

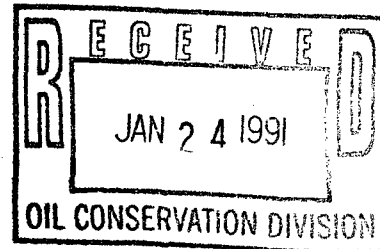
Bonneville Fuels Corporation
A Subsidiary of Bonneville Pacific Corporation

January 23, 1991

Overnight Mail

Mr. Michael Stogner
New Mexico Oil Conservation Division
State Land Office Building
310 Santa Fe Trail
Santa Fe, NM 87501

Re: Scott E. Federal #23-42 Well
1620' FNL, 330' FEL
SE/4NE/4 Sec. 23, T27N-R11W
San Juan County, New Mexico



Gentlemen:

Bonneville Fuels Corporation hereby respectfully requests administrative approval for the captioned non-standard gas well location in the Pictured Cliffs Pool. This request is submitted in triplicate and is due to the extreme nature of the topography and the fragile soil conditions found within the legal well location windows according to New Mexico Oil Conservation Division Rules.

To address each requirement regarding the "Submittal Guidelines for Administrative Approvals of Non-Standard Location Applications", (copy enclosed), Bonneville submits herewith the following for your approval of the subject non-standard location:

- I. The well is located on BLM surface. Copy of Application for Permit to Drill package enclosed.
- II. C-102 enclosed.
- III. A. Land Plat enclosed.
B. Certification enclosed.
- IV. A&B. Shown on enclosed topo map.
C. There are no wells within the subject proration unit (NE/4 Section 23). The closest pad is approximately 2350' away and with a projected 2000' TD, the use of such a pad is impractical.
- V. Enlarged topo map enclosed.
A. Badlands type topography within area which encompasses all orthodox windows. The terrain is very steep with unstable clay and sandy soils.

Mr. Michael Stogner
January 23, 1991
Page 2

- B. Proposed well location allows for the optimum access road and pipeline hookup within the proration unit, as shown on the topo map.
- C. N/A
- D. N/A
- E. Rough terrain as per V.A.

VI. N/A

VII. See V.A. above and also because all orthodox windows within proration unit have been rejected by the BLM Farmington Resource Area.

VIII. In order to reach a legal location, the well would have a bottom hole location approximately 200' to the west. The additional drilling costs would render this well economically unfeasible.

IX. Copy of affidavit enclosed. No offset owner/operator notification required.

If you have any questions or require anything further, please contact the undersigned at (303) 863-1555. Processing of this request at your earliest convenience would be sincerely appreciated.

Very truly yours,

BONNEVILLE FUELS CORPORATION



L. D. Lillo
Senior Landman

LDL/ds
cc/Oil Conservation Division
1000 Rio Brazos Road
Aztec, NM 87410
Attn: Mr. Ernie Bush

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE
(Other instructions on reverse side)

Budget Bureau No. 1004-0135
Expires August 31, 1985

5. LEASE DESIGNATION AND SERIAL NO.
SF-078089

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—" for such proposals.)

1. OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. NAME OF OPERATOR Bonneville Fuels Corporation		7. UNIT AGREEMENT NAME
3. ADDRESS OF OPERATOR 1600 Broadway, Suite 1110, Denver, CO 80202		8. FARM OR LEASE NAME Scott 'E' Federal
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface 1620' FNL, 330' FEL		9. WELL NO. 23-42
14. PERMIT NO.		10. FIELD AND POOL, OR WILDCAT Pictured Cliffs
15. ELEVATIONS (Show whether DF, RT, OR, etc.) 6136' GR		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 23 T27N R11W
		12. COUNTY OR PARISH San Juan
		13. STATE NM

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

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF
FRACTURE TREAT
SHOOT OR ACIDIZE
REPAIR WELL
(Other)

PULL OR ALTER CASING
MULTIPLE COMPLETE
ABANDON*
CHANGE PLANS

X

SUBSEQUENT REPORT OF:

WATER SHUT-OFF
FRACTURE TREATMENT
SHOOTING OR ACIDIZING
(Other)

REPAIRING WELL
ALTERING CASING
ABANDONMENT*

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.) *

The previous APD for the Scott 'E' Fed #23-31 located 860' FNL & 1450' FEL Sec. 23, T27N-R11W is being replaced with the Scott 'E' Fed #23-42 located as above. With the exception of the enclosed survey plat with location attachments all depths, casing program, Mud etc. will remain the same as the Scott 'E' Fed #23-31 APD.

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

SIGNED

[Signature]

TITLE Operations Supervisor

DATE

1/22/91

(This space for Federal or State office use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side

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

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

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

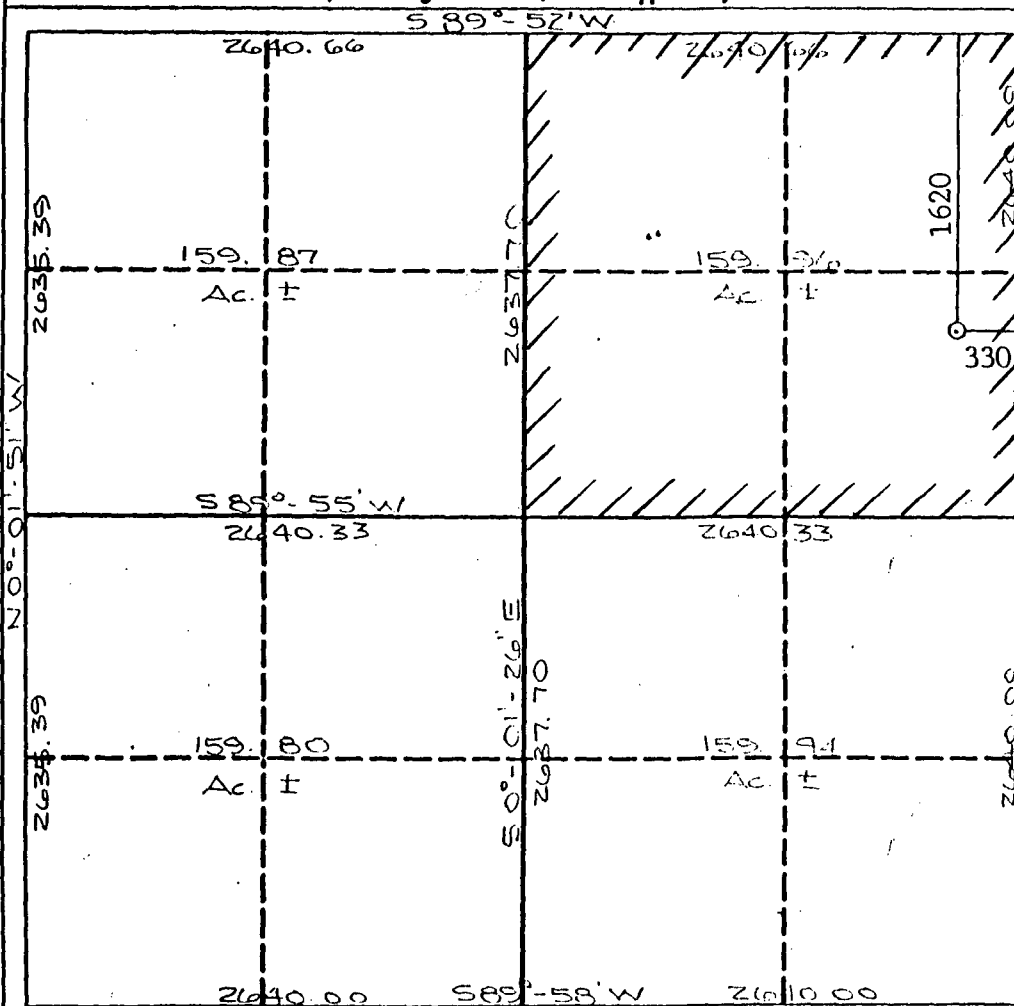
All Distances must be from the outer boundaries of the section

Operator BONNEVILLE FUELS CORP.			Lease SCOTT "E" FEDERAL		Well No. 23-42
Unit Letter H	Section 23	Township 27N	Range 11W	County San Juan	

Actual Footage Location of Well:

1620 feet from the North line and		330 feet from the East line	
Ground level Elev. 6136	Producing Formation Pictured Cliffs	Pool West Kutz Pictured Cliffs	Dedicated Acreage: NE/4 160 Acres

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below. *JHM - E. B. 1-31-91*
- 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 communization, unitization, force-pooling, etc.?
☐ Yes ☐ No If answer is "yes" type of consolidation _____
If answer is "no", list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary).
No allowable will be assigned to the well until all interests have been consolidated (by communization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature

Printed Name

Gerald D. Gentry

Position

Operations Supervisor

Company

Bonneville Fuels Corporation

Date

January 22, 1991

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

January 16, 1991

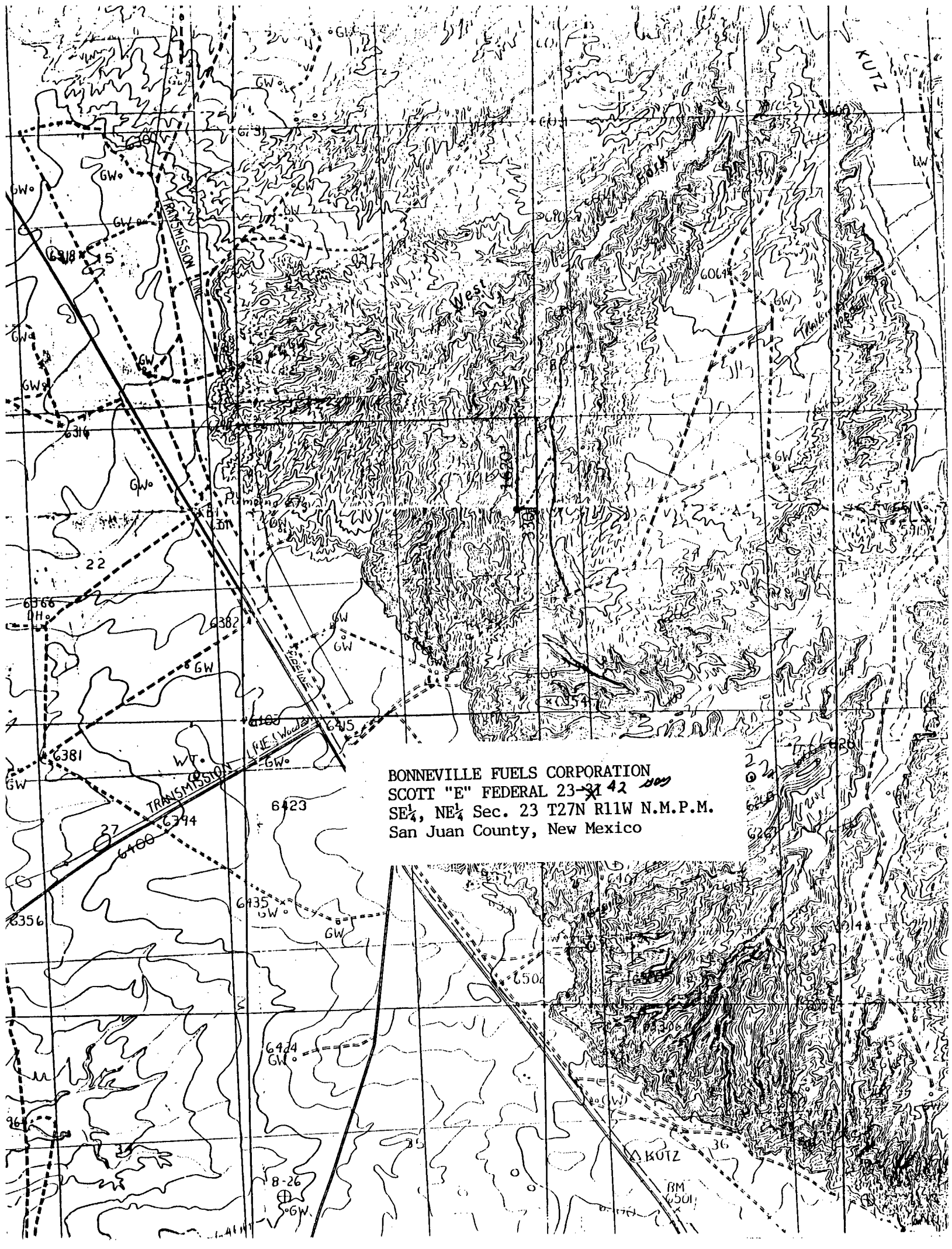
Signature

Professional Surveyor

Cecil B. Tullis

Certificate No.

