Form 9-331 C
(May 1963)

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1425.

Amended Location from Fee to Federal

30-045-24305

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

5. LEASE DESIGNATION AND SERIAL NO.: NM-0117074

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

1a. TYPE OF WORK: DRILL [X] DEEPEN [ ] PLUG BACK [ ]

b. TYPE OF WELL: OIL WELL [ ] GAS WELL [X] OTHER — SINGLE ZONE [X] MULTIPLE ZONE [ ]

7. UNIT AGREEMENT NAME:

8. FARM OR LEASE NAME: Mills

2. NAME OF OPERATOR: Consolidated Oil & Gas, Inc.

9. WELL NO.: 1-E

3. ADDRESS OF OPERATOR: 1860 Lincoln Street, Denver, Colorado 80295

10. FIELD AND POOL, OR WILDCAT: Basin Dakota

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 1120' FSL, 1600' FEL
At proposed prod. zone: Same

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Sec. 19, T25N, R9W

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: 2.3 miles SE of Huerfano Trading Post, New Mexico

12. COUNTY OR PARISH: San Juan

13. STATE: New Mexico

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)	16. NO. OF ACRES IN LEASE	17. NO. OF ACRES ASSIGNED TO THIS WELL
1120'	321.40	5/321.40 ~~160~~
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	**19. PROPOSED DEPTH**	**20. ROTARY OR CABLE TOOLS**
2150'	6700'	Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 6705' GR

22. APPROX. DATE WORK WILL START*:

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24 lb.	250'	200 sk.
7-7/8"	5-1/2"	15.5 lb.	6700'	810 sk.

1. Drill 12-1/4" hole to approximately 250'. Run and cement 8-5/8" surface casing to surface.
2. Install BOP. Test casing and BOP to 1000 psi.
3. Drill 7-7/8" hole to approximately 6700' to evaluate the Dakota formation. Run electrical surveys.
4. Run 5-1/2" casing and cement in 3 stages with approximately 810 sk.
5. Perforate and stimulate Dakota formation.
6. Complete well in conformance with applicable rules.

RECEIVED
JUL 21 1980
U. S. GEOLOGICAL SURVEY
FARMINGTON, N. M.

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

RECEIVED
AUG 7 1980
OIL CON. COM.
DIST. 3

This action is subject to administrative appeal pursuant to 30 CFR 290.

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: [signature] TITLE: Division Oper. Engineer DATE: July 17, 1980

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY: Bruce Krantz for DISTRICT ENGINEER TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

ok Bmk

ENERGY AND MINERALS DEPARTMENT

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

Form C-102
Revised 10-1-78

All distances must be from the outer boundaries of the Section

Operator	Lease	Well No.
CONSOLIDATED OIL & GAS, INC.	MILLS	1-E

Unit Letter	Section	Township	Range	County
O	19	25 NORTH	9 WEST	SAN JUAN

Actual Footage Location of Well:
1120 feet from the SOUTH line and 1600 feet from the EAST line

Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage:
6705	Dakota	Basin Dakota	~~160~~ 320 Acres

