

50-045-2-719

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
 DRILL DEEPEN PLUG BACK
 b. TYPE OF WELL
 OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
 El Paso Natural Gas Company

3. ADDRESS OF OPERATOR
 PO Box 4289, Farmington, NM 87499

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)
 At surface: 970'S, 1745'E
 At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 3 miles SE of Aztec, NM

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any)
 970'
 16. NO. OF ACRES IN LEASE
 760
 17. NO. OF ACRES ASSIGNED TO THIS WELL
 5318.44

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
 500'

19. PROPOSED DEPTH
 5070'
 20. ROTARY OR CABLE TOOLS
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 5915' GL
 DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS".

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	9 5/8"	36.0#	200'	138 cu.ft. circulated
8 3/4"	7"	20.0#	2690'	530 cu.ft. cover Ojo Alamo
6 1/4"	4 1/2"	10.5#	2540-5070'	445 cu.ft. circ. liner

Selectively perforate and sand water fracture the Mesa Verde formation.
 A 3000 psi WP and 6000 psi test double gate preventer equipped with blind and pipe rams will be used for blow out prevention on this well.
 This gas is dedicated.
 The S/2 of Section 26 is dedicated to this well

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IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productivity 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: Drilling Clerk DATE: 3-21-86
 (This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY: *[Signature]* TITLE: _____ DATE: _____
 CONDITIONS OF APPROVAL, IF ANY:

Warrant that the applicant holds legal or equitable title to this lease. *See Instructions On Reverse Side
 Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the

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 FARMINGTON RESOURCE AREA

5. LEASE DESIGNATION AND SERIAL NO.
 SF 078144
 6. IF INDIAN, ALLOTTEE OR TRIBE NAME
 7. UNIT AGREEMENT NAME
 8. FARM OR LEASE NAME
 Payne
 9. WELL NO.
 1A
 10. FIELD AND POOL, OR WILDCAT
 Blanco Mesa Verde
 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 Sec. 26, T-30-N, R-11-W
 NMPM
 12. COUNTY OR PARISH
 San Juan
 13. STATE
 NM

ok
 4/6

[Signature]

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
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.

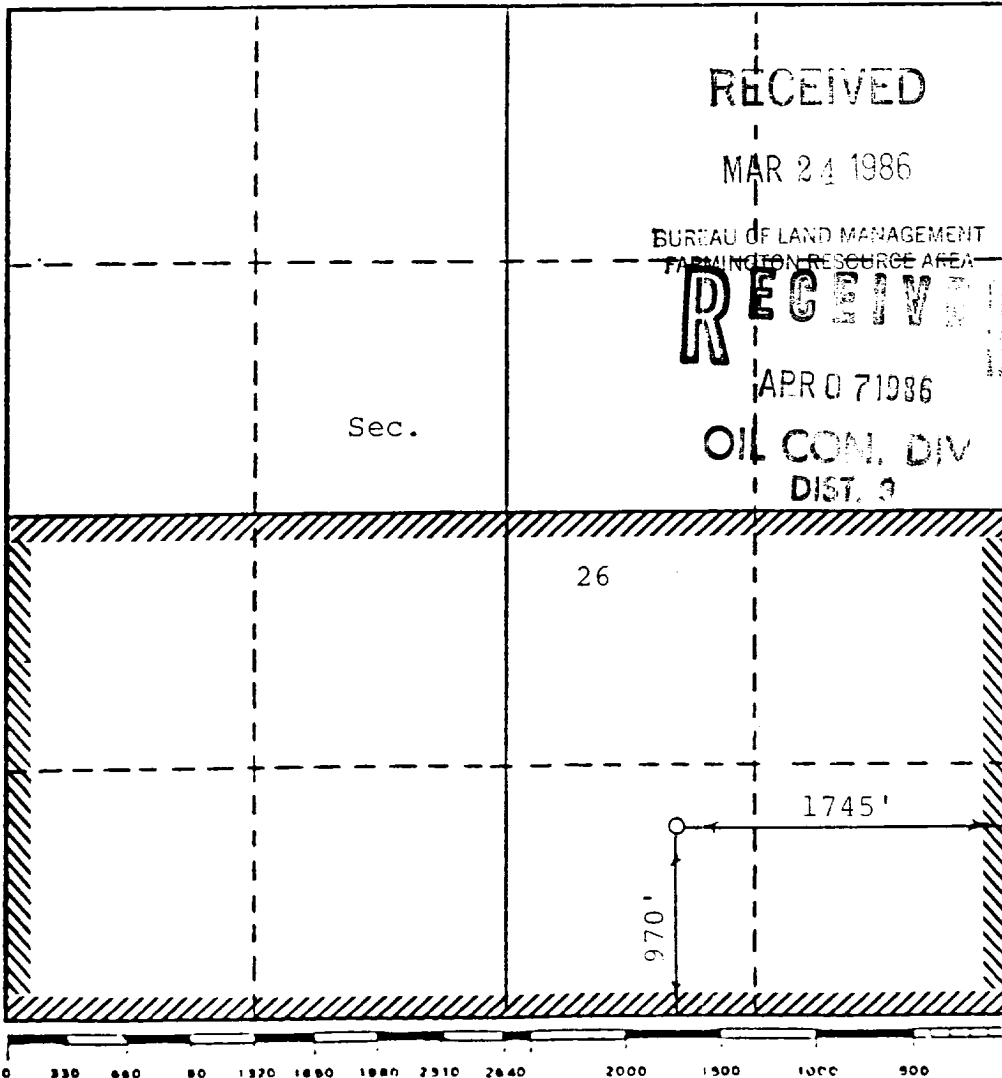
Operator El Paso Natural Gas Company		Lease Payne (SF 078144)			Well No. 1A
Unit Letter O	Section 26	Township 30N	Range 11W	County San Juan	
Actual Footage Location of Well: 970 feet from the South line and 1745 feet from the East line					
Ground Level Elev. 5915	Producing Formation Mesaverde	Pool Blanco		Dedicated Acreage: 318.44 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.



