

INFILL DRILLING FINDINGS PURSUANT TO
SECTION 271.305(b) OF THE FEDERAL ENERGY REGULATORY
COMMISSION REGULATIONS, NATURAL GAS POLICY ACT OF 1978
AND OIL CONSERVATION DIVISION ORDER NO. R-6013-A

Operator C & E Operators, Inc. Well Name and No. _____ Fee Well No. 7-A
Location: Unit E Sec. 7 Twp. 30N Rng. 11W Cty. San Juan

II.
THE DIVISION FINDS:

- (1) That Section 271.305(b) of the Federal Energy Regulatory Commission Regulations promulgated pursuant to the Natural Gas Policy Act of 1978 provides that, in order for an infill well to qualify as a new onshore production well under Section 103 of said Act, the Division must find that the infill well is necessary to effectively and efficiently drain a portion of the reservoir covered by the proration unit which cannot be so drained by any existing well within that unit.
- (2) That by Order No. R-6013-A, dated February 8, 1980, the Division established an administrative procedure whereby the Division Director and the Division Examiners are empowered to act for the Division and find that an infill well is necessary.
- (3) That the well for which a finding is sought is completed in the Aztec-Pictured Cliffs Pool, and the standard spacing unit in said pool is 160 acres.
- (4) That a 164.44 -acre proration unit comprising the NW/4 of Sec. 7, Twp. 30N, Rng. 11W, is currently dedicated to the C & E Operators, Inc. McGrath Well No. 1 located in Unit F of said section.
- (5) That this proration unit is () standard () nonstandard; if nonstandard, said unit was previously approved by Order No. _____.
- (6) That said proration unit is not being effectively and efficiently drained by the existing well(s) on the unit.
- (7) That the drilling and completion of the well for which a finding is sought should result in the production of an additional 35,000 MCF of gas from the proration unit which would not otherwise be recovered.
- (8) That all the requirements of Order No. R-6013-A have been complied with, and that the well for which a finding is sought is necessary to effectively and efficiently drain a portion of the reservoir covered by said proration unit which cannot be so drained by any existing well within the unit.
- (9) That in order to permit effective and efficient drainage of said proration unit, the subject application should be approved.

IT IS THEREFORE ORDERED:

- (1) That the applicant is hereby authorized to drill the well described in Section I above as an infill well on the existing proration unit described in Section II(4) above. The authorization for infill drilling granted by this order is necessary to permit the drainage of a portion of the reservoir covered by said proration unit which cannot be effectively and efficiently drained by any existing well thereon.
 - (2) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.
- DONE at Santa Fe, New Mexico, on this 18th day of October, 19 82.


DIVISION DIRECTOR _____ EXAMINER _____

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
P. O. Box 2088
SANTA FE, NEW MEXICO
87501

Received Aug. 17, 1982
Today
ADMINISTRATIVE ORDER
NFL 61

INFILL DRILLING FINDINGS PURSUANT TO
SECTION 271.305(b) OF THE FEDERAL ENERGY REGULATORY
COMMISSION REGULATIONS, NATURAL GAS POLICY ACT OF 1978
AND OIL CONSERVATION DIVISION ORDER NO. R-6013-A

I.

Operator C + E Operators, Inc. Well Name and No. Fee Well No. 7-A
Location: Unit E Sec. 7 Twp. 30N Rng. 11W Cty. San Juan

II.

THE DIVISION FINDS:

- (1) That Section 271.305(b) of the Federal Energy Regulatory Commission Regulations promulgated pursuant to the Natural Gas Policy Act of 1978 provides that, in order for an infill well to qualify as a new onshore production well under Section 103 of said Act, the Division must find that the infill well is necessary to effectively and efficiently drain a portion of the reservoir covered by the proration unit which cannot be so drained by any existing well within that unit.
- (2) That by Order No. R-6013-A, dated February 8, 1980, the Division established an administrative procedure whereby the Division Director and the Division Examiners are empowered to act for the Division and find that an infill well is necessary.
- (3) That the well for which a finding is sought is completed in the Aztec - Pictured Cliffs Pool, and the standard spacing unit in said pool is 160 acres.
- (4) That a 164.44-acre proration unit comprising the NW 1/4 of Sec. 7, Twp. 30N, Rng. 11W, is currently dedicated to the C + E Operators, Inc. McBrath Well No. 1 located in Unit F of said section.
- (5) That this proration unit is (X) standard () nonstandard; if nonstandard, said unit was previously approved by Order No. _____.
- (6) That said proration unit is not being effectively and efficiently drained by the existing well(s) on the unit.
- (7) That the drilling and completion of the well for which a finding is sought should result in the production of an additional 35,000 MCF of gas from the proration unit which would not otherwise be recovered.
- (8) That all the requirements of Order No. R-6013-A have been complied with, and that the well for which a finding is sought is necessary to effectively and efficiently drain a portion of the reservoir covered by said proration unit which cannot be so drained by any existing well within the unit.
- (9) That in order to permit effective and efficient drainage of said proration unit, the subject application should be approved.

IT IS THEREFORE ORDERED:

- (1) That the applicant is hereby authorized to drill the well described in Section I above as an infill well on the existing proration unit described in Section II(4) above. The authorization for infill drilling granted by this order is necessary to permit the drainage of a portion of the reservoir covered by said proration unit which cannot be effectively and efficiently drained by any existing well thereon.
- (2) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on this _____ day of _____, 19____.

CC - OCD Aztec

NMO + BCL Halls

OCD Mch. Asst. S.F.

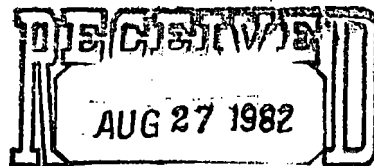
Well File

DIVISION DIRECTOR _____ EXAMINER _____

NFL-61

A. R. "Al" Kendrick

P. O. BOX 516 • AZTEC, NEW MEXICO 87410 • (505) 334-2555



OIL CONSERVATION DIVISION
SANTA FE

August 16, 1982

Dear Offset Operator:

If you have no objection to the attached Application, please sign the waiver of objection below and send it to the New Mexico Oil Conservation Division office in Santa Fe, New Mexico.

An envelope is enclosed for your convenience.

Yours very truly,

AR Kendrick

A. R. Kendrick

Mr. Joe D. Ramey
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

Dear Mr. Ramey:

We, as offset operator, hereby waive objection to the application of C & E Operators, Inc. for the classification of their fee #7-A well as a necessary infill well in the Aztec-Pictured Cliffs Pool.

OPERATOR: El Paso Natural Gas Company

BY: Don Read

DATE: 8-24-82



A. R. "Al" Kendrick

P. O. Box 516 • AZTEC, NEW MEXICO 87410 • (505) 334-2555

August 16, 1982

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If you have no objection to the attached Application, please sign the waiver of objection below and send it to the New Mexico Oil Conservation Division office in Santa Fe, New Mexico.

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Yours very truly,

AR Kendrick

A. R. Kendrick

Mr. Joe D. Ramey
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

Dear Mr. Ramey:

We, as offset operator, hereby waive objection to the application of C & E Operators, Inc. for the classification of their Fee #7-A well as a necessary infill well in the Aztec-Pictured Cliffs Pool.

OPERATOR: Manana Gas, Inc.

BY: Ed Hartman

DATE: 8/17/82

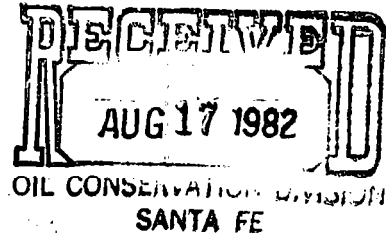
RECEIVED AUG 17 1982

A. R. "Al" Kendrick

P. O. Box 516 • AZTEC, NEW MEXICO 87410 • (505) 334-2555

August 16, 1982

Mr. Joe D. Ramey
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501



RE: Application for well to be Classified as an Infill Well

Dear Mr. Ramey:

We respectfully request that the C & E Operators, Inc. Fee #7-A well located 1770' FNL 1180' FWL of Section 7, T30N, R11W be approved as a necessary infill well in the Aztec-Pictured Cliffs Pool to effectively and efficiently drain the spacing unit shared with the McGrath #1 well.

The standard spacing unit in the Aztec-Pictured Cliffs Pool is 160 acres.

Enclosed for your consideration are copies of the Permit to Drill, Acreage Dedication Plat, Data Sheet, and Structure Map.

A copy of this application is being sent by certified mail to the operator of each developed offset spacing unit at the time of this mailing.

If further information is desired, please contact us.

Yours very truly,

A handwritten signature in cursive script that reads "Al Kendrick".

A. R. Kendrick

Enclosures

xc: Offset operators

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LAND OFFICE	
OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101
Revised 1-1-65

30-045-25388

5A. Indicate Type of Lease
STATE ☐ FEE ☒

5. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work b. Type of Well OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		7. Unit Agreement Name	
2. Name of Operator C. & E. Operators, Inc.		8. Farm or Lease Name Fee	
3. Address of Operator Suite 1100, Two Energy Square, Dallas, Texas 75206		9. Well No. 7 - A	
4. Location of Well UNIT LETTER E LOCATED 1770 FEET FROM THE North LINE AND 1180 FEET FROM THE West LINE OF SEC. 7 TWP. 30N RGE. 11W NMDP		10. Field and Pool, or Wildcat Blanco MV	
19. Proposed Depth 4850		19A. Formation Mesaverde	
20. Rotary or C.T. Rotary		21. Elevations (Show whether OF, RT, etc.) 5701 Ungraded Ground	
21A. Kind & Section Plug. Bond Blanket		21B. Drilling Contractor Young Drlg. Co.	
22. Approx. Date Work will start On approval		23.	