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

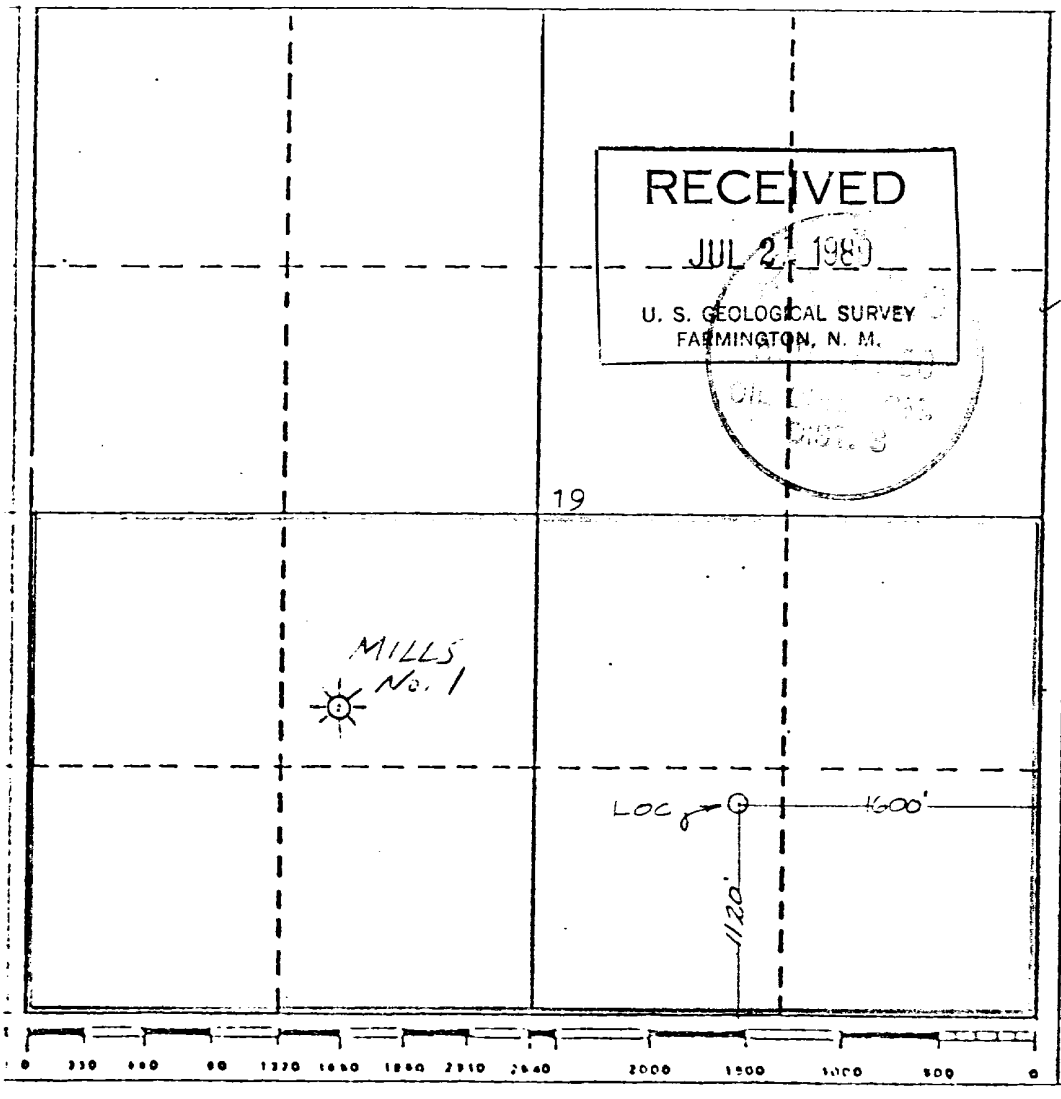
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

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 Division.



CERTIFICATION

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

Name: John E. Wey

Position: Division Operations Engineer

Company: Consolidated Oil & Gas, Inc.

Date: July 17, 1980

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.

REGISTERED PROFESSIONAL ENGINEER AND LAND SURVEYOR
STATE OF NEW MEXICO
NO. 1463
JAMES P. LEESE

Date Surveyed: May 2, 1980

Registered Professional Engineer and/or Land Surveyor: James P. Leese

Certificate No. 1463

DEVELOPMENT PLAN FOR SURFACE USE

MILLS No. 1-E

Consolidated Oil & Gas, Inc. - Operator

SW SE Sec. 19, T25N, R9W

San Juan County, New Mexico

NM 0117074

1. Existing Roads

   See enclosed topographic map (Attachment "A") which shows existing improved and unimproved roads.

