OFL CONSERVICION DIVISION SIRGO BROTHERS ENERGY CORPECTION P. O. BOX 3531, CD 2017年 日内 8 50 . MIDLAND, TEXAS 79702 29 日内 8 50 . 915/685-0878

April 27, 1994

NEW MEXICO OIL CONSERVATION DIVISION P. O. Box 2088 Santa Fe, New Mexico 87504

Attention: Mr. Mike Stogner

Re: APD's Filed on Phase I Area NW Cha Cha Unit San Juan County, New Mexico

Dear Mr. Stogner:

As per Ernie Bush's request, we are forwarding you this information.

We recently filed ten new well APD's in the NW Cha Cha Unit with the BLM. When we went to stake these wells, Daggett Surveyors could not find any of the old corners that tied to the old survey that the existing wells were surveyed from. Daggett contacted the BLM for assistance and were told that a lot of the old surveys in this township were wrong. (I think they referred to these as the Fischer Surveys).

As a solution to spotting the wells correctly, Daggett told the BLM that we would stake the wells based on spacing from existing wells first, then shoot the section line calls, based on the new corners from that point. Therefore, the section line calls would not appear consistent with existing wells, but the wells would be spaced correctly. The BLM indicated that was the only reasonable alternative.

We first picked the well locations based on proration from the existing wells and geologic consideration based on the old survey. Daggett then shot these locations from the existing wells so as to provide the desired distance and location of the new wells from the existing wells. Daggett, after locating these points, shot the section line calls from the new survey corners. These descriptions are located under Part I of the attached Table II. New Mexico Oil Conservation Division April 27, 1994 Page 2

We then inspected the field locations for surface related problems and moved the locations accordingly, with regard for maintaining critical geologic aspects of the redevelopment project. The surface locations on some of the wells were moved for various reasons including surface terrain that did not allow for construction of drilling pads (i.e. cliff face) locations that fell in planted Navajo agricultural areas, and one location that an arcsite was found on. The resulting final locations we submitted with our APD's are shown on Table II Part II.

We then filed the APD's with the section line calls from the new survey, and the BLM indicated we would have to get approval from the OCD for nonstandard locations (see attached correspondence from BLM).

I have prepared for your review the legal locations for the existing wells in the Phase I area from the original survey (Table I).

It is apparent from my discussions with the BLM, it will take the OCD to determine and convey to the BLM that these wells have been staked properly. I would greatly appreciate your assistance in getting this issue cleared up as soon as possible.

I have also enclosed a plat showing the entire NW Cha Cha Unit with the proposed new locations in each phase area. The 10 APD's we have filed are for new Wells No. 49, 32, 25, 48, 37, 26, 47, 27, 60 and 40. These wells are all located in the area designated Phase I on the attached plat.

I have also included a copy of a portion of the APD for each of the wells, as well as the approved 1994 Plan of Development for the unit, and the arc study covering all 10 wells.

If you need me to gather any additional information, please do not hesitate to call.

Sincerely, h. A. Jigo M. A. Sirgo, III

M. A. SIIGO, III

MAS/pr

TABLE I

NW CHA CHA PHASE I LEGAL LOCATIONS

EXISTING WELL LOCATIONS - PHASE I (FROM OLD FISCHER SURVEY)

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UNIT WELL NO.	LEGAL DE	SCRIPTION	SECTION		
39	890' FNL	890' FEL	Sec. 27		
36	660' FNL	660' FEL	Sec. 28		
50	1980' FSL	1980' FWL	Sec. 27		
30	480' FSL	1980' FEL	Sec. 22		
16	660' FWL	1830' FNL	Sec. 22		
24	1780' FSL	835' FEL	Sec. 21		
35	330' FNL	2310' FWL	Sec. 28		
46	660' FWL	1980' FNL	Sec. 26		
<u>P&A'D WELLS</u> (FROM	OLD FISCHE	R SURVEY)			
15	1830' FNL	x 1830' FEL	Sec. 22		
31	660' FSL	1980' FWL	Sec. 22		
28	510' FSL	2130' FEL	Sec. 23		
51	1930' FSL	780' FEL	Sec. 27		
29	704' FSL	510' FWL	Sec. 23		
38	660' FNL	1980' FWL	Sec. 27		

TABLE II

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PHASE I NW CHA CHA UNIT NEW WELLS

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PART I - ORIGINAL WELL LOCATIONS (AS DETERMINED FROM PRORATION AND GEOLOGIC CONSIDERATIONS) OLD FISCHER SURVEY

NO	FEL	FWL	FWL	FWL	FWL	FEL	FEL	FWL	FEL	FWL
COMPARATIVE NEW SURVEY DESCRIPTION	FNL & 1741	6821	1998	6721	1842'	851'	1849'	1301	1873'	FSL & 1897'
LTI DES	ک	ىم	لات	Ś	Ś	لا	৵	Ś	که	ک
IPARA JEY D	FNL	FSL	FSL	FNL	FNL	FSL	FNL	FSL	FSL	
CON SURV	1761'	8491	2377	19851	6121	2105'	1567'	2128'	1710'	31
	H		2	Ч		0	H	0	H	(Sec.23) 3'
	FEL	FWL	FWL	FNL	FNL	FSL	FEL	FSL	FEL	FWL
NOI	FNL & 1830'	6601	1980	2130'	810'	1980	1980'	FWL & 1830'	FSL & 1830'	FNL & 1980'
LUI	ک	لات	ሪ	ک	لام	ა	ک	ک	ک	Ś
DESCRIPTION	FNL	FSL	FSL &	FWL &	FWL &	FEL	FNL		FSL	
	1830'	660'	2130'	660'	1830	8101	1980	810	1300'	510
SEC. NO.	28	22	22	27	27	22	27	23	27	26
WELL NO.	49	32	25	48	37	26	47	27	60	40