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
13-3/4	9-5/8	36 J	250	250 sx 2% CaCl	Surface
8-3/4	7	23 K	4850	*300 sx. 1st. Stg.	3000'
*Stage collar below Pictured Cliffs				350 sx. 2nd. Stg.	Surface

Propose to set 9-5/8" casing with spud mud. Cement back to surface and WOC 16 hrs. Install BOP's and bleed-off manifold and pressure test to 600 psi. for 30 min. Drill 8-3/4" hole with light gel-chemical mud to TD. Run IES & GRD/N logs. Run 7" casing and cement in two stages. Perforate and stimulate the indicated productive intervals of the Mesaverde. Run 2-3/8" or 1-1/2" tubing to complete. Clean up and test well.

Note: On approval of this application, to drill a hole for cathodic protection anodes and check for boulders. If they are prevalent, to drive and set 13-3/8" conductor through boulders and leave in place. Surface hole would then be reduced to 12-1/4".

APPROVAL VALID
FOR 60 DAYS UNLESS
DRILLING COMMENCED;

EXPIRES November 12, 1982

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAMS IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE, GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

Signed John M. Heller N. M. Reg. Eng. #4361, Box 1507, Durango, Colo. 81301
Title Consultant Date May 11, 1982

(This space for State Use)

APPROVED BY Paul J. Dwyer SUPERVISOR DISTRICT #3. DATE MAY 12 1982

CONDITIONS OF APPROVAL, IF ANY: Gas dedicated

OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

Form C-103
Revised 10-1-76

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DISTRIBUTION	
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LAND OFFICE	
OPERATOR	

5a. Indicate Type of Lease
State ☐ Fee ☒

5. State Oil & Gas Lease No.

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" (FORM C-101) FOR SUCH PROPOSALS.)

1. <input type="checkbox"/> OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER	7. Unit Agreement Name
2. Name of Operator C & E Operators, Inc.	8. Farm or Lease Name Fee
3. Address of Operator Suite 1100, Two Energy Square, Dallas, Texas 75206	9. Well No. 7-A
4. Location of Well UNIT LETTER <u>E</u> <u>1770</u> FEET FROM THE <u>North</u> <u>1180</u> FEET FROM THE <u>West</u> <u>7</u> LINE, SECTION <u>30N</u> TOWNSHIP <u>11W</u> RANGE <u>11W</u> N.M.P.M.	10. Field and Pool, or wildcat Aztec-Pictured Cliffs Blanco-Mesaverde

15. Elevation (Show whether DF, RT, GR, etc.) 5701 GR	12. County San Juan
--	------------------------

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

NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	CASING TEST AND CEMENT JOBS <input type="checkbox"/>
PLUG AND ABANDON <input type="checkbox"/>	OTHER <input type="checkbox"/>
CHANGE PLANS <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
OTHER <u>Multiple Complete</u> <input checked="" type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

It is intended to multiple complete this well in the Mesaverde and Pictured Cliffs zones.

RECEIVED
AUG 17 1982
OIL CONSERVATION DIVISION
SANTA FE

RECEIVED
JUL 19 1982
OIL CON. COM.
DIST. 3

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

SIGNED FRANK T. CHAVEZ TITLE Agent DATE July 19, 1982

Original Signed by FRANK T. CHAVEZ

SUPERVISOR DISTRICT # 3

JUL 19 1982

All distances must be from the outer boundaries of the Section.

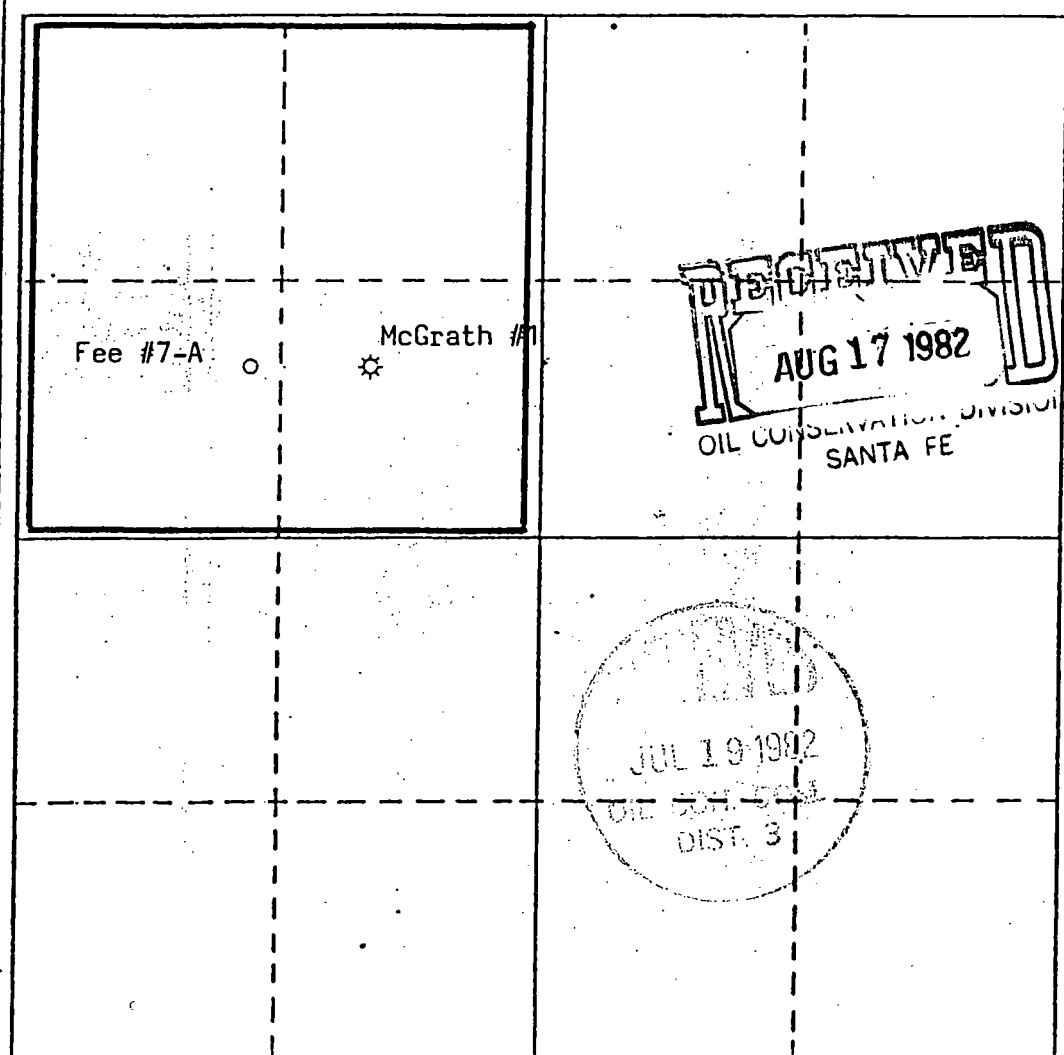
Operator C & E Operators, Inc.			Lease Fee			Well No. 7-A		
Unit Letter E	Section 7	Township 30N	Range 11W	County San Juan				
Actual Footage Location of Well: 1770 feet from the North line and 1180 feet from the West line								
Ground Level Elev. 5701	Producing Formation Pictured Cliffs		Pool Aztec-Pictured Cliffs		Dedicated Acreage: 164.44 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



CERTIFICATION

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

Name

Position

Agent

Company

C & E Operators, Inc.

Date

July 19, 1982

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

Registered Professional Engineer
and/or Land Surveyor

Certificate No.

DATA SHEET

ORIGINAL WELL:

Operator: C & E Operators, Inc.
Lease: McGrath #1
Location: 1760' FNL 1786' FWL Section 7, T30N, R11W
Spud: 7/22/54
Completed: 8/25/54
Stimulation: Shot w/230 quarts of solidified nitroglycerin
Mechanical problems: None
Retreatment: Sand/Oil fractured w/7986 gallons of diesel oil
and 7500 pounds of sand with 2520 gallon flush.
Current production rate: 1192 MCF during 1981.

REASON that the existing well cannot effectively and efficiently drain the drill tract is because of the narrow radius of effective stimulation by the shot and low-volume fracture treatments. A high-volume fracture treatment is not feasible at this time due to the possibility of casing rupture.