2. Planned Access Roads

   See enclosed topographic map (Attachment "A"). A short (2500') access road will be constructed from the existing gas well, Mills No. 1

3. Location of Existing Wells

   See enclosed lease map (Attachment "B").

4. Location of Existing and/or Proposed Facilities

   See enclosed lease map (Attachment "B") showing location of wells and facilities operated by Consolidated Oil & Gas, Inc. If production is encountered, the tank battery and other required producing equipment will be located per attached completion plat (Attachment "C").

5. Location and Type of Water Supply

   Water for drilling will be trucked approximately fifteen miles from an irrigation canal in Aztec, New Mexico or purchased locally, if available, and transported via irrigation pipe.

6. Source of Construction Materials

   No additional construction material will be required.

7. Methods of Handling Waste Disposal

   All waste material will be contained by earthen and steel pits. Earthen pits will be subsequently backfilled and buried. A portable chemical toilet will be furnished for drilling personnel.

8. Ancillary Facilities

No separate drill campsites are proposed.

9. Wellsite Layout

The drilling site location will be graded and will approximate 200' x 250' with natural drainage to the east. Care will be taken while grading to control erosion.

10. Plans for Restoration of Surface

A. Following drilling and completion operations, all equipment and material not needed for operations will be removed. Pits containing fluid will be fenced until filled, with any additional pits filled, and the location cleaned of all trash and junk.

B. After abandonment, any special rehabilitation and/or revegetation requirements (reseed with seed mixture No. 2) will be complied with and accomplished as expeditiously as possible. All pits should be filled and leveled within 90 days after abandonment.

11. Other Information

The location is on a gently rolling plain with easterly drainage. The surface is alluvium of clayey, sandy loam. Vegetation consists of sagebrush, broom snakeweed and blue gamma. No residences or structures are nearby. The surface rights are under jurisdiction of Bureau of Land Management. If, during operations, any historic or prehistoric ruin, monument or site or any object of antiquity is discovered, work will be suspended and the discovery will be reported to the appropriate regulatory agency.

12. Operator's Representative

Consolidated Oil & Gas, Inc.
John E. Wey, Division Operations Engineer
1860 Lincoln Street, Suite 1300
Denver, Colorado 80295
Phone: (303) 861-5252

13. Certification

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Consolidated Oil & Gas, Inc. and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

July 17, 1980
Date

John E. Wey
Division Operations Engineer

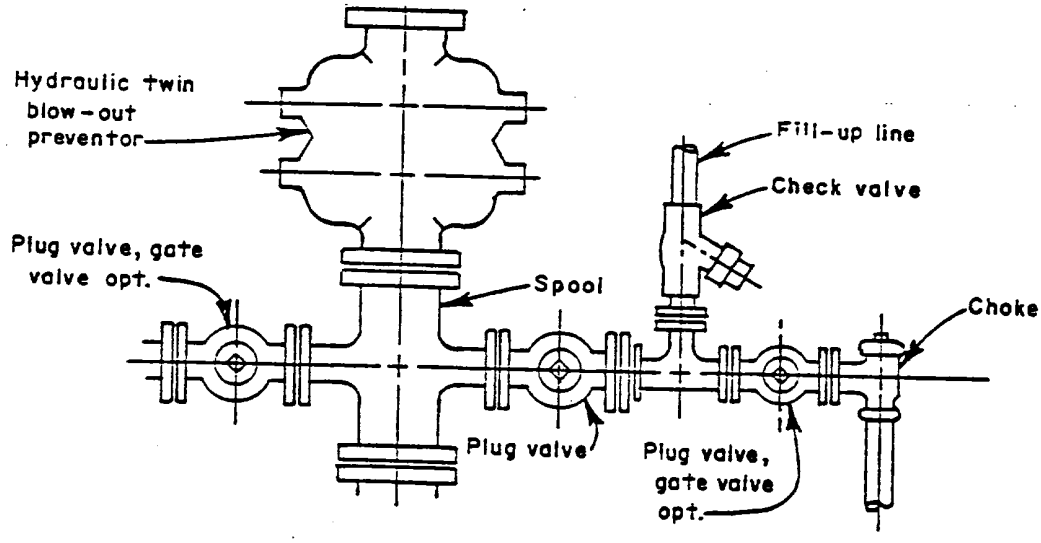
U.S.G.S. APPLICATION FOR PERMIT TO DRILL

