

Re: Application for Non-Standard Location

Gentlemen:

We respectfully request approval of the non-standard location of the S.E.R.H., Inc. Navajo 5 #3 well located 660' FNL 560' FEL of Section 5, T 26 N, R 19 W, in the Beautiful Mountain-Mississippian Gas Pool due to topographical conditions.

The well was staked as close as possible to a standard location. Notice on the location profile sheet that cuts range from 14.4 feet to 23.9 feet along the northwestern edge of the location.

We intend to test the Mississippian formation in the subject well.

S.E.R.H., Inc. operates all offset wells; therefore, no notices are being sent to offset operators.

The acreage shown on the enclosed plat is all on the Navajo Indian Reservation.

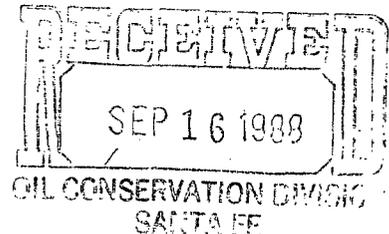
If further information is needed, please contact me.

Yours very truly,



A. R. Kendrick

Enclosures: Well location plat
Location profile sheet
Topographic map
Plat showing other wells



xc: Oil Conservation Division, 1000 Rio Brazos Road, Aztec, New Mexico 87410
Bureau of Land Management, Caller Service 4101, Farmington, New Mexico 87499
S.E.R.H., Inc., P.O. Box 312, Otis, Kansas 67565

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

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

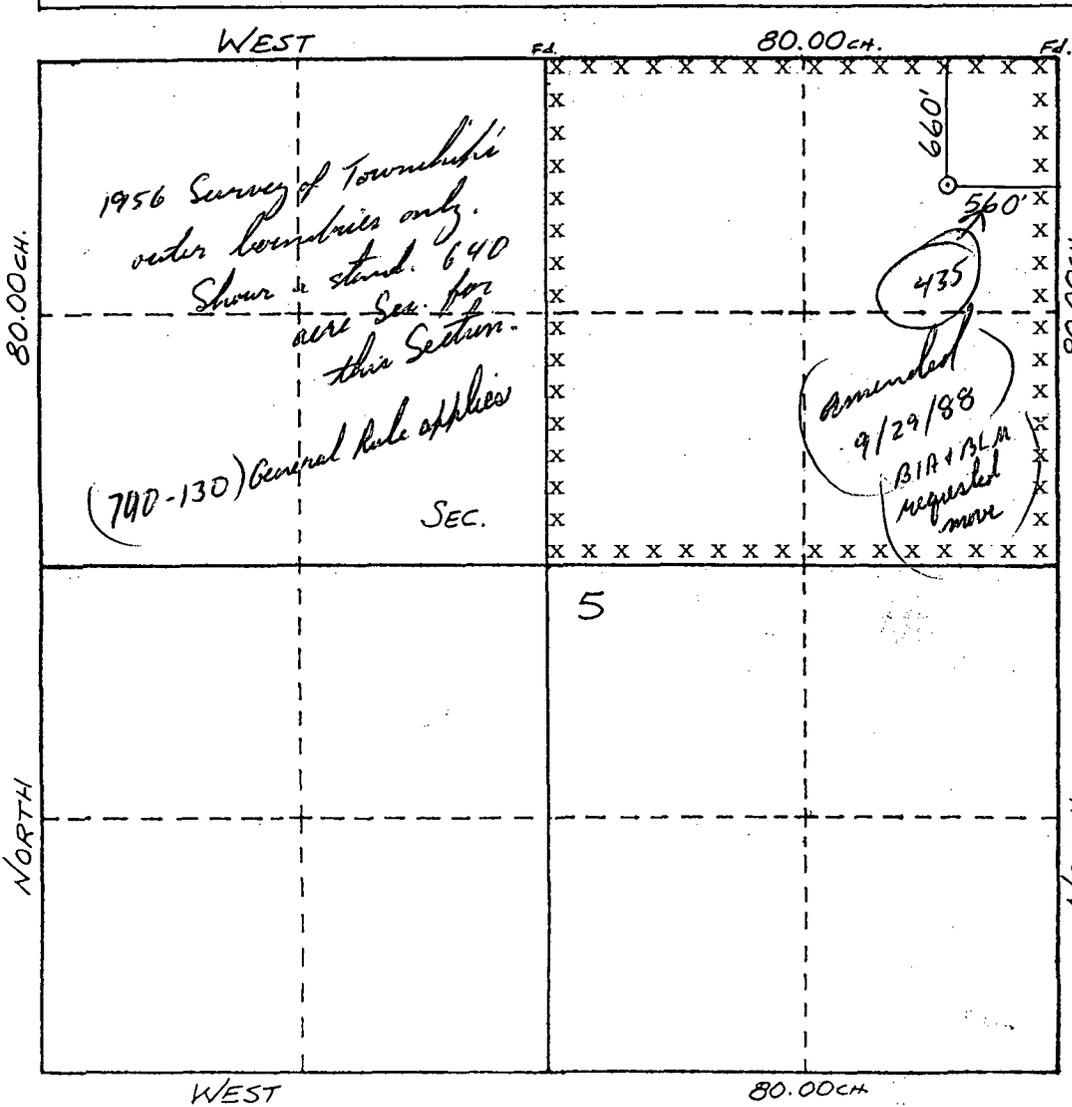
Operator S.E.R.H., INC.		Lease NAVAJO			Well No. 5-3
Unit Letter A	Section 5	Township 26 N	Range 19 W	County SAN JUAN	
Actual Footage Location of Wells: 660 feet from the North line and 560 feet from the East line					
Ground Level Elev: 5886	Producing Formation Mississippian		Pool Beautiful Mountain		Dedicated Acreage: 160 Acres

- Outline the acreage dedicated to the subject well by colored pencil or hachure 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 interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