PART II - FINAL WELL LOCATIONS AFTER MOVING WELLS FOR STATED REASON & ADJUSTED FOR GEOLOGICAL OUT OF NAPI PLANTED AREA SURFACE TERRAIN PROBLEM SURFACE TERRAIN PROBLEM OUT OF FOUND ARC STUDY MOVED OUT OF EXISTING NAPI PLANTED AREA BOTTOM HOLE NOT MOVED BOTTOM HOLE NOT MOVED SURFACE LOC MOVED SURFACE LOC MOVED MOVED OUT OF NAPI PLANTED AREA REASON FOR MOVE SURFACE TERRAIN NOT MOVED NOT MOVED NOT MOVED 682' FWL 1761' FNL & 1741' FEL 1889' FWL 672' FWL 436' FNL & 1892' FWL 851' FEL 1567' FNL & 1849' FEL 652' FWL 971' FEL 442' FNL & 2083' FWL(SEC23) 71' FSL & 2000' FWL SURVEY DESCRIPTION COMPARATIVE NEW ک BH 1985' FNL & ß Ś ß لك FSL 849' FSL BH 2105' FSL 1930' FSL 1884' FSL 2431' OLD FISCHER SURVEY FEL FWL 660' FSL & 1980' FWL 27 BHLOC 660' FWL & 2130' FNL 22 BHLOC 810' FEL & 1980' FSL FWL 634' FNL & 1880' FWL 1980' FNL & 1980' FEL 928' FEL 7321 1830' FNL & 1830' FSL & 1871' DESCRIPTION ഷ Ś FSL 1586' FSL 21841 1520' CONSIDERATIONS SEC. NO. 22 22 28 23 26 27 27 27 WELL NO. 49 32 25 48 26 60 40 37 47 27

TABLE II

PHASE I CHA CHA UNIT

NEW WELLS

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ATE• FORM APPROVED on OMB NO. 1004-0136 Expires: February 28, 1995			
5. LEASE DESIGNATION AND SEBIAL NO.			
14-20-603-2168A			
6. IF INDIAN, ALLOTTED OR TRIBE NAME			
NAVAJO NATION 7. UNIT AGBEEMENT NAME			
N.W. CHA CHA UNIT			
9. API WELL NO.			
10. FIELD AND POOL, OR WILDCAT			
CHA CHA (GALLUP)			
11. SEC., T., E., M., OR BLK. AND SURVEY OR AREA			
Sec. 28, T29N,			
12. COUNTY OR PARISH 13. STATE			
SAN JUAN NM			
RES IN LEASE 17. NO. OF ACRES ASSIGNED TO THIS WELL 40 80			
ROTARY OR CABLE TOOLS			
Rotary			
22. APPROX. DATE WORK WILL START*			
March 20, 1994			
QUANTITY OF CEMENT			
165 sacks			
860 sacks			
· · ·			
ipe.			

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- Will two stage 5-1/2" casing to circulate cement back to 2. surface pipe.
- 3. BOP Diagram attached.

SIGNED M. A. SI	A ding.	D TITLE	President	DATE Feb. 17, 1994
(This space for Federal or S				
PERMIT NO.			APPROVAL DATE	
Application approval does not warra	nt or certify that the applicant holds	legal or equitable	title to those rights in the subject lease wh	ich would entitle,the applicant to conduct operations the

State of New Mexico Energy, Minerals and Natural Resources Department

Submit to Appropriate District Office State Lease - 4 copies Fee Lease - 3 copies

DISTRICT PO Box 1980, Hobbs, N.M. 88240

DISTRICT IL PO Drower DD, Artesis, N.M. 88210

DISTRICT_III

330

660 990 1320 1650 1980 2310 2640

AMENDED OIL CONSERVATION DIVISION

P.O. Box 2088 Santa Fe. New Mexico 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT 1000 Rio Brozos Rd., Aztec, N.M. 87410 All Distonces must be from the outer boundaries of the section Yell No. Leaso Operator 49 SIRGO OPERATING, INC NW CHA CHA County Unit Letter Section Township Range SAN JUAN 14 WEST NKPN 29 NORTH 28 G Actual Footage Location of Well: EAST 1761 NORTH line and 1741 feet from the line feet from the Dedicated Acreage: Producing Formation Ground level Dev. Pool 5606 Cha Cha Gallup 80 Acres Gallup 1. Outline the acreage dedicated to the subject well by colored pencil or hachure mark on the plat below. 2. If more than one leave is dedicated to the wall, 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 communitization. unitazation, force-pooling, etc.? If answer is 'yes' type of consolidation ... T You □ No if answer is "no" list the owners and tract descriptions which have notually been consolidated. (Use reverse side of or until a non-standard unit, eliminating such interest, has been approved by the Division. N 57-28-57 W 111111111 5278.26 SURVEYOR CERTIFCATION 7 I hereby certify that the information 00 contained herein is true and complete to 761 the best of my knowledge and belief. -24-ဟ် Signature r, Privled Nome Position 1741' Company Date SEC. 128/11/1/11 SURVEYOR CERTIFCATION 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 bellet. Date Surveyed JANUARY A201 994 Signature & .01 5363.1 $\overline{\infty}$ Certificate OFESSIONA

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Form C-102 Revised 1-1-89

5 Form 3160-3 (July 1992)	DEPARTMENT BUREAU OF	LAND MANAG	ITERIOR		tions on		N AND BEBIAL NO.		
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14. TYPE OF WORK		DEEPEN	٦			7. UNIT AGREEMENT NAME			
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P. O. BOX 4. LOCATION OF WELL (F At surface 1567	3531, MIDLAND Report location clearly and 'FNL & 1849' 27, T29N, R1	in accordance with FEL Unit	any State re) 685-0878 guirements.*)	<u> </u>	10. FIELD AND POOL, CHA CHA (11. SEC., T., R., M., OI AND SURVEY OR Sec. 27, R14W, NM	(GALLUP) R BLK. AREA T29N,		
	AND DIRECTION FROM NEAF	EST TOWN OR POST	OFFICE*			12. COUNTY OR PARISH 13. STATE			
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15. DISTANCE FROM PROP LOCATION TO NEARES PROPERTY OR LEASE (Also to ucarest dri 15. DISTANCE FROM PRO	USED 41376' fre T 41376' fre g. unit line, if any bour POSED LOCATION 16 SHILLING, COMPLETED, 16	om unit ndary 37' from	16. NO, OF AC 144 19. PROPOSED 545	CRES IN LEASE 17. NO. OF ACRES ASSIGNED TO THIS WELL. 0 20. ROTARY OR CABLE TOULS					
21. ELEVATIONS (Show wh						22. APPROX. DATE . P	VORK WILL START*		
5713	' GR					March	20, 1994		
23.	,	PROPOSED CASIN	IG AND CEME	NTING PROGRAM	4				
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FO	от в	TTING DEPTH)	QUANTITY OF CEM	ENT		
12-1/4"	J-55,8-5/8"	24#		210'	16	5 sacks			
7-7/8"	J-55,5-1/2"	<u> </u>		5450!		0 sacks			

- 1. Circulate cement to surface on 8-5/8" surface pipe.
- Will two stage 5-1/2" casing to circulate cement back to surface pipe.
- 3. BOP Diagram attached.