9672



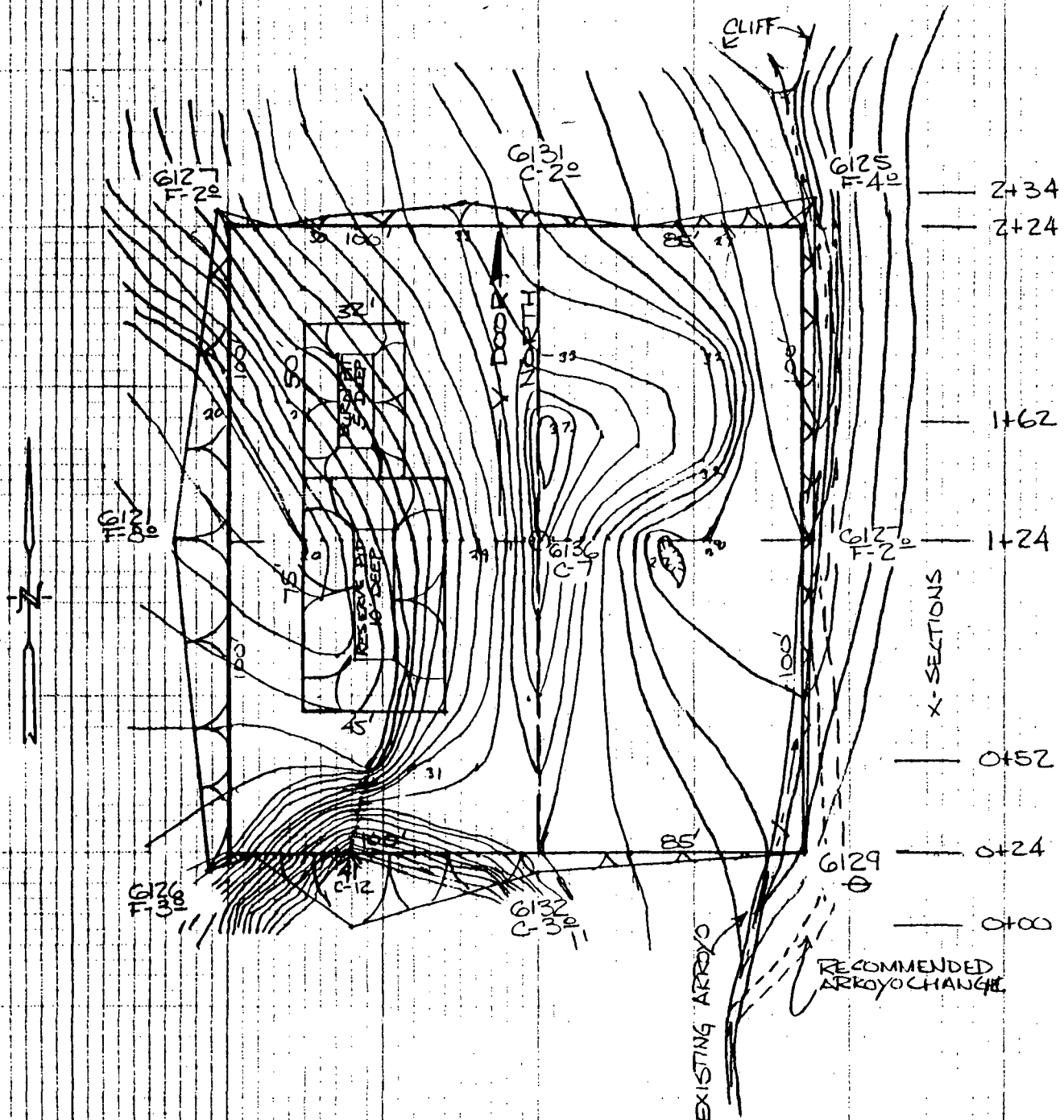
BONNEVILLE FUELS CORPORATION
SCOTT "E" FEDERAL 23-~~21~~ 42 *200*
SE $\frac{1}{4}$, NE $\frac{1}{4}$ Sec. 23 T27N R11W N.M.P.M.
San Juan County, New Mexico

SCALE: 1" = 50'

BONNEVILLE FUELS CORPORATION

Contour Interval = 1'

SCOTT "E" FEDERAL #23-⁴²~~31~~ NW
1620 F/NL & 330 F/EL
Sec. 23 T27N R11W N.M.P.M.
San Juan County, New Mexico



SITE TOPOGRAPHY AND PAD LAYOUT

NOTE: FINISHED PAD ELEVATION = 6129

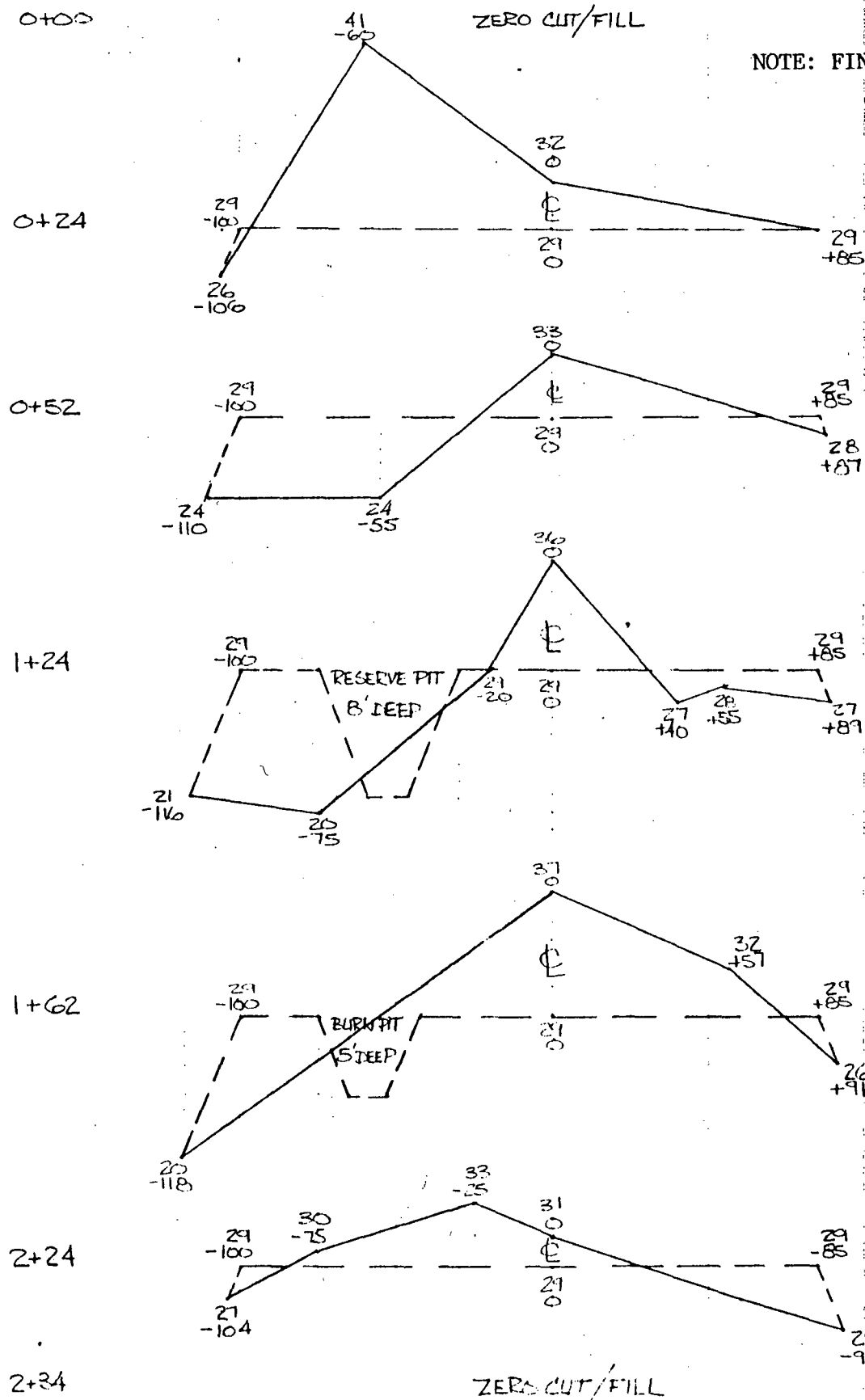
0 25 50 100

BONNEVILLE FUELS CORPORATION

SCALE: Horz. 1" = 50'
Vert. 1" = 10'

SCOTT "E" FEDERAL #23-⁴²~~21~~

NOTE: FINISHED PAD ELEV. 6129



X-SECTIONS AND VOLUMES

CUT.....2,834 CU. YDS.
FILL.....2,439 CU. YDS.
PIT EXCAVATION.....670 CU. YDS.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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"/>			5. LEASE DESIGNATION AND SERIAL NO. SF- 078079	
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			6. IF INDIAN, ALLOTTED OR TRIBE NAME N/A	
2. NAME OF OPERATOR Bonneville Fuels Corporation			7. UNIT AGREEMENT NAME N/A	
3. ADDRESS OF OPERATOR 1600 Broadway, Suite 1110, Denver, CO 80202			8. FARM OR LEASE NAME Scott 'E' Federal	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 860'FNL & 1450'FEL At proposed prod. zone same			9. WELL NO. 23-31	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 10 miles south of Bloomfield, New Mexico			10. FIELD AND POOL, OR WILDCAT Basin Fruitland	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 4420			11. SEC., T., R., N., OR BLK. AND SURVEY OR AREA Sec. 23, T27N-R11W	
16. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. ± 2350			12. COUNTY OR PARISH San Juan	
17. NO. OF ACRES IN LEASE 2560			13. STATE New Mexico	
18. PROPOSED DEPTH 2000			19. ROTARY OR CABLE TOOLS Rotary	
20. ELEVATIONS (Show whether DF, RT, GR, etc.) 6084 GR			21. APPROX. DATE WORK WILL START* October 1, 1990	

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#	+ 300'	250 sx (Circ to surf)
7 7/8	4 1/2	11.60#	+ 2000	500 sx (Circ to surf)

Exhibits Attached:

Exhibit 8 Production Facility Layout

Ten Point Compliance Program

Surface Use & Operation Plan

Exhibit 1 Blowout Preventer

- " 2 Location & Elevation
- " 3 Vicinity Map
- " 4 One Mile Radius Map
- " 5 Topography & Pad Layout
- " 6 Cross Sections & Volumes
- " 7 Rig Layout

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.

SIGNED Donald D. Stutz TITLE Operations Supervisor DATE 8/2/90

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

TEN POINT COMPLIANCE PLAN

Attached to Form 9-331C
Bonneville Fuels Corporation
Scott 'E' Federal #23-31
860' FNL & 1450' FEL Sec. 23, T27N-R11W
San Juan County, New Mexico

1. GEOLOGIC NAME OF SURFACE FORMATION:

The surface formation at all locations is the Nacimient Formation.

2. ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS:

Ojo Alamo 665'
Kirtland 780'

3. ESTIMATED DEPTHS OF ANTICIPATED WATER, OIL, GAS OR MINERALS:

Ojo Alamo 665' (Water)
Fruitland 1453' (Gas)
Pictured Cliffs 1755' (Gas)

4. CASING PROGRAM:

<u>Hole</u> <u>Size</u>	<u>Depth</u>	<u>Casing</u> <u>OD</u>	<u>Weight, Grade</u> <u>Joint, Condition</u>	<u>Cement</u>
12 1/4	300'	8 5/8	24#, J-55, New or used (inspected)	250 sx
7 7/8	2000'	4 1/2	11.60#, J-55, New or used (inspected)	500 sx

5. MINIMUM SPECS FOR PRESSURE CONTROL:

Reference is made to Exhibit 1 showing the blowout preventer stack and choke manifold.

The BOP equipment will be a class III system consisting of a double gate hydraulic type with 3,000 psi minimum working pressure, equipped with a set of blind rams, 4 1/2" drill pipe rams and annular preventer. A 2" choke manifold with pressure rating equivalent to the BOP stack will be connected to the spool below the pipe rams, along with a 2" kill line.

The BOP and choke manifold will be nipped up on the surface casing and hydraulically tested for thirty minutes prior to drilling out cement, and after any use under pressure. Pipe rams will be operationally checked each 24 hour period, and the blind rams operationally checked each time pipe is pulled from the hole. These checks will be noted on the daily drilling report.

Prior to drilling out surface casing will be tested with rig pump to 70% of the internal yield of the surface casing. Pipe rams will be tested with drill pipe in hole, prior to drilling cement plug with rig pump to 1000 psi.

6. PROPOSED DRILLING FLUIDS:

A Freshwater gel Mud System with solids control equipment will be run with mud properties as follows:

<u>TYPE</u>	<u>MUD WEIGHT #/GEL</u>	<u>VISCOSITY</u>	<u>WATER LOSS</u>
FGM	8.5 - 9.0 (or as req'd.)	28-40 sec./qt.	8-20 cc

7. AUXILIARY WELL CONTROL AND MONITORING EQUIPMENT:

- A. A kelly cock will be used in the drillstring.
- B. A bit float will be used if severe lost circulation conditions exist.
- C. A stabbing valve will be available on the rig floor for immediate use when the kelly is not in the drillstring.

8. LOGGING, TESTING, AND CORING PROGRAM:

- A. The logging program will consist of GR/SP Dual Induction Spectral Density-Neutron log and GR/Caliper/Microlog from casing to total depth.
- B. No cores are planned.
- C. No drillstem tests are planned.

9. ABNORMAL CONDITIONS - PRESSURE - TEMPERATURE - POTENTIAL HAZARDS:

Normal pressures and temperatures are expected in the objective formation.

10. ANTICIPATED STARTING DATE AND DURATION OF OPERATIONS:

Road and location work will begin as soon as all approval has been granted by BLM. The anticipated spud date is October 1, 1990, subject to rig availability. Once commenced, drilling operations should be finished within 5 days. If the well is productive, an additional 5 days will be required for completion.

SURFACE USE AND OPERATING PLAN

Attached to Form 9-331C
Bonneville Fuels Corporation
Scott 'E' Federal #23-31
860' FNL & 1450' FEL, Sec. 23, T27N-R11W
San Juan County, New Mexico

1. EXISTING ROADS:

- A. The proposed well site and elevation plats are attached.
- B. To reach the wellsite, proceed from Broomfield, New Mexico south on Hwy. #44 approximately 10 miles to GCNM West Kutz Compressor Station access road. Turn left and proceed 200 yards, turn right (SE) and proceed approximately 1/4 mile. Turn left and proceed approximately 1/4 mile to centerline flagging on the right.
- C. All roads to the location are shown in Exhibit #3 & #4. The existing roads described above are adequate for travel during the drilling and production activities.
- D. Not applicable.
- E. Existing roads, within a one-mile radius are shown on Exhibit #3.
- F. Existing roads are State of New Mexico and BLM controlled roads.

2. PLANNED ACCESS ROADS:

For the drilling and completion of the well approximately 2500' of new access road will be constructed as follows:

- A. The maximum width of the running surface of the proposed access road will be 14'. The road will be crowned and ditched. Ditches will be at a 3:1 slope and 2 feet wide. Water will be diverted, where possible to avoid ponding and maintain good drainage.
- B. The average grade will be 5% or less.
- C. No turnouts are planned.
- D. The drainage design will be consistent with local drainage patterns. Crown and ditching specified in #2A.
- E. One low water crossings will be needed.
- F. Surfacing material will consist of native surface soil.

If this is not sufficient, additional required material will be purchased from the dirt contractor.

- G. Gates, cattle guards or fence cuts will be done as appropriate, however, none should be required.
- H. The proposed access road as shown in Exhibit #3 has been centerline flagged by High Country Surveys of Farmington, New Mexico. Access road to be constructed is on federal surface.

3. LOCATION OF EXISTING WELLS:

For all existing wells within a one-mile radius of this well, see Exhibit #4.

- A. There are no water wells within a one-mile radius.
- B. There are two abandoned wells within a one-mile radius.
- C. There are no temporarily abandoned wells within a one-mile radius.
- D. There are no disposal wells within a one-mile radius.
- E. There are no wells presently being drilled within a one-mile radius. There are eight proposed staked wells within a one-mile radius.
- F. There are eleven producing wells within a one-mile radius.
- G. There are no shut-in wells within a one-mile radius.
- H. There are no injection wells within a one-mile radius.
- I. There are no monitoring or observation wells within a one-mile radius.

4. LOCATION OF EXISTING WELLS AND/OR PROPOSED FACILITIES:

- A. Owned or controlled by Lessee/Operator within 1 mile of Proposed Well:

- (1) Tank Batteries: Seven
- (2) Production Facilities: Seven
- (3) Oil Gathering Lines: none
- (4) Gas Gathering Lines: none
- (5) Injection Lines: none

B. If the well is productive, contemplated facilities will be as follows:

(1) Production facilities will be located on solid ground of the cut area of drill pad. All facilities will be contained on the well pad.

(2) Refer to Exhibit #8 for the production facility schematic.

(3) Dependent upon flow test results, a gas separator, 210 barrel tank and meter house may be required. All flowlines and piping will be installed according to API specifications. Construction material will consist of surface soil. No additional material from outside sources are anticipated.

C. Rehabilitation Plans:

The plans for rehabilitation of the disturbed area no longer needed for operations after drilling and construction are completed are as follows:

1. The reserve pit will be backfilled after the contents of the pit are dry.

2. The area of the drill site not needed for production facilities will be recontoured to the natural contour as nearly as possible and revegetated/reseeded by the contour method. Seed specifications to be determined by BLM.

D. In the event that production is established, plans for gas gathering lines will be submitted to appropriate governmental agencies for approval.

5. LOCATION AND TYPE OF WATER SUPPLY:

A. Water will be purchased from a well located at the Hilltop Store on Hwy. #44 (Sec. 26, T27N-R11W).

B. Water will be hauled by tank truck to the drilling site as needed.

C. No water well will be drilled on or near this well location.

6. SOURCE OF CONSTRUCTION MATERIALS:

- A. No construction materials are anticipated to be needed for drilling the wells or constructing the access roads into the locations. Native soil will be utilized for the drilling sites and access roads. If necessary, the surface materials (rock, gravel, etc.) will be purchased from the dirt contractor.
- B. Native construction materials only may be taken from Federal lands.
- C. Native surface soil materials for construction of access roads are anticipated to be sufficient.
- D. Exhibits #3 and #4 shows access roads. Federal Land is involved.

7. METHODS OF HANDLING WASTE DISPOSAL:

- A. Cuttings not retained for evaluation purposes will be exhausted into the reserve pit (see Exhibit #5 & #6 for location).
- B. Drilling fluids will be contained in steel mud tanks. The reserve pits will contain any excess flow from the well during drilling, cementing, and completion operations. The reserve pit will be an earthen pit, approximately 75' x 45' x 8'.
- C. Produced water if any, will be disposed into a reserve pit or a tank (depending on the rates). Produced oil, although not anticipated, will be collected in tanks or disposed into the reserve pit, depending on the volume and frequency of occurrence. If the volume of oil is sufficient during drilling, it will be trucked from the location. Water will be disposed of in the reserve pit.
- D. A portable chemical toilet will be provided on the location for human waste.
- E. Garbage and trash produced during drilling or testing will be handled in a trash cage. This garbage will be hauled to an approved disposal site after drilling is completed. Water and tailings will be disposed into the reserve pit. No toxic waste/chemicals will be produced by these proposed operations. If a trash cage is not available, a trash/burn pit will be constructed and fenced with woven wire.

- F. After the rig moves out, all materials will be cleaned up and no adverse materials will be left on location. Any dangerous open pit will be fenced during drilling and kept closed until the pit has dried. All pits will be filled and the well site will be leveled and reseeded, this will occur when pits are dry enough to fill and as weather permits. Only that part of the pad required for producing facilities will be kept in use. In the event of a dryhole, only a dryhole marker will remain.

8. ANCILLARY FACILITIES:

No air strip, campsite or other facilities will be built during drilling and completion operations of this well.

9. WELL SITE LAYOUT:

- A. Refer to Exhibits #5 & #7 for the Drill Pad layout as staked. Cuts and fills have been indicated per exhibit #5A to show the planned cut across the proposed location. Topsoil will be stockpiled.
- B. Refer to Exhibit #7 for a planned location diagram of the proposed rig and drilling equipment, reserve pit, and pipe racks. No permanent living facilities are planned. There may be a trailer on site.
- C. The rig orientation, turn-around area, parking area, and access roads are shown in Exhibit #7.
- D. The reserve pit will be lined.

10. PLANS FOR RESTORATION OF SURFACE:

- A. Upon completion of the proposed operations, and if the well is to be abandoned, the location will be backfilled, leveled, and contoured to as near the original topography as is feasible as soon as the pits have dried enough to support earth moving equipment. The location will be reseeded. All spoils materials will be hauled to an approved disposal site upon completion of the drilling operation.
- B. Revegetation and rehabilitation will be achieved by reseeding utilizing the contour method with a seed mixture of native grasses.
- C. Prior to rig release, the reserve pit will be fenced to prevent livestock or wildlife from being entrapped. The fencing will be maintained until leveling and the clean-up accomplished.
- D. If any oil is on the pits and cannot be immediately removed after operations cease, the pit containing the

oil or other adverse substances will be overhead flagged and fenced. The entire location will be inspected for trash and other refuse, and additional clean-up will be done as deemed necessary.

- E. Time to complete rehabilitation depends upon the time for pits to dry. Planting and revegetation should occur by Fall 1991.

11. OTHER INFORMATION

- A. Wellsite access road is located on a ridge top. The soil is very sandy. Vegetation consists of sage brush and range grasses. The area has a very sparse wildlife population.
- B. The wellsite and the access road to be built are on lands owned by U.S.A. The existing roads are BLM Right-of-way and state highway.
- C. Intermittent streams (i.e. flow during wet seasons of the year) do exist in the area.
- D. There are no reported restrictions or reservations noted on the oil and gas lease.
- E. Drilling is planned for October, 1990. It is anticipated that the casing point will be reached within 4 days after commencement of drilling.

12. LESSEE'S AND OPERATOR'S REPRESENTATIVE:

Bonneville Fuels Corporation
1600 Broadway, Suite 1110
Denver, CO 80202

(303) 863-1555

G. D. Gentry - Operations Supervisor

3005 Northridge, Suite C
Farmington, NM 87401
(505) 325-1922

Norm Woods - Production Foreman

13. CERTIFICATION:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access routes; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with operations proposed herein will be performed by Bonneville Fuels Corporation and its contractors and subcontractors in conformity with this plan.