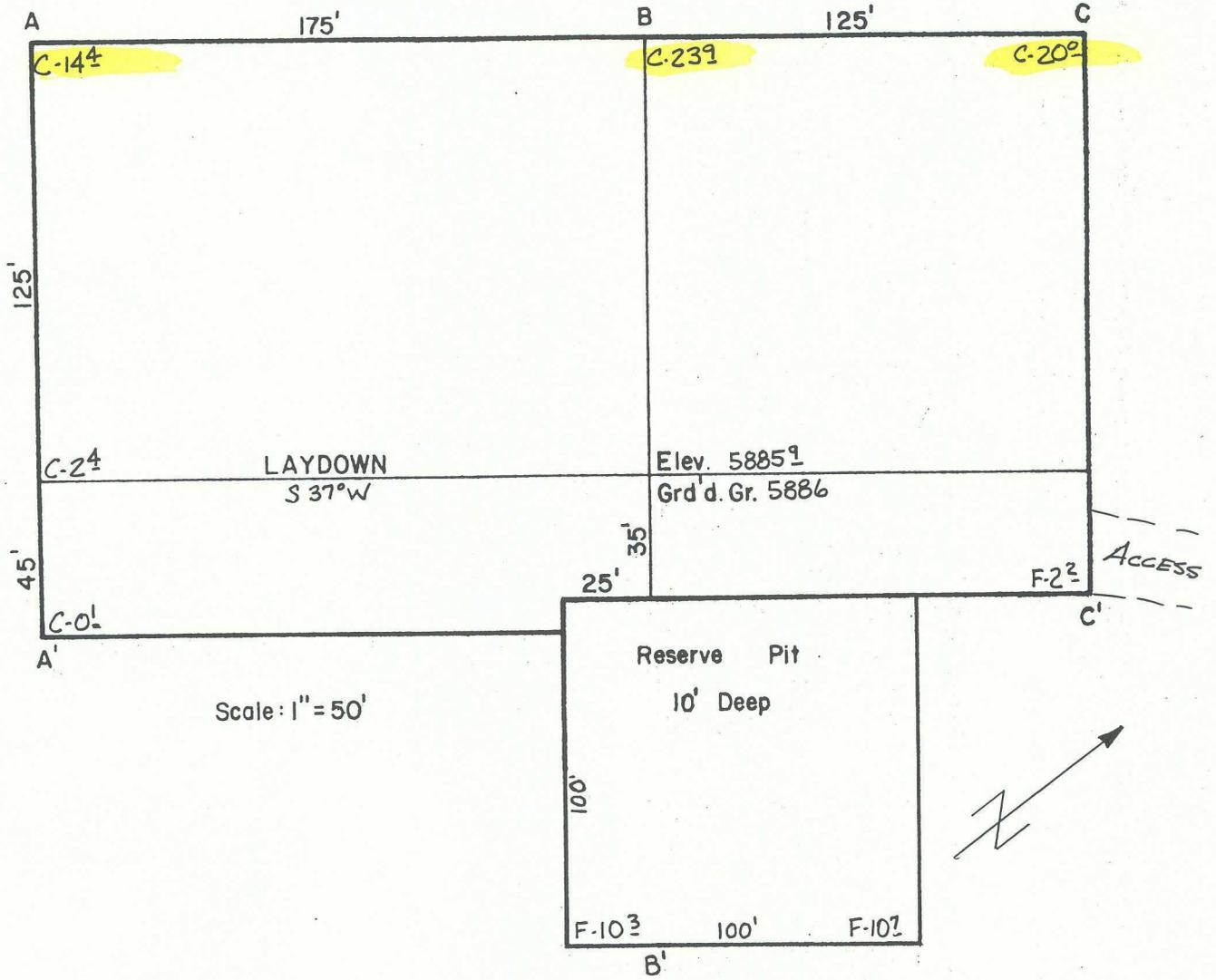
If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

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 Commission.



CERTIFICATION	
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
<i>A. R. Kendrick</i>	
Name	A. R. Kendrick
Position	Agent
Company	S.E.R.H., Inc.
Date	September 14, 1988
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	September 14, 1988
Certificate No.	8466

S.E.R.H., INC.
 NAVAJO 5-3
 660' FNL & 560' FEL
 Sec. 5, T26N, R19W
 San Juan Co., N.M.



Scale: 1" = 50'

Reserve Pit
 10' Deep

100'

F-103

100'

F-101

B'

A-A' Vert.: 1" = 30' Horiz.: 1" = 100' C/L

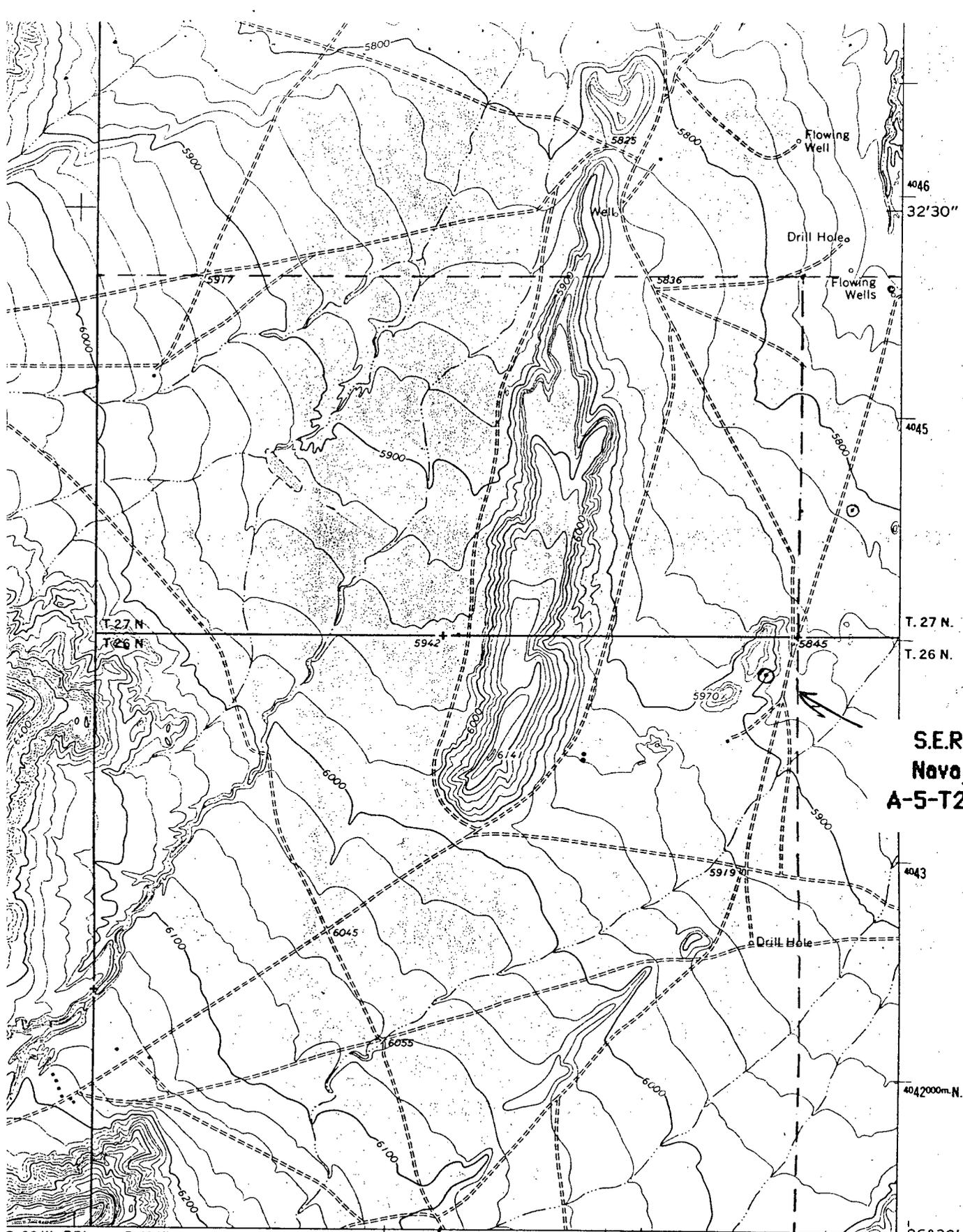
5895							
5885							

B-B'

5895							
5885							

C-C'

5895							
5885							



S.E.R.H., Inc.
Navajo 5 #3
A-5-T26N-R19W

R. 20 W. 55' R. 19 W. 86° 30' 108° 52' 30"

1 MILE

ROAD CLASSIFICATION
 Light-duty _____ Unimproved dirt - - - - -
 Secondary highway _____