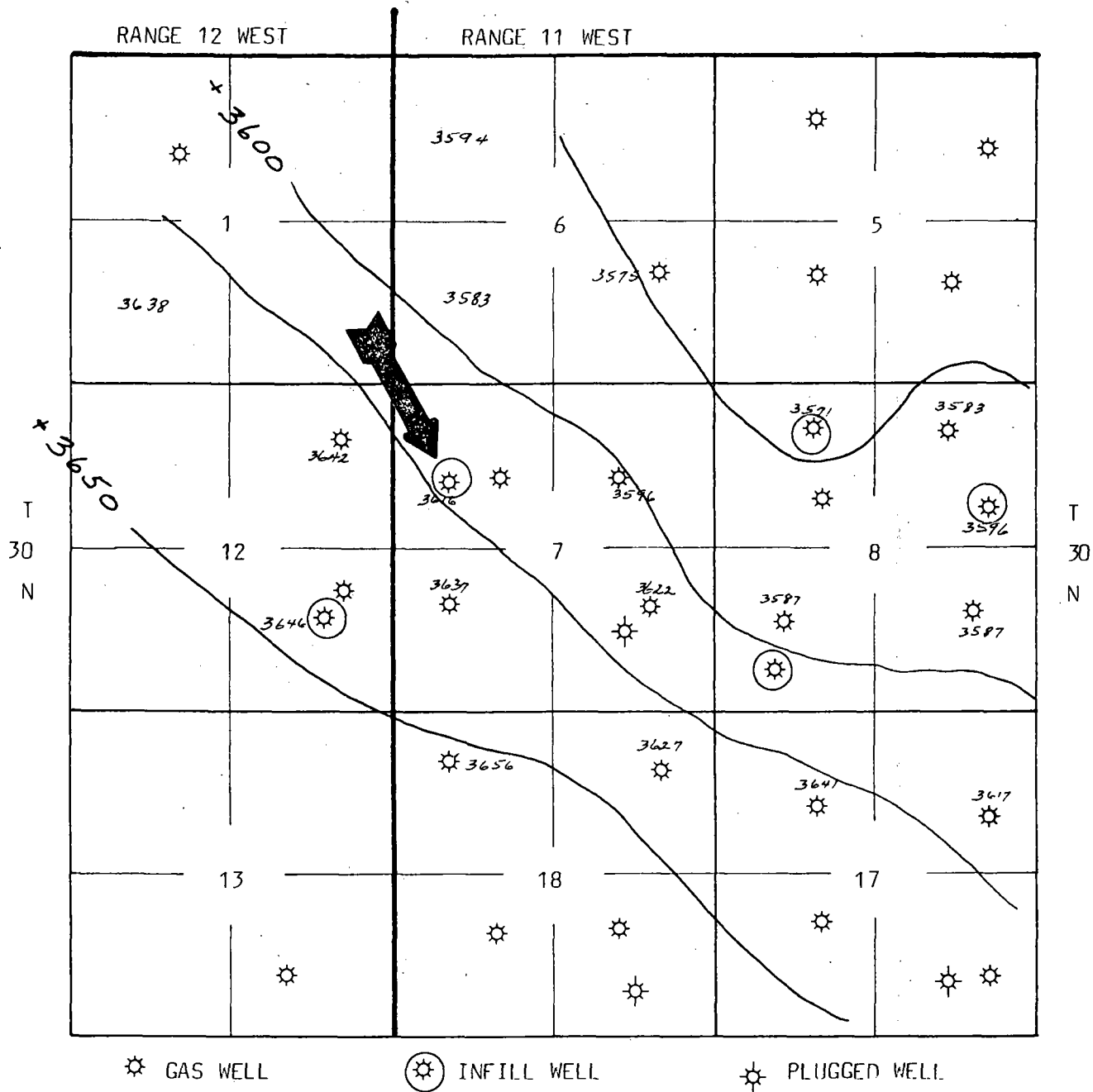
INFILL WELL:

Operator: C & E Operators, Inc.
Lease: Fee #7-A
Location: 1770' FNL 1180' FWL Section 7, T30N, R11W
Spud: 6/25/82
Completed: 8/4/82
Stimulation: Sand/Foam fractured with 65,000 pounds of sand
and 70 quality foam.

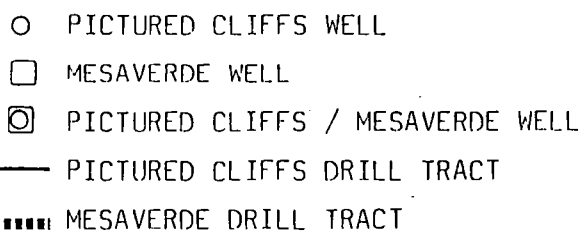
VOLUME of expected additional recovery: 35 MMCF.

BASED on Boyle's Law, if the initial shut-in pressure of 649 psi represented 100% of the recoverable reserves, and if the shut-in pressure of 151 psi measured 8/12/82 represented the remaining recoverable reserves, and considering the production of 142,558 MCF having been produced through 5/31/82; then, the remaining recoverable reserves were 22 MMCF at an abandonment pressure of 50 psi. The shut-in pressure of 310 psi measured 8/4/82 on the infill well indicates recoverable reserves of 57 MMCF at an abandonment pressure of 50 psi. Therefore, the additional recoverable reserves will be 35 MMCF.

PICTURED CLIFFS STRUCTURE MAP



E-7-30N-11W



A. R. "AL" KENDRICK

P. O. BOX 516
AZTEC, NEW MEXICO 87410
PHONE (505) 334-2555

8/16/82

Mike Stogner;

I do not wish to bury
you with paper, but I
lost my note which told
me the number of copies
that you needed.

Dispose of any that
you do not need.

Al

A. R. "Al" Kendrick

P. O. Box 516 • AZTEC, NEW MEXICO 87410 • (505) 334-2555

August 16, 1982

Mr. Joe D. Ramey
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

RE: Application for well to be Classified as an Infill Well

Dear Mr. Ramey:

We respectfully request that the C & E Operators, Inc. Fee #7-A well located 1770' FNL 1180' FWL of Section 7, T30N, R11W be approved as a necessary infill well in the Aztec-Pictured Cliffs Pool to effectively and efficiently drain the spacing unit shared with the McGrath #1 well.

The standard spacing unit in the Aztec-Pictured Cliffs Pool is 160 acres.

Enclosed for your consideration are copies of the Permit to Drill, Acreage Dedication Plat, Data Sheet, and Structure Map.

A copy of this application is being sent by certified mail to the operator of each developed offset spacing unit at the time of this mailing.

If further information is desired, please contact us.

Yours very truly,



A. R. Kendrick

Enclosures

xc: Offset operators

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LAND OFFICE	
OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101
Revised 1-1-65

30-045-25388

5A. Indicate Type of Lease
STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
5. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work		7. Unit Agreement Name	
b. Type of Well OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>		8. Farm or Lease Name Fee	
2. Name of Operator C. & E. Operators, Inc.		9. Well No. 7 - A	
3. Address of Operator Suite 1100, Two Energy Square, Dallas, Texas 75206		10. Field and Pool, or Wildcat Blanco MV	
4. Location of Well UNIT LETTER E LOCATED 1770 FEET FROM THE SANTA FE North LINE AND 1180 FEET FROM THE West LINE OF SEC. 7 TWP. 30N RGE. 11W NMPW		12. County San Juan	
19. Proposed Depth 4850		19A. Formation Mesaverde	
20. Rotary or C.T. Rotary		21. Elevation (Show whether D.P., R.T., etc.) 5701' Ungraded Ground	
21A. Kind & Status Plug, Bond Blanket		21B. Drilling Contractor Young Drlg. Co.	
22. Approx. Date Work will start On approval			

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
13-3/4	9-5/8	36 J	250	250 sx 2% CaCl	Surface
8-3/4	7	23 K	4850	*300 sx. 1st. Stg.	3000'
*Stage collar below Pictured Cliffs				350 sx. 2nd. Stg.	Surface

Propose to set 9-5/8" casing with spud mud. Cement back to surface and WOC 16 hrs. Install BOP's and bleed-off manifold and pressure test to 600 psi. for 30 min. Drill 8-3/4" hole with light gel-chemical mud to TD. Run IES & GRD/N logs. Run 7" casing and cement in two stages. Perforate and stimulate the indicated productive intervals of the Mesaverde. Run 2-3/8" or 1-1/2" tubing to complete. Clean up and test well.

Note: On approval of this application, to drill a hole for cathodic protection anodes and check for boulders. If they are prevalent, to drive and set 13-3/8" conductor through boulders and leave in place. Surface hole would then be reduced to 12-1/4".

APPROVAL VALID
FOR 90 DAYS UNLESS
DRILLING COMMENCED;

EXPIRES November 12, 1982

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. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

Signed John M. Heller N. M. Reg. Eng. #4361, Box 1507, Durango, Colo. 81301
Title Consultant Date May 11, 1982

(This space for State Use)

SUPERVISOR DISTRICT #3.

MAY 12 1982

APPROVED BY Frank J. Dwyer TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY: Gas dedicated

OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

Form C-101
Revised 10-1-78

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DISTRIBUTION		
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U.S.G.S.		
LAND OFFICE		
OPERATOR		

5a. Indicate Type of Lease
State ☐ Fee ☒

5. State Oil & Gas Lease No.

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 -" (FORM C-101) FOR SUCH PROPOSALS.)

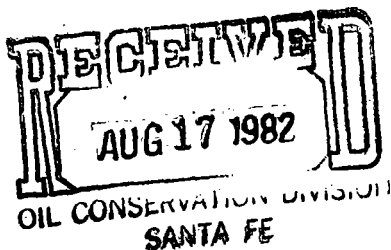
1. <input type="checkbox"/> OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER-	7. Unit Agreement Name
2. Name of Operator C & E Operators, Inc.	8. Farm or Lease Name Fee
3. Address of Operator Suite 1100, Two Energy Square, Dallas, Texas 75206	9. Well No. 7-A
4. Location of Well UNIT LETTER <u>E</u> <u>1770</u> FEET FROM THE <u>North</u> <u>1180</u> FEET FROM THE <u>West</u> <u>7</u> LINE, SECTION <u>30N</u> TOWNSHIP <u>11W</u> RANGE <u>11W</u> N.M.P.M.	10. Field and Pool or Wildcat Aztec-Pictured Cliffs Blanco-Mesaverde
15. Elevation (Show whether DF, RT, GR, etc.) 5701 GR	12. County San Juan

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data
NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <u>Multiple Complete</u> <input checked="" type="checkbox"/>	CASING TEST AND CEMENT JOBS <input type="checkbox"/>	OTHER <input type="checkbox"/>

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

It is intended to multiple complete this well in the Mesaverde and Pictured Cliffs zones.



