Energetics, Incorporated FORMATION INFORMATION AND DRILLING PRACTICES

WELL:

Ute 22 No. 11

LOCATION:

640' FNL & 470' FWL Sec 22, T31N, R15W San Juan Co., NM

LEASE NO.:

Moo-C-1420-1721

1) Surface formation.

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2) Estimated tops of important geologic markers.

Point Lookout 759 Mancos 1143 Gallup 2500

3) Hydro carbon, water or mineral bearing formation.

2500' Oil

4) Proposed casing program.

0-100'	8 5/8, 32#, new casing. Cement with 100 sk. class "B" + 2% $CaCl_2$.
0-25001	$5\frac{1}{2}$, 15.5#, new casing. Cement with 230 sk. Halliburton Light. with $6\frac{1}{4}$ lb. Gilsonite/sk. followed by 100 sk. Class "B" + 2% CaCl ₂ with $6\frac{1}{4}$ lb. Gilsonite/sk.
2500 – 2700'	Open hole (drill with Cable Tool)

5) Specifications for pressure control equipment.

The attached schematic shows the type of blow out preventer to be used while drilling. The unit will be tested to 200 psi as soon as possible after its installation on the surface pipe. Testing will be done with the rig pump. This is a manual type preventer, and its operation will be manually checked when practical.

6) Drilling fluids.

Depth	Type	Viscosity	Weight	Fluid loss
0-100 100-2500 2500-2700		35 - 55 30 - 40	8.9 - 9.2 8.6 - 9.5	N/C 10

7) Auxiliary equipment.

- a. bit float
- b. full opening valve for stabbing in drill pipe when the kelly is not in use.

8) Logging - Coring - Drill Stem Testing.

Logging: Induction Electric Log, Formation Compensated Density, Gamma Ray, Caliper

Coring: None

Drill Stem Testing: None

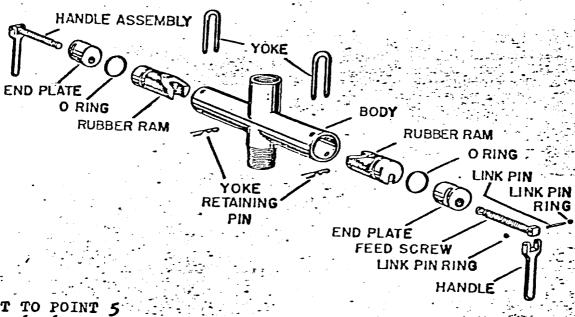
9) Abnormal temperatures, pressures, or hazardous conditions.

None expected.

10) Starting Date.

Anticipated starting date is January 14, 1979. Approximately 15 days will be needed to build roads and location and drill the well to total depth. If commercial, completion will commence immediately and require approximately seven days to complete.

BLOWOUT PREVENTERS .



ATTACHMENT TO POINT 5
API SERIES 6" 600

Energetics, Incorporated
Surface Development Plan

WELL:

Ute 22 #11

LOCATION:

640' FNL & 470' FWL Sec 14, T31N, R15W San Juan Co., NM

LEASE NO.:

Moo-C-1420-1721

1) Existing roads. (Shown in green.)

The attached topographic map shows all existing roads within one mile of the proposed location. Access will be made to an existing road 200 feet north of the location.

Some existing roads are in poor condition and will have to be upgraded to handle normal drilling activity traffic.

2) Planned access road. (Shown in red.)

The planned access road will be approximately 200' long and 20' wide. Maximum grade will be 5%. No turnouts or culverts will be required. Water bars will be used to aid drainage and prevent erosion. No surfacing material will be required. No gates, cattle guard, or fences will be crossed. No cuts or fills should be required.

3) Location of existing wells.

All wells (water, abandoned, disposal, and drilling) are shown and so labeled on the attached section layout.

4) Location of tank batteries, production facilities and production, gathering and service lines.

All production facilities are to be contained within the proposed location. Energetics does not own or control any such facilities in the area.

5) Location and type of water supply.

Water for drilling will be trucked from the San Juan River located 15 miles southeast of location. This water is not on federal land.