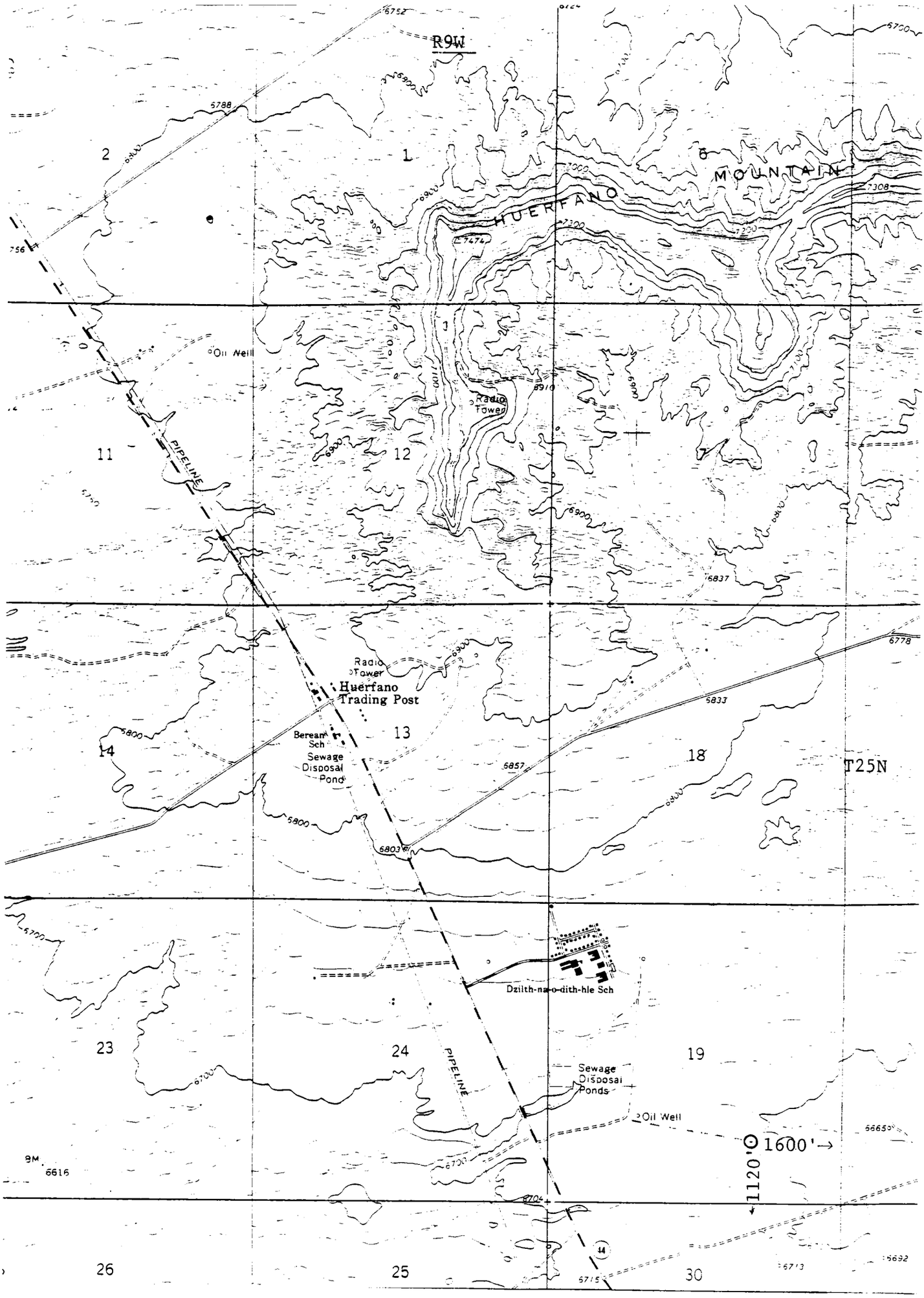
CONSOLIDATED OIL & GAS, INC - OPERATC

Mills No. 1-E
NESWSE Sec. 19, T25N, R9W
San Juan County, New Mexico

DIAGRAM "A"