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

SIGNED FRANK T. CHAVEZ TITLE Agent DATE July 19, 1982

Original Signed by FRANK T. CHAVEZ

SUPERVISOR DISTRICT # 3

JUL 19 1982

All distances must be from the outer boundaries of the Section.

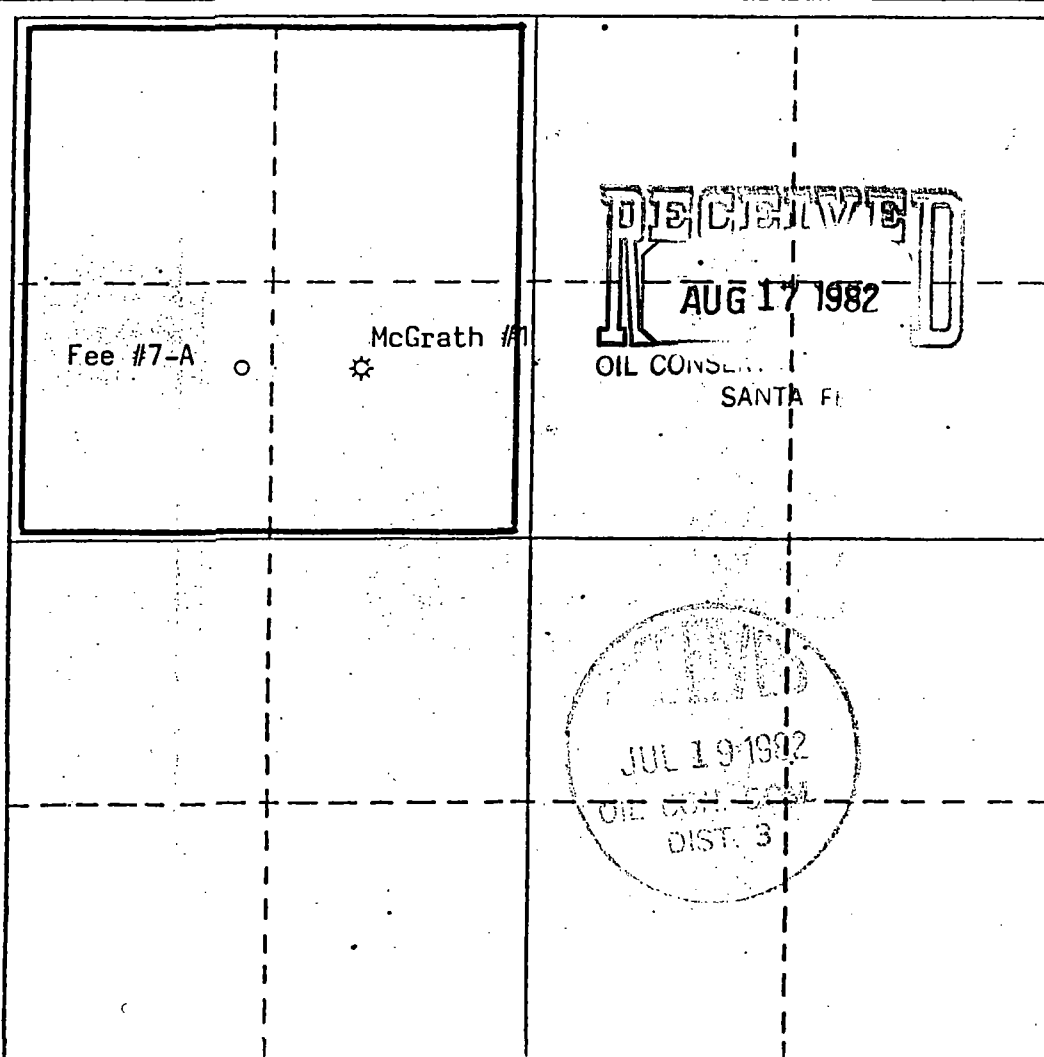
Operator C & E Operators, Inc.			Lease Fee			Well No. 7-A		
Unit Letter E	Section 7	Township 30N	Range 11W	County San Juan				
Actual Footage Location of Well: 1770 feet from the North line and 1180 feet from the West line								
Ground Level Elev. 5701	Producing Formation Pictured Cliffs		Pool Aztec-Pictured Cliffs			Dedicated Acreage: 164.44 Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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.



CERTIFICATION

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

Name
AR Sandrick
Position
Agent
Company
C & E Operators, Inc.
Date
July 19, 1982

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
Registered Professional Engineer and/or Land Surveyor
Certificate No.

DATA SHEET

ORIGINAL WELL:

Operator: C & F Operators, Inc.
Lease: McGrath #1
Location: 1760' FNL 1786' FWL Section 7, T30N, R11W
Spud: 7/22/54
Completed: 8/25/54
Stimulation: Shot w/230 quarts of solidified nitroglycerin
Mechanical problems: None
Retreatment: Sand/Oil fractured w/7986 gallons of diesel oil
and 7500 pounds of sand with 2520 gallon flush.
Current production rate: 1192 MCF during 1981.

REASON that the existing well cannot effectively and efficiently drain the drill tract is because of the narrow radius of effective stimulation by the shot and low-volume fracture treatments. A high-volume fracture treatment is not feasible at this time due to the possibility of casing rupture.

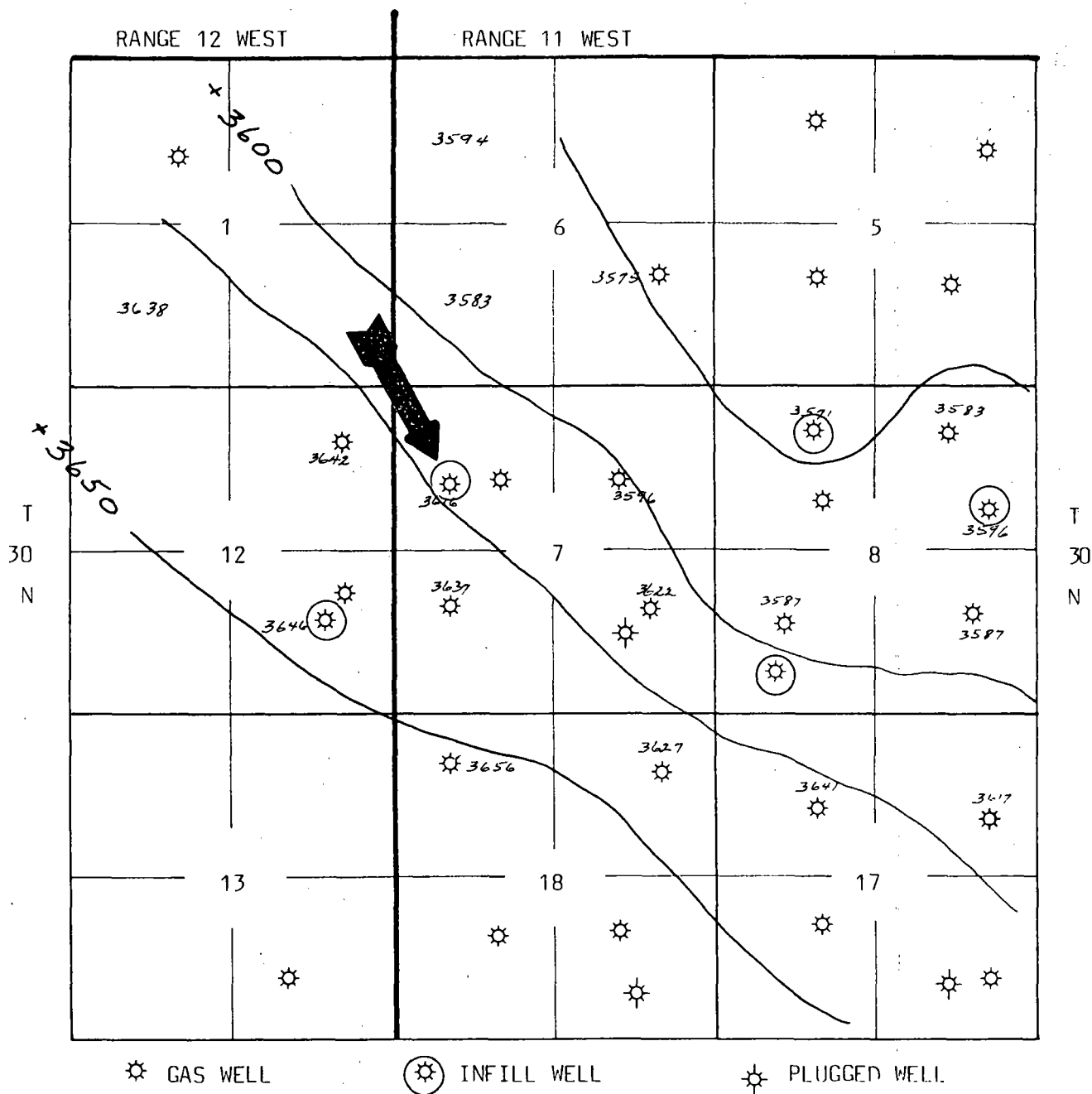
INFILL WELL:

Operator: C & E Operators, Inc.
Lease: Fee #7-A
Location: 1770' FNL 1180' FWL Section 7, T30N, R11W
Spud: 6/25/82
Completed: 8/4/82
Stimulation: Sand/Foam fractured with 65,000 pounds of sand
and 70 quality foam.