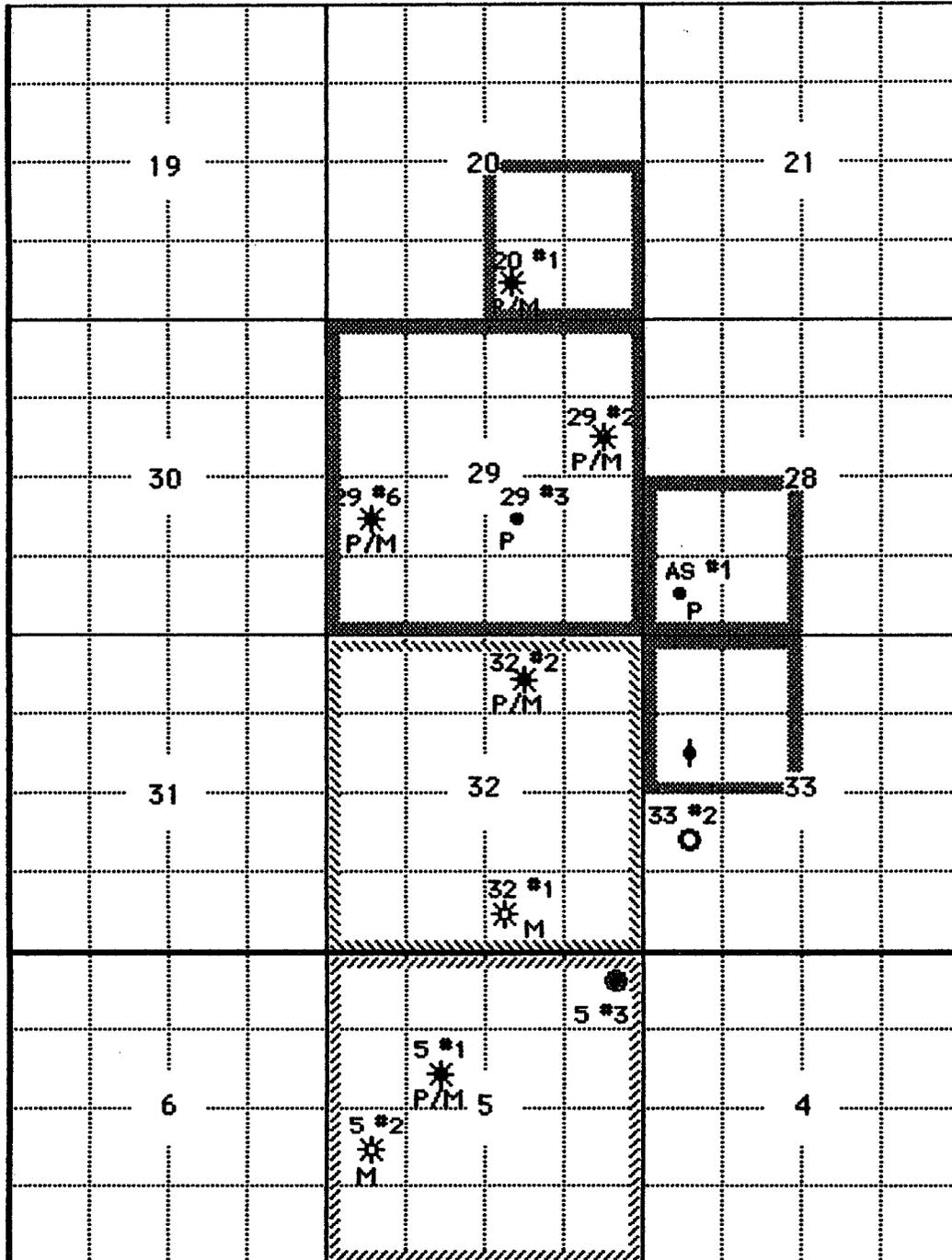


MITTEN ROCK, N. MEX.

(SANOSTEE EAST)
 4256 N NE

INTERIOR GEOLOGICAL SURVEY, RESTON, VIRGINIA - 1980
 690000m E

R 19 W



T 27 N

T 26 N

LEGEND:

● = OIL WELL

* = OIL/GAS WELL

* = GAS WELL

P = PENNSYLVANIAN OIL WELL

M = MISSISSIPPIAN GAS WELL

 = LEASE NO. N00-C-14-20-4158

 = LEASE NO. N00-C-14-20-4157

 = OPERATING AGREEMENT W/NAVAJO TRIBE

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

30-045-21817

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
 ASHLAND OIL COMPANY, INC.

3. ADDRESS OF OPERATOR
 1902 Lincoln Center Bldg. Denver, Colorado 80203

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)
 At surface: NWNE 660 'FNL, 1980' FEL
 At proposed prod. zone: Same

5. LEASE DESIGNATION AND SERIAL NO.
 Tr. 109: NCO-14-20-4157

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
 NAVAJO TRIBE

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
 NAVAJO 5

9. WELL NO.
 3

10. FIELD AND POOL, OR WILDCAT
 Wildcat- confirmation

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 Sec. 5 T26N, R19W NMPM

12. COUNTY OR PARISH 13. STATE
 SAN JUAN New Mexico

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE
 3 1/2 miles north and 2 miles west of Sanabata, New Mexico

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drilg. unit line, if any)
 5940'

16. NO. OF ACRES IN LEASE
 1905 acres

17. NO. OF ACRES ASSIGNED TO THIS WELL
 160 acres

18. DISTANCE FROM PROPOSED* LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
 1650'

19. PROPOSED DEPTH
 6300'

20. ROTARY OR CABLE TOOLS
 Rotary

21. ELEVATIONS (Show whether DE, RT, GR, etc.)
 5893' Grd.

22. APPROX. DATE WORK WILL START*
 June 20, 1975

RECEIVED
JUN 2 1975
OIL CON. COMM.
DIST. 3

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/4"	13 3/8"	54.00	100'	as required (Halliburton)
12 1/4"	8 5/8"	36.00	1500'	as required (Halliburton)
7 7/8"	4 1/2"	10.50	6300'	as required (Halliburton)

Propose to drill and test the Pennsylvanian "Barker Creek" zone and the Mississippian and Devonian formations. If commercial production is obtained then production equipment will be installed and the well completed in a proper oil field manner.

The surface pipe will be cemented with approx 130 sx. : Intermediate string will be set thru the Entrada ss and cemented with approx 600sx. Production string at 6300' will be cemented with approx 400 sx.

Adequate Blow out Prevention Equipment will be furnished by the Drilling Contractor (Loffland Brothers Drilling Co. Rig 12)

The operator Ashland Oil Co. Inc. has a nation-wide and Navajo Bond

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Robert E. Lauth TITLE Agent- Geological Consultant DATE May 28, 1975

(This space for Federal or State office use)

PERMIT NO. _____

APPROVED BY [Signature] TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

Never drilled!