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The Istico Court

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State of New Mexico Energy . Minerals and Natural Resources Department

> AMENDED OIL CONSERVATION DIVISION

P.O. Box 2088 Santa Fe, New Mexico 87504-2088

Form C-102 Revised 1-1-89

Scomit Lo Appropriate District Office State Leave - 4 copies Fee Lease - 3 copies

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DISTRICT_1. P.O. Box 1980, Horps, N.M. 88240

DISTRICT_A P.O. Drower DD. Artemis, N.M. 88210

DISTRICT_III

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1000 Rio Brozos Rd., 1-100, 114, 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

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Operator					Leaso				Yell No.	
SIRGO OF	PERATIN	G, INC.			NW	СНА СНА		·····	47	
Unit Letter	Section	p	Township	· · · ·	Range			County		
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2 XAME OF UPERATOR SIRGO BROTHERS ENERGY CORP. AS AGENT N.W. CHA CHA UNIT #37 FOR MOUNTAIN STATES PETROLEUM CORP. AS AGENT 9. AM WELLNO. A ADDRESS AND TELEMIONERSO P. O. BOX 3531, MIDLAND, TX 79702 (915)685-0878 10. FIELD AND POOL, OR WILDCAT A ADDRESS AND TELEMIONERSO P. O. BOX 3531, MIDLAND, TX 79702 (915)685-0878 10. FIELD AND POOL, OR WILDCAT A LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*) AI SUFFICE* CHA CHA (GALLUP) At suffice 4 36' FNL & 1892' FWL Unit C Sec. 27, T29N, R14W, NMPM Sec. 27, T29N, R14W, NMPM Sec. 27, T29N, R14W, NMPM Same Sec. 27, T29N, R14W, NMPM Sec. 27, T29N, R14W, NMPM Sec. 27, T29N, R14W, NMPM Substance 100 production from NEAREST TOWN OR POST OFFICE* SAN JUAN NM 5 MILES SOUTHWEST OF FARMINGTON 16. NO. OF ACRES IN LEASE 17. NO. OF ACRES ASSIGNED 10. DISTANCE PROM PRODUCES' 4482' from unit 1440 80 11. BETANCE PROM PRODUCES LOCATION* 1724' from 19. PHOPOSED DEPTH 20. ROTART OR CARLE TOULS 12. BISTANCE PROM PROM ON THIS LEASE, 77. Well #30 19. PHOPOSED DEPTH 20. ROTART OR CARLE TOULS 13. BISTANCE PROM PROM THIS LASE, 77. Well #30 19. PHOPOSED DEPTH 20. ROTART OR CARLE TOULS <td>DRILL DEEPEN</td> <td>7. UNIT AGBEEMENT NAME N.W. CHA CHA UNIT</td>	DRILL DEEPEN	7. UNIT AGBEEMENT NAME N.W. CHA CHA UNIT
P. O. BOA 3331, MIDLAND, TX 7902 (915)685-0878 AL BOATION OF WELL (Report location clearly and in accordance with any State requirements.*) AL BOATION OF WELL (Report location clearly and in accordance with any State requirements.*) AL BOATION OF WELL (Report location clearly and in accordance with any State requirements.*) AL BOATION OF WELL (Report location clearly and in accordance with any State requirements.*) AL BOATION OF WELL (Report location clearly and in accordance with any State requirements.*) AL proposed pind. zone CHA CHA (GALLUP) Same H. DINTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 5 MILES SOUTHWEST OF FARMINGTON 10. DISTANCE FROM PROPOSED 11. BESC. T., R., M., OR BLER. AL BOATION TO NEAREST TOWN OR POST OFFICE* 5 MILES SOUTHWEST OF FARMINGTON 12. COUNTY OR PARISH 13. DISTANCE FROM PROPOSED 4 BO O DEAREST WELL, DRILLING, COMPLETED, 724' from 10. PROPOSED DEPTH TO NEARDEST WELL, DRILLING, COMPLETED, 724' from 10. PROPOSED DEPTH TO NEARDEST WELLE FOR, ON THIS LEASE, FT. Well #30 21. ELEVATIONS (Show whether DF, RT, GR, etc.) 5661' GR	2. NAME OF OPERATOR SIRGO BROTHERS ENERGY CORP. AS AGENT	
5 MILES SOUTHWEST OF FARMINGTON SAN JUAN NM 15. DISTANCE FROM PROPOSED* 4482' from unit 16. NO. OF ACRES IN LEASE 17. NO. OF ACRES ASSIGNED LOCATION TO NEAREST 4482' from unit 1440 17. NO. OF ACRES ASSIGNED IN DISTANCE FROM PROPOSED LOCATION* 17. NO. OF ACRES ASSIGNED 10. THIS WELL IN DISTANCE FROM PROPOSED LOCATION* 17. NO. OF ACRES ASSIGNED 80 IN DISTANCE FROM PROPOSED LOCATION* 19. PROPOSED DEPTH 20. ROTARY OF CABLE TOOLS TO NEAREST WELL, DRILLING, COMPLETED 724' from 19. PROPOSED DEPTH 20. ROTARY OF CABLE TOOLS OR APPLIED FOR, ON THIS LEASE, FT. Well #30 5400' Rotary 21. ELEVATIONS (Show whether DF, RT, GR, etc.) 22. APPROX. DATE WORK WILL START* 5661' GR March 20, 1994	At SUFACE 436' FNL & 1892' FWL Unit C Sec. 27, T29N, R14W, NMPM Same	CHA CHA (GALLUP) 11. BEC., T., B., M., OR BLE. AND SUBVEY OF AREA Sec. 27, T29N, R14W, NMPM
LOCATION TO NEAREST 4482' IFOM UNIT PROPERTY OR LEASE LINE, FT. (Also to begreated drig, unit line, if any) boundary IN. DISTANCE FROM PROPOSED LOCATION' 1724' from OR APPLIED FOR, ON THIS LEASE, FT. Well #30 20. ROTARY OB CABLE TOOLS ROTARY 21. ELEVATIONS (Show whether DF, RT, GR, etc.) 5661' GR 23.	5 MILES SOUTHWEST OF FARMINGTON	SAN JUAN NM
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SIZE OF HOLE	ORADE, SIZE OF CASINO	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT	
12-1/4"	J-55,8-5/8"	2.4 #	210'	165 sacks	
7-7/8"	J-55,4-1/2"	10.5#	5400'	900 sacks	
					,

- 1. Circulate cement to surface on 8-5/8" surface pipe.
- Will two stage 4-1/2" casing to circulate cement back to surface pipe.
- 3. BOP Diagram attached.

