

Alana Oil & Gas, Inc.  
Alana #1, N-11-27N-01E  
Rio Arriba County  
Wildcat Dakota

PRESUMED DOWNHOLE CONDITIONS

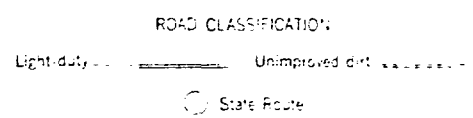
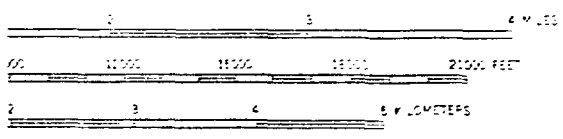
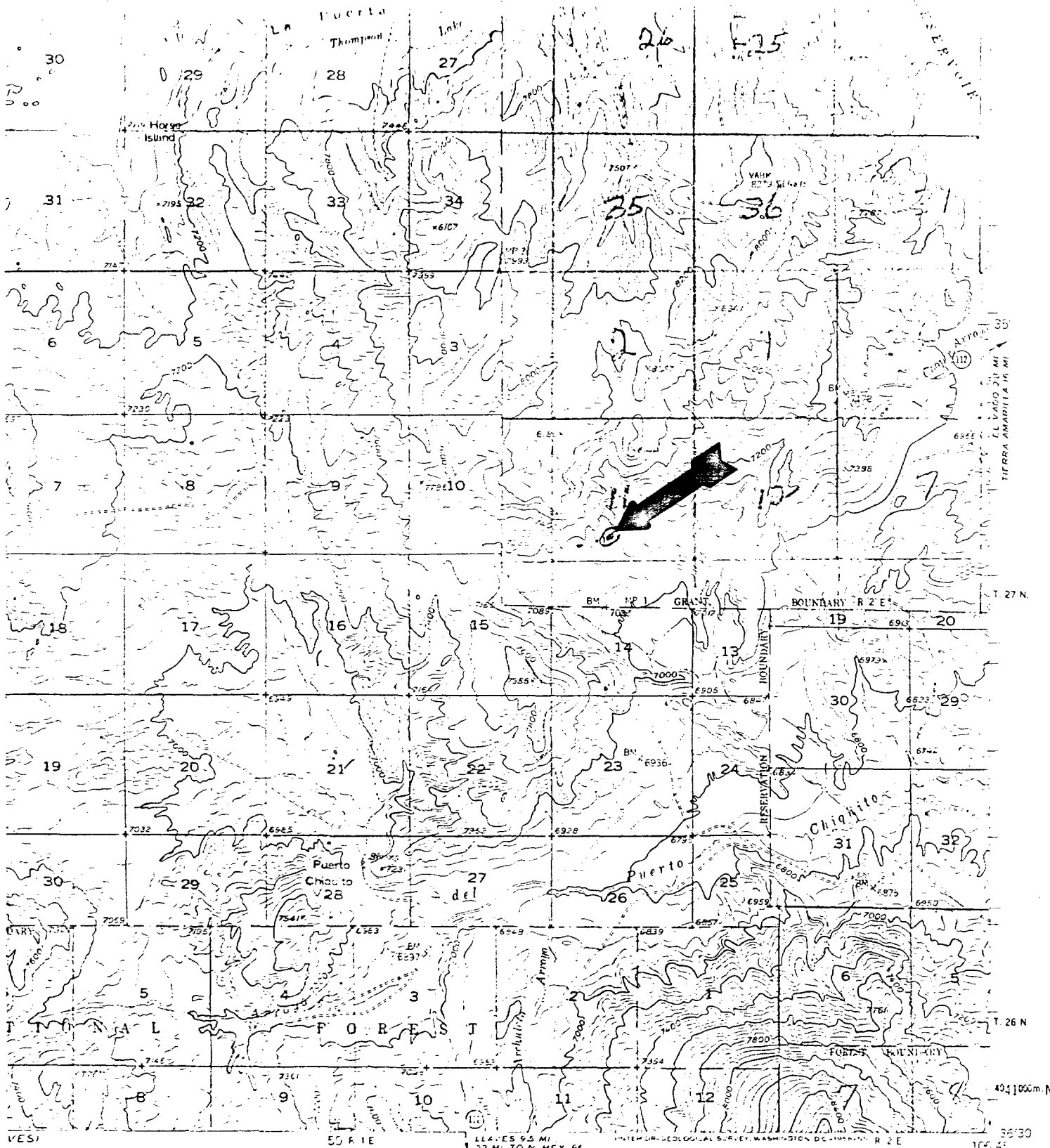
- 1. 12½" hole to 163'.
- 2. 8-5/8" csg. set @ 163' w/ 177 cu. ft. Class B + 2% CaCl.
- 3. 7-7/8" hole to 1335'.
- 4. 5½" csg. set @ 1282' w/ 330 cu. ft. Class B.
- 5. PBSD @ 1282'.
- 6. TD @ 1335'.

DIVISION APPROVED PLUGGING PROGRAM

- 1. Go in hole with tubing to 1282' and set a cement plug 1282' - 1182' inside casing.
- 2. Come out of hole with tubing and find casing free point.
- 3. Shoot and pull casing or perforate at free point.
- 4. Set a 100' plug at casing stub if casing is pulled or set a 100' plug in and outside casing if perforated.
- 5. Wait on cement a minimum of 4 hours.
- 6. Go in hole with tubing and tag plug. If plug is in place go to step 7. If not, fill to required depth.
- 7. Set a cement plug 213' - 113'. 50' above and 50' below base of surface pipe.
- 8. Set top plug and dry hole marker with a minimum of 10 sx. of cement.
- 9. Fill pits, clean and level location.