RECEIVED
JUN - 9 1975

OIL CONSERVATION COMM.
Santa Fe

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form O-102
Supersedes O-128
Effective 12-1-65

All distances must be from the outer boundaries of the Section

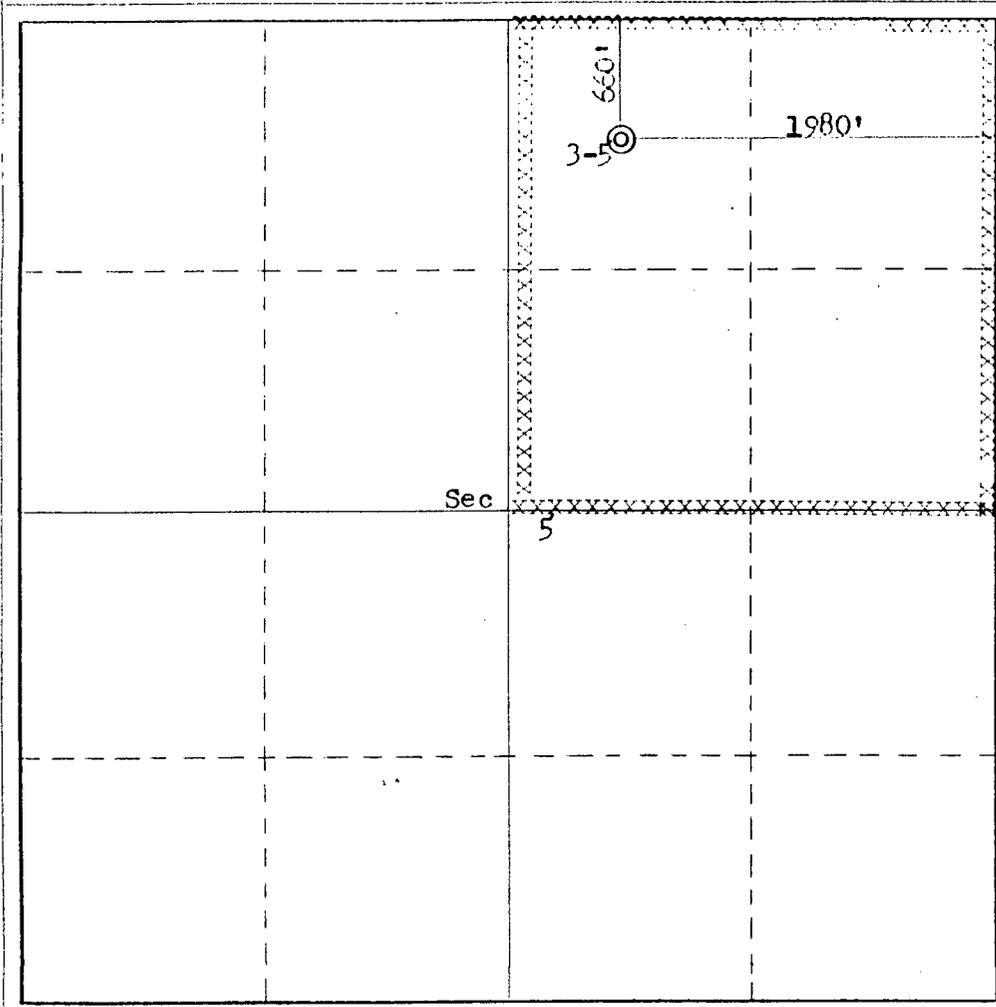
Owner Ashland Oil Company Inc.			Lease Navajo 5		Well No. 3-5
Tract Letter B	Section 5	Township 26N	Range 19W	County San Juan	
Well Location Location of Well:					
660		Foot from the North	Line and 1980	Foot from the East	Line
Well Log Well No. 5893	Geological Formation Mississippian		Well Wildcat confirmation	Total Well Acreage 160 acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below. *no plat*
- 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 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 Commission.



CERTIFICATION

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

Robert E. Lauth

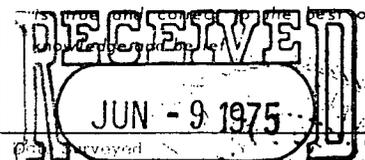
Home: **Geological Consultant**

Position: **Ashland Oil Co. Inc.**

Company: **May 28 1975**

Date: *Robert E. Lauth*

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

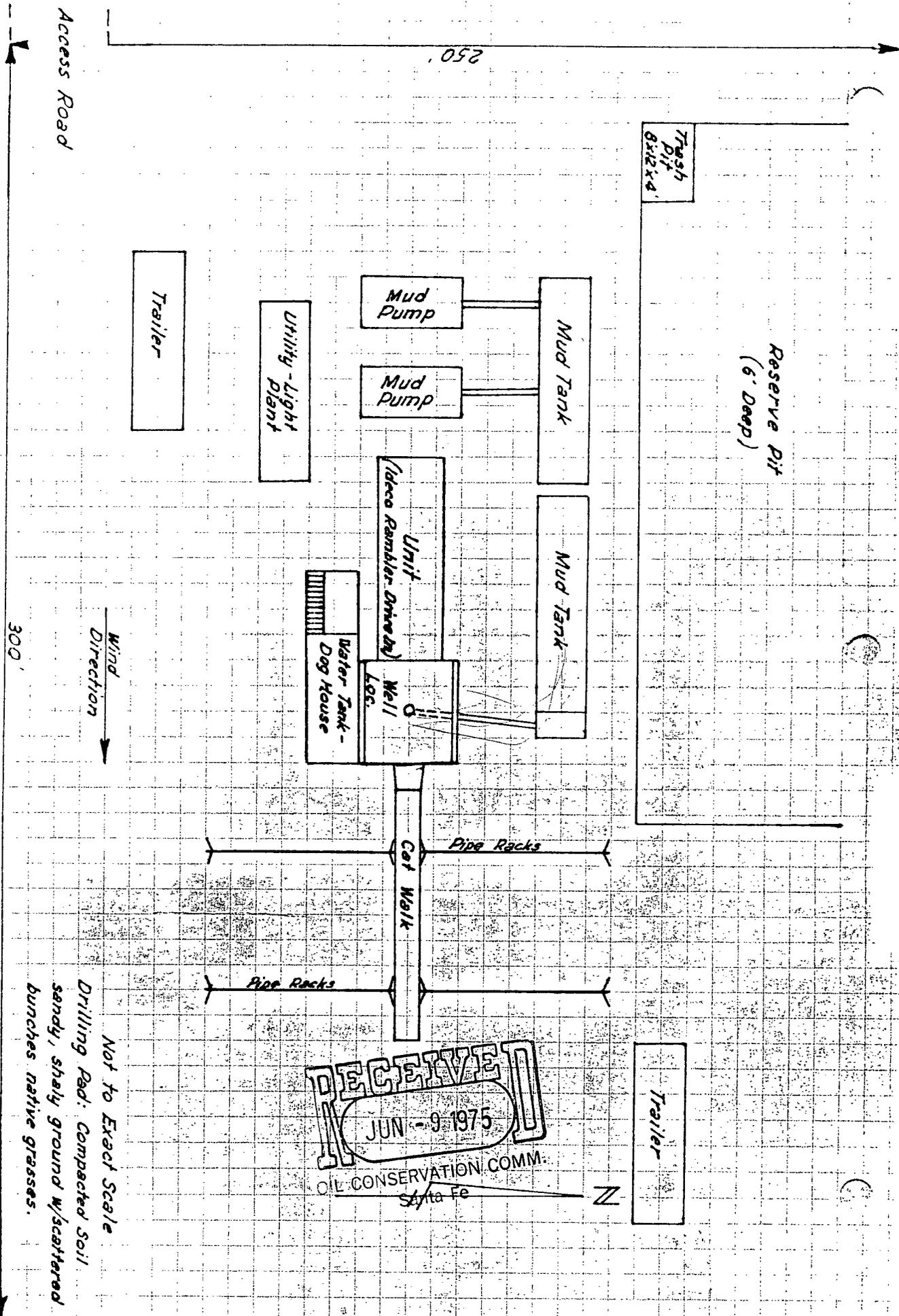


Checked by: **MAJOR & SONS, COMM.**

Registered Professional Engineer and/or Land Surveyor

Fred B. Kerr Jr.
Fred B. Kerr Jr.