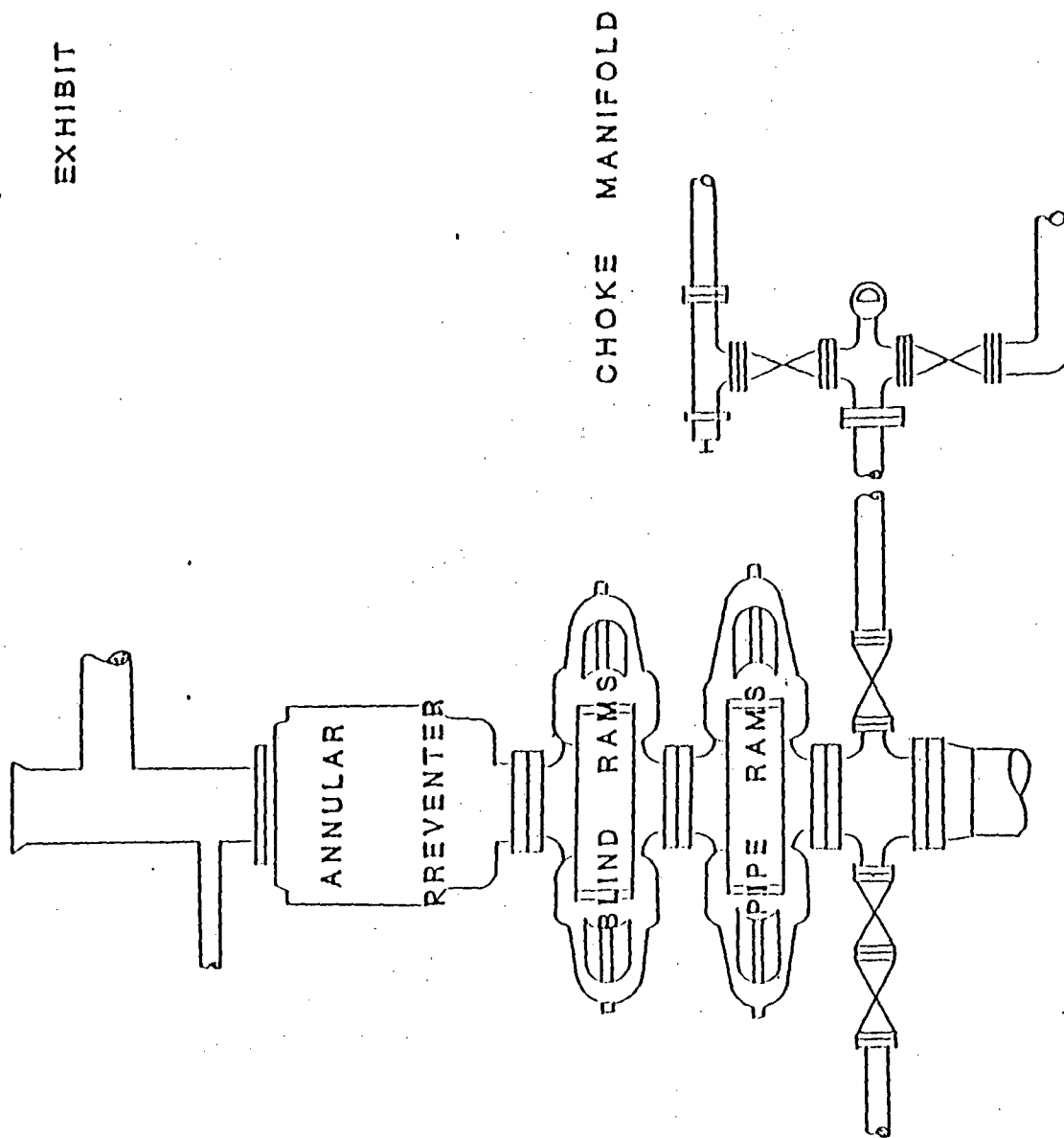
Date: 8/2/90



G. D. Gentry
Operations Supervisor

BOPE SCHEMATIC

EXHIBIT 1



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

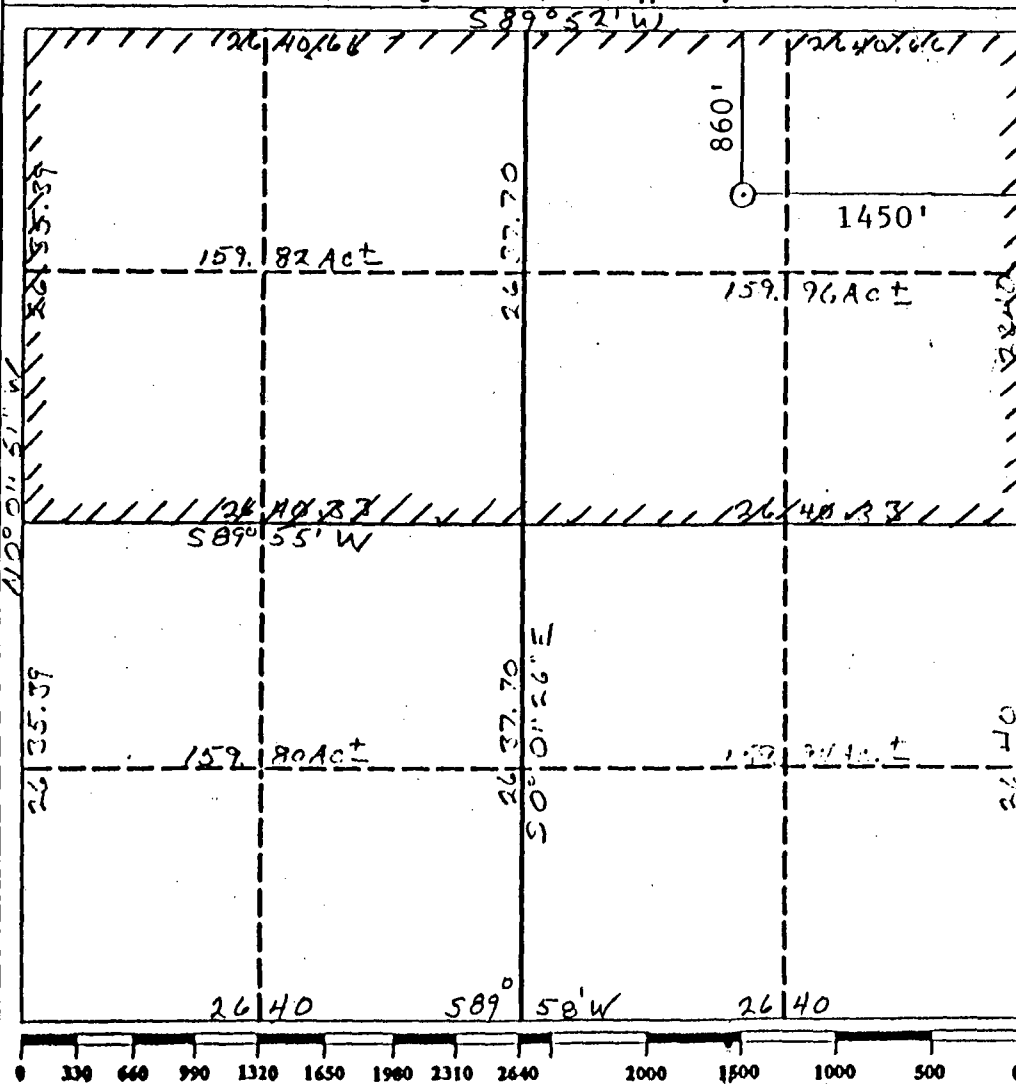
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator BONNEVILLE FUELS CORP.			Lease SCOTT "E" FEDERAL		Well No. 31 23-24 1004
Unit Letter B	Section 23	Township 27 N	Range 11 W	County San Juan	
Actual Footage Location of Well: 860 feet from the North line and 1450 feet from the East line					
Ground level Elev. 6084	Producing Formation		Pool	Dedicated Acreage: 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

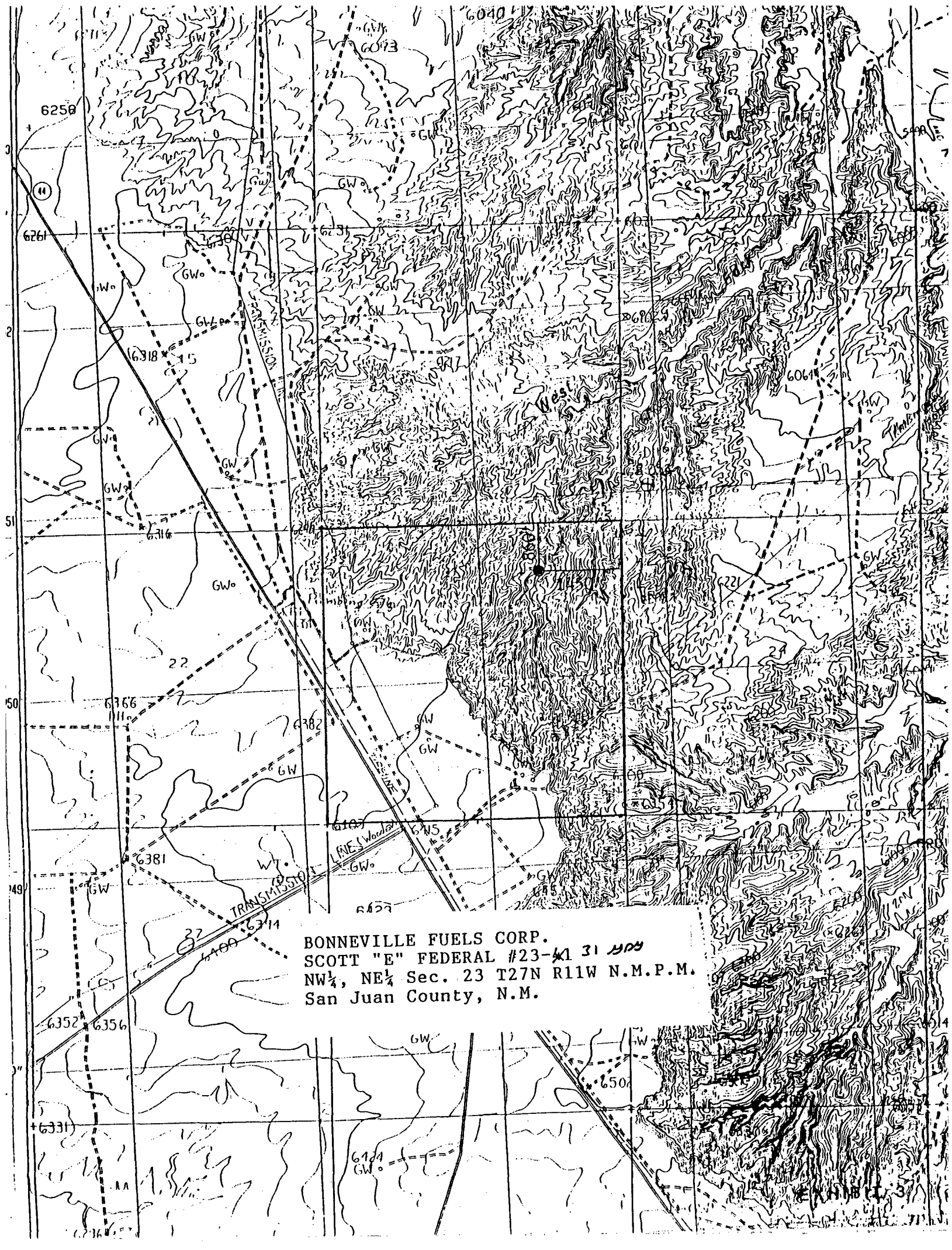
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature
Gerald D. Gentry
Printed Name
Gerald D. Gentry
Position
Operations Supervisor
Company
Bonneville Fuels Corp.
Date
August 2, 1990