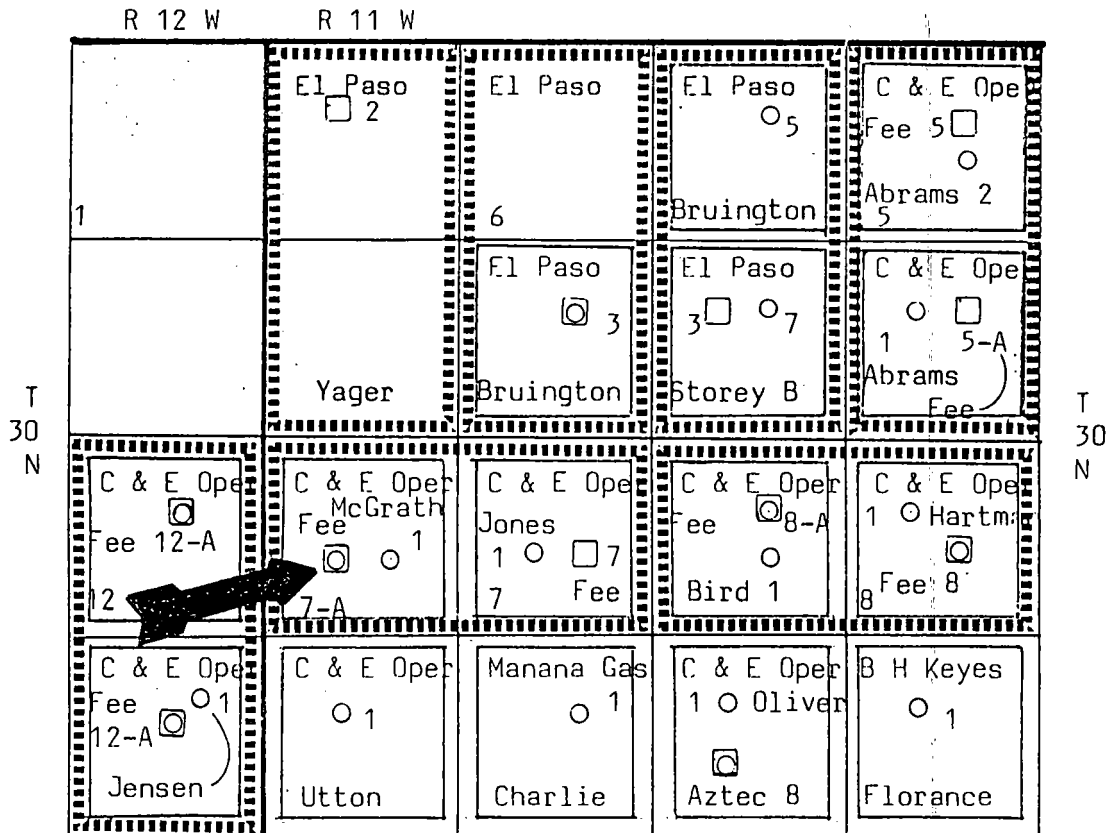
VOLUME of expected additional recovery: 35 MMCF.

BASED on Boyle's Law, if the initial shut-in pressure of 649 psi represented 100% of the recoverable reserves, and if the shut-in pressure of 151 psi measured 8/12/82 represented the remaining recoverable reserves, and considering the production of 142,558 MCF having been produced through 5/31/82; then, the remaining recoverable reserves were 22 MMCF at an abandonment pressure of 50 psi. The shut-in pressure of 310 psi measured 8/4/82 on the infill well indicates recoverable reserves of 57 MMCF at an abandonment pressure of 50 psi. Therefore, the additional recoverable reserves will be 35 MMCF.

PICTURED CLIFF'S STRUCTURE MAP



C & E Operators, Inc.
 Fee #7-A
 E-7-30N-11W



- PICTURED CLIFFS WELL
- MESAVERDE WELL
- ⊙ PICTURED CLIFFS / MESAVERDE WELL
- PICTURED CLIFFS DRILL TRACT
- MESAVERDE DRILL TRACT

A. R. "Al" Kendrick

P. O. Box 516 • AZTEC, NEW MEXICO 87410 • (505) 334-2555

August 16, 1982

Mr. Joe D. Ramey
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

RE: Application for well to be Classified as an Infill Well

Dear Mr. Ramey:

We respectfully request that the C & E Operators, Inc. Fee #7-A well located 1770' FNL 1180' FWL of Section 7, T30N, R11W be approved as a necessary infill well in the Aztec-Pictured Cliffs Pool to effectively and efficiently drain the spacing unit shared with the McGrath #1 well.

The standard spacing unit in the Aztec-Pictured Cliffs Pool is 160 acres.

Enclosed for your consideration are copies of the Permit to Drill, Acreage Dedication Plat, Data Sheet, and Structure Map.

A copy of this application is being sent by certified mail to the operator of each developed offset spacing unit at the time of this mailing.

If further information is desired, please contact us.

Yours very truly,



A. R. Kendrick

Enclosures

xc: Offset operators

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U.S.G.S.	
LAND OFFICE	
OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101
Revised 1-1-65

30-045-25388

5A. Indicate Type of Lease	
STATE <input type="checkbox"/>	FEE <input checked="" type="checkbox"/>
5. State Oil & Gas Lease No.	

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work		7. Unit Agreement Name	
b. Type of Well DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>		8. Farm or Lease Name	
2. Name of Operator C. & E. Operators, Inc.		Fee	
3. Address of Operator Suite 1100, Two Energy Square, Dallas, Texas 75206		9. Well No. 7 - A	
4. Location of Well UNIT LETTER E LOCATED 1770 FEET FROM THE Santa Fe North LINE AND 1180 FEET FROM THE West LINE OF SEC. 7 TWP. 30N RGE. 11W NMPM		10. Field and Pool, or Wildcat Blanco MV	
11. Proposed Depth 4850		12. County San Juan	
19A. Formation Mesaverde		20. Rotary or C.T. Rotary	
21. Elevations (Show whether D.P., K.T., etc.) 5701' Ungraded Ground		22. Approx. Date Work will start On approval	
21A. Kind & Status Plug. Bond Blanket		21B. Drilling Contractor Young Drilg. Co.	

PROPOSED CASING AND CEMENT PROGRAM

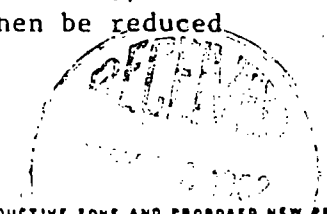
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
13-3/4	9-5/8	36 J	250	250 sx 2% CaCl	Surface
8-3/4	7	23 K	4850	*300 sx. 1st. Stg.	3000'
				350 sx. 2nd. Stg.	Surface

Propose to set 9-5/8" casing with spud mud. Cement back to surface and WOC 16 hrs. Install BOP's and bleed-off manifold and pressure test to 600 psi. for 30 min. Drill 8-3/4" hole with light gel-chemical mud to TD. Run IES & GRD/N logs. Run 7" casing and cement in two stages. Perforate and stimulate the indicated productive intervals of the Mesaverde. Run 2-3/8" or 1-1/2" tubing to complete. Clean up and test well.

Note: On approval of this application, to drill a hole for cathodic protection anodes and check for boulders. If they are prevalent, to drive and set 13-3/8" conductor through boulders and leave in place. Surface hole would then be reduced to 12-1/4".

APPROVAL VALID
FOR 90 DAYS UNLESS
DRILLING COMMENCED;

EXPIRES November 12, 1982



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, GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

Signed John M. Heller N. M. Reg. Eng. #4361, Box 1507, Durango, Colo. 81301
Title Consultant Date May 11, 1982

(This space for State Use)

APPROVED BY Frank J. Dany TITLE SUPERVISOR DISTRICT #3 DATE MAY 12 1982

CONDITIONS OF APPROVAL, IF ANY: Gas dedicated

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OPERATOR		

OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

Form C-103
Revised 10-1-78

3a. Indicate Type of Lease
State ☐ Fee ☒

3. State Oil & Gas Lease No.

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 -" (FORM C-101) FOR SUCH PROPOSALS.)

1. ☐ OIL WELL ☒ GAS WELL OTHER-

2. Name of Operator
C & E Operators, Inc.

3. Address of Operator
Suite 1100, Two Energy Square, Dallas, Texas 75206

4. Location of Well
UNIT LETTER E 1770 FEET FROM THE North LINE AND 1180 FEET FROM THE West LINE, SECTION 7 TOWNSHIP 30N RANGE 11W NMPM.

7. Unit Agreement Name

8. Farm or Lease Name
Fee

9. Well No.
7-A

10. Field and Pool or Wildcat
Aztec-Pictured Cliffs
Blanco-Mesaverde

15. Elevation (Show whether DF, RT, GR, etc.)
5701 GR

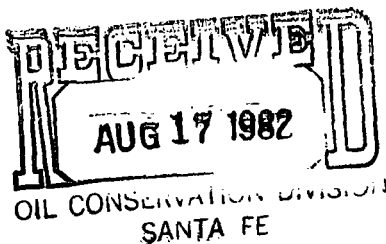
12. County
San Juan

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER Multiple Complete <input checked="" type="checkbox"/>	CASING TEST AND CEMENT JOBS <input type="checkbox"/>	OTHER <input type="checkbox"/>

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

It is intended to multiple complete this well in the Mesaverde and Pictured Cliffs zones.



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

SIGNED FRANK T. CHAVEZ TITLE Agent DATE July 19, 1982

Original Signed by FRANK T. CHAVEZ

SUPERVISOR DISTRICT # 3

JUL 19 1982

All distances must be from the outer boundaries of the Section.

