El Paso NATURAL GAS COMPANY

P. O. BOX 990
FARMINGTON, NEW MEXICO 87401
PHONE: 505-325-2841

Multi-Point Surface Use Plan
San Juan 28-7 Unit #253

1. Existing Road - Please refer to Map No. 1 which shows the existing roads. New roads which will be required have been marked on this map. All existing and new roads will be properly maintained during the duration of this project.

2. Planned Access Roads - Please refer to Map No. 1. The grade of the access roads will be consistent with that of the local terrain. The road surface will not exceed twenty feet (20') in width. Upon completion of the project, the access road will be adequately drained to control soil erosion. Drainage facilities may include ditches, water bars, culverts or any other measure deemed necessary by trained Company personnel to insure proper drainage. Gates and/or cattleguards will be installed if necessary.

3. Location of Existing Wells - Please refer to Map No. 2

4. Location of Tank Batteries, Production Facilities, and Production Gathering and Service Lines - Please refer to Maps No. 1 and No. 2. Map No. 2 shows the existing gas gathering lines. Map No. 1 shows the existing roads and new proposed access roads. All known production facilities are shown on these two maps.

5. Location and Type of Water Supply - Water for the proposed project will be obtained from a water hole located at Gould's Pass Water Well.

6. Source of Construction Materials - No additional materials will be required to build either the access road or the proposed location.

7. Methods of Handling Waste Materials - All garbage and trash materials will be put into a burn pit shown on the attached Location Plat No. 1. When clean-up operations are begun on the proposed project, the burn pit with its refuse will be buried to a depth of at least three feet (3'). A latrine, the location of which is also shown on Plat No. 1 will be provided for human waste. If large amounts of liquids are left in the reserve pit after completion of the project, the pit will be fenced until the liquids have had adequate time to dry. The location clean-up will not take place until such time as the reserve pit can be properly covered over to prevent run-off from carrying any of these materials into the watershed. No earthen pit will be located on natural drainages; all earthen pits will be so constructed as to prevent leakage from occurring.

8. Ancillary Facilities - No camps or airstrips will be associated with this project.

9. Wellsite Layout - Please refer to the attached Plat No. 1.

10. Plans for Restoration of the Surface - After completion of the proposed project, the location will be cleaned and leveled. The location will be left in such a condition that will enable reseeding operations to be carried out. Seed Mixture #1 will be used. The reseeding operation will be performed during the time period set forth by the regulatory body. The location production equipment will be painted green (Federal Standard #595-34127)

11. Other Information - The terrain is high sandstone ledges with pinon and cedar trees growing. Deer graze the proposed project site.

12. Operator's Representative - W. D. Dawson, Post Office Box 990, Farmington, New Mexico 87401

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 El Paso Natural Gas Company and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

D. C. Walker

D. C. Walker
Project Drilling Engineer

March 31, 1978

DCW:pb

April 4, 1978

Operations Plan
San Juan 28-7 Unit #253

I. Location: 790'N, 970'E, Section 7, T-27-N, R-7-W, Rio Arriba County, NM

Field: Basin Dakota Elevation: 6852'GL

II. Geology:

A. Formation Tops:

Surface	San Jose	Menefee	5092'
Ojo Alamo	2463'	Point Lookout	5575'
Kirtland	2608'	Gallup	6757'
Fruitland	3108'	Greenhorn	7502'
Pic.Cliffs	3352'	Graneros	7562'
Lewis	3438'	Dakota	7674'
Mesa Verde	5014'	Total Depth	7870'

B. Logging Program: GR-Ind. and GR-Density at Total Depth.

C. Coring Program: none

D. Natural Gauges: 5575', 6757', 7562', 7674' and at Total Depth. Also gauge any noticeable increase in gas. Record all gauges in daily drilling report and on morning report.

III. Drilling:

A. Mud Program: mud from surface to 3640'. Gas from intermediate casing to Total Depth.

IV. Materials:

A. Casing Program:

Hole Size	Depth	Casing Size	Wt.&Grade
13 3/4"	200'	9 5/8"	32.3# H-40
8 3/4"	3640'	7"	20.0# K-55
6 1/4"	6500'	4 1/2"	10.5# K-55
6 1/4"	1370'	4 1/2"	11.6# K-55

B. Float Equipment: 9 5/8" surface casing - Pathfinder guide shoe (Part No. 2006-1-012).

7" intermediate casing - Pathfinder guide shoe (Part No. 1003-1-007) and Pathfinder self-fill insert float valve (Part No. 2010-6-007), 5 Pathfinder stabilizers (Part No. 107-10) every other joint above shoe. Run float two joints above shoe.