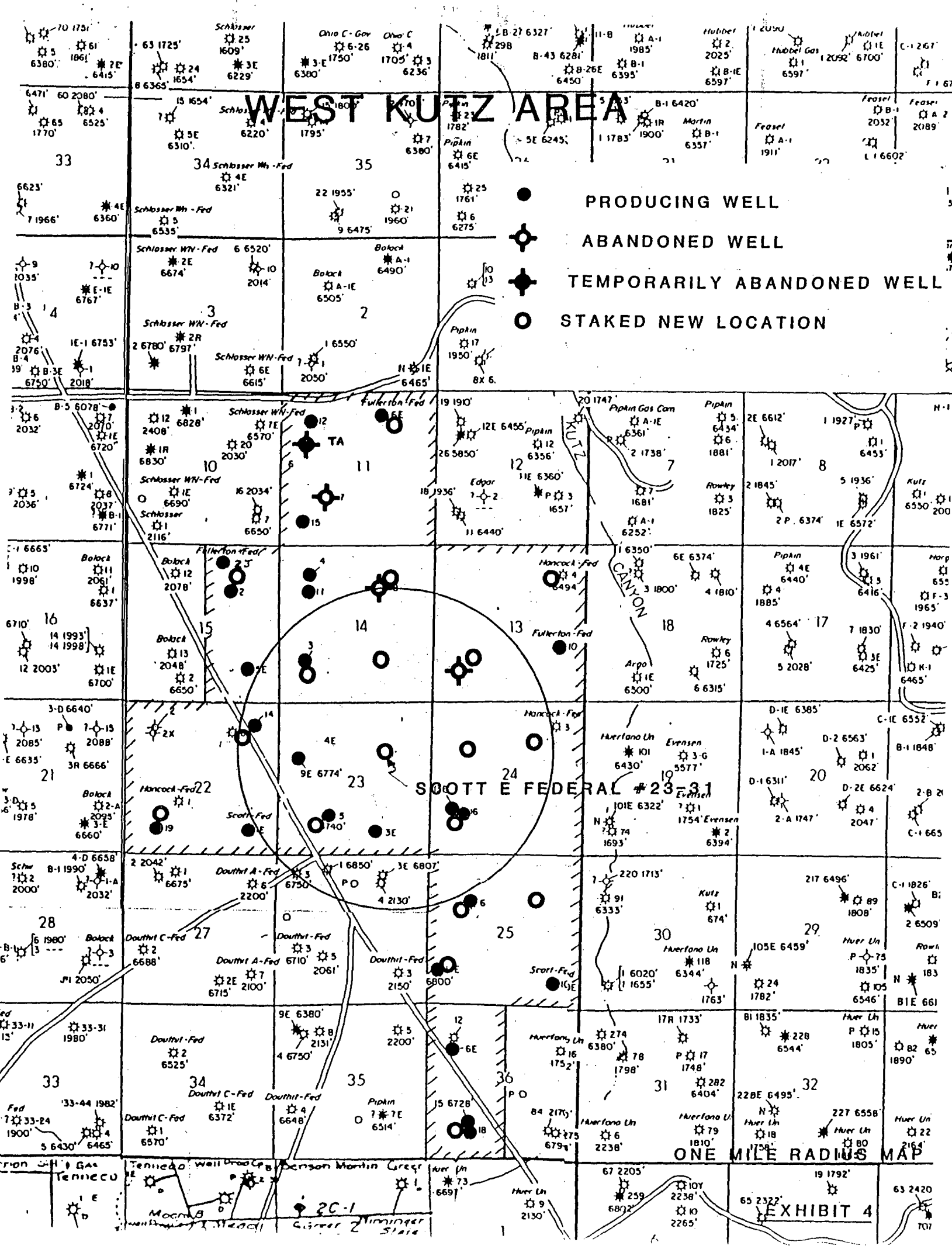
SURVEYOR CERTIFICATION

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
July 28
Signature & Seal of Professional Surveyor
NEW MEXICO
REGISTERED PROFESSIONAL LAND SURVEYOR
9672
Certificate No.
9672



BONNEVILLE FUELS CORP.
SCOTT "E" FEDERAL #23-41 31 1904
NW 1/4, NE 1/4 Sec. 23 T27N R11W N.M.P.M.
San Juan County, N.M.



WEST KUTZ AREA

- PRODUCING WELL
- ⊕ ABANDONED WELL
- ⊕ TEMPORARILY ABANDONED WELL
- STAKED NEW LOCATION

SCOTT E FEDERAL #23-31

ONE MILE RADIUS MAP

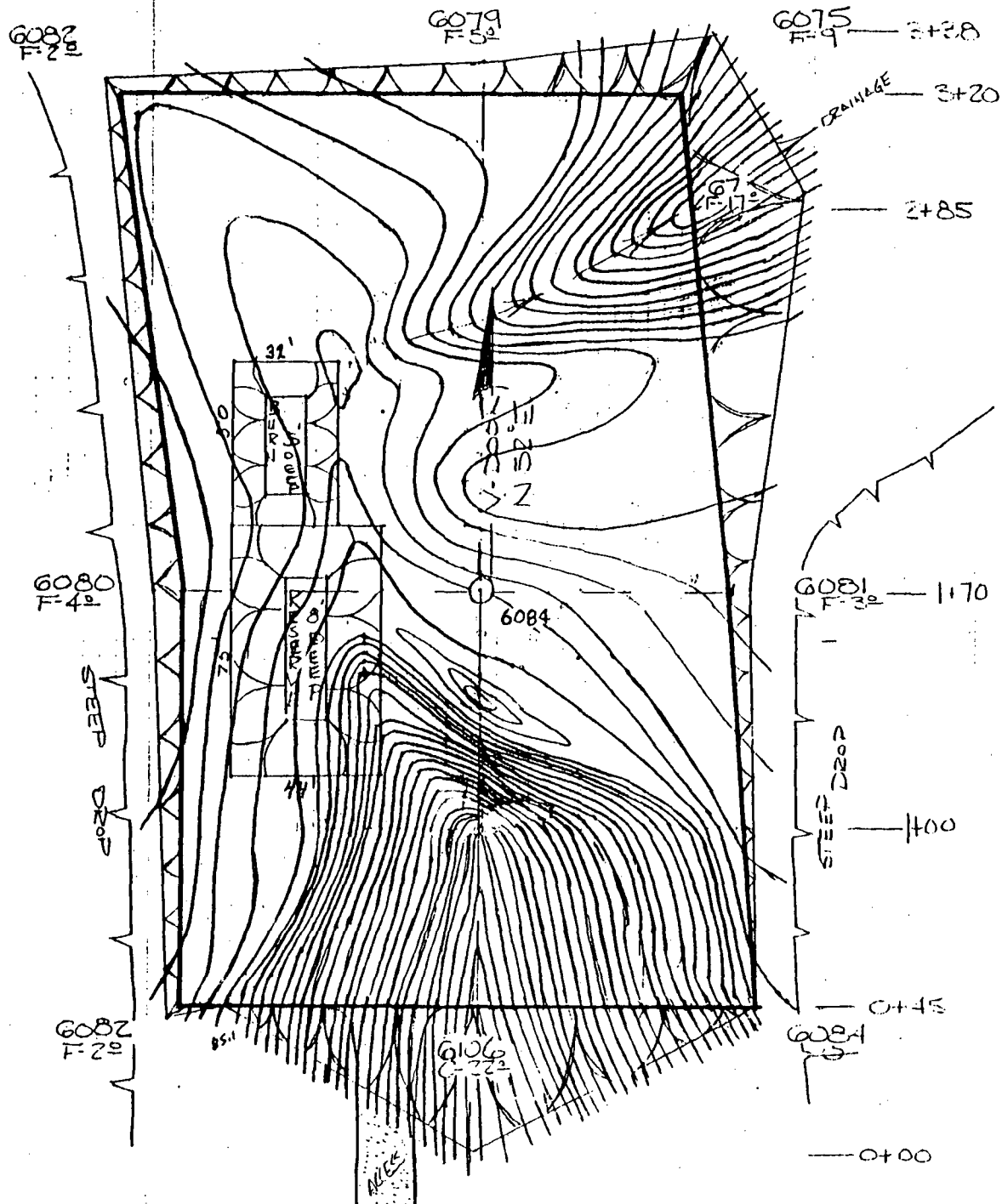
EXHIBIT 4

BONNEVILLE FUELS CORPORATION

SCALE: 1"=50'

CONTOUR INT. =1'

TOPOGRAPHY AND PAD LAYOUT



SCOTT "E" FEDERAL #23-44
 860 F/NL & 1450 F/EL
 Sec. 23 T27N R11W N.M.P.M.
 San Juan Co., NM

EXHIBIT 5

BONNEVILLE FUELS CORPORATION

SCOTT "E" FEDERAL #23-³¹~~41~~ *ms*

X-SECTIONS AND VOLUMES

SCALE HORZ. 1"=50'
VERT. 1"=10'