\*All plugs will be with neat cement with or without an accelerator.

BEFORE EXAMINER SIGNATURE	
OIL CONSERVATION DIVISION	
OCD	EXHIBIT NO. 1
CASE NO.	0563



SCALE 40 FEET  
 1:62500

BOULDER LAKE N. MEX.  
 NEELSON-WILSON 18

U.S. GEOLOGICAL SURVEY  
 WASHINGTON, D. C.

Alana Oil & Gas, Inc.  
 Alana #1 N-11-27N-1E

1955

*Samantha* <sup>44</sup> /

Alana Oil & Gas, Inc.  
Samantha #1, L-26-28N-01E  
Rio Arriba County  
Wildcat Gallup

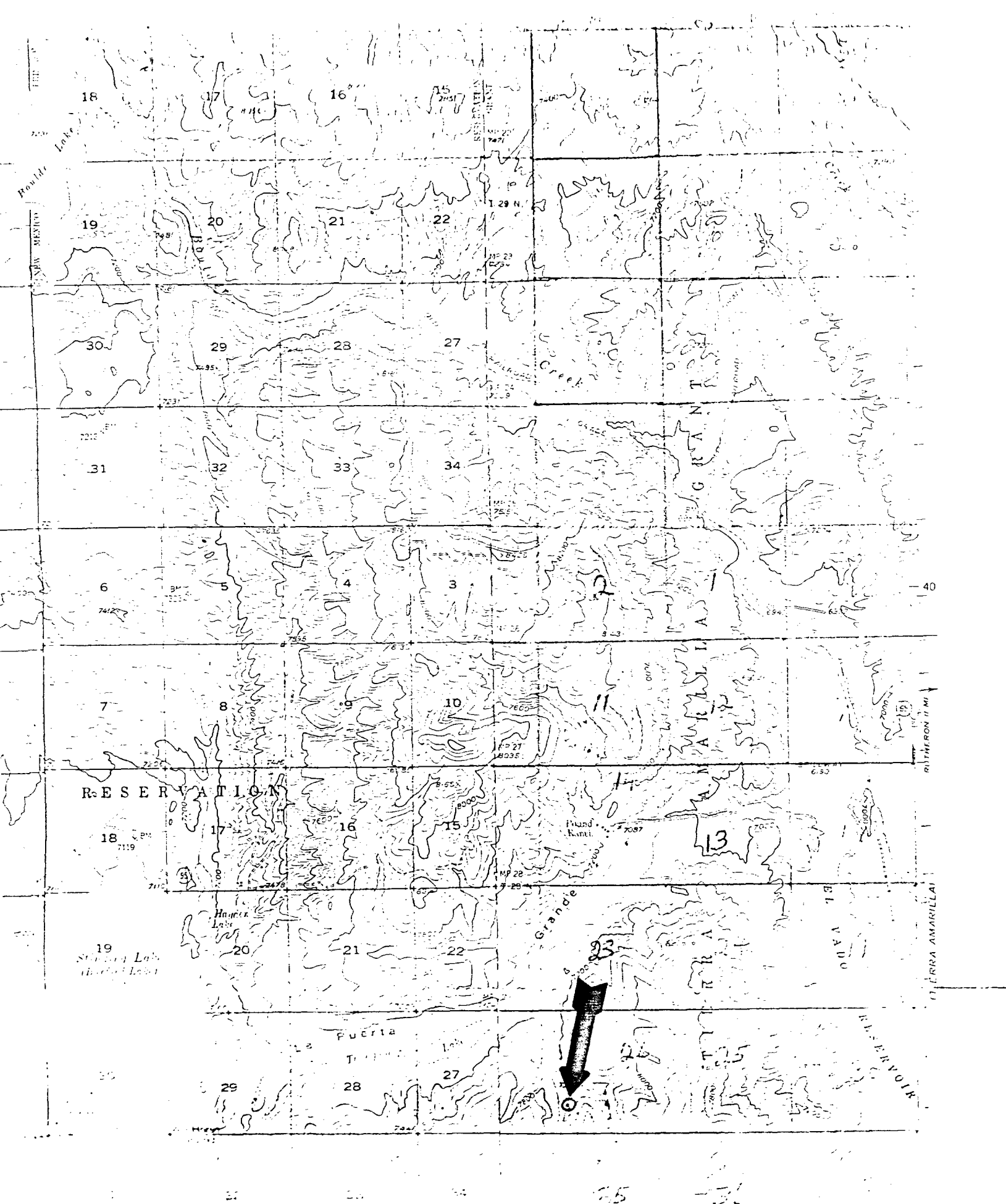
PRESUMED DOWNHOLE CONDITIONS

1. 9-7/8" hole to 85'.
2. 7-5/8" 26# csg. set @ 85'. Cmt. circulated to surface.
3. 6 1/4" hole to 1658'.
4. 4 1/2" 10.5# csg. set @ 1685'. Cmt. circulated to surface.
5. TD @ 1685'.