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24 SIGNED	h.1	1. 25.	50 TITLE_	President	DATE Feb. 17, 1994
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Applicat	ion approval does not warra	int or certify that the applicant	holds legal or equitable	title to those rights in the subject lease wh	ich would entitle the applicant to conduct operations thereo
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State of New Mexico ۰., Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

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AMENDED

Form C-102

Revised 1-1-89

e de la compañía de

. i.... Submit to Appropriate District Office State Leave - 4 copies Foe Leave - 3 copies

DISTRICT C. D. Box 1980, Hobby, N.M. 88240

DISTRICT II P.O. Drower DD, Artesio, N.M. 88210

.

DISTRICT III 1000 Rio Brozos Rd., Azlec, N.M. 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

1000 110 010200					A	i Oisto	inces must	be from	the oute	r boundarie	e of the	section		
Operator								Lea	30					Well No.
SIRGO OP	ERATIN	IG, 11	NC.						NW (СНА СНА				37
Unit Letter	Section			Town	ship			Rai	nge				County	
с	27				29 N	IORT	H .		14	WEST		אאסטאא	SAN JI	JAN
Actual Poolage		of Ne	оЦ:	<u> </u>			<u> </u>							
436	feet	from	the	NO	RTH		line an	d	1892			leet from	ьь WEST	line
Ground level El	¢Υ.	Prod	ucing Po	rmatic	םס		n,	Po						Dedicated Acresge:
5661			Gall	up					Cha	a Cha	Gall	.up		80 Acros
1. Out1	ine the	acreag	e dedica	tod to	the m	ubject	well by co	lored p	encil or	hachure m	ark on L	he plat bel-	0W.	
2. Lí m	nore that	000	lesso is	dedica	ited to	the P	roll, outline	each	and iden	ity the own	aership t	hereof (bot	h as to working	interest and royalty).
3. If m unit	are than arailop,	one force-	lesse of pocling,	differe elc.?	ant own	nershij	p is dedica	ted to	the well,	have the i	nterewt o	f all owner	m been consolid	sted by communitization,
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this for	rm If ne	000888	ΓV.				•			•		•	erse side of	
No allo or unti	hable wi l в поп-	U be a standa	sisigned ard unit.	to the elimit	: well nating	until e such	all intrests interest, he	have b an been	spprove	olidated (b) i by the Di	vision.	nitzation, u	iniUzaUon, force	d-pooling, or otherwise)
NI37-08-	K-TLVK	7	<u></u>	77	~~~	$\overline{\mathbf{x}}$				1 5278.3	26'			OR CERTIFCATION
	1.2 / U 14	ł		436		Ż	1			0270.	20		aunye.	IOR CERTIFORTION
1692	•	, t		لوز		1				1			I hereby cert	ify that the information
5		i		Ŷ						1			contained her	rein is true and complete to
		· · ·				1							the best of m	ry knowledge and belief.
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														, that the well location shown
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		1								1				made by me or under my
		l i								l •				d that the same is true and est of my knowledge and
												1	belief.	
		- +-				- +							Date Surveyed	AN A DI
		ļ											JAN	ARP 20, 1004
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0 330 080	990	1320	1850	1980	2310	284	0'2	2000	1500	1000	500	0		

· ·									
Form 3160-3 (July 1992)	-	ED STATES		SUBMIT IN TR (Other instruc reverse si	tions on	FORM APP OMB NO. 10 Expires: Februa	004-0136		
	DEPARTMENT	OF THE I	NTERIOR		[5. LEASE DESIGNATION	AND SEBIAL NO.		
	BUREAU OF	LAND MANAC	GEMENT			14-20-603-	2198A		
APPL	ICATION FOR PL	ERMIT TO D	DRILL OR	DEEPEN		6. IF INDIAN, ALLOTTER OR TRIBE NAME			
1a. TYPE OF WORK	RILL 3	DEEPEN [NAVAJO NAT 7. UNIT AGBBEMENT N	AMB		
	CAS WELL OTHER		SINGLE Zone			N.W. CHA C 8. FARM OR LEASE NAME, WEL	L NO.		
2. NAME OF OPERATOR	SIRGQ BROTHEF			S AGENT	-	N.W. CHA CH 9. API WELL NO.	<u>HA UNIT#27</u>		
3. ADDRESS AND TELEPHIONE N	AIN STATES PET	ROLEUM_CO	JRP.						
P. O. BOX	3531, MIDLANE Report location clearly and) <u>, TX 797(</u>	02 (915) 685-0878	}	10. FIELD AND POOL, O			
	34' FSL & $652'$			dattements)	-	CHA CHA (G			
At proposed prod. 2	Gate 23, T29N, R	14W, NMPM	[AND SUBVEY OF AR Sec. 23,	E.A.		
San	AND DIRECTION FROM NEAR	Pers moury OP DOR				RIAW, NMPM 12. COUNTY OF PARISH 13. STATE			
			1 OFFICE.			SAN JUAN	NM		
10. DISTANCE FROM PRO LOCATION TO NEARE	OUTHWEST OF FA POSED [*] 2068 ' from LINE, FT. Id. unit line, if any; bou	unit		CRES IN LEASE		SAIN OUAIN ACEES ASSIGNED IS WELL 80			
15. DISTANCE FROM PRO TO NEAREST WELL, OR APPLIED FOR, ON T	DRILLING, COMPLETED, 379 THIS LEASE, FT. ap	from plied for	19. PROPOSED	- 	-	Y OB CABLE TOULS Dtary			
21. ELEVATIONS (Show W	whether DF, RT, GR, etc. # 4	Ų				22. APPROX. DATE WO	BE WILL START*		
)8' GR					March 20	, 1994		
23.		PROPOSED CASI	NG AND CEME	NTING PROGRAM	1				
SIZE OF HOLE	GRADE, SIZE OF CASINO	WEIGHT PER F	00T SI	TTING DEPTH		QUANTITY OF CEMEN	т Т		
12-1/4"	J-55,8-5/8"	24#		210'	16	5 sacks			
7-7/8"	J-55,5-1/2"	15.5#		5350'	86	0 sacks	·		