SCHEMATIC OF BOPE

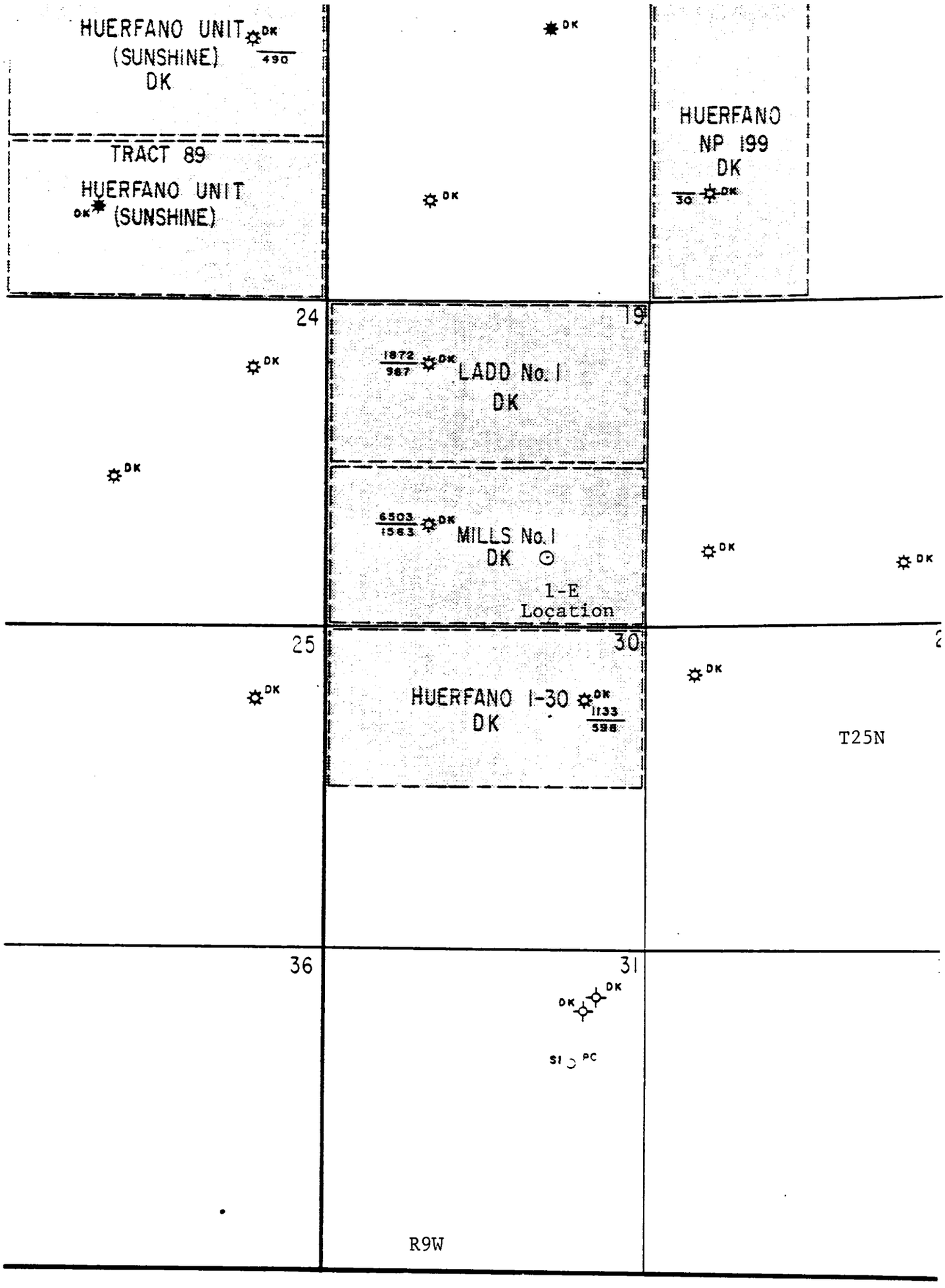




ATTACHMENT "A"

Improved and Unimproved Roads
Consolidated Oil & Gas, Inc.

MILLS No. 1-E
NM 0117074
SWSE Sec. 19, T25N, R9W
San Juan County, New Mexico