DIVISION APPROVED PLUGGING PROGRAM

1. Go in hole with tubing to 1685' and set a cement plug 1605' - 1500' inside casing.
2. Wait on cement a minimum of 4 hours.
3. Go in hole with tubing and tag plug. If plug is above 1550', go to step 4. If not, fill to 1500'
4. Set a cement plug 150' to surface inside casing.
5. Set dry hole marker.
6. Fill pits, clean and level location.

\*All plugs will be with neat cement with or without an accelerator.



Alana Oil & Gas, Inc.  
Samantha #1 L-26-28N-1E

Alana Oil & Gas, Inc.  
Samantha #2, K-26-28N-01E  
Rio Arriba County  
Undesignated Dakota

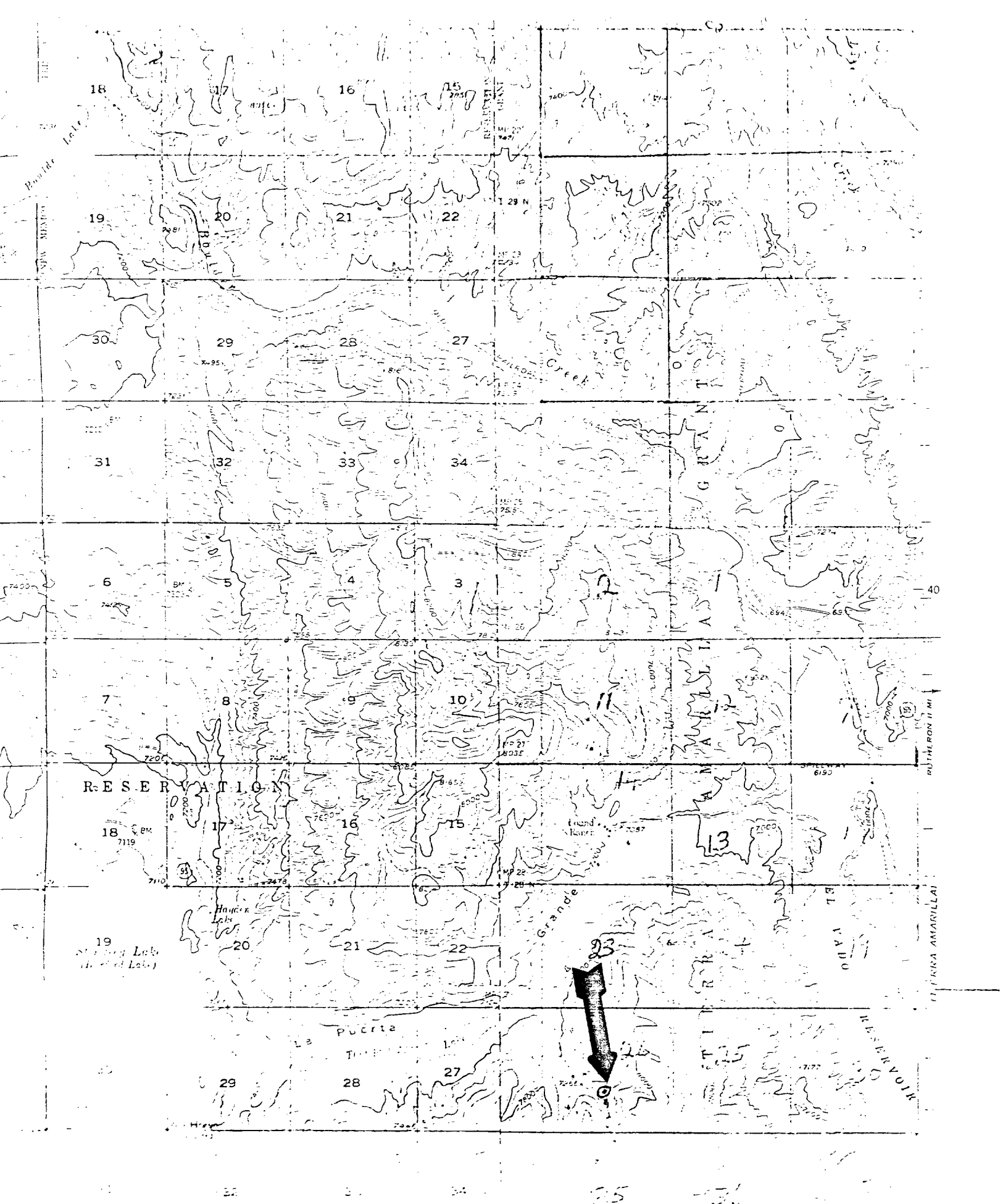
PRESUMED DOWNHOLE CONDITIONS

1. 9-7/8" hole to 75'
2. 7-5/8" 26# csg. set @ 75'. Cmt. circulated to surface.
3. 6½" hole to 1780'.
4. 4½" 10.5# csg. set @ 1775. Cmt. circulated to surface.
5. PBTD @ 1775'.
6. TD @ 1780'.

DIVISION APPROVED PLUGGING PROGRAM

1. Go in hole with tubing to 1775' and set a cement plug 1775' - 1600' inside casing.
2. Wait on cement a minimum of 4 hours.
3. Go in hole with tubing and tag plug. If plug is above 1650' go to step 4. If not, fill to 1600'.
4. Set a cement plug 150' to surface inside casing.
5. Set a dry hole marker.
6. Fill pits, clean and level location.

\*All plugs will be with neat cement with or without an accelerator.