Operator C & E Operators, Inc.			Lease Fee			Well No. 7-A		
Unit Letter E	Section 7	Township 30N	Range 11W	County San Juan				
Actual Footage Location of Well: 1770 feet from the North line and 1180 feet from the West line								
Ground Level Elev. 5701	Producing Formation Pictured Cliffs		Pool Aztec-Pictured Cliffs			Dedicated Acreage: 164.44 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

CERTIFICATION

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

Name
AR Sandrick
Position
Agent
Company
C & E Operators, Inc.
Date
July 19, 1982

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
Registered Professional Engineer and/or Land Surveyor

Certificate No.

DATA SHEET

ORIGINAL WELL:

Operator: C & E Operators, Inc.
Lease: McGrath #1
Location: 1760' FNL 1786' FWL Section 7, T30N, R11W
Spud: 7/22/54
Completed: 8/25/54
Stimulation: Shot w/230 quarts of solidified nitroglycerin
Mechanical problems: None
Retreatment: Sand/Oil fractured w/7986 gallons of diesel oil
and 7500 pounds of sand with 2520 gallon flush.
Current production rate: 1192 MCF during 1981.

REASON that the existing well cannot effectively and efficiently drain the drill tract is because of the narrow radius of effective stimulation by the shot and low-volume fracture treatments. A high-volume fracture treatment is not feasible at this time due to the possibility of casing rupture.

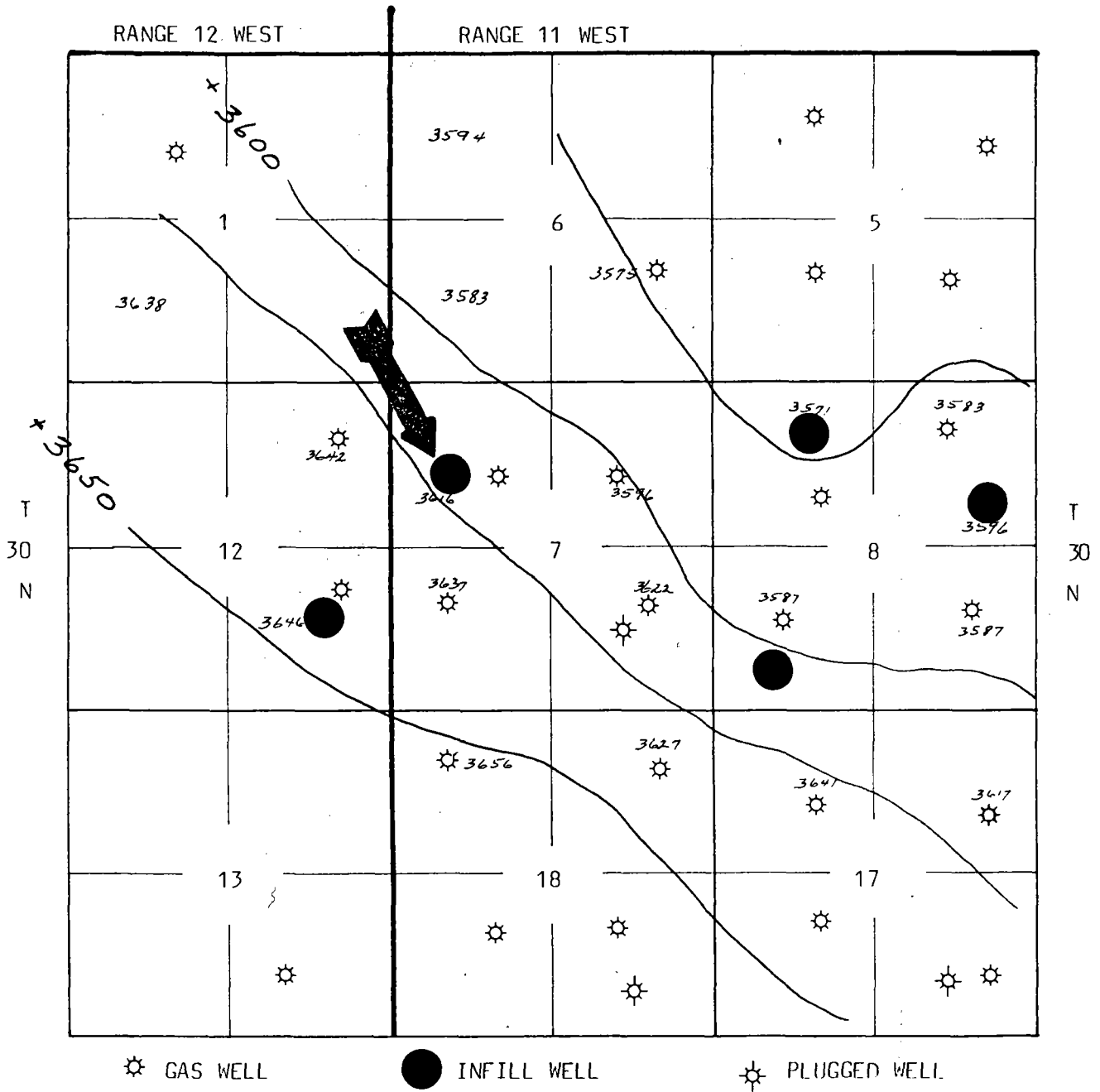
INFILL WELL:

Operator: C & E Operators, Inc.
Lease: Fee #7-A
Location: 1770' FNL 1180' FWL Section 7, T30N, R11W
Spud: 6/25/82
Completed: 8/4/82
Stimulation: Sand/Foam fractured with 65,000 pounds of sand
and 70 quality foam.

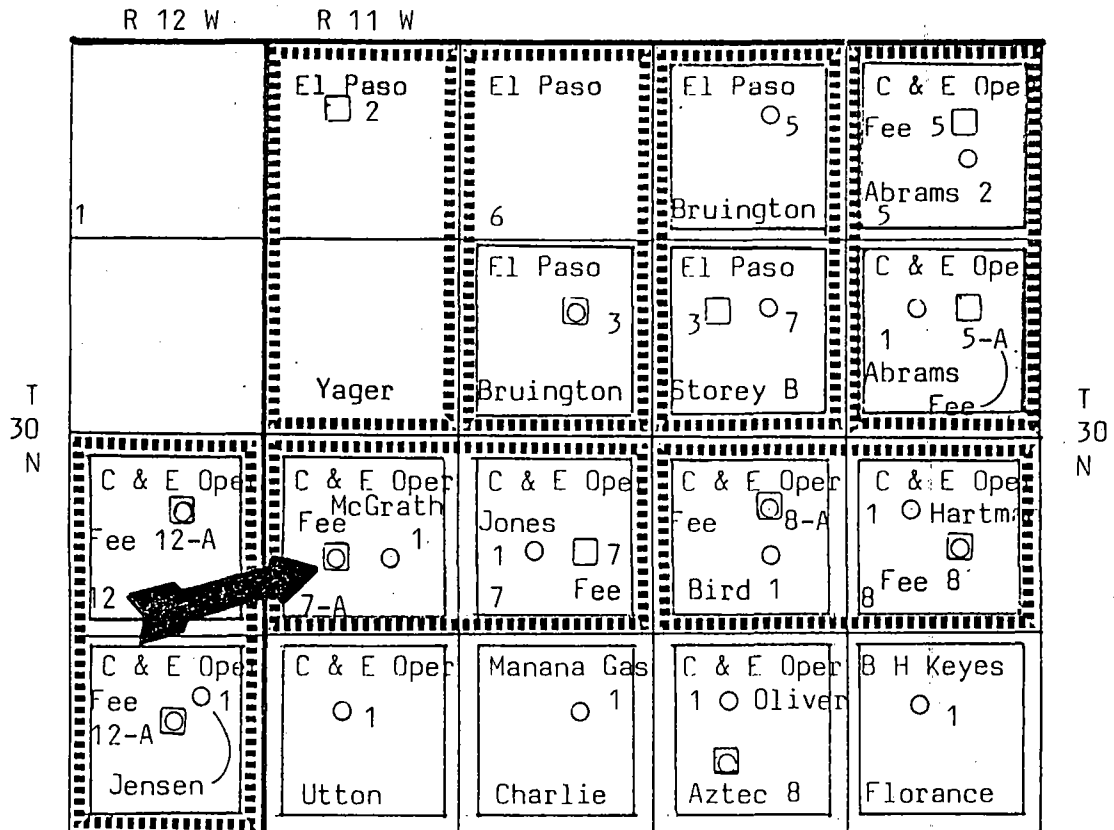
VOLUME of expected additional recovery: 35 MMCF.

BASED on Boyle's Law, if the initial shut-in pressure of 649 psi represented 100% of the recoverable reserves, and if the shut-in pressure of 151 psi measured 8/12/82 represented the remaining recoverable reserves, and considering the production of 142,558 MCF having been produced through 5/31/82; then, the remaining recoverable reserves were 22 MMCF at an abandonment pressure of 50 psi. The shut-in pressure of 310 psi measured 8/4/82 on the infill well indicates recoverable reserves of 57 MMCF at an abandonment pressure of 50 psi. Therefore, the additional recoverable reserves will be 35 MMCF.