4 1/2" production casing - Larkin geyser shoe (fig. 222) and Larkin flapper type float collar (fig. 404 M&F)

C. Tubing: 7870' of 1 1/2", 2.9#, J-55 10rd EUE tubing with a common pump seating nipple above perforated pup joint with bull plugged full joint for mud anchor on bottom.

D. Wellhead Equipment: 3000 psi test tree. Wellhead representative to set all slips and cut off casing.

V. Cementing:

9 5/8" surface casing - use 190 sks. of Class "B" cement with 1/4# gel-flake per sack and 3% calcium chloride (224 cu.ft. of slurry, 100% excess to circulate to surface). WOC 12 hours. Test casing to 600#/30 minutes.

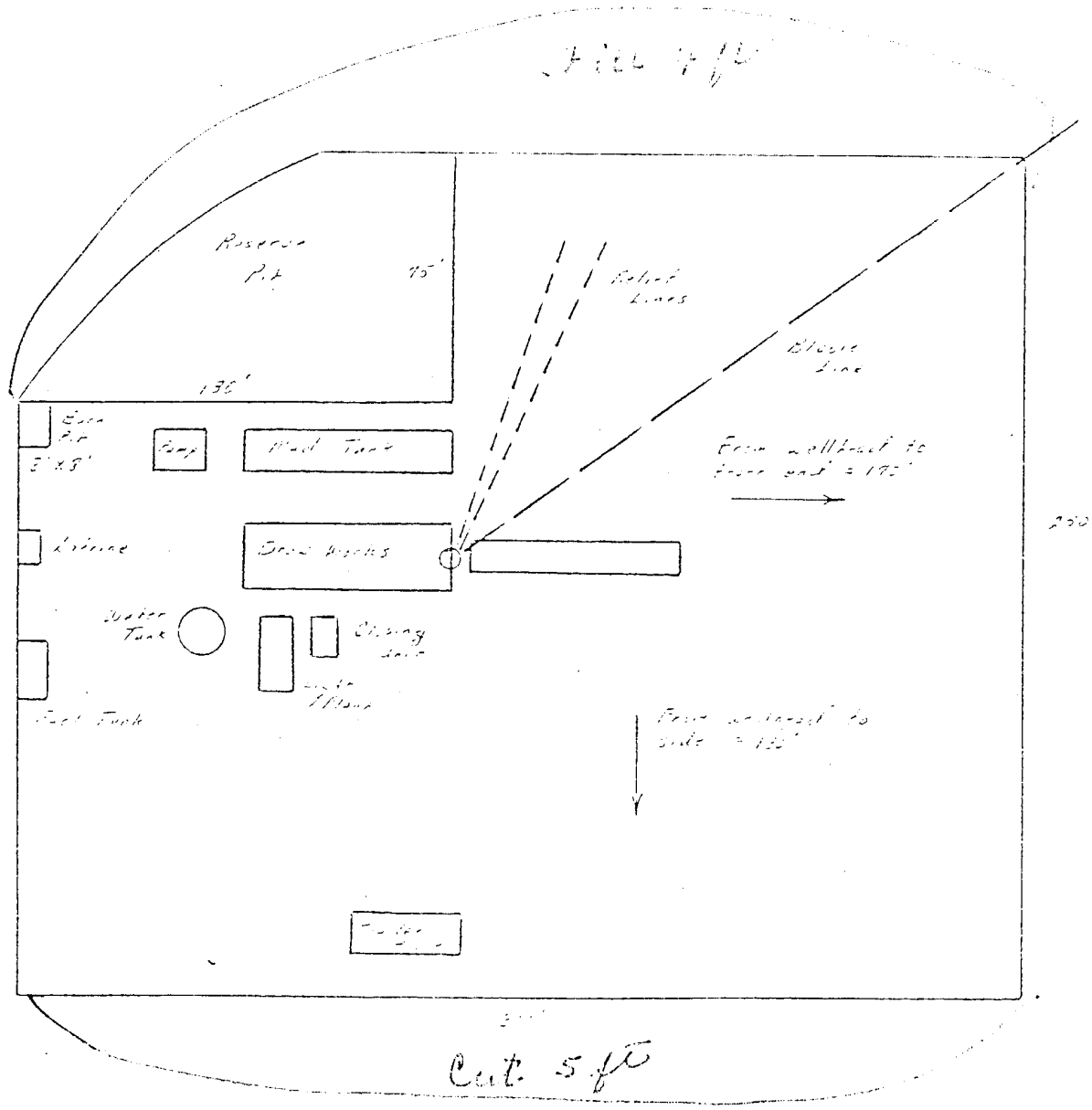
7" intermediate casing - use 112 sks. of 65/35 Class "B" Poz with 6% gel and 2% calcium chloride (8.3 gallons of water per sack) followed by 100 sks. of Class "B" with 2% calcium chloride (265cu.ft. of slurry, 50% excess to cover Ojo Alamo). Run temperature survey at 8 hours. WOC 12 hours. Test casing to 1200#/30 minutes.