ATTACHMENT "B"

Consolidated Oil & Gas, Inc.

MILLS No. 1-E

NM 0117074

SWSE, "O", Sec. 19, T25N, R9W

San Juan County, New Mexico

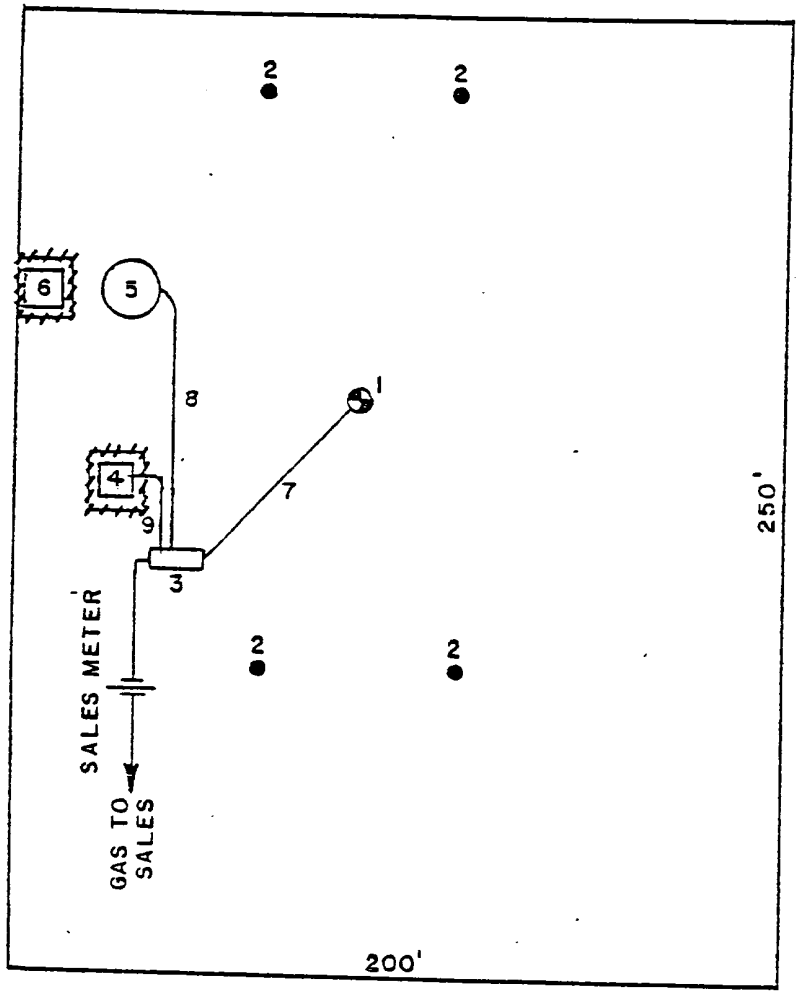
ATTACHMENT "C"