PICTURED CLIFFS STRUCTURE MAP



C & E Operators, Inc.
 Fee #7-A
 E-7-30N-11W



- PICTURED CLIFFS WELL
- MESAVERDE WELL
- ⊗ PICTURED CLIFFS / MESAVERDE WELL
- PICTURED CLIFFS DRILL TRACT
- MESAVERDE DRILL TRACT

A. R. "Al" Kendrick

P. O. Box 516 • AZTEC, NEW MEXICO 87410 • (505) 334-2555

August 16, 1982

Mr. Joe D. Ramey
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

RE: Application for well to be Classified as an Infill Well

Dear Mr. Ramey:

We respectfully request that the C & E Operators, Inc. Fee #7-A well located 1770' FNL 1180' FWL of Section 7, T30N, R11W be approved as a necessary infill well in the Aztec-Pictured Cliffs Pool to effectively and efficiently drain the spacing unit shared with the McGrath #1 well.

The standard spacing unit in the Aztec-Pictured Cliffs Pool is 160 acres.

Enclosed for your consideration are copies of the Permit to Drill, Acreage Dedication Plat, Data Sheet, and Structure Map.

A copy of this application is being sent by certified mail to the operator of each developed offset spacing unit at the time of this mailing.

If further information is desired, please contact us.

Yours very truly,



A. R. Kendrick

Enclosures

xc: Offset operators

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LAND OFFICE	
OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101
Revised 1-1-65

30-045-25388

5A. Indicate Type of Lease
STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
5. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work	7. Unit Agreement Name
b. Type of Well DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> 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"/>	8. Farm or Lease Name Fee
2. Name of Operator C. & E. Operators, Inc.	9. Well No. 7 - A
3. Address of Operator Suite 1100, Two Energy Square, Dallas, Texas 75206	10. Field and Pool, or Wildcat Blanco MV
4. Location of Well UNIT LETTER E LOCATED 1770 FEET FROM THE North LINE AND 1180 FEET FROM THE West LINE OF SEC. 7 TWP. 30N RGE. 11W NMPM	12. County San Juan
19. Proposed Depth 4850	19A. Formation Mesaverde
20. Rotary or C.T. Rotary	
21. Elevation (Show whether D.P., R.L., etc.) 5701' Ungraded Ground	21A. Kind & Section Plug, Bond Blanket
21B. Drilling Contractor Young Drilg. Co.	22. Approx. Date Work will start On approval

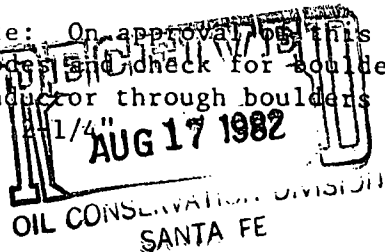
PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
13-3/4	9-5/8	36 J	250	250 sx 2% CaCl ₂	Surface
8-3/4	7	23 K	4850	*300 sx. 1st. Stg.	3000'
				350 sx. 2nd. Stg.	Surface

*Stage collar below Pictured Cliffs

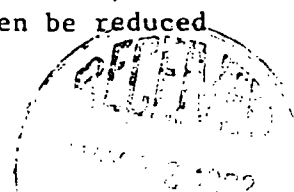
Propose to set 9-5/8" casing with spud mud. Cement back to surface and WOC 16 hrs. Install BOP's and bleed-off manifold and pressure test to 600 psi. for 30 min. Drill 8-3/4" hole with light gel-chemical mud to TD. Run IES & GRD/N logs. Run 7" casing and cement in two stages. Perforate and stimulate the indicated productive intervals of the Mesaverde. Run 2-3/8" or 1-1/2" tubing to complete. Clean up and test well.

Note: On approval of this application, to drill a hole for cathodic protection and check for boulders. If they are prevalent, to drive and set 13-3/8" conductor through boulders and leave in place. Surface hole would then be reduced to 4-1/4"



APPROVAL VALID
FOR 90 DAYS UNLESS
DRILLING COMMENCED;

EXPIRES November 12, 1982



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. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

Signed John M. Heller N. M. Reg. Eng. #4361, Box 1507, Durango, Colo. 81301
John M. Heller Title Consultant Date May 11, 1982

(This space for State Use)

SUPERVISOR DISTRICT #3.

MAY 12 1982

APPROVED BY Paul J. Dwyer TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY: Gas dedicated

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-103
Revised 10-1-78

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LAND OFFICE		
OPERATOR		

5a. Indicate Type of Lease	
State <input type="checkbox"/>	Fee <input checked="" type="checkbox"/>
5. State Oil & Gas Lease No.	
7. Unit Agreement Name	
8. Farm or Lease Name	
Fee	
9. Well No.	
7-A	
10. Field and Pool or Wildcat	
Aztec-Pictured Cliffs	
Blanco-Mesaverde	
12. County	
San Juan	

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 -" (FORM C-101) FOR SUCH PROPOSALS.)

1. ☐ OIL WELL ☒ GAS WELL ☐ OTHER-

2. Name of Operator
C & E Operators, Inc.

3. Address of Operator
Suite 1100, Two Energy Square, Dallas, Texas 75206

4. Location of Well
UNIT LETTER E 1770 FEET FROM THE North LINE AND 1180 FEET FROM
THE West LINE, SECTION 7 TOWNSHIP 30N RANGE 11W N.M.P.M.

15. Elevation (Show whether DF, RT, GR, etc.)

5701 GR

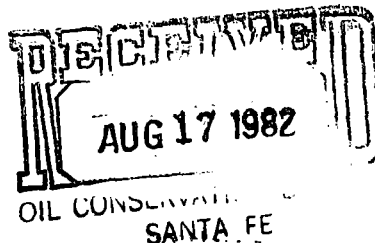
12. County
San Juan

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data
NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPERATIONS <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <u>Multiple Complete</u> <input checked="" type="checkbox"/>	CASING TEST AND CEMENT JOBS <input type="checkbox"/>	OTHER <input type="checkbox"/>

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

It is intended to multiple complete this well in the Mesaverde and Pictured Cliffs zones.



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

SIGNED FRANK T. CHAVEZ TITLE Agent DATE July 19, 1982

Original Signed by FRANK T. CHAVEZ

SUPERVISOR DISTRICT # 3

JUL 19 1982

All distances must be from the outer boundaries of the Section.

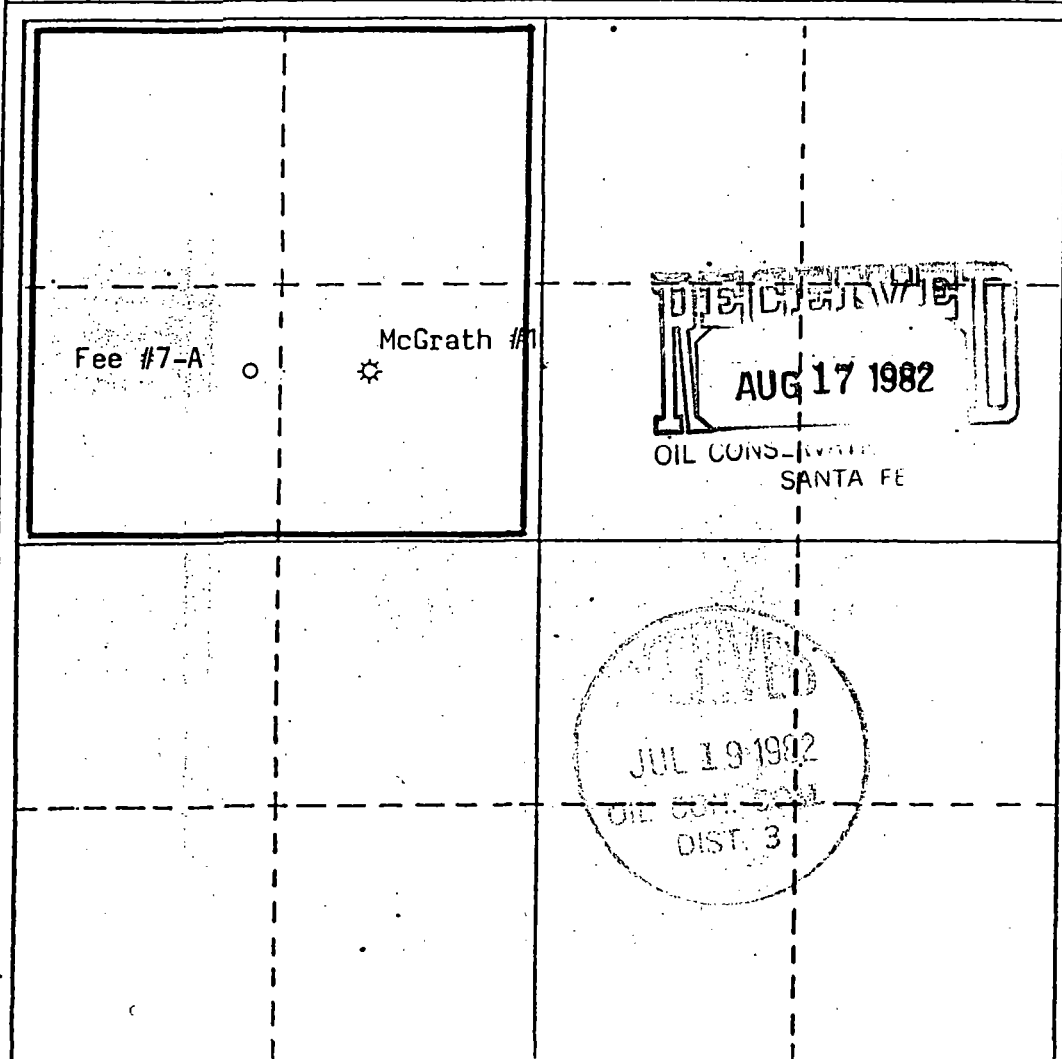
Operator C & E Operators, Inc.			Lease Fee			Well No. 7-A		
Unit Letter E	Section 7	Township 30N	Range 11W	County San Juan				
Actual Footage Location of Well: 1770 feet from the North line and 1180 feet from the West line								
Ground Level Elev. 5701	Producing Formation Pictured Cliffs			Pool Aztec-Pictured Cliffs			Dedicated Acreage: 164.44 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.