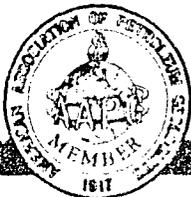
Certificate No. **3950**



RIG LAYOUT PLAT
 ASHLAND OIL CO, INC. NO. 3-5 NAVAJO
 NWNE Sec. 5, T26N-R19W, San Juan Co, N.M.

RECEIVED
 JUN - 9 - 1975
 OIL CONSERVATION COMM.
 Styta Fe

Not to Exact Scale
 Drilling Pad: Compacted Soil
 Sandy, shaly ground w/scattered
 bunches native grasses.



ROBERT E. LAUTH

GEOLOGICAL CONSULTANT

MEMBER AMERICAN ASSOCIATION OF PETROLEUM GEOLOGISTS

960 East Second Ave. - P.O. Box 776 - Durango, Colorado 81301

AC 303-247-0025

RECEIVED

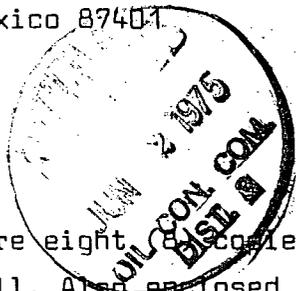
MAY 29 1975

U. S. GEOLOGICAL SURVEY
FARMINGTON, N. M.

May 28, 1975

Mr. Phil McGrath, District Engineer
U.S. Geological Survey
P.O. Box 959
Farmington, New Mexico 87401

Re: Application for Permit to Drill
Ashland Oil Company, Inc. No 3-5 Navajo
NWNE Sec 5 T26N, R19W NMPM
San Juan County, New Mexico



Dear Mr. McGrath:

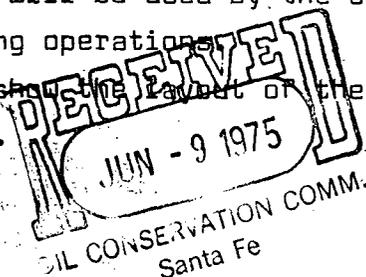
Enclosed are eight copies of the application to drill on the above captioned well. Also enclosed are plats showing the location of the existing roads, wells and lateral road to the location. Basically, except for the short lateral, the existing roads will be utilized. If the well is productive, tank batteries and flow lines will be installed essentially within the area cleared for the drilling operations. The location is in light sandy and shaly soil of the Lower Mancos formation. Vegetation is sparse with scattered clumps of native grass.

Arrangements for water have been made with the drilling contractor Loffland Brothers Drilling Co. Rig No. 12. Water will hauled from the Big Gap Reservoir four miles to the northeast.

The Drilling Contractor will furnish adequate blowout prevention equipment. (12" series 900 hydraulically actuated double gate and bag type BOP. All BOP equipment will be nipped up with choke and kill lines installed and tested prior to drilling cement from shoe joint.)

No camp or airstrip will be associated with the drilling of this well. Small self-contained trailers will be used by the supervisory personnel during drilling and testing operations.

A plat is also included to show the layout of the rig, mud tanks, reserve pit, burn pit, latrine, etc.



Upon completion of the well the location will be cleaned, leveled, reseeded and restored to the original as much as conditions and operations permit. Mr. Leonard Feller with BLM in Shiprock N.Mex. has given verbal clearance on this location.

Archaeological clearance has been requested: Mr Lee Correll of Window Rock, Arizona will meet me tomorrow morning for surface inspection.

The lessee's Ashland Oil Co. Inc lease bond is on file with the Bureau of Indian Affairs at Window Rock, Arizona.

When approval is obtained from your office, would you kindly send approved copies to the Navajo Tribe, Mineral Department so they can determine surface damages, copies to the Oil and Gas Conservation Commission of New Mexico, U.S. Geological Survey in Roswell, New Mexico and the Operator Ashland Oil Company Inc. Suite 1902 Lincoln Center Bldg. Denver, Colorado 80203.

Thank you

Very Truly Yours,

Robert E. Lauth

Robert E. Lauth

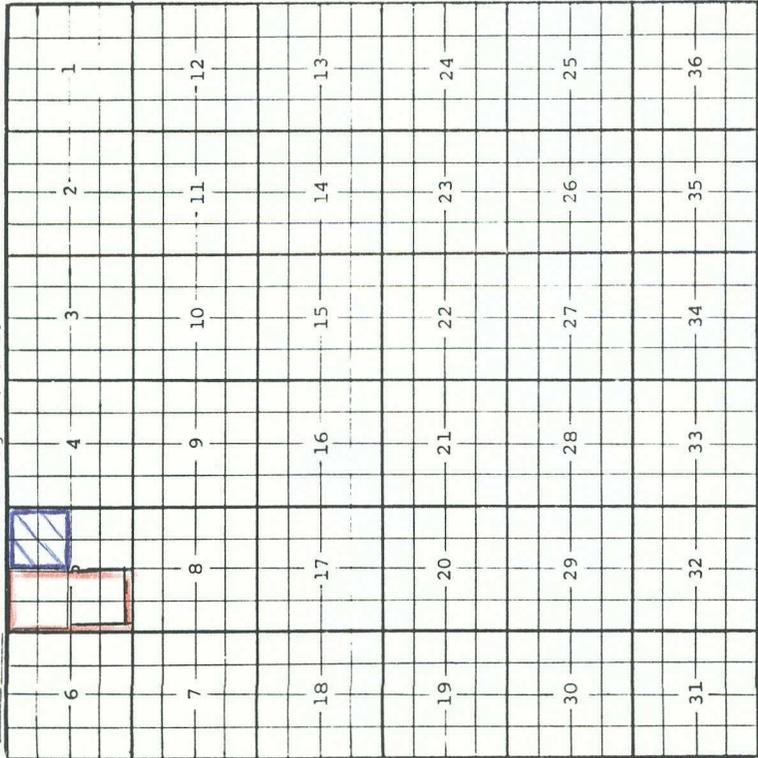
Certified Professional Geologist

Rel: tf



County San Juan Pool Beautiful Mountain - Mississippi Gas
 Gas
 Oil

TOWNSHIP 26 North Range 19 West NMPM



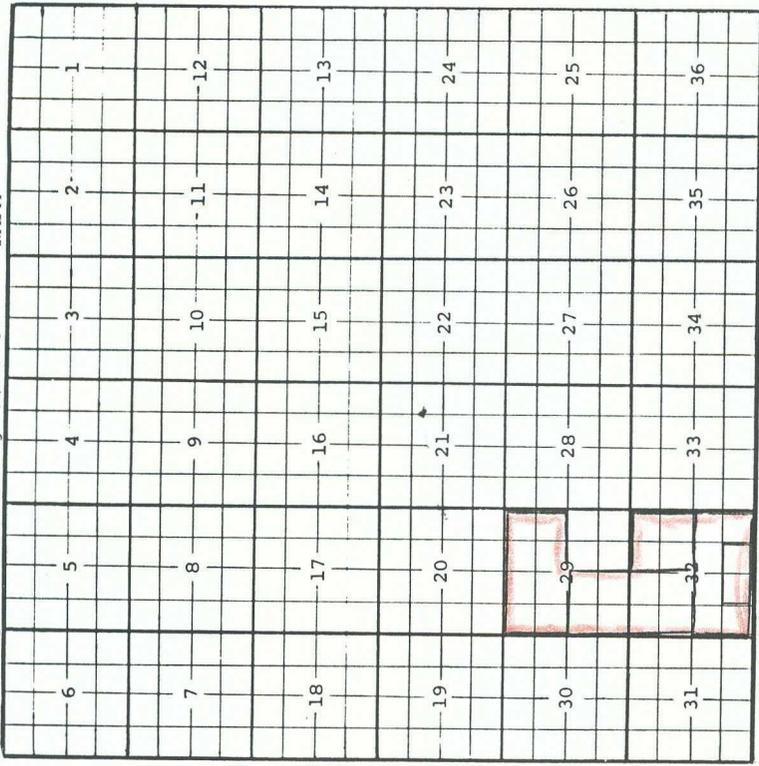
Description: NW 1/4 Sec 5 (R-5337, 2-1-77)