Alana Oil & Gas, Inc.  
 Samantha #2 · K-26-28N-1E

Alana Oil & Gas, Inc.  
Samantha #3, N-26-28N-01E  
Rio Arriba County  
Undesignated Gallup

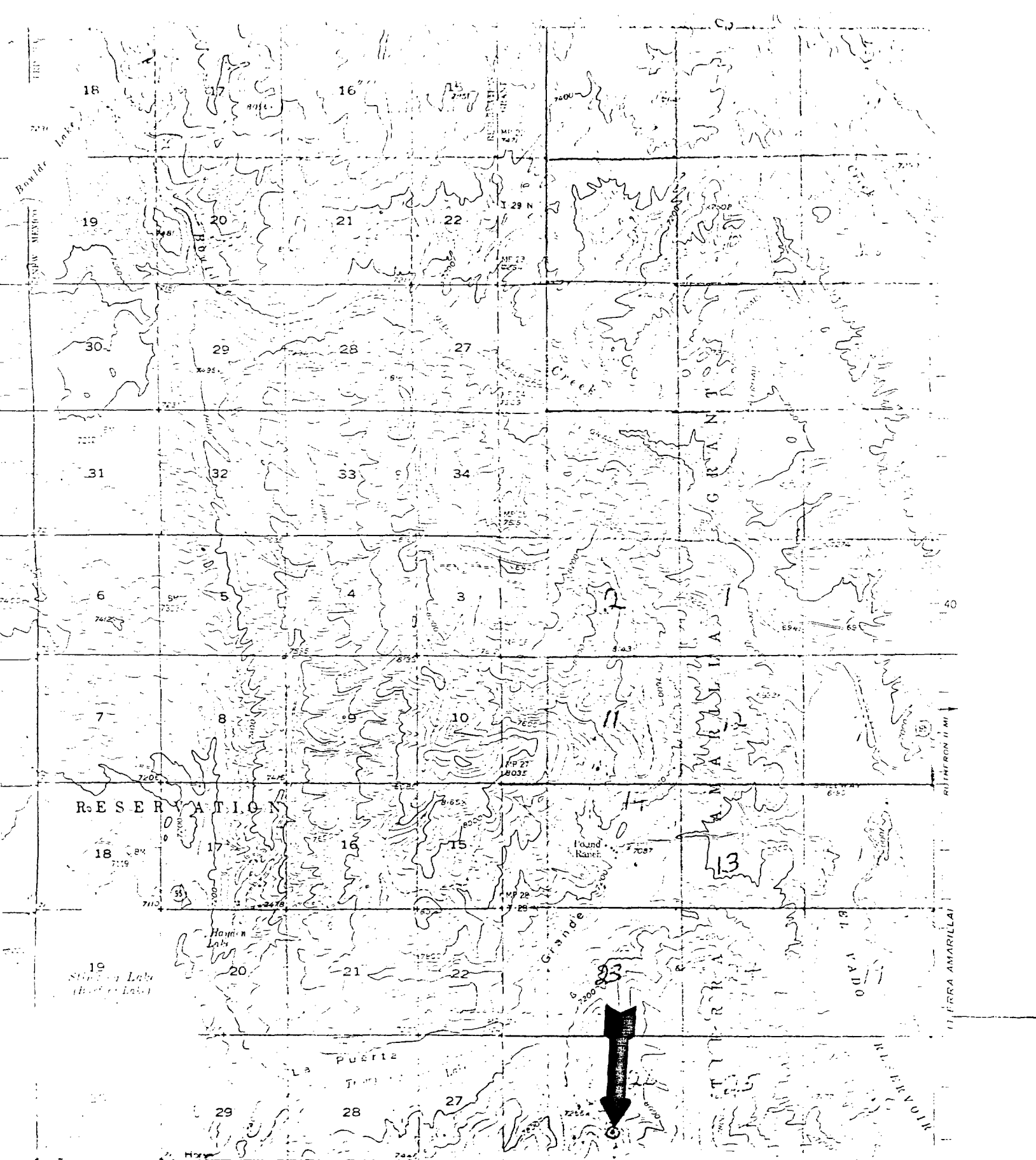
PRESUMED DOWNHOLE CONDITIONS

1. 9-7/8" hole to 78'.
2. 7-5/8" 26# csg. set @ 76'. Cmt. circulated to surface.
3. 6¼" hole to 1778'.
4. 4½" 10.5 # csg. set @ 1777'. Cmt. circulated to surface.
5. TD @ 1778'.

DIVISION APPROVED PLUGGING PROGRAM

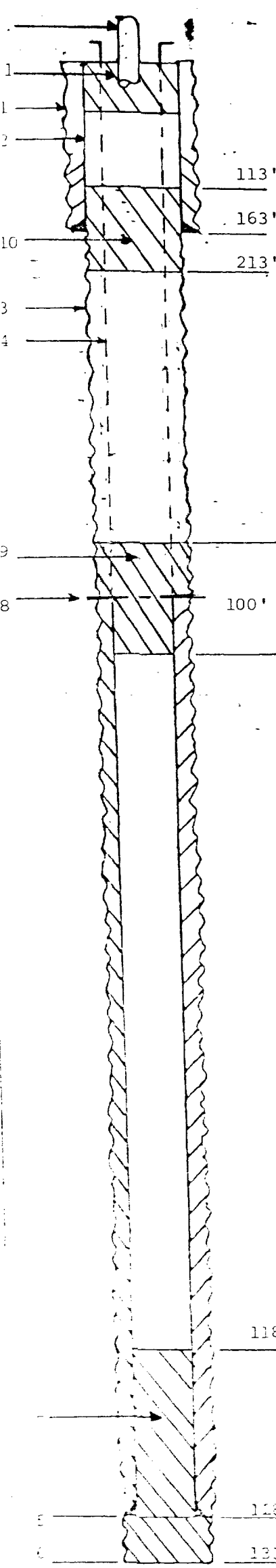
1. Go in hole with tubing to 1777'. Set a cement plug 1777' to 1600' inside casing.
2. Wait on cement a minimum of 4 hours.
3. Go in hole with tubing and tag plug. If plug is above 1650' go to step 4. If not, fill to 1600'.
4. Set a cement plug 150' to surface inside casing.
5. Set dry hole marker.
6. Fill pits, clean and level location.