GROUND ELEV. 6084

0+00

ZERO CUT/FILL

0+45

1+00

1+70

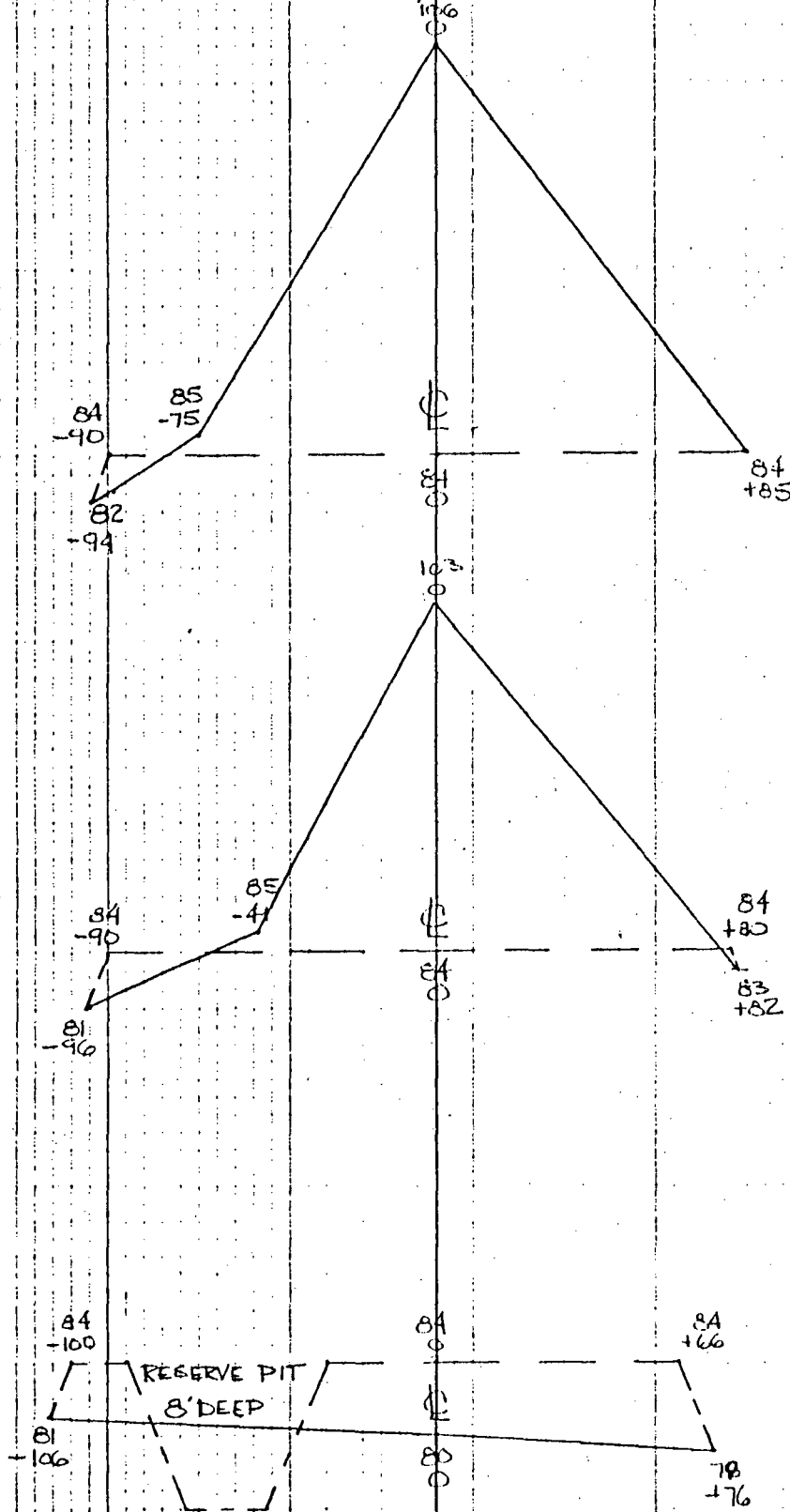


EXHIBIT 6

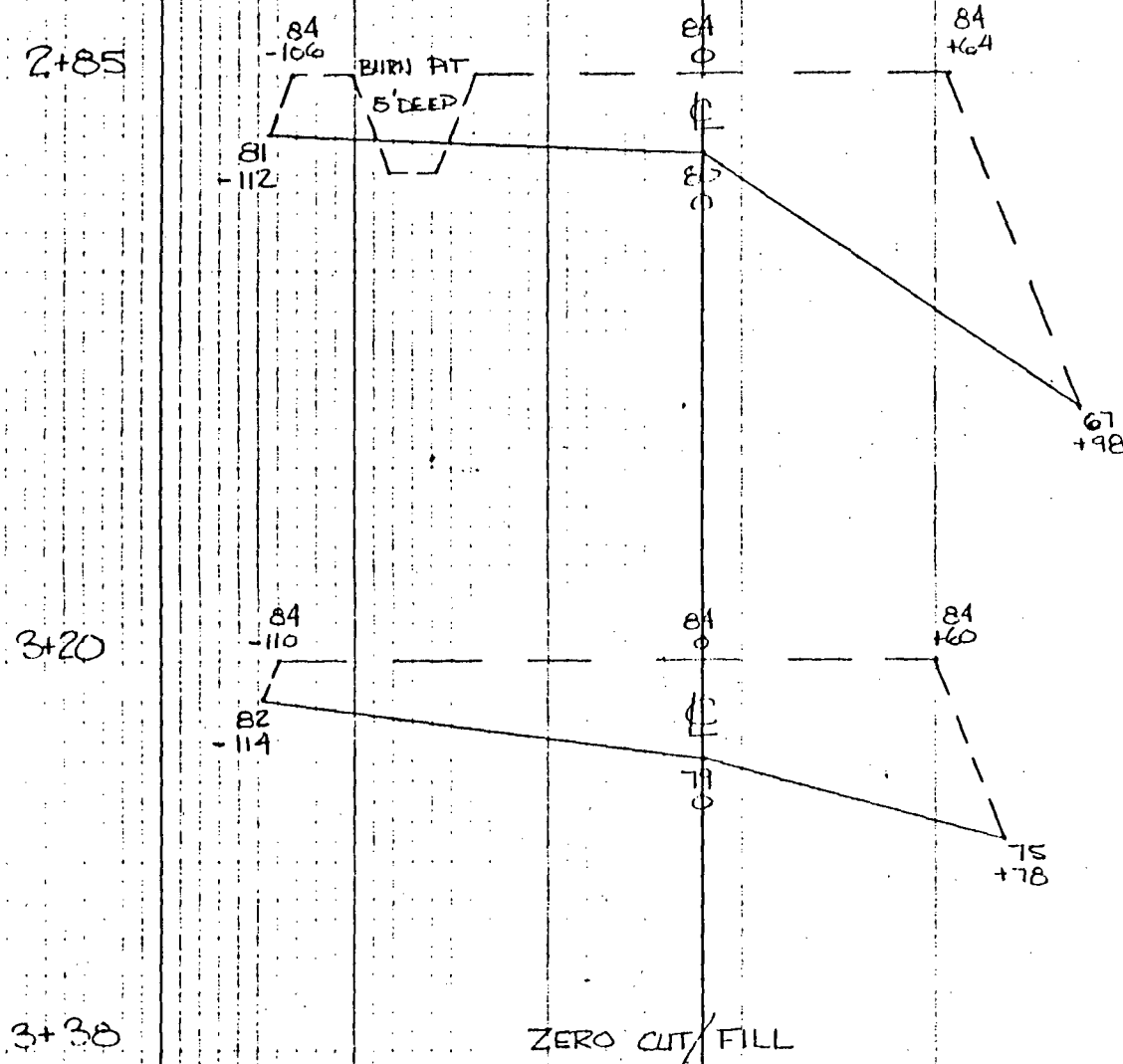
BONNEVILLE FUELS CORPORATION

SCOTT "E" FEDERAL #23-~~41~~ ³¹ *MAN*

GROUND ELEV. 6084

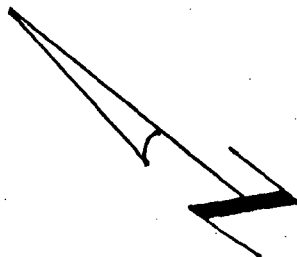
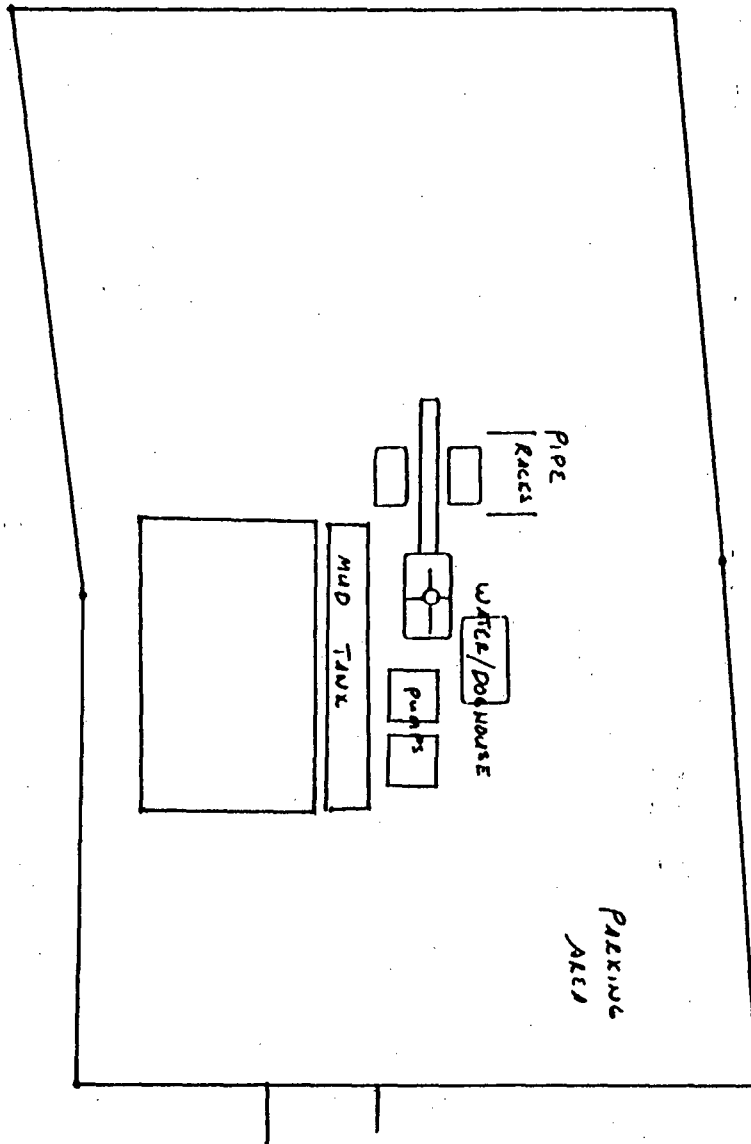
SCALE HORZ. 1"=50'
VERT. 1"=10'

X-SECTIONS AND VOLUMES

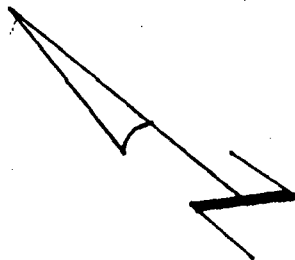
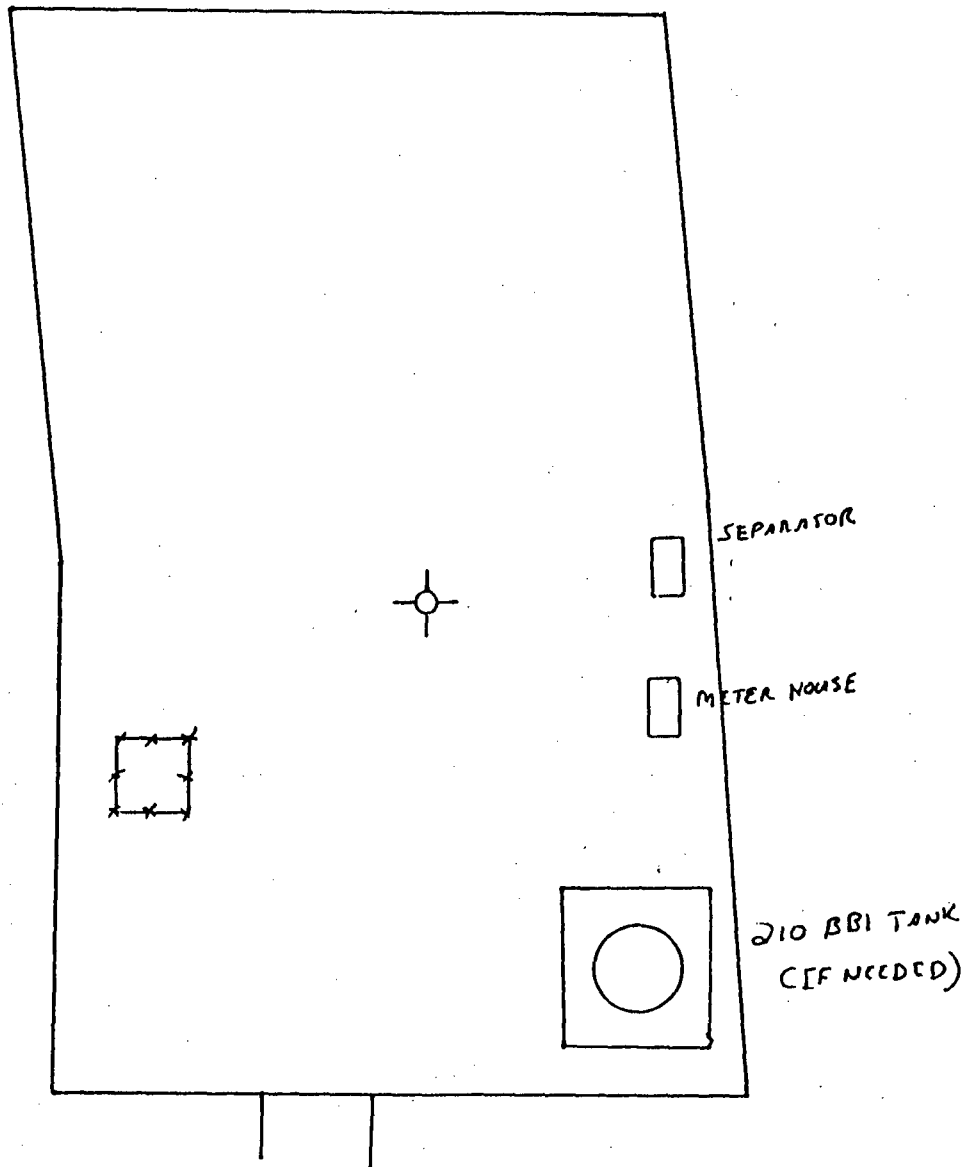


AVERAGE CUT.....	5965	CU YDS.
AVERAGE FILL.....	4594	CU YDS.
PIT EXCAVATION.....	652	CU YDS.
TOP SOIL.....	1731	CU YDS.