DEVELOPMENT PLAN FOR SURFACE USE

CONSOLIDATED OIL & GAS, INC. - OPERATOR

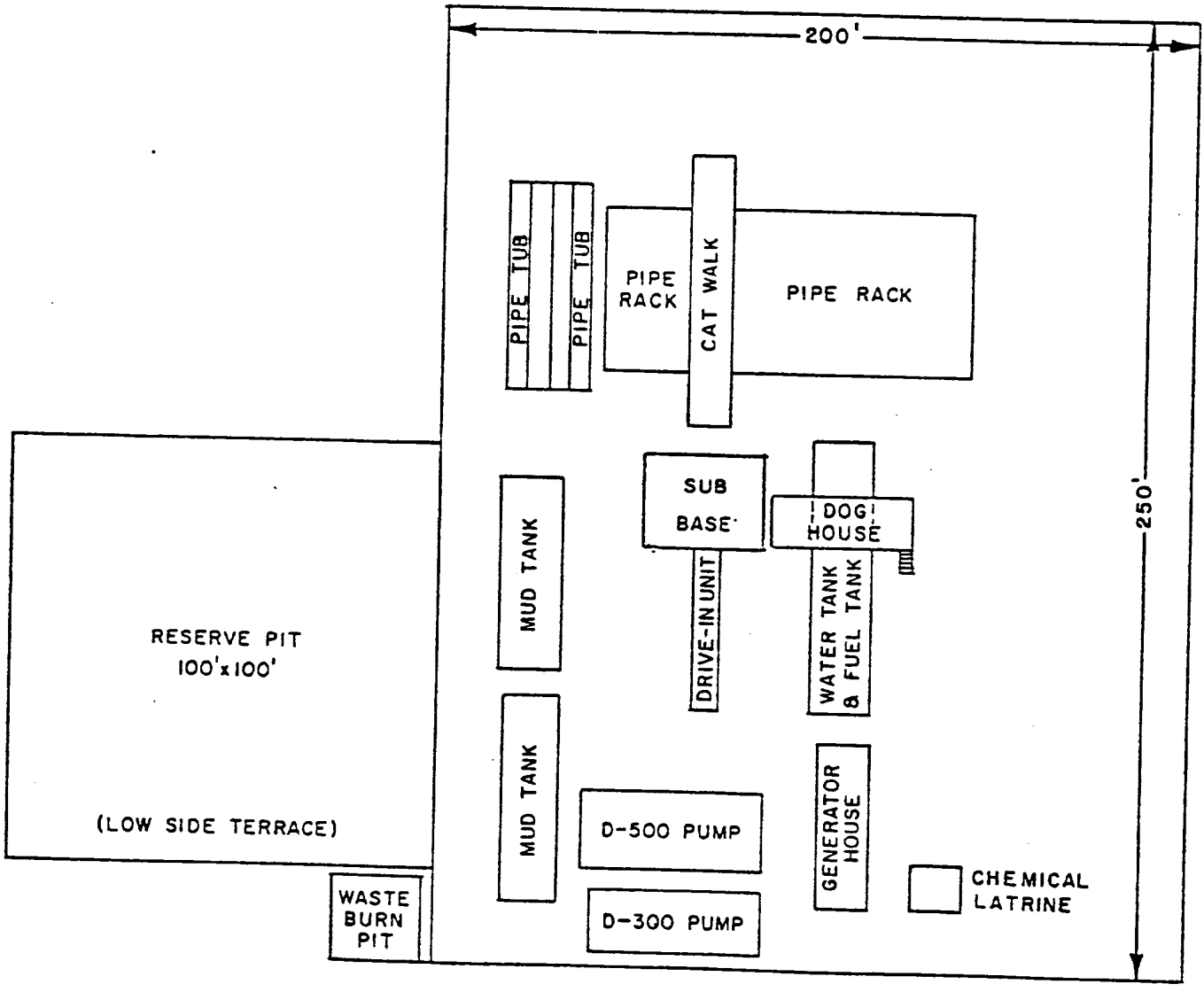
MILLS No. 1-E
NM 0117074
SWSE Sec. 19, T25N, R9W
San Juan County, New Mexico