\*All plugs will be with neat cement with or without an accelerator.



Alana Oil & Gas, Inc.  
Samantha #3 N-26-28N-1E





OPERATOR Alana Oil & Gas, Inc.  
 WELL # Alana #1  
 U-S-T-R N-11-27N-01E  
 COUNTY Rio Arriba  
 FIELD Wildcat Dakota  
 DATE 1/16/86

	Casing	Csq.
SIZE	8 5/8"	5 1/2"
WEIGHT	32#	15.5#
DEPTH	163'	1282'
SX. CMT.		
TOP CMT.		

ITEM NO.	EQUIPMENT AND SERVICES
1	12 1/4" hole to 163'.
2	8 5/8" csg. set @ 163' w/ 177 cu. ft. Class B & 2% CaCl.
3	7 7/8" hole to 1335'.
4	5 1/2" csg. set at 1282' w/ 330 cu. ft. Class B.
5	PBTD @ 1282'.
6	TD @ 1335'.
7	Cement plug 1282' - 1182'.
8	5 1/2" csg. free point.
9	100' cement plug across 5 1/2" csg. stub or inside and outside 5 1/2" csg. if perforated.
10	Cement plug 213' - 113' across 8 5/8" csg. shoe.
11	10 sx. cement surface plug.
12	Dry hole marker.

DIVISION APPROVED PLUGGING PROGRAM

- (1) Go in hole with tubing to 1282' and set a cement plug 1282' to 1182' inside casing.
- (2) Come out of hole with tubing and find casing free point.
- (3) Shoot and pull casing or perforate at free point.
- (4) Set a 100' plug at casing stub if casing is pulled or set a 100' plug in and outside casing if perforated.
- (5) Wait on cement a minimum of 4 hours.
- (6) Go in hole with tubing and tag plug. If plug is in place go to step 7. If not, fill to required depth.
- (7) Set a cement plug 213' - 113'. 50' above and 50' below base of surface pipe.
- (8) Set top plug and dry hole marker with a minimum of 10

COMMENTS sacks of cement.  
 (9) Fill pits, clean and level location.  
 \*All plugs will be with neat cement with or without an additive.

WELL BORE DIAGRAM

OPERATOR Alana Oil & Gas, Inc.

WELL # Alana #1

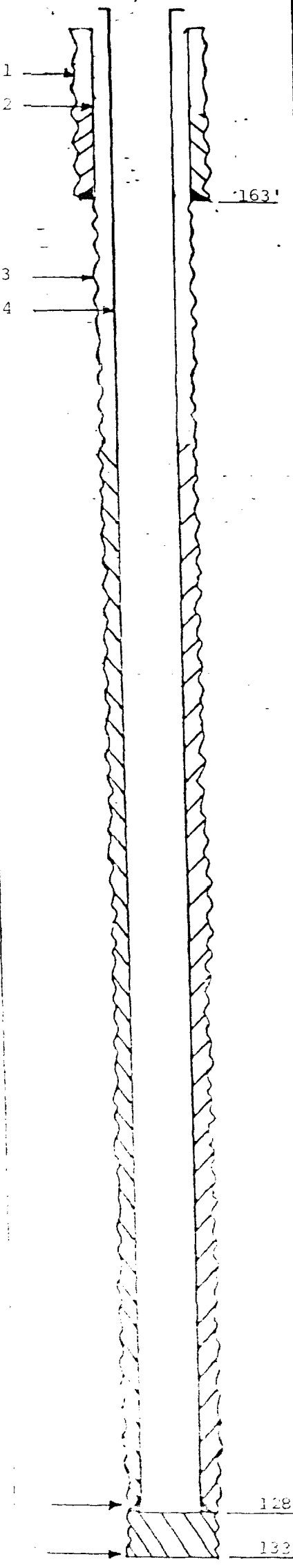
U-S-T-R N-11-27N-01E

COUNTY Rio Arriba

FIELD Wildcat Dakota

DATE 1/16/86

Surface Casing	Case.		
SIZE	8 <sup>5</sup> / <sub>8</sub> "	5 <sup>1</sup> / <sub>2</sub> "	
WEIGHT	32#	15.5#	
DEPTH	163'	1282'	
SX. CMT.			
TOP CMT.			