RIG LAYOUT



PRODUCTION FACILITY LAYOUT



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 BONNEVILLE FUELS CORP.			Lease SCOTT "E" FEDERAL		Well No. 23-42
Unit Letter H	Section 23	Township 27N	Range 11W	County NMPM San Juan	
Actual Footage Location of Well: 1620 feet from the North line and 330 feet from the East line					
Ground level Elev. 6136	Producing Formation Pictured Cliffs	Pool West-Kutz Pictured Cliffs	Dedicated Acreage: NE/4 160 Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below. *JHM + EB 1-31-91*

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

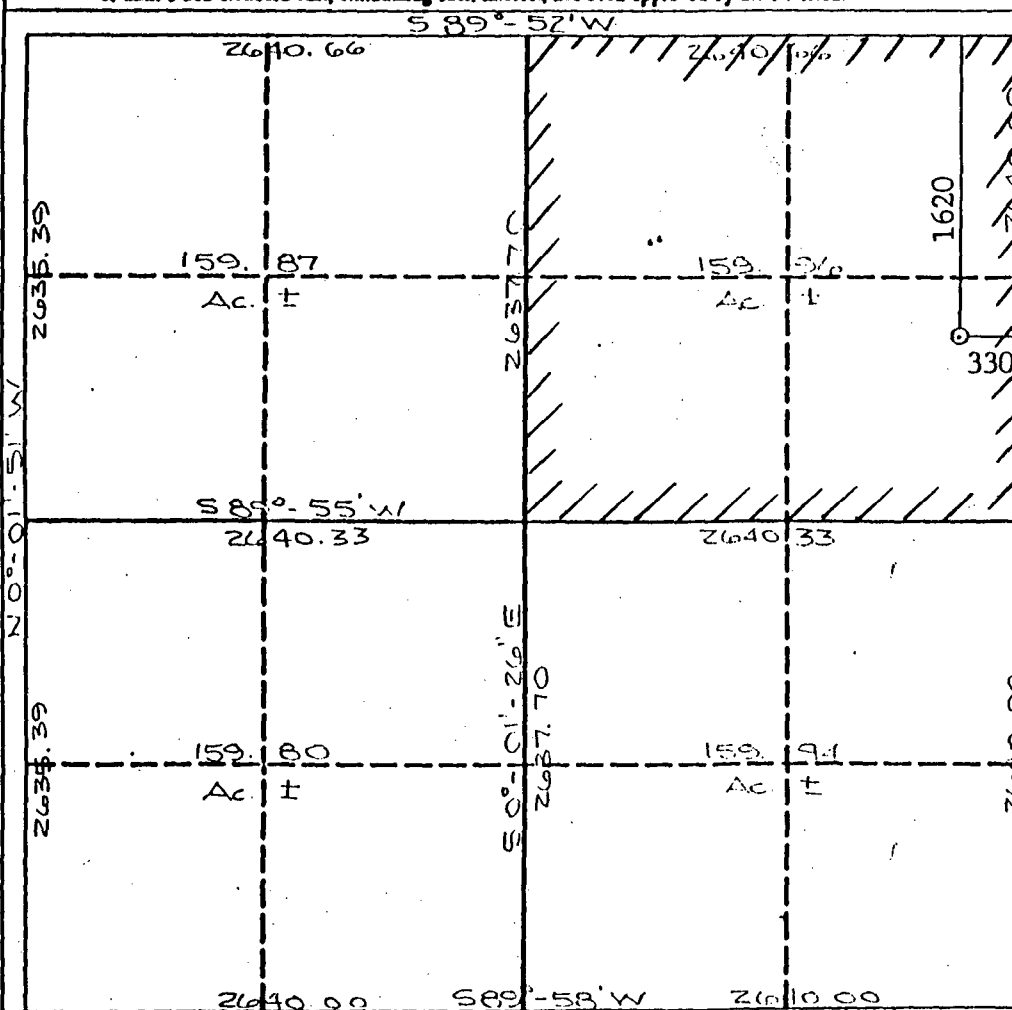
3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communalization, unitization, force-pooling, etc.?

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



OPERATOR CERTIFICATION

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

Signature

G. D. Gentry

Printed Name

Gerald D. Gentry

Position

Operations Supervisor

Company

Bonneville Fuels Corporation

Date

January 22, 1991

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

January 16, 1991

Signature

Professional Surveyor

Cecil Tullis

Certificate No.

9672

Professional Land Surveyor

New Mexico

Cecil Tullis

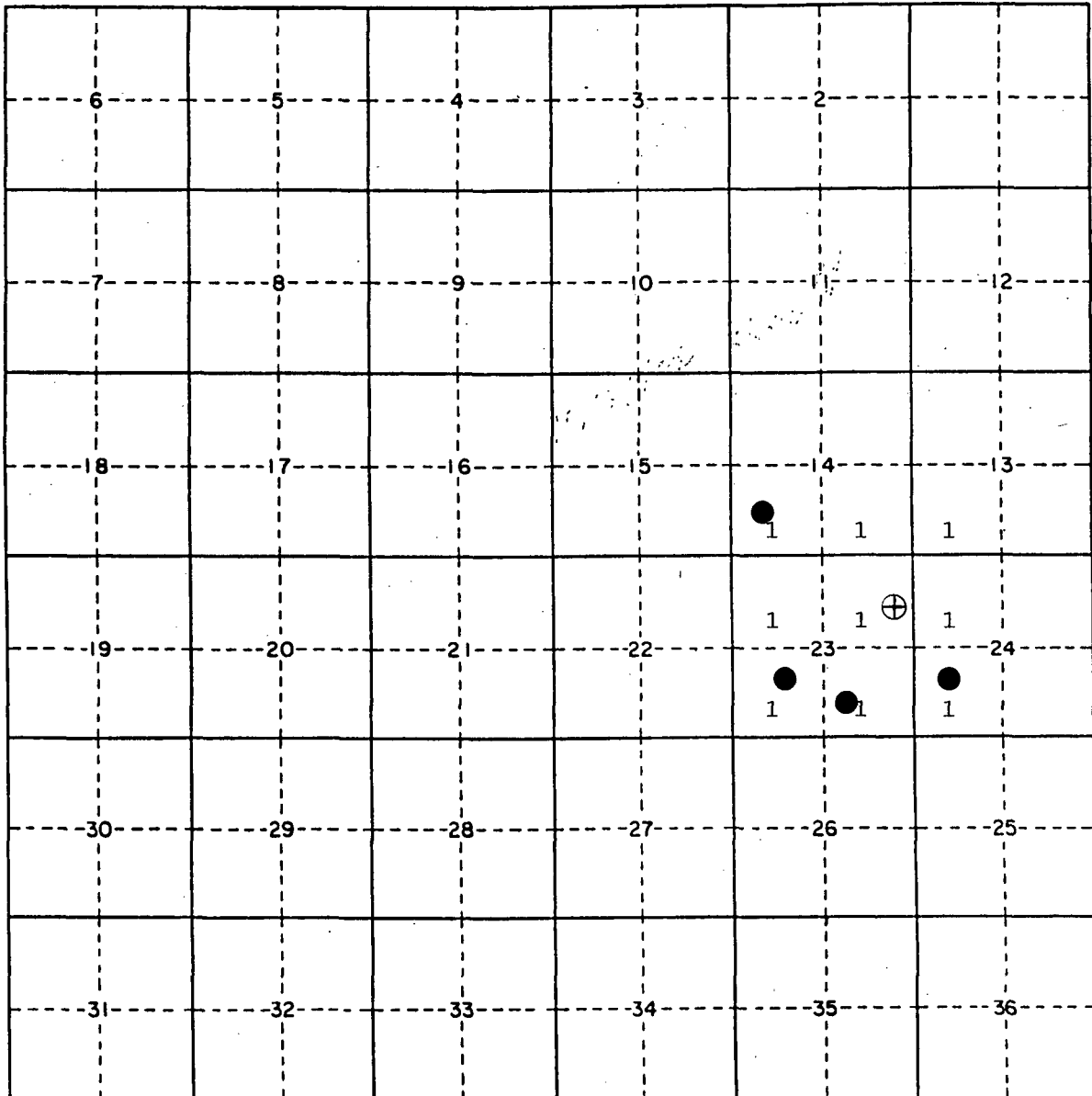
9672

APPLICATION FOR NON-STANDARD LOCATION

Scott E. Federal #23-42 Well

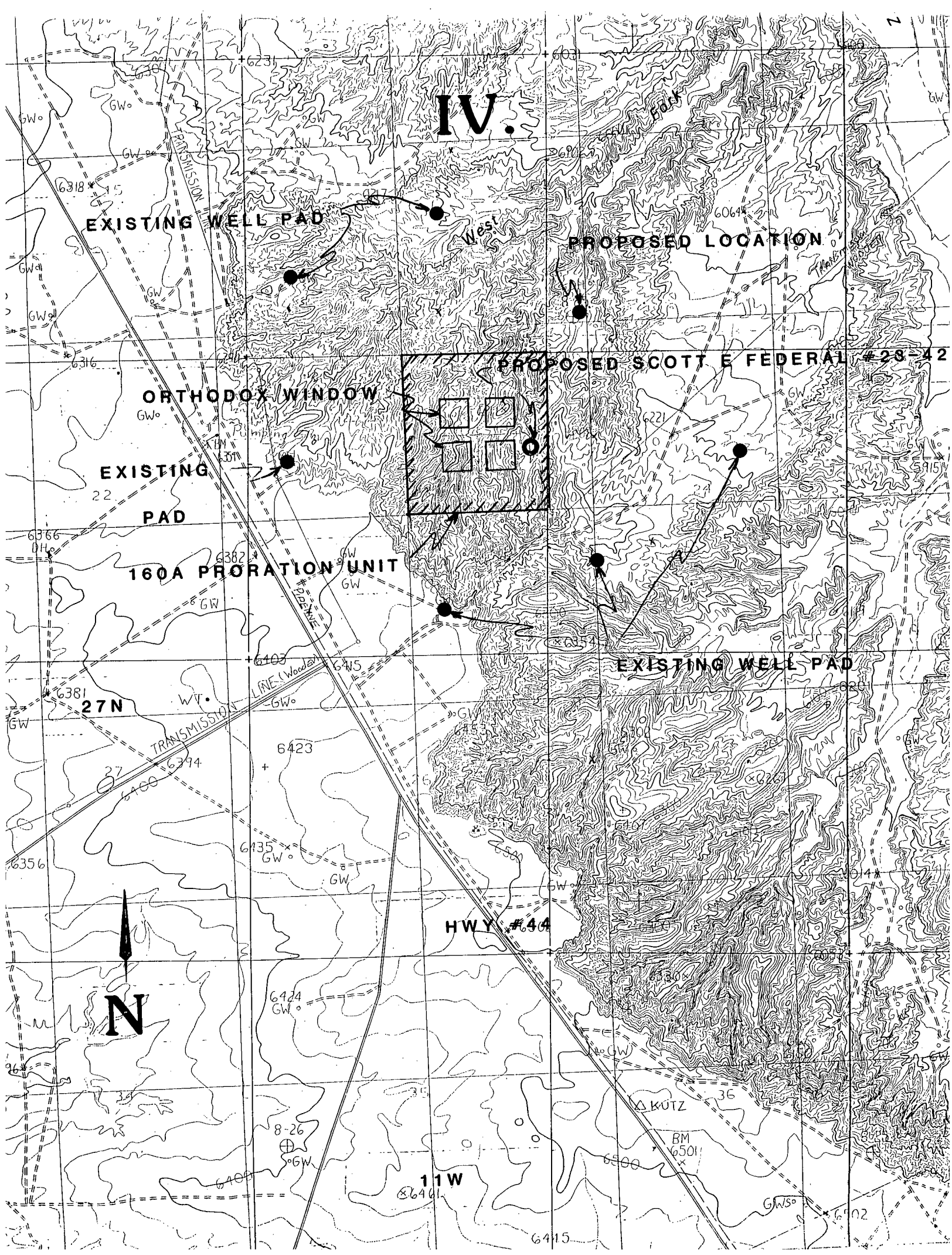
1620' FNL, 330' FEL **Section** 23 **Township** 27N **Range** 11W