4 1/2" production casing - precede cement with 40 bbls. of gel water (4 sks. gel) cement with 260 sks. of Class "B" with 8% gel, 1/4 cu.ft. fine gilsonite per sack and 0.4% HR-7, followed by 100 sks. of Class "B" with 1/4# fine tuf-plug per sack and 0.4% HR-7 (651 cu.ft. of slurry, 50% excess to fill to intermediate casing). Run temperature survey at 8 hours. WOC 18 hours.

1

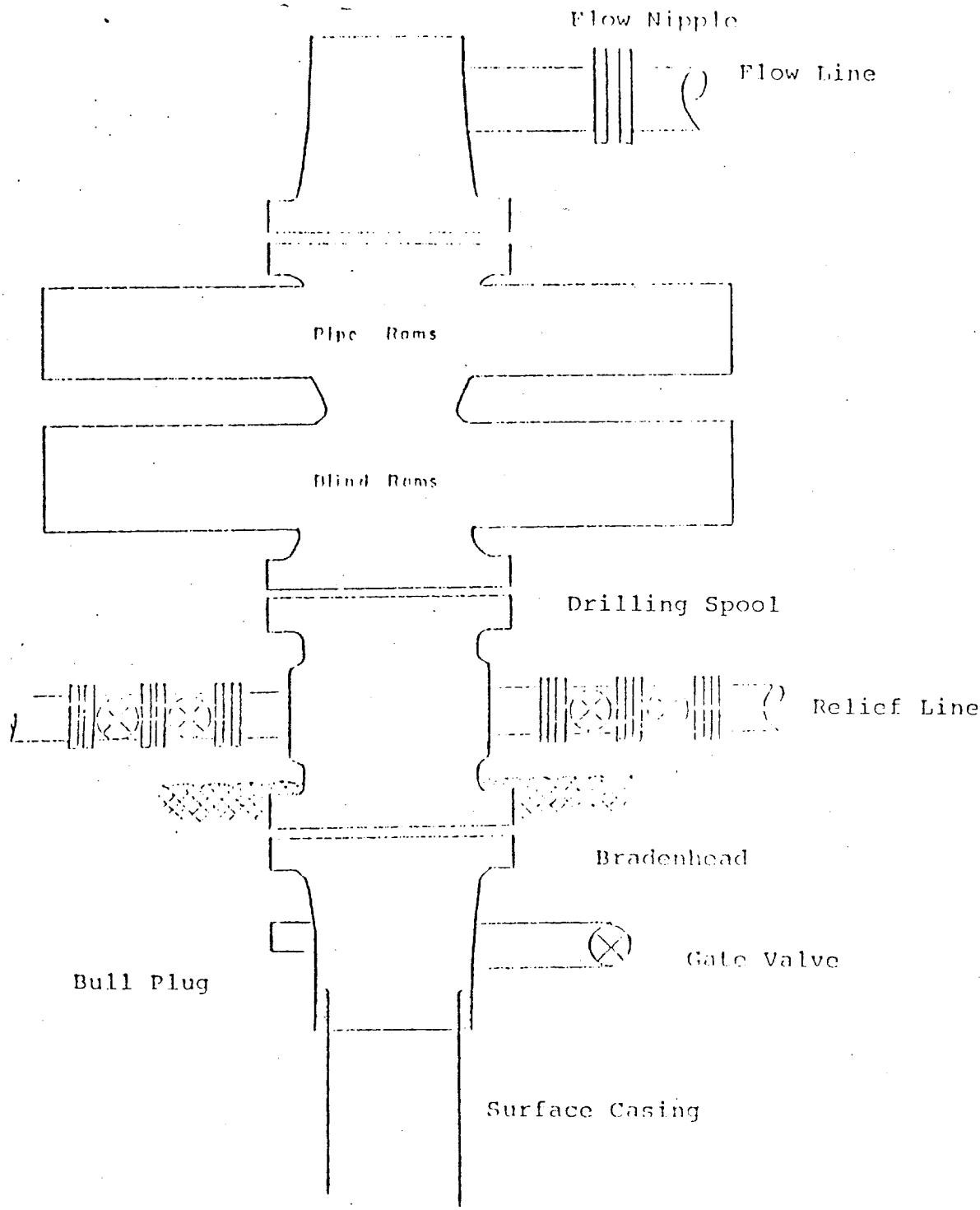
El Paso Natural Gas Company

Typical Location Plat for Mesa Verde and Dakota Well.