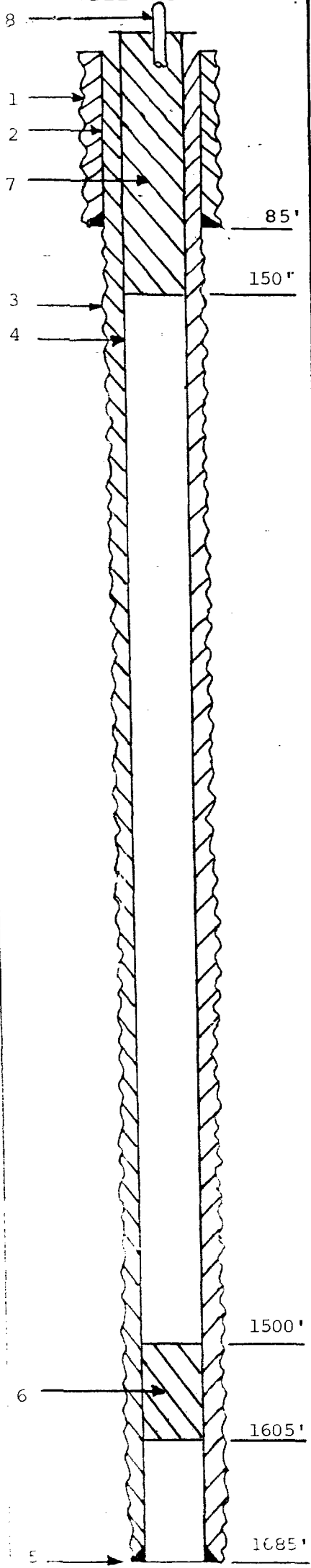


ITEM NO.	EQUIPMENT AND SERVICES
1	12 1/4" hole to 163'.
2	8 5/8" csg. set at 163' w/ 177 cu. ft. Class B & 2% CaCl.
3	7 7/8" hole to 1335'.
4	5 1/2" csg. set at 1282' w/ 330 cu. ft. Class B.
5	PBTD @ 1282'.
6	TD @ 1335'.

COMMENTS

PREPARED BY Charles Gholson	OFFICE Astec OGD	DATE 1/20/86
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**WELL PROFILE**



**PLUGGING PROGRAM**

OPERATOR Alana Oil & Gas, Inc.

WELL # Samantha #1

U-S-T-R L-26-28N-01E

COUNTY Rio Arriba

FIELD Wildcat Gallup

DATE 1/16/86

Surface Casing		Prod. Tbg.
SIZE	7 5/8"	4 1/2"
WEIGHT	26#	10.5#
DEPTH	85'	1685'
SX. CMT.		
TOP CMT.	CCS	CCS

**EQUIPMENT AND SERVICES**

ITEM NO.	DESCRIPTION
1	9 7/8" hole to 85'.
2	7 5/8" 26# csg. set @ 85'. Cmt. crcl. to surface.
3	6 1/2" hole to 1685'.
4	4 1/2" 10.5# csg. set @ 1685'. Cmt. crcl. to surface.
5	TD @ 1685'.
6	Cement plug 1605' - 1500'.
7	Cement plug 150' - Surface.
8	Dry hole marker.

**DIVISION APPROVED PLUGGING PROGRAM**

- (1) Go in hole with tubing to 1685' and set a cement plug 1605' - 1500' inside casing.
  - (2) Wait on cement a minimum of 4 hours.
  - (3) Go in hole with tubing and tag plug. If plug is above 1550', go to step 4. If not, fill to 1500'.
  - (4) Set a cement plug 150' to surface inside casing.
  - (5) Set dry hole marker.
  - (6) Fill pits, clean and level location.
- \*All plugs will be with neat cement with or without an accelerator.

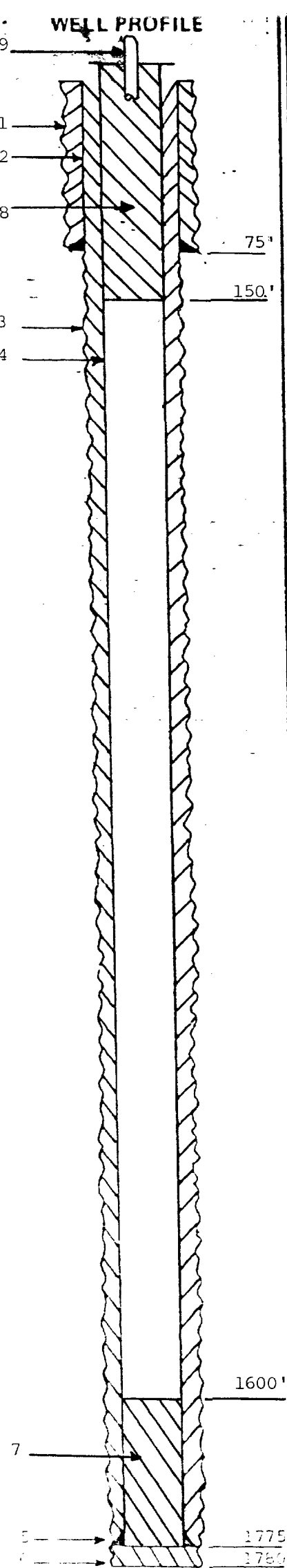
**COMMENTS:**

PREPARED BY  
Charles Gholson

OFFICE  
Aztec OGD

PHONE  
334-0170





PLUGGING PROGRAM

OPERATOR Alana Oil & Gas, Inc.  
 WELL # Samantha #2  
 U-S-T-R K-26-28N-01E  
 COUNTY Rio Arriba  
 FIELD Undesignated Dakota  
 DATE 1/16/86