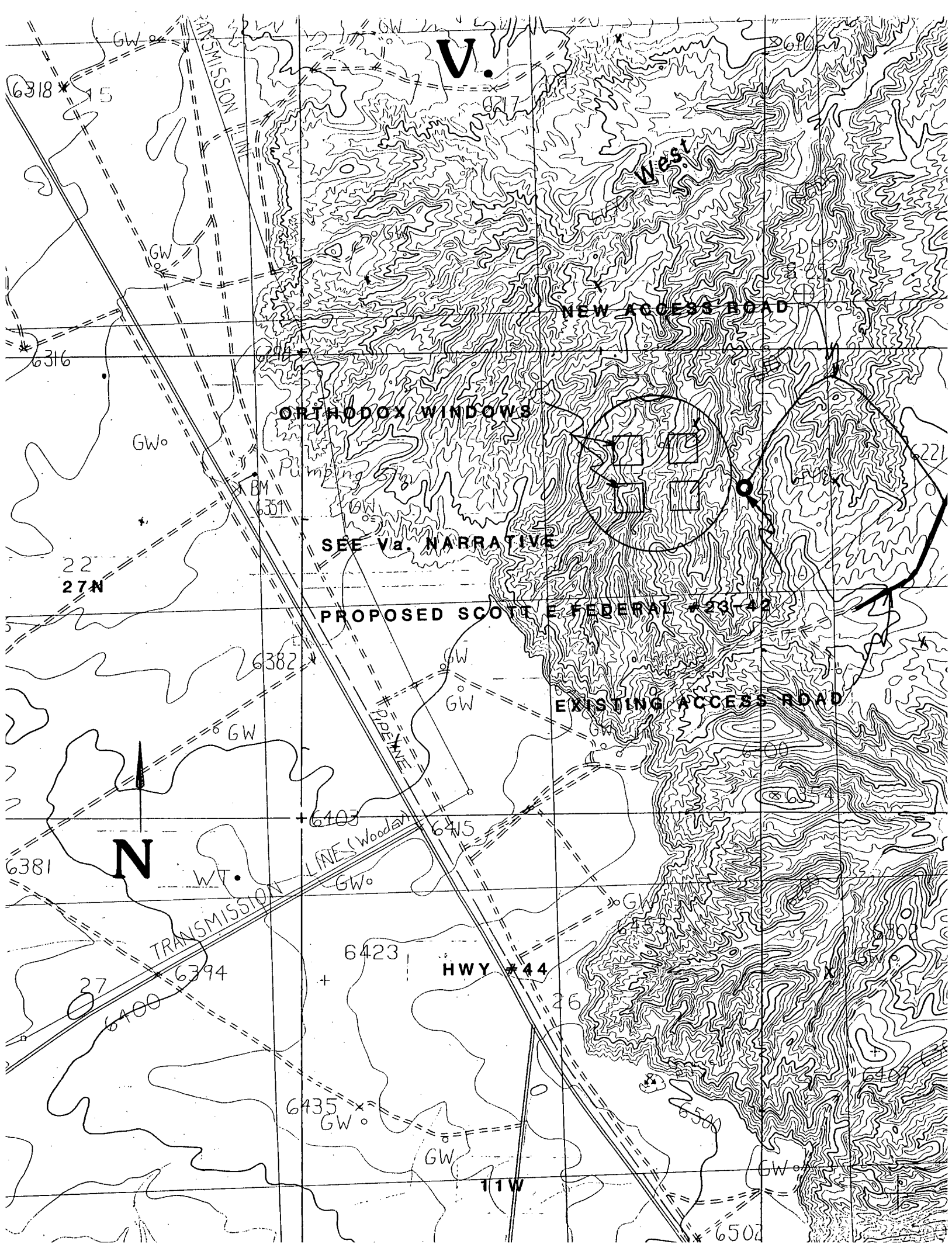
County San Juan State New Mexico



SCALE: 1 inch = 1 mile

1. Bonneville Fuels Corporation
Existing Pictured Cliffs Wells





IIIB. IX.

Scott 'E' Federal #23-42 Well
1620' FNL, 300' FEL
SE/4NE/4 Sec. 23, T27N-R11W
San Juan County, New Mexico

I hereby certify that Bonneville Fuels Corporation is the offset owner/operator for the above Pictured Cliffs gas well for which administrative approval for a non-standard location has been requested.

L. D. Lillo
L. D. Lillo
January 23, 1991

State of Colorado)
) ss.
City & County of Denver)

Subscribed and sworn to before me this 23rd day of January,
1991.

My Commission Expires:
1-26-93

Salmon L. Spink

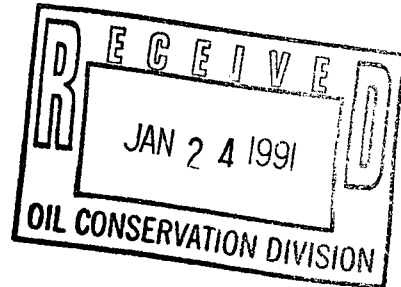
Notary Public
Address: 1600 Broadway
 Denver, CO 80202

Bonneville Fuels Corporation
A Subsidiary of Bonneville Pacific Corporation

January 23, 1991

Overnight Mail

Mr. Michael Stogner
New Mexico Oil Conservation Division
State Land Office Building
310 Santa Fe Trail
Santa Fe, NM 87501



Re: Scott E. Federal #23-42 Well
1620' FNL, 330' FEL
SE/4NE/4 Sec. 23, T27N-R11W
San Juan County, New Mexico

Gentlemen:

Bonneville Fuels Corporation hereby respectfully requests administrative approval for the captioned non-standard gas well location in the Pictured Cliffs Pool. This request is submitted in triplicate and is due to the extreme nature of the topography and the fragile soil conditions found within the legal well location windows according to New Mexico Oil Conservation Division Rules.

To address each requirement regarding the "Submittal Guidelines for Administrative Approvals of Non-Standard Location Applications", (copy enclosed), Bonneville submits herewith the following for your approval of the subject non-standard location:

- I. The well is located on BLM surface. Copy of Application for Permit to Drill package enclosed.
- II. C-102 enclosed.
- III. A. Land Plat enclosed.
B. Certification enclosed.
- IV. A&B. Shown on enclosed topo map.
C. There are no wells within the subject proration unit (NE/4 Section 23). The closest pad is approximately 2350' away and with a projected 2000' TD, the use of such a pad is impractical.
- V. Enlarged topo map enclosed.
A. Badlands type topography within area which encompasses all orthodox windows. The terrain is very steep with unstable clay and sandy soils.

Mr. Michael Stogner
January 23, 1991
Page 2

- B. Proposed well location allows for the optimum access road and pipeline hookup within the proration unit, as shown on the topo map.
- C. N/A
- D. N/A
- E. Rough terrain as per V.A.

VI. N/A

VII. See V.A. above and also because all orthodox windows within proration unit have been rejected by the BLM Farmington Resource Area.

VIII. In order to reach a legal location, the well would have a bottom hole location approximately 200' to the west. The additional drilling costs would render this well economically unfeasible.

IX. Copy of affidavit enclosed. No offset owner/operator notification required.

If you have any questions or require anything further, please contact the undersigned at (303) 863-1555. Processing of this request at your earliest convenience would be sincerely appreciated.

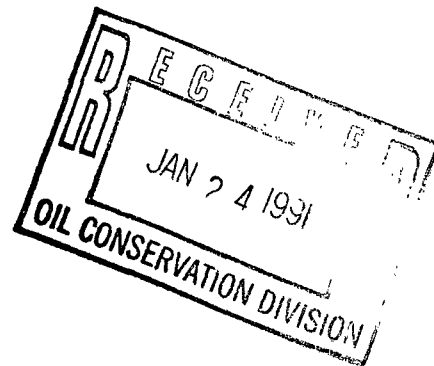
Very truly yours,

BONNEVILLE FUELS CORPORATION



L. D. Lillo
Senior Landman

LDL/ds
cc/Oil Conservation Division
1000 Rio Brazos Road
Aztec, NM 87410
Attn: Mr. Ernie Bush



NEW MEXICO OIL CONSERVATION DIVISION

SUBMITTAL GUIDELINES FOR ADMINISTRATIVE APPROVAL OF NON-STANDARD LOCATION APPLICATIONS

- I. If the well is located on Federal or Indian Lands, the Federal Surface Management Agency must be notified and an on-site inspection conducted prior to filing the application. If an Application for Permit to drill or a Notice of Staking has been prepared, a copy must be submitted.
- II. Completed C-102 showing the well location, proration unit, leases within the unit and other required information.
- III. Land plat showing offset operators and working interest owners and any offsetting wells producing from the same pool or formation.
 - A. This information may be shown on the topo map if it does not impair the readability of the map.
 - B. The operator should certify that the information is current and correct.
- IV. Original or clear copy of topographic map, preferably 7.5 minute quad, showing contours and other mapped features impacting the location, with the following information marked thereon (In order to be able to adequately show all of the necessary surface conditions it may be necessary to enlarge the relevant portion of the topo map to provide room for detail):
 - A. The proposed well location and proration unit;
 - B. An outline of the orthodox drilling windows as provided in the applicable rules for the subject application;
 - C. The location of any wells to any formation within the area of the proration unit and a statement as to whether an existing pad can be used to drill the proposed well;
- V. An enlargement of the topo map showing the subject area with the applicable additional information:
 - A. Terrain features not shown on the map which make an orthodox location unusable;
 - B. Proposed access roads and pipelines if they affect the location selection;
 - C. The location of any surface uses which prevent use of a legal location;

- 1954 OIL CONSERVATION
- D. The location of any archeological sites identified in the archeological survey;
 - E. The location and nature of any other surface conditions which prevent the use of an orthodox location.
- VI. If archeological sites are a reason for the unorthodox location request, a copy of the archeological survey, or a summary, identifying sites which cannot be disturbed or which must have any disturbance mitigated. In addition, the location of such areas should be marked on the enlarged topo so they can be clearly identified.
- VII. A narrative report of any on-site inspection of the potential locations. If such on-site has resulted in elimination of legal locations due to surface conditions, such information should also be noted on the enlarged topo.
- VIII. A statement of why directional drilling to reach a legal bottom-hole location is not feasible.
- IX. An affidavit that notice has been sent to all parties entitled thereto, under the Divisions Rules and Regulations with return receipt cards showing date of receipt of notice.