a a construction of the co

- 1. Circulate cement to surface on 8-5/8" surface pipe.
- 2. Will two stage 5-1/2" casing to circulate cement back to surface pipe.
- 3. BOP Diagram attached.

The sense of the second

IN ABOVE SPACE DESCRIBE PROPOSED PROG deepen directionally, give pertinent data on subsurface 23.	AM: If proposal is to deepen, give d to locations and measured and true ver	ata on present productive zone and pro tical depths. Give blowout preventer pro President	posed new productive zone. If proposal is to drill or gram, if any.
M. A. Sirgo, (This space for Federal or State office			BATK <u>FEII. 17, 1994</u>
FERMIT NO.		APPROVAL DATE	
Application approval does not warrant or certify th CONDITIONS OF APPROVAL, IF ANY:	nat the applicant holds legal or equitable	title to those rights in the subject lease wh	ich would entitle the applicant to conduct operations thereor
APPROVED BY			DATE

Submit to Appropriate District Office Stote Lease - 4 copies For Lease - 3 cepies

DISTRICT 1 7.0 Box 1980, Henrs, N.V. 88240

DISTRICT_IL

P.O. Druwer DD. Artestu, N.M. 88210

DISTRICT III

State of New Mexico Energy, Minerals and Natural Resources Department

AMENDED

OIL CONSERVATION DIVISION P.O. Box 2088 Soute Fe, New Mexico 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT 1000 Rio Brazon FJ. Astes, N.W. 87410 All Distances must be from the outer boundaries of the paction Yell No. Operator NW CHA CHA 27 SIRGO OPERATING, INC. Range County Unit Letter Section Township SAN JUAN 23 29 NORTH 14 WEST NKFM Actual Footoge Location of Yell: 1884 WEST SOUTH 652 feet from the line feet from the line and Producing Pormation Pool Dedicated Acresge: Gound level fley. Cha Cha Gallup 80 Gallup Acres 5508 1. Outling the acreage dedicated to the subject well by colored pencil or hachure mark on the plat below. 2. If more than one leave is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty). 3. If more than one leave of different expersiply is dedicated to the well, have the interest of all ewners been consolidated by communitization, uniteration, force-pooling, etc.? C You No No If answer is 'yes' type of consolidation . if answer a no list the owners and tract descriptions which have actually been consolidated. (Use reverse side of SURVEYOR CERTIFCATION Z. I hereby certify that the information 00 contained herein is true and complete to the best of my knowledge and belief. 0 . 02 Signature ----Itinted Nume Fostilos Company Dala -SEC. 23 -MULTIN SURVEYOR CERTIFCATION 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 ē52 supervision, and that the same is true and correct to the best of my knewledge and betief. Date Surveyed 6.07 Å. R C ANUARY 20 1994 1884 בטינו Signature A Professions Sel Ro бR Q, S 88-02-59 E 5259.24 Certificate 8894 330 860 990 1320 1650 1980 2510 2640 20'00 1600 1000 500

Yorm C-102 Revised 1-1-80

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Form 3160-3 (July 1992)	UNIT	ED STATES	TERIO	SUBMIT IN T (Other instru reverse :	ections on	FORM APP OMB NO. 10 Expires: Februa	004-0136 ry 28, 1995	
		LAND MANAGE						
						<u>14-20-603-</u> 8. IF INDIAN, ALLOTTER	OR TRIBE NAME	
	LICATION FOR PI			n DELFEN		NAVAJO NAT	ION	
1a. TYPE OF WORK		DEEPEN	ן			7. UNIT AGREEMENT N	AMB	
b. TYPE OF WELL			4			N.W. CHA C	HA UNIT	
OIL WELL	CAS OTHER		SINGLE Zone		PLE	S. FARM OR LEASE NAME, WEL		
2 SAME OF OPERATOR	SIRGQ BROTHER	S ENERGY	CORP.	AS AGENT		N.W. CHA CI	HA UNIT #25	
FOR MOUN	TAIN STATES PET	ROLEUM CO	RP.			b. An weather		
P. O. BO	X 3531, MIDLAND (Report location clearly and	in accordance with	any State :	<u>5)685-087</u> regulrements.*)	8	10. FIELD AND POOL, O CHA CHA (G		
Sec At proposed prod.	31' FSL & 1889' 2. 22, T29N, R1	FWL Unit 4W, NMPM	K			11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 22, T29N,		
14. DISTANCE IN MIL	NC ES AND DIRECTION FROM NEAR	EST TOWN OR POST	OFFICE			R14W, NMP		
	SOUTHWEST OF FA					SAN JUAN	NM	
15. DISTANCE FROM P. LOCATION TO NEA	REST 4223' from	unit		ACRES IN LEASE		ACRES ASSIGNED HIS WELL 8 ()	<u></u>	
(Also to gearest 18. DISTANCE FROM I	drig. unit line, if any, bou PHOPOSED LOCATION 1810 L. DRILLING, COMPLETED,	from	19. PROPOSE		20. BOTA	RY OB CABLE TOULS		
TO NEAREST WEL OR APPLIED FOR, ON	THIS LEASE, FT. Well	#16		330'	_	otary		
21. ELEVATIONS (Show	whether DF, RT, GR, etc.)					22. APPROX. DATE WO	BK WILL START*	
5574	4' GR					March 20	, 1994	
23.		PROPOSED CASIN	G AND CEN	IENTING PROGRA	M		<u> </u>	
SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOC	т	SETTING DEPTH		QUANTITY OF CEMEN	T	
12-1/4"	J-55,8-5/8"	24#		210'	1	65 sacks		
7-7/8"	J-55,5-1/2"	15.5#		5330'		60 sacks		