Relinquish to gas (R-1,886, 1-22-82)

Ext: SW 1/4 Sec. 5 (R-8417, 3-24-87)

County San Juan Pool Beautiful Mountain - Mississippi Gas
 Gas
 Oil

TOWNSHIP 27 North Range 19 West NMPM



Ext: SE 1/4 SW 1/4 Sec 32 (R-6054, 9-1-79) Relinquish to Gas, Ext. 1/25/82

SW 1/4 SW 1/4, SE 1/4 SW 1/4 Sec 32 (R-6886, 1-22-82)

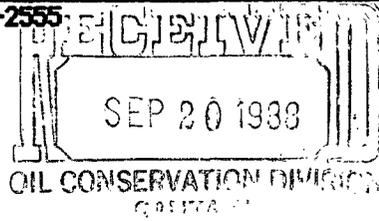
Ext: SW 1/4 Sec. 29, NW 1/4 Sec. 32 (R-7420, 1-9-84)

Ext: NW 1/2 Sec. 29, NE 1/4 Sec. 32 (R-7495, 4-5-84)

A. R. KENDRICK

P. O. BOX 516 • AZTEC, NEW MEXICO 87410 • (505) 334-2555

September 19, 1988



Mr. Michael Stogner
Oil Conservation Division
Room 206
310 Old Santa Fe Trail
Santa Fe, New Mexico 87503

Re: Non-Standard Location Application
S.E.R.H., Inc.
Navajo 5 #3
A-5-T26N-R19W

Dear Michael:

I had an earlier application for an administrative order for another of the wells on one of the leased tracts operated by S.E.R.H., Inc. offsetting acreage upon which the Navajo Tribe is a partner by operating agreement.

I sent a copy of the application to the Navajo Tribal office through the Bureau of Indian Affairs office in Window Rock, Arizona, and asked that a waiver be submitted.

I received a telephone call from a representative of the Navajo Tribe telling me that they did not want to be notified of the technical operations since S.E.R.H., Inc. is the operator for themselves and the tribe.

Therefore, I did not send a copy of the application to the tribal office in this case.

If there are further questions, please contact me.

Yours very truly,

A. R. Kendrick

xc: Mr. Earnest Busch
Oil Conservation Division
1000 Rio Brazos Road
Aztec, New Mexico 87410

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-128
Effective 1-1-65

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

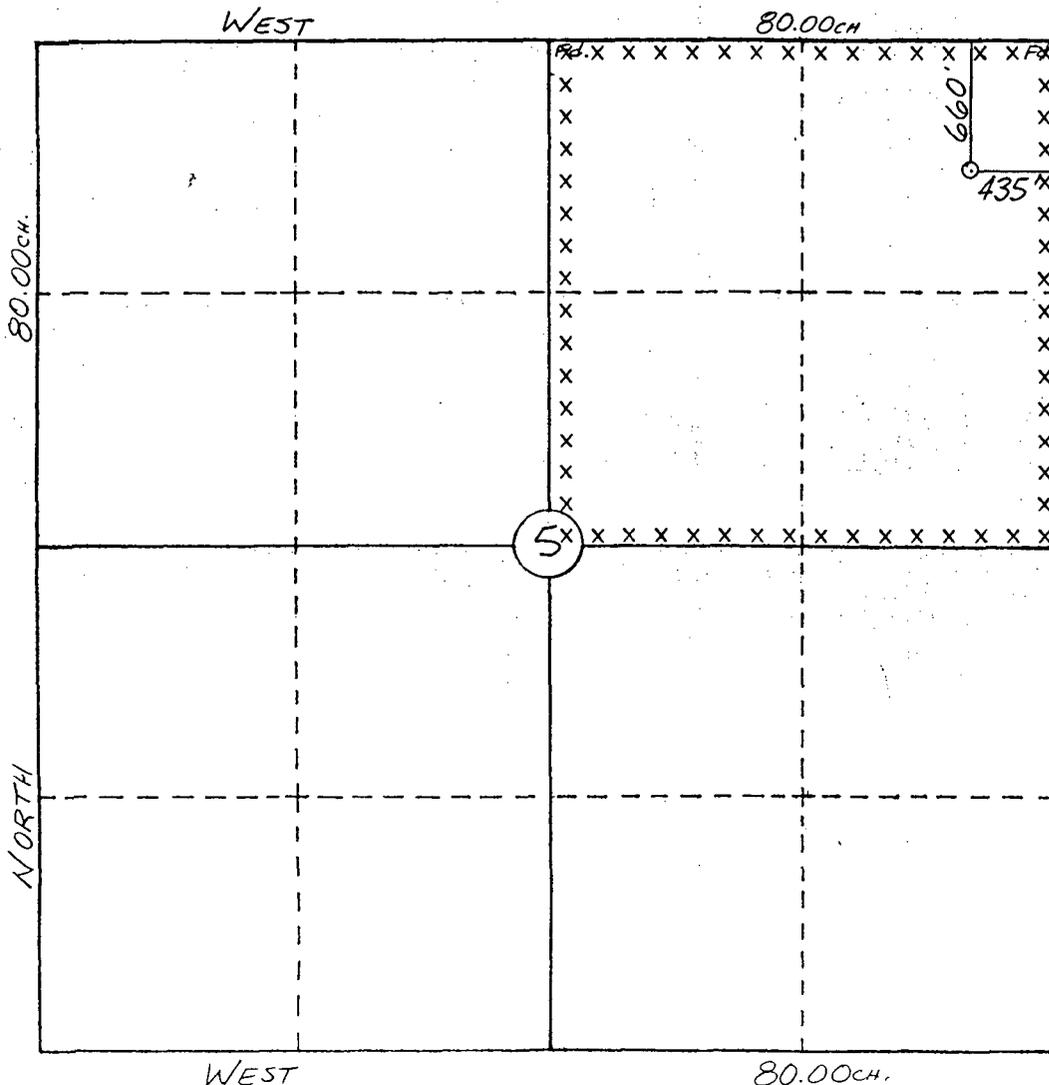
Operator S.E.R.H., INC.		Lease NAVAJO 5		Well No. 3
Unit Letter A	Section 5	Township 26 N	Range 19 W	County SAN JUAN
Actual Footage Location of Well: 660 feet from the North line and 435 feet from the East line				
Ground Level Elev: 5882	Producing Formation Mississippian	Pool Beautiful Mtn-Mississippian	Dedicated Acreage: 160 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the 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 Commission.