6) Source of construction material.

Any construction material required for road or location will be excess material accumulated during building of such sites.

7) Methods of handling waste disposal.

(Refer to attached well site layout.)
All burnable material will be burned in the trash pit when conditions permit. All nonburnable material (drilling fluids, cuttings, chemicals, etc.) will be held in the reserve pit and buried when dry. Any oil produced while drilling will be trucked from the location prior to leaving the pit to dry. Pits will be fenced during dryout time, then completely back filled with dirt prior to preparing the location for production or abandonment.

8) Ancillary facilities.

No ancillary facilities are planned.

9) Well site lay out.

The attached lay out shows the drilling rig with all facilities. Cut and fill required is also indicated.

10) Plans for restoration of surface.

Restoration of well site and access road will begin within 90 days of well completion, weather permitting.

Should the well be abandoned, the drilling site will be reshaped to its approximate former contour. The access road will be plowed and leveled. Both site and road will have top soil replaced and will be reseeded when germination can occur.

Should the well be commercial, that portion of the location, not needed for operation, will be repaired as above. The portion needed for daily production operations, and the access road, will be maintained in good repair.

In either case, clean up of the site will include buring any safely burnable material, filling of all pits, carrying away of all nonburnable material and chemicals that can not be buried. Any oil that has accumulated on the pits will be trucked away.

11) OTHER INFORMATION.

General topography of the area may be seen on the attached map.

The drilling site is flat and is covered with sage brush and other native grasses. There are no creeks, rivers or ponds in the area. The soil is sandy loam. Small animals and sheep inhabit the area.

The surface is administered by the Bureau of Indian Affairs, and belongs to the Ute Mountain Tribe.

There are no occupied dwellings in the area.

There are no archaeological or cultural sites visible on the location. The archaeologist report is forthcoming.

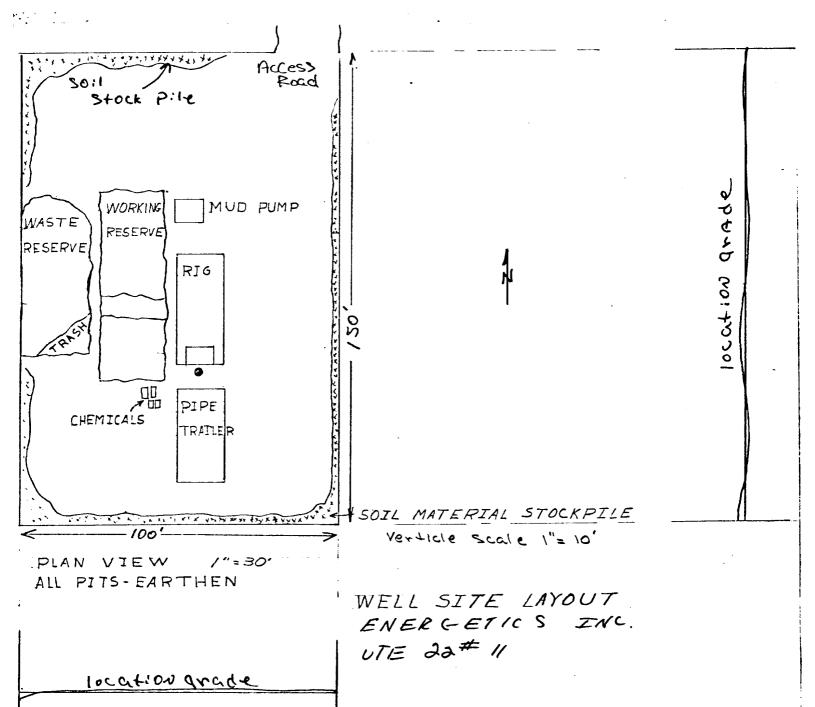
12)

John Alexander
3E Company, Inc.
P.O. Box 190
Farmington, NM 87401
Phone: 505-327-4020

13) I hereby certify that I or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in the 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 Energetics, Incorporated and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

October 6, 1978

John Alexander



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