1. Circulate cement to surface on 8-5/8" surface pipe.

2. Will two stage 5-1/2" casing to circulate cement back to surface pipe.

3. BOP Diagram attached.

APPROVED BY ____

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SHONED CALL	Juigo	. President	PATE Feb. 17, 1994
(This space for Federal or State office			
	,		
PERMIT NO		APPROVAL DATE	
Application approval does not warrant or certify the CONDITIONS OF APPROVAL IF ANY:	nat the applicant holds legal or equ	aitable title to those rights in the subject lease wi	nich would entitle the applicant to conduct operations then

__ DATE _

_ TITLE _

State of New Mexico Energy Minerals and Natural Resources Department

AMENDED

Submit to Appropriate District Office State Lease - 4 copies For Lease - 3 copies

DISTRICT_1 P.O. Box 1980, Hobbs, N.M. 88240

DISTRICT_II P.O. Druwer DD, Artesiu, N.M. 88210

DISTRICT III

330

660

990 1320 1650 1980 2310 2640

1000 Rio Brozes Ed., Aztec, N.M. 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section Yell No. LAASE Operator 25 SIRGO OPERATING, INC NW CHA CHA Section Range County Unit Letter Township SAN JUAN 29 NORTH 14 WEST мысры Κ 22 Actual Footage Location of Well: 2431 1889 feet from the WEST line fect from the SOUTH line and Dedicated Acreage: Cround level Elev. Producing Formation Pool 5574 Acres Gallup <u>Cha Cha Gallup</u> 80 1. Outline the acreage dedicated to the subject well by colored pencil or hachure mark on the plat below. 2. If more then 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 communitization. unitezation, force-pooling, etc.7 If answer is "yes" type of consolidation ... 1 Yes D No 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 introsts have been consolidated (by communitzation, unitization, forced-pooling, or otherwise) or until a non-standard unit, clinunating such interest, has been approved by the Division. SURVEYOR CERTIFCATION 17. I hereby certify that the information Ş contained herein is true and complete to the best of my knowledge and belief. -24-53 Signature 70 Printed Name Position Company Date 22 SEC SURVEYOR CERTIFCATION 1889' 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 bellef. Date Surveyed YRX 218/1994 JANL Signature & Seal Professional Surv 363 NO orn ._ 8 õ N 87-28-57 W Cartificate 5278.26' OFESSIONAL

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OIL CONSERVATION DIVISION P.O. Box 2088 Santa Fe, New Mexico 87504-2088 Form C-102 Revisod 1-1-89

Form 3160-3 (July 1992) UNITED STATES	SUBMIT IN TRIP (Other instruction reverse side	OMB NO. 1004-0136
DEPARTMENT OF THE INTERIOF	र	5. LEASE DESIGNATION AND BEBIAL NO.
BUREAU OF LAND MANAGEMENT		14-20-603-2199
APPLICATION FOR PERMIT TO DRILL OF	R DEEPEN	6. IF INDIAN, ALLOTTEE OF THISE NAME
1a. TYPE OF WORK		NAVAJO NATION
		7. UNIT AGBEEMENT NAME
b. TYPE OF WELL		N.W. CHA CHA UNIT
OIL GAS SINCLE ZONE ZONE		δ. FARM OR LEASE NAME, WELL NO.
2. NAME OF OPERATOR SIRGO BROTHERS ENERGY CORP.	AS AGENT	N.W.CHA CHA UNIT #3
FOR MOUNTAIN STATES PETROLEUM CORP.		9. AM WELL NO.
3. ADDRESS AND TELEPHONE NO.		
P. O. BOX 3531, MIDLAND, TX 79702 (91)	5)685-0878	10. FIELD AND POOL, OR WILDCAT
P. O. BOX 3531, MIDLAND, TX 79702 (91) 4. LOCATION OF WELL (Report location clearly and in accordance with any State r	equirements.*)	CHA CHA (GALLUP)
		11. SEC., T., B., M., OR BLK. AND SUBVEY OR AREA
At proposed prod. zone 22, T29N, R14W, NMPM		Sec. 22, T29N,
Same		R14W, NMPM
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*	· · · · · · · · · · · · · · · · · · ·	12. COUNTY OR PARISH 13. STATE
5 MILES SOUTHWEST OF FARMINGTON		SAN JUAN NM
	ACRES IN LEASE	17. NO. OF ACRES ASSIGNED TO THIS WELL
	32	80
18. DISTANCE FROM PROPOSED LOCATION* 1996 From 19. PROPOSE	D DEPTH	20. ROTARY OR CABLE TOULS
	370'	Rotary
21. ELEVATIONS (Show whether DF, RT, GR, etc.)	<u>_</u>	22. APPROX. DATE WORK WILL START*
5615' GR		March 20, 1994
23. PROPOSED CASING AND CEM	IENTING PROGRAM	
SIZE OF HOLE GRADE SIZE OF CASING WEIGHT PER FOOT S	SETTING DEPTH	OPANTITY OF CEMENT

SIZE OF HOLE	ORADE, SIZE OF CASINO	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	J-55,8-5/8"	24#	210'	165 sacks
7-7/8"	J-55,5-1/2"	15.5#	5370'	860 sacks
,				
1	1			

- 1. Circulate cement to surface on 8-5/8" surface pipe.
- Will two stage 5-1/2" casing to circulate cement back to surface pipe.