CERTIFICATION

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

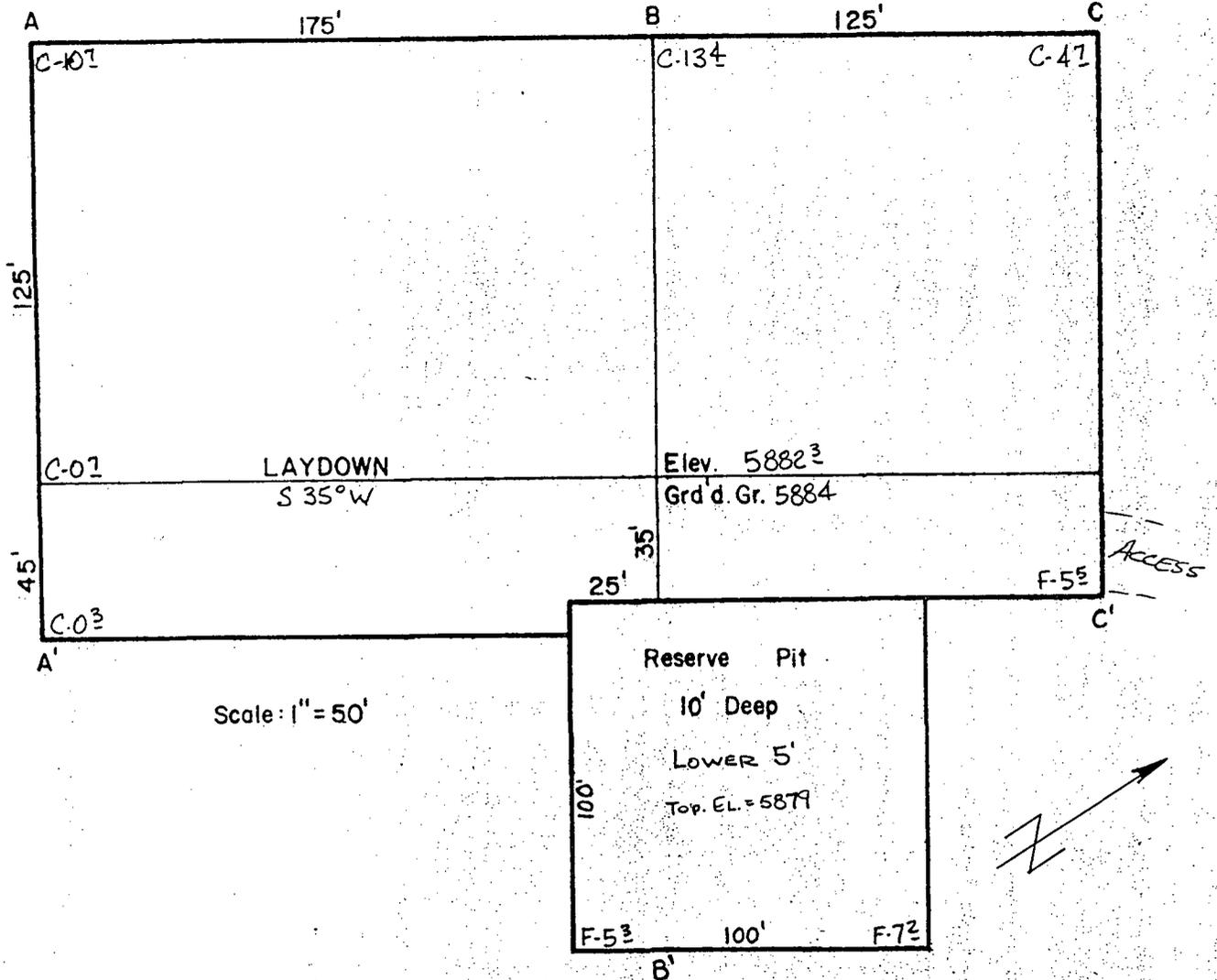
A. R. Kendrick

Name	A. R. Kendrick
Position	Agent
Company	S.E.R.H., Inc.
Date	October 3, 1988

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.

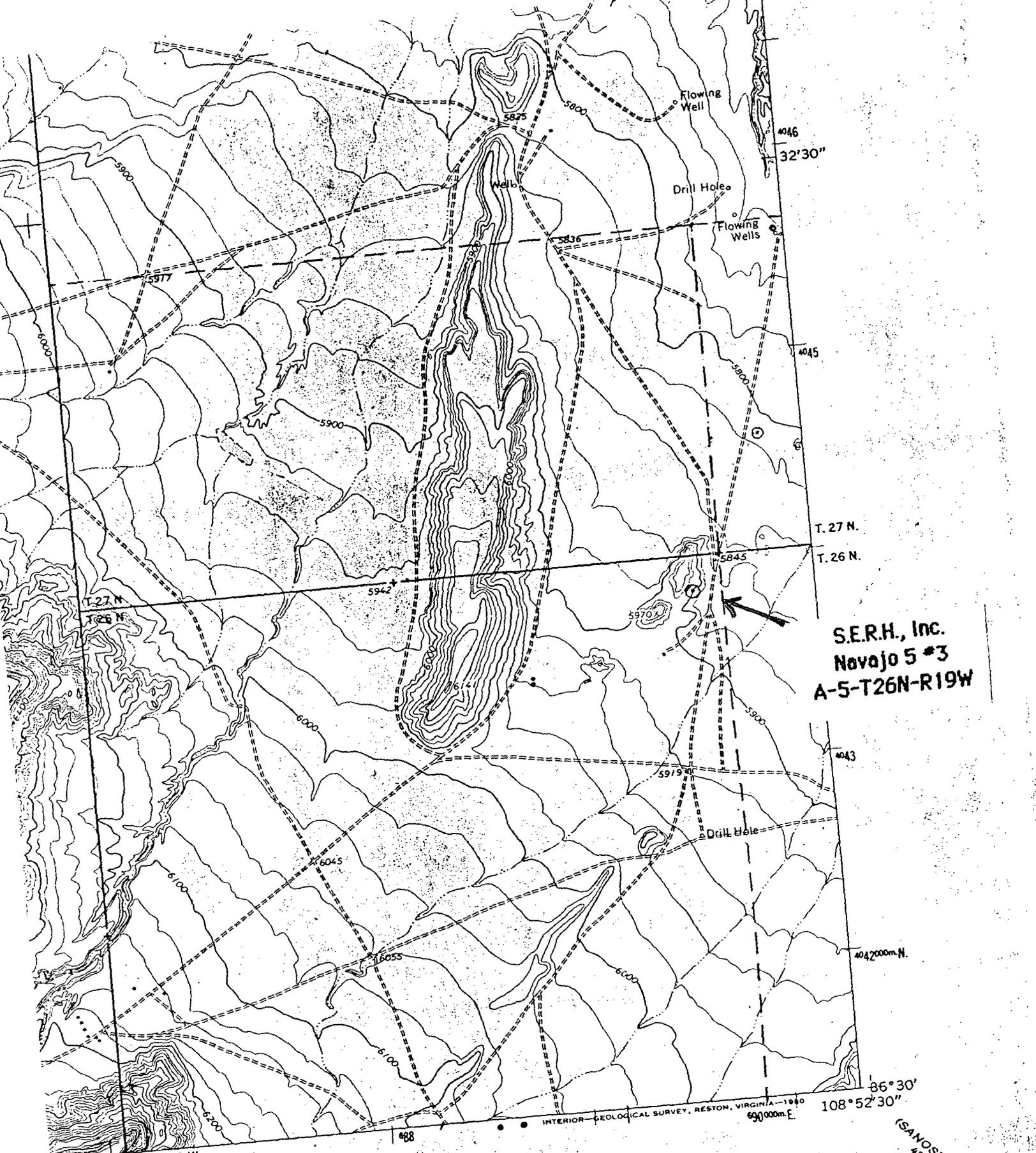
Date Surveyed	10-30-88
Surveyor	WILLIAM E. MAHONEY II
Registered Professional Engineer and/or Land Surveyor	#8466
Certificate No.	5480

S.E.R.H., INC.
 NAVAJO 5-3
 660' FNL & 435' FEL
 Sec. 5, T26N, R19W
 San Juan Co., N.M.