N

Typical B.O.P. Installation
for Dakota Well



Series 900 Double Gate BOP, rated
at 3000 psi Working Pressure

When gas drilling operations begin a Shaffer type 50 or equivalent rotating head is installed on top of the flow nipple and the flow line is converted into a blowie line.

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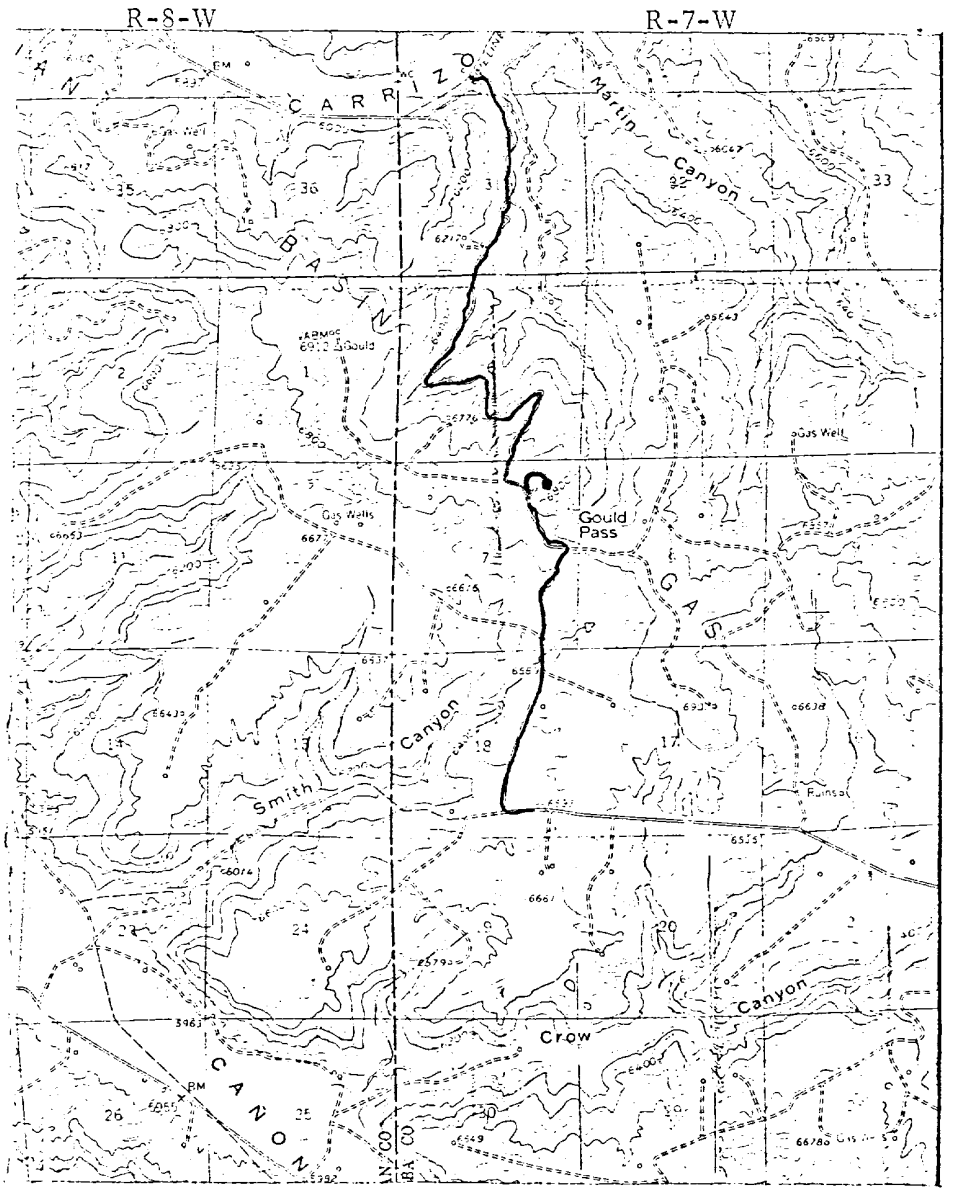
San Juan 28-7 Unit #253
NE 7-27-7