3. BOP Diagram attached.

SUCNED MASIN	Jugo	TITI.E	President	DATE Feb. 17, 1994
(This space for Federal or Sta	te office use)			
CERMIT NO.			APPROVAL DATE	
Application approval does not warrant of CONDITIONS OF APPROVAL, IF ANY:	or certify that the applicant holds h	egal or equitable	title to those rights in the subject lease wh	ich would entitle the applicant to conduct operations the

APPROVED	ΒY	
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______ TITLE _____

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*See Instructions On Reverse Side Tetre 18 U.S.C. Section 1001, makes it a crime for any person knowledly and willfully to make to any department or associate State of New Mexico Energy , Minerals and Natural Resources Department

Subinit to Appropriate District Office State Lease - 4 copies Fee Lease - 3 copies

DISTRICT 1 P.O. Box 1980, Houdy, N.M. 88240

DISTRICT II P.O. Drawer DD, Artesia, N.M. 88210

DISTRICT III WELL LOCATION AND ACREAGE DEDICATION PLAT 1000 Rio Brozos Rd., Azlee, N.W. 87410 All Distances must be from the outer boundaries of the section Well No. Lense Operator NW_CHA CHA 32 SIRGO OPERATING, INC. Section Range County Unit Letter Township SAN JUAN М 29 NORTH 14 WEST ₩ЮР₩ 22 Actual Footage Location of Well: feet from the WEST line feet from the 682 line and 849 SOUTH Dedicated Acresge: Ground level Elev. Producing Formation Pool 80 Cha Cha Gallup 5615 Gallup Acres 1. Outline the acreage dedicated to the subject well by colored pencil or hechure mark 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 interest of all owners been consolidated by communitization. unilazation, force-pooling, etc.? 🗍 Yes D 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 neccessary. No allowable will be assigned to the well until all intrasts have been consolidated (by communitzation, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division. SURVEYOR CERTIFCATION . Z 30-I hereby certify that the information contained herein is true and complete to 24-51 the best of my knowledge and belief. 'n Signature Frinted Same Position Compuny Date – SEC. 22 · TTTSURVEYOR CERTIFCATION 11 536. 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 superision, and that the same is true and correct to the best of my knowledge and belief. Date Surveyed JANUAT Signature & Professional Seal of 682 108

Certificate No.

5278.26'

OFESSIONAL

330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500

87-28-57 W

AMENDED

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

Form C-102 Revised 1-1-89

Ferm 3160-3 (July 1992)	UNIT DEPARTMENT	ED STATES		(Other	IN TRL.ICATE• instructions on verse side)	FORM APP OMB NO. 1 Expires: Februa	004-0136 ary 28, 1995
		LAND MANAG				14-20-603-	
	ICATION FOR PI			DEEP	FN	$\frac{14-20-603}{6. \text{ if indian, allotter}}$	DOB TEIBE NAME
AFFL a. TYPE OF WORK						NAVAJO NAT	
		DEEPEN				7. UNIT AGREEMENT N	
D. TYPE OF WELL	849		SINGLE		MCLTIPLE	N.W. CHA C 8. FARM OR LEASE NAME, WE	
WELL X	WELL OTHER		7.0NE	<u>دا</u> :	ZONK		
2. NAME OF OPERATOR	SIRGQ BROTHEF			AGE	NT	N.W. CHA C	HA UNIT #6
FOR MOUNT.	AIN STATES PET	ROLEUM C)RP				
		ידע ד <u>ק</u> יי	02 (915)	695-	0070	10. FIELD AND POOL, C	R WILDCAT
4. LOCATION OF WELL (3531, MIDLAND Report location clearly and	in accordance wi	th any State requ	frements.	•)	СНА СНА (С	GALLUP)
At surface 1930	' FSL & 971' H	FEL Unit	Ι			11. SEC., T., R., M., OR I AND SUBVEY OR AR	BLK.
At proposed prod. zc	27, T29N, R14	W, NMPM				Sec.27, T2	
Same	<u> </u>					RI4W NMP	M
14. DISTANCE IN MILES	AND DIRECTION FROM NEAR	EST TOWN OR POS	T OFFICE*			12. COUNTY OR PARISH	1
5 MILES S	OUTHWEST OF FA	RMINGTON				SAN JUAN	NM NM
LOCIMICN CONTRACT	PUSED· 4482' from		16. NO. OF ACE			F ACRES ASSIGNED HIS WELL	
Also to bearest dr	LINE, FT. bounda	т у	1440	•		80	
18. DISTANCE FROM PRO TO SEAREST WELL,	DISED LOCATION 1810	lied for	19. PROPOSED D		_	RY OR CABLE TOOLS	
OR APPLIED FOR, ON T	hether DF, RT, GR, etc.)	47	549			22. APPROX. DATE WO	
5770!						March 20	
23.						Haren 20	, 1))4
	1	PROPOSED CASI					
SIZE OF HOLE	GRADE, SIZE OF CASINO	WEIGHT PER F	JOT SET	TING DEPT		QUANTITY OF CEMEN	
<u>12-1/4"</u> 7-7/8"	<u>J-55,8-5/8"</u>	24#		210'		65 sacks	
	J-55,4-1/2"	10.5#	1 1	5490'	Qr	00 sacks	

- 1. Circulate cement to surface on 8-5/8" surface pipe.
- Will two stage 4-1/2" casing to circulate cement back to surface pipe.
- 3. BOP Diagram attached.

STONED M. A. Sirg		T T1.6	President	DATE Feb.	17, 1994
(This space for Federal or State					
PERMIT NO.			APPROVAL DATE	·	
Application approval does not warrant or c CONDITIONS OF APPROVAL, IP ANY:	ertify that the applicant holds le	gal or equitable	title to those rights in the subject lease whi	ch would entitle the applicant to	conduct operations there

*See Instructions On Reverse Side

there is it is the 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the

Submit to Appropriate District Office State Lease - 4 copies Fee Lease - 3 copies

DISTRICT_I P.O. Box 1980, Hobbs, N.M. 88240

DISTRICT_II P.O. Drawer DD, Artosia, N.M. 88210

S 87-33-49 E

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1520 1650 1980 2510 2640

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DISTRICT II

Operator

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5770

1000 Rio Brozos Rd. Azleo, N.M. 87410

State of New Mexico Energy, Minerals and Natural Resources Department

AMENDED

OIL CONSERVATION DIVISION P.O. Box 2088 Santa Fe, New Mexico 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT All Distances must be from the outer boundaries of the section Well No. Logao 60 SIRGO OPERATING, INC NW CHA CHA County Range Unit Letter Seollon Township SAN JUAN 27 29 NORTH 14 WEST NUCPLI Actual Footage Location of Well: feet from the EAST SOUTH 971 line feet from the lins and Producing Formation Pool Dedicated Acreage: Ground level Elev Cha Cha Gallup Gallup 80 Aares 1. Outline the acreage dedicated to the subject well by colored pencil or hachure mark 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 interest of all owners been consolidated by communitization, unitazation, force-pooling, etc.9 Yes D 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 neocessary. . No allowable will be assigned to the well until all intrasts have been consolidated (by communitzation, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division. SURVEYOR CERTIFCATION Z. I hereby certify that the information 8 contained herein is true and complete to Ň the best of my knowledge and belief. l 02 Signature (T Printed Name Position Company Data - SEC. 27 Λ. SURVEYOR CERTIFCATION I hereby certify that the well location shown 2 on this plat was plotted from field notes of K actual surveys made by me or under my 971' supervision, and that the same is true and correct to the best of my knowledge and N belief.