Vert.: 1" = 30' Horiz.: 1" = 100' C/L

Section	Elevation	Profile Description
A-A'	5890	Profile showing a slope from left to right, with a vertical drop of approximately 10 feet over the horizontal distance.
	5880	
B-B'	5890	Profile showing a slope from left to right, with a vertical drop of approximately 10 feet over the horizontal distance. Includes a detailed view of the Reserve Pit.
	5880	
C-C'	5890	Profile showing a slope from left to right, with a vertical drop of approximately 10 feet over the horizontal distance.
	5880	



S.E.R.H., Inc.
 Navajo 5 #3
 A-5-T26N-R19W

R. 20 W. 55' R. 19 W.

1 MILE

ROAD CLASSIFICATION

Light-duty ————— Unimproved dirt - - - - -
 Secondary highway —————



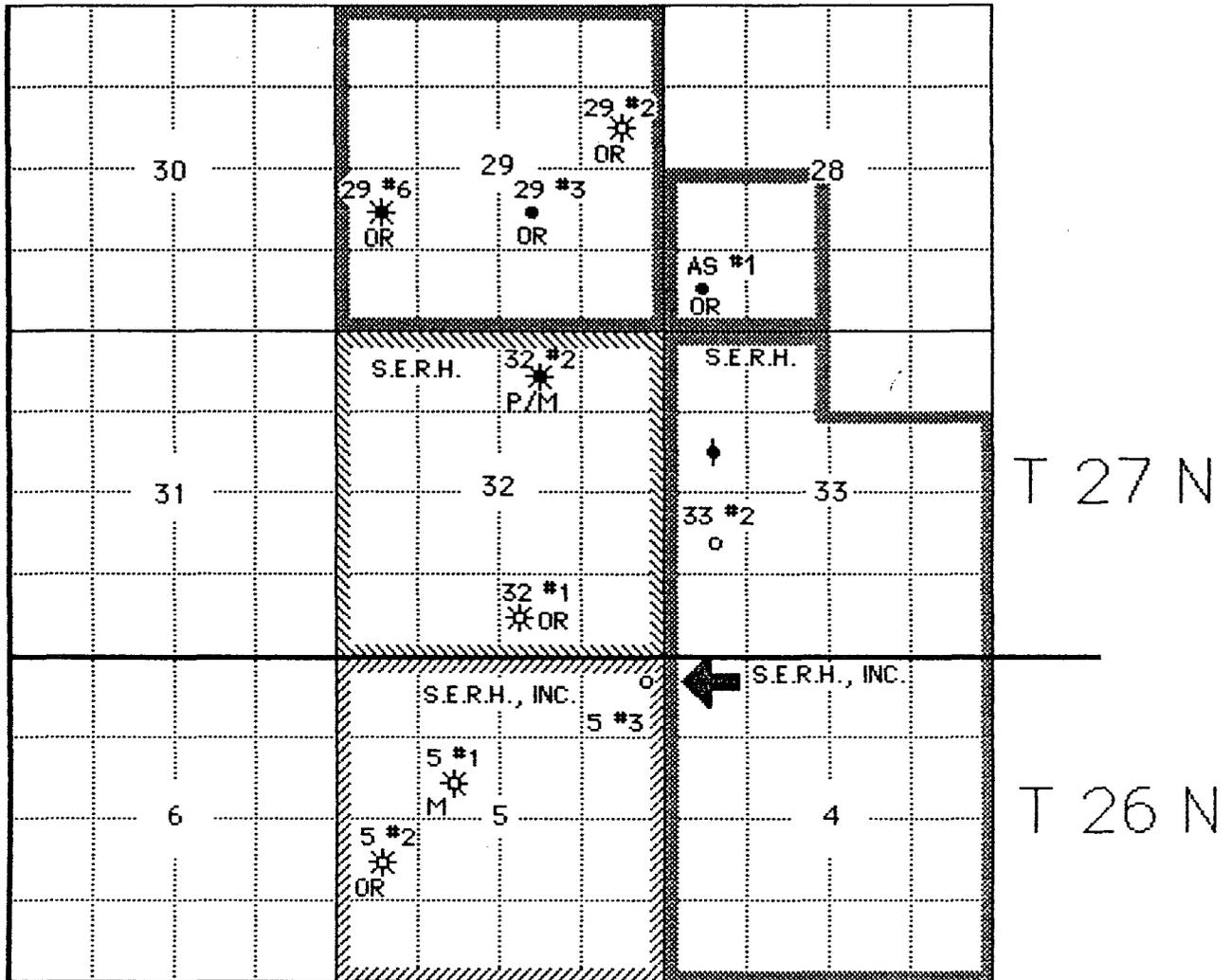
MITTEN ROCK, N. MEX.

(SANDSTEE EAST)
 4256 IV NE

INTERIOR GEOLOGICAL SURVEY, RESTON, VIRGINIA - 1980
 690 000m E

OFFSET OPERATORS

R 19 W



LEGEND:

- = OIL WELL
- * = OIL/GAS WELL
- ☼ = GAS WELL
- OR = ORGAN ROCK
- P = PENNSYLVANIAN OIL WELL
- M = MISSISSIPPIAN GAS WELL

 = LEASE NO. N00-C-14-20-4158

 = LEASE NO. N00-C-14-20-4157

 = OPERATING AGREEMENT W/NAYAJO TRIBE

A. R. KENDRICK

BOX 516 • AZTEC, NEW MEXICO 87410 • (505) 334-2555

October 3 1988

AMENDED

Oil Conservation Division
Room 206
310 Old Santa Fe Trail
Santa Fe, New Mexico 87503

Re: Application for Non-Standard Location

Gentlemen:

Mr. Gary Jameson of the Bureau of Indian Affairs and Mr. Victor Grizzle of the Bureau of Land Management requested that the location be moved from 660' FNL 560' FEL to this new location due to topographical conditions.

Therefore, we respectfully request approval of the non-standard location of the S.E.R.H., Inc. Navajo 5 #3 well to be located **660' FNL 435' FEL** of Section 5, T 26 N, R 19 W, in the Beautiful Mountain- Mississippian Gas Pool.

The acreage shown on the enclosed plat is all on the Navajo Indian Reservation.

S.E.R.H., Inc. operates all offset wells; therefore, no notices are being sent to offset operators.

If further information is needed, please contact me.

Yours very truly,



A. R. Kendrick

Enclosures: Well location plat
Location profile sheet
Topographic map
Offset operator map

xc: Oil Conservation Division, 1000 Rio Brazos Road, Aztec, New Mexico 87410
Bureau of Land Management, 1235 La Plata Highway, Farmington, New Mexico 87401
S.E.R.H., Inc., P.O. Box 312, Otis, Kansas 67565