Surface Casing	Prod. Tbg.	
	Size	Wt.
SIZE	7 5/8"	4 1/2"
WEIGHT	26#	10.5#
DEPTH	75'	1775'
SX. CMT.		
TOP CMT.	CCS	CCS

ITEM NO.	EQUIPMENT AND SERVICES
1	9 7/8" hole to 75'.
2	7 5/8" 26# csg. set @ 75'. Cmt. crcl. to surface.
3	6 1/4" hole to 1780'.
4	4 1/2" 10.5# csg. set @ 1775'. Cmt. crcl. to surface.
5	PBTD @ 1775'.
6	TD @ 1780'.
7	Cement plug 1775' - 1600'.
8	Cement plug 150' to surface.
9	Dry hole marker.
DIVISION APPROVED PLUGGING PROGRAM	
(1)	Go in hole with tubing to 1775' and set a cement plug 1775' to 1600' inside casing.
(2)	Wait on cement a minimum of 4 hours.
(3)	Go in hole with tubing and tag plug. If plug is above 1650' go to step 4. If not, fill to 1600'.
(4)	Set a cement plug 150' to surface inside casing.
(5)	Set dry hole marker.
(6)	Fill pits, clean and level location.
	*All plugs will be with neat cement with or without an accelerator.

COMMENTS:

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PREPARED BY Charles Ghelso      OFFICE Artes 222      PHONE 334-1111



OPERATOR Alana Oil & Gas, Inc.

WELL # Samantha #3

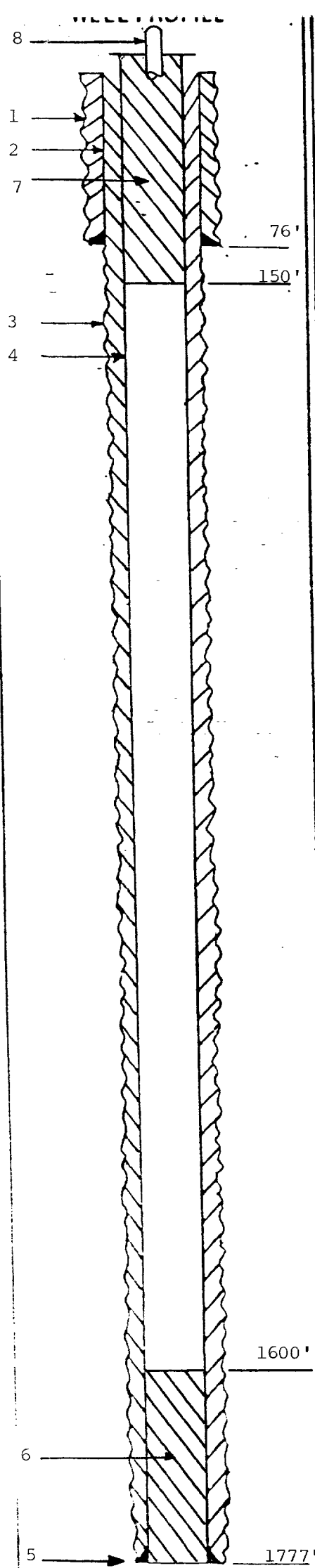
U-S-T-R N-26-28N-01E

COUNTY Rio Arriba

FIELD Undesignated Gallup

DATE 1/16/86

Surface Casing		CSG.	
SIZE	7 5/8"	4 1/2"	
WEIGHT	26#	10.5#	
DEPTH	76'	1777'	
SX. CMT.			
TOP CMT.	CCS	CCS	



ITEM NO.	EQUIPMENT AND SERVICES
1	9 7/8" hole to 78'.
2	7 5/8" 26# csg. set @ 76'. Cmt. crcl. to surface.
3	6 1/4" hole to 1778'.
4	4 1/2" 10.5# csg. set @ 1777'. Cmt. crcl. to surface.
5	TD @ 1778'.
6	Cement plug 1777' - 1600'.
7	Cement plug 150' - surface.
8	Dry hole marker.

DIVISION APPROVED PLUGGING PROGRAM

- (1) Go in hole with tubing to 1777'. Set a cement plug 1777' to 1600' inside casing.
  - (2) Wait on cement a minimum of 4 hours.
  - (3) Go in hole with tubing and tag plug. If plug is above 1650' go to step 4. If not, fill to 1600'
  - (4) Set a cement plug 150' to surface inside casing.
  - (5) Set dry hole marker.
  - (6) Fill pits, clean and level location.
- \*All plugs will be with neat cement with or without an accelerator.

COMMENTS:

PREPARED BY  
Charles Gholson

OFFICE  
Aztec OCD

PHONE  
3 4-6178

# WELL PROFILE

## WELL BORE DIAGRAM

OPERATOR Alana Oil & Gas, Inc.

WELL # Samantha #3

U-S-T-R N-26-28N-01E

COUNTY Rio Arriba

FIELD Undesignated Gallup

DATE 1/16/86

Surface Casing Prod. Tbg.

SIZE

7 5/8"

4 1/2"

WEIGHT

26#

10.5#

DEPTH

76'

1777'

SX. CMT.

TOP CMT.

CCS

CCS

76'

1777'

ITEM NO.

### EQUIPMENT AND SERVICES

1 | 9 7/8" hole to 78'.

2 | 7 5/8" 26# csg. set @ 76'. Cmt. crcl. to surface.