1. Well
2. Dead Men
3. Prod. Unit
4. Water Pit
5. 300 bbl. Oil Tank
6. Water Pit
7. 2" Buried flow line
8. 1½" Oil Line
9. 1½" Water Line



1" equals 50'

Fence -/////



ATTACHMENT "D"

DEVELOPMENT PLAN FOR SURFACE USE

CONSOLIDATED OIL & GAS, INC. - OPERATOR

MILLS No. 1-E

SWSE Sec. 19, T25N, R9W
San Juan County, New Mexico
NM 0117074

Consolidated Oil & Gas, Inc.

LINCOLN TOWER BUILDING
1860 LINCOLN STREET
DENVER, COLORADO 80295
(303) 861-5252

July 17, 1980

U. S. Geological Survey
P. O. Box 959
Farmington, New Mexico 87401

Re: Application for Permit to Drill
Mills No. 1-E
San Juan County, New Mexico
NM 0117074

Gentlemen:

Following is the information requested in NTL-6 to accompany the permit to drill:

1. Location: 1120' FSL and 1600' FEL, "O", Sec. 19, T25N, R9W
San Juan County, New Mexico

2. Elevation of Unprepared Ground: 6705'

3. Geologic Name of Surface Formation: Nacimiento

4. Type of Drilling Tools: Rotary

5. Proposed Drilling Depth: 6700'

6. Estimated Geologic Markers:

7. Anticipated Gas & Oil

Ojo Alamo		
Pictured Cliffs	1875'	x
Cliff House		
Pt. Lookout	4310'	x
Greenhorn	6230'	x
Dakota	6395'	x

8. Casing Program and Setting Depth:

	Size	Weight	Grade	Condition	Setting Depth
Surface	8-5/8"	24.0#	K-55	New	250'
Production	5-1/2"	15.5#	K-55	New	6700'

9. Casing Setting Depth and Cementing:

Surface casing will be set at 250'. Cement will be circulated to surface with approximately 200 sx. Class "B" neat cement containing 2% $CaCl_2$.

Cementing Prognosis:

Production casing will be run to total depth. Two stage collars will be run in the casing string at approximately 2000' and 4900'. The casing will be cemented in three stages as follows:

1st Stage: 60 sx. 65/35 Pozmix with 12% gel, tailed in with 160 sx. 50/50 Pozmix with 4% gel and 0.5% FLA.

2nd Stage: 120 sx. 65/35 Pozmix with 6% gel, tailed in with 160 sx. 50/50 Pozmix with 4% gel and 0.4% FLA.

3rd Stage: 260 sx. 65/35 Pozmix with 12% gel, tailed in with 50 sx. 50/50 Pozmix with 2% gel and 0.4% FLA. (This volume is calculated to reach the surface.)

Note: Exact volume of cement to be determined after running Caliper log.

10. Pressure Control Equipment: See attached diagram "A".

11. Circulating Media: 0-250' fresh water spud mud; 250'-TD fresh water, low solid mud with following properties:

Viscosity 32-28 sec., water loss 20-6 cc, weight 8.5-9.0 ppg with heavier weights if required by well conditions.

12. Testing, Logging and Coring Programs:

a. Open hole logs will be run prior to running production casing.

b. Coring is not planned.

13. Abnormal Pressure or Temperature and Hydrogen Sulfide Gas:

We do not anticipate abnormal pressure, temperature or hydrogen sulfide gas; however, a remote control blowout preventer as shown on attached diagram "A" will be installed.

14. Anticipated Starting Date: Drilling operations should start 60 days after approval.

15. Other Facets of the Proposed Operations: None

Yours very truly,

CONSOLIDATED OIL & GAS, INC.

John E. Wey
Division Operations Engineer

JEW:lt
Attach.