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CERTIFICATION

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

Jerry Cook

Name
Drilling Clerk
Position
El Paso Natural Gas
Company
3-21-86

Date

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.

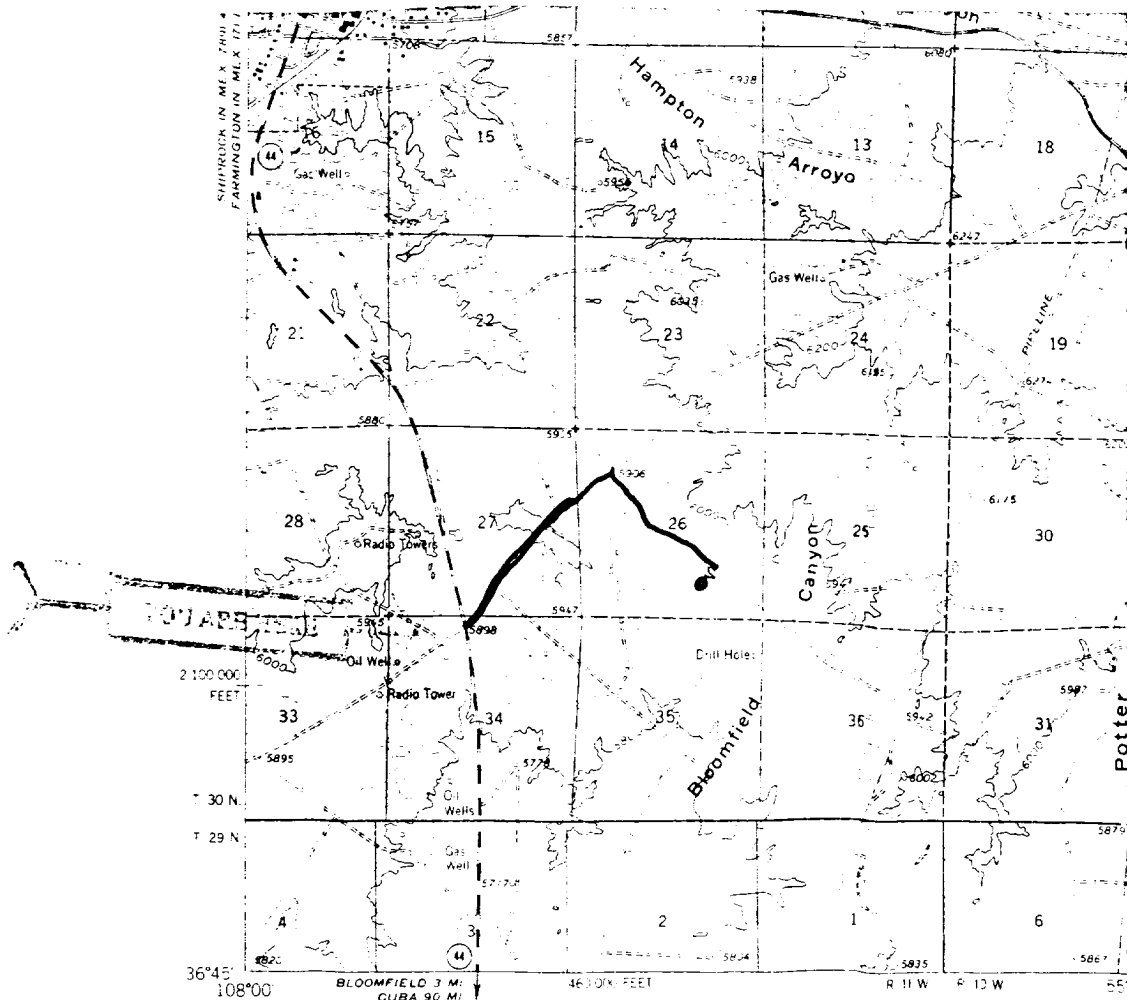
March 10, 1986

Date Surveyed
David M. Kelsey

Registered Professional Engineer
and/or Land Surveyor

Certificate No.
5855

PAYNE # 1A



Mapped, edited, and published by the Geological Survey

Control by USGS and USC&GS

Topography by photogrammetric methods from aerial photographs taken 1955. Field checked 1959

Polyconic projection. 1927 North American datum. 10,000 foot grid based on New Mexico coordinate system. West zone.

1000 meter universal Transverse Mercator grid ticks. Zone 13 shown in blue.

Red tint indicates area in which only landmark buildings are shown.



14
MAGNETIC NORTH
TRUE NORTH

Map #2

LEGEND OF RIGHT-OF-WAYS

- EXISTING ROADS —————
- EXISTING PIPELINES + + +
- EXISTING ROAD & PIPELINE + + + ———
- PROPOSED ROADS ~~~~~
- PROPOSED PIPELINES - - -
- PROPOSED ROAD & PIPELINE - - - ~~~~~