MAP #1

LEGEND OF RIGHT-OF-WAYS

EXISTING ROADS
EXISTING PIPELINES
EXISTING ROAD & PIPELINE
PROPOSED ROADS
PROPOSED PIPELINES
PROPOSED ROAD & PIPELINE

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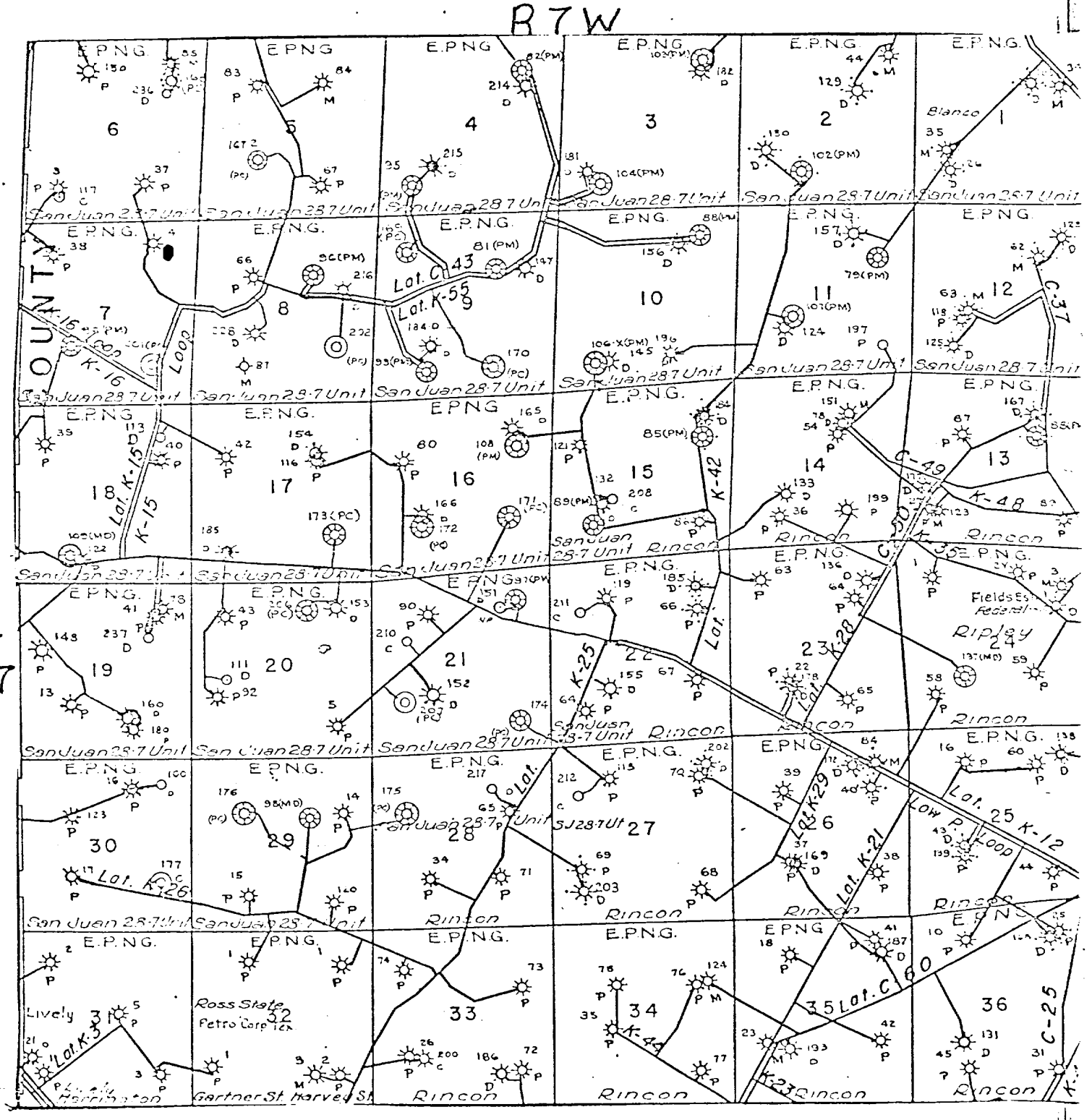

MAP #2
Proposed Location