CERTIFICATION

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

Name _____
Position _____
Agent _____
Company _____
C & E Operators, Inc.
Date _____
July 19, 1982

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 _____
Registered Professional Engineer and/or Land Surveyor _____

Certificate No. _____

0 330 660 990 1320 1650 1980 2310 2640 2970 3300 3630 3960 4290 4620 4950 5280 5610 5940 6270 6600

DATA SHEET

ORIGINAL WELL:

Operator: C & E Operators, Inc.
Lease: McGrath #1
Location: 1760' FNL 1786' FWL Section 7, T30N, R11W
Spud: 7/22/54
Completed: 8/25/54
Stimulation: Shot w/230 quarts of solidified nitroglycerin
Mechanical problems: None
Retreatment: Sand/Oil fractured w/7986 gallons of diesel oil
and 7500 pounds of sand with 2520 gallon flush.
Current production rate: 1192 MCF during 1981.

REASON that the existing well cannot effectively and efficiently drain the drill tract is because of the narrow radius of effective stimulation by the shot and low-volume fracture treatments. A high-volume fracture treatment is not feasible at this time due to the possibility of casing rupture.

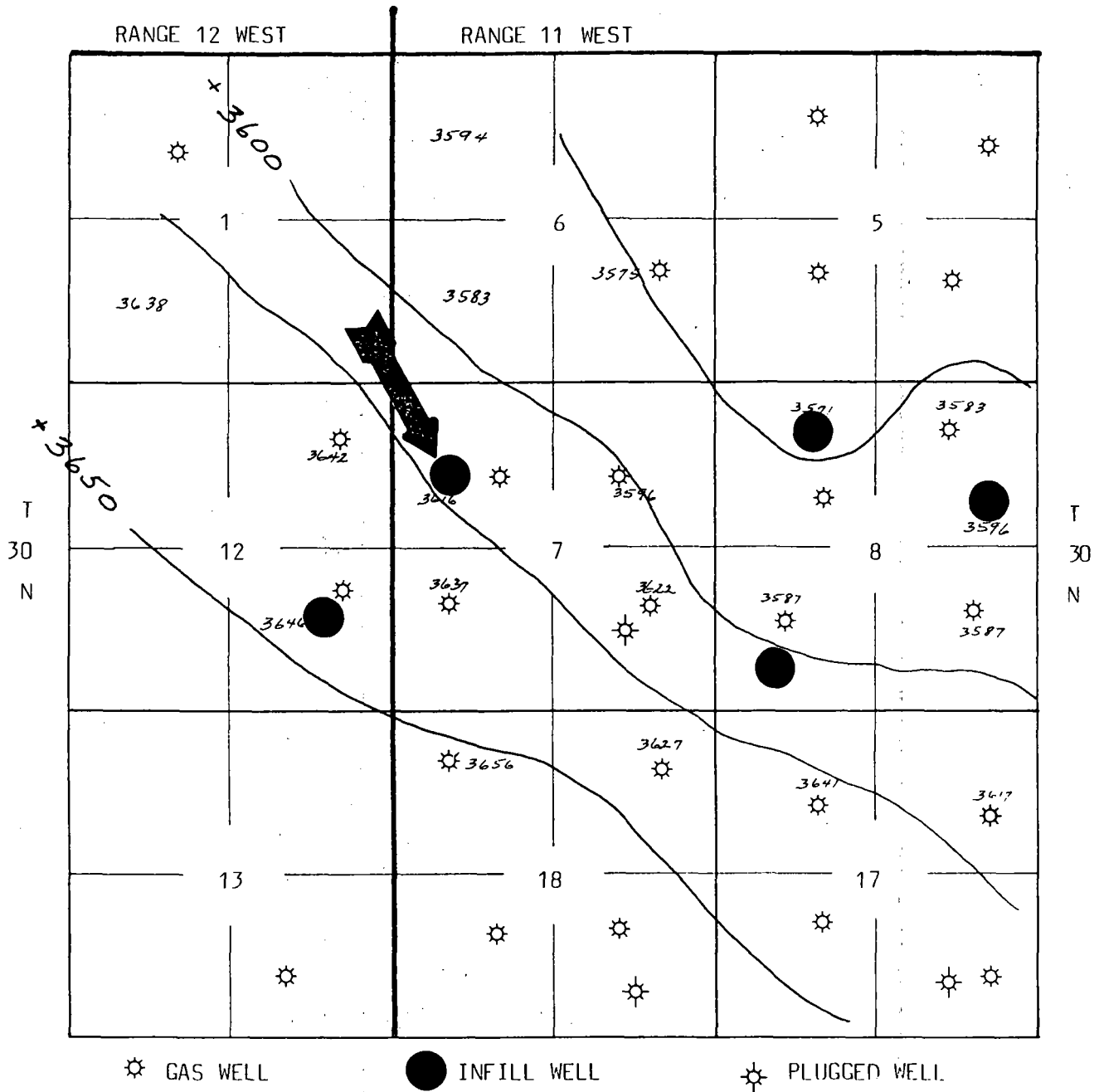
INFILL WELL:

Operator: C & E Operators, Inc.
Lease: Fee #7-A
Location: 1770' FNL 1180' FWL Section 7, T30N, R11W
Spud: 6/25/82
Completed: 8/4/82
Stimulation: Sand/Foam fractured with 65,000 pounds of sand
and 70 quality foam.

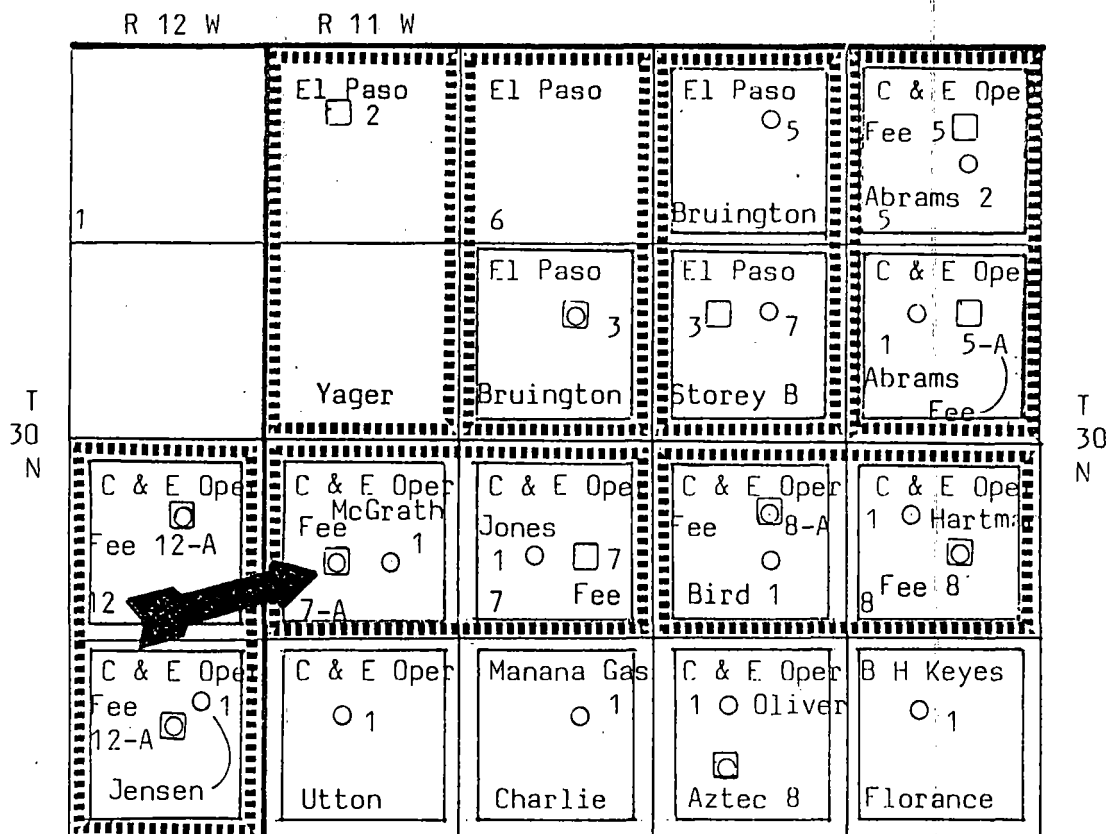
VOLUME of expected additional recovery: 35 MMCF.

BASED on Boyle's Law, if the initial shut-in pressure of 649 psi represented 100% of the recoverable reserves, and if the shut-in pressure of 151 psi measured 8/12/82 represented the remaining recoverable reserves, and considering the production of 142,558 MCF having been produced through 5/31/82; then, the remaining recoverable reserves were 22 MMCF at an abandonment pressure of 50 psi. The shut-in pressure of 310 psi measured 8/4/82 on the infill well indicates recoverable reserves of 57 MMCF at an abandonment pressure of 50 psi. Therefore, the additional recoverable reserves will be 35 MMCF.

PICTURED CLIFFS STRUCTURE MAP



C & E Operators, Inc.
 Fee #7-A
 E-7-30N-11W



- PICTURED CLIFFS WELL
- MESAVERDE WELL
- ⊗ PICTURED CLIFFS / MESAVERDE WELL
- PICTURED CLIFFS DRILL TRACT
- MESAVERDE DRILL TRACT