3 | 6 1/4" hole to 1778'.

4 | 4 1/2" 10.5# csg. set @ 1777'. Cmt. crcl. to surface.

5 | TD @ 1778'.

### COMMENTS

PREPARED BY  
Charles G. Olson

OFFICE  
Aztec CO

1-17-86



STATE OF NEW MEXICO  
ONE-WELL PLUGGING BOND

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

BOND NO. 9748960  
(For Use of Surety Company)

AMOUNT OF BOND \$5,000.00

COUNTY Rio Arriba

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 Alana Oil and Gas Corporation (An individual) (a partnership) (a corporation organized in the State of New Mexico, with its principal office in the city of Farmington State of New Mexico, and authorized to do business in the State of New Mexico), as PRINCIPAL, and Fidelity and Deposit Company, a corporation organized and existing under the laws of the State of Maryland 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 and 00/100 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 4999 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, own or operate such well, or such well started by others on land embraced in said State oil and gas leases, or carbon dioxide (CO<sub>2</sub>) leases, or helium gas leases, and on land patented by the United States of America to private individuals, and on land otherwise owned by private individuals, the identification and location of said well being: 1580 feet from the South line and 1202 feet from West Line Section 26 Township 28 North (North)(South), Range I East (East)(West), N.M.P.M. Rio Arriba County, New Mexico

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

THEN, THEREFORE, This obligation shall remain in full force and effect until such time as full and complete compliance with any and all of said obligations, the same shall remain in full force and effect.

STATE OF NEW MEXICO  
ONE-WELL PLUGGING BOND

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

BOND NO. 9749003  
(For Use of Surety Company)  
AMOUNT OF BOND \$5000.00  
COUNTY Rio Arriba

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 10,499 feet. (See Rule 103)

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

KNOW ALL MEN BY THESE PRESENTS:

That Alana Oil and Gas Corporation, (An individual)(a partnership) (a corporation organized in the State of New Mexico, with its principal office in the city of Farmington, State of New Mexico, and authorized to do business in the State of New Mexico), as PRINCIPAL, and Fidelity and Deposit Company, a corporation organized and existing under the laws of the State of Maryland, 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 dollars and 00/100 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 4999 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, own or operate such well, or such well owned by others on land embraced in said State oil and gas leases, or carbon dioxide (CO<sub>2</sub>) leases, or helium gas leases, and on land patented by the United States of America to private individuals, and on land otherwise owned by private individuals, the identification and location of said well being 1105 feet from the South and 2490 feet from the West

(If this obligation is imposed by a permit or by  
line          Section 26 Township 28 (North)(South), Range 1 (East)(West), N.M.P.M.  
Rio Arriba County, New Mexico.

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

THEN, THEREAFTER, The obligation shall be null and void, there also and in the lack of complete compliance with any and all of said obligations, the same shall remain in full force and effect.

STATE OF NEW MEXICO

ONE-WELL PLUGGING BOND

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

BOND NO. 9622700  
(For Use of Surety Company)

AMOUNT OF BOND \$5000.00

COUNTY Rio Arriba

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 Alana Oil and Gas Corporation, (An individual) (a partnership) (a corporation organized in the State of New Mexico, with its principal office in the city of Farmington, State of New Mexico, and authorized to do business in the State of New Mexico), as PRINCIPAL, and Fidelity and Deposit Company, a corporation organized and existing under the laws of the State of Maryland 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 dollars and 00/100 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 4999 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, own or operate such well, or such well started by others on land embraced in said State oil and gas leases, or carbon dioxide (CO<sub>2</sub>) leases, or helium gas leases, and on land patented by the United States of America to private individuals, and on land otherwise owned by private individuals, the identification and location of said well being 511' S, 2144' West Line

(If the well is drilled, the well shall be plugged or sealed)

Section 11 Township 27 (North)(South), Range 1 (East)(West), N.M.P.M.  
Rio Arriba County, New Mexico.

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

THEN, THEREFORE, The oil conservation commission shall be held to their original intent of complete compliance with any and all of said obligations, the same shall remain in full force and effect.

STATE OF NEW MEXICO  
ONE-WELL PLUGGING BOND

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

BOND NO 9749002  
(For Use of Surety Company)

AMOUNT OF BOND \$5000.00

COUNTY Rio Arriba

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 Alana Oil and Gas Corporation, (An individual) (a partnership) (a corporation organized in the State of New Mexico, with its principal office in the city of Farmington, State of New Mexico, and authorized to do business in the State of New Mexico), as PRINCIPAL, and Fidelity and Deposit, a corporation organized and existing under the laws of the State of Maryland, 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 65-311, New Mexico Statutes Annotated, 1953 Compilation, as amended, in the sum of Five Thousand and 00/100 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 4999 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, own or operate such well, or such well started by others on land embraced in said State oil and gas leases, or carbon dioxide (CO<sub>2</sub>) leases, or helium gas leases, and on land patented by the United States of America to private individuals, and on land otherwise owned by private individuals, the location and location of said well being 1985 feet from the South line and 2290 feet from the

(If it is an existing well, insert the well number in the space provided.)  
West Line Section 26 Township 28 N (North) (South), Range 1 (East) (West), N.M.P.M.  
Rio Arriba County, New Mexico

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

THEN, THEREFORE, This obligation shall remain in full force and effect in the event of complete compliance with any and all of said obligations, the same shall remain in full force and effect.