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5283.94

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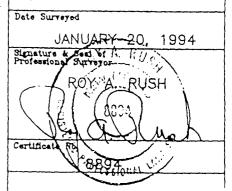
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Form C-102

Revised 1-1-89

Form 3160-3	· · · ·			SUBMIT IN TR (Other instruc		10/04	APPROVE	
(July 1992)	- · · · · ·	ED STATES		reverse sid			ebruary 28,	
	DEPARTMENT	OF THE I	NTERIOR			5. LEASE DESIGNA	TION AND B	EBIAL NO.
	BUREAU OF	LAND MANAC	GEMENT			14-20-6	03-217	10
	ICATION FOR PE	OT TING		DEEDEN		6. IF INDIAN, ALL		
	ICATION FUN FE			DELFEN		NAVAJO	NATION	J
1a. TYPE OF WORK		DEEPEN	-1			7. UNIT AGREEME	NT NAME	
D. TYPE OF WELL		DEDITIN				N.W. CH	A CHA	UNIT
	WELL OTHER		SINGLE ZONE	ZONE MULTIPI	. E	8. FARM OR LEASE NA	ME, WELL, NO.	
2. NAME OF OPERATOR	SIRGQ BROTHER	S ENERGY	CORP	S AGENT		N.W. CHA	CHA U	UNIT #40
FOR MOUNT	ATN STATES PET					9. API WELL NO.		
3. ADDRESS AND TELEPHONE NO			· · · · ·					
P. O. BOX	3531, MIDLAND	, TX 7970	02 (915)685 - 0878		10. FIELD AND PO	OL, OR WIL	DCAT
4. LOCATION OF WELL (Report location clearly and	in accordance wi	th any State re	quirements.")		СНА СНА	(GALI	LUP)
	FSL & 2000' F					11. SEC., T., B., M. AND SUBVEY	OR BLE.	
At proposed prod. zo	. 23, T29N, Rl	4W, MMPM				Sec.23,		
Sam						R-14W	NMPM	-
14. DISTANCE IN MILES	AND DIRECTION FROM NEAR	EST TOWN OR POS	T OFFICE*			12. COUNTY OR PA	RISH 13.	STATE
5 MILES S	OUTHWEST OF FA	RMINGTON				SAN JUA	N	NM
15. DISTANCE FROM PROI LOCATION TO NEARE		unit	16. NO. OF A	CRES IN LEASE		F ACRES ASSIGNED		
	line, FT.		2	560	10 1.	80		
15. DISTANCE FROM PRO	טרר ב ו אמודגיים ו מצמיו	from	19. PHOPOSED	DEPTH	20. ROTA	RY OR CABLE TOULS		·······
TO NEAREST WELL, OR APPLIED FOR, ON T	HIS LEASE, FT. Well	lied for	5	300!	R	otary		
21. ELEVATIONS (Show W	hether DF, RT, GR. etc.)	· <u> </u>	· · · · · · · · · · · · · · · · · · ·			22. APPROX. DAT	-	
5	536' GR					March	20, 1	994
23.]	PROPOSED CASI	NG AND CEME	NTING PROGRAM				
SIZE OF HOLE	GRADE, SIZE OF CASINO	WEIGHT PER F	18 T00	CTTING DEPTH		QUANTITY OF C	EMENT	
12-1/4"	J-55,8-5/8"	24#		210'	1	65 sacks		
7-7/8"	J55. 4-1/2"	10.5#		5300'		00 sacks		

- 1. Circulate cement to surface on 8-5/8" surface pipe.
- 2. Will two stage 4-1/2" casing to circulate cement back to surface pipe.

3. BOP Diagram attached.

24.	L' D			maded 3-7-94
M. A. Sirgo,	JUIGO	TITLE	President	DATE Feb. 17, 1994
(This space for Federal or State office)	u8e)			
PERMIT NO.			APPROVAL DATE	· · · · · · · · · · · · · · · · · · ·
		or equitable (hich would entitle the applicant to conduct operations there
Application approval does not warrant or certify the		or equitable (

Submit to Appropriate District Office State Lease - 4 copies Fee Lease - 3 copies

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14 Mar 🖉

DISTRICT_1 P.O. Box 1980, Hobbs, N.M. 88240

DISTRICT II P.O. Drawer DD, Artesia, N.M. 88210

State of New Mexico Energy, Minerals and Natural Resources Department

AMENDED

Form C-102 Revised 1-1-89

OIL CONSERVATION DIVISION P.O. Box 2088 Santa Fe, New Mexico 87504-2088

DI <u>STRICT_III</u> 1000 Rio Brazo	s Rd., Aztoc, N.M. 8741				GE DEDICATIO				
Operator				Lease				Well No.	
SIRGO (DPERATING, INC.			NW CH	IA CHA			40	
Unit Letter	Section	Township		Range	<u> </u>		County		
N	23	29 1	NORTH		14 WEST	NMPM	SAN	JUAN	
Actual Pootage	Location of Well:			•					
71	feet from the	SOUTH	line and	20	00	feet from	the W	EST line	
Ground level H	llev. Producing P	ormation	•	Pool				Dedicated Acr	oage:
5536	Gali				Cha Gall			80	Acres
1. Du	tline the acreage dedica	ated to the subject	well by color	ed pencil or l	hachure mark on	the plat balo	₩.		
3. لا : ستا لا متع لا فلط ؟	wer is 'no' list the own orm if neccessary.	different ownersh etc.? No ners and tract des	ip is dedicated If answer criptions which	to the well, is "yes" type h have actual	have the interest of consolidation y been consolidat	of all owners	r been consoli rse side of	dated by comm	unitization.
لله No اعب vr	lowable will be assigned this non-standard unit	to the well until , eliminating such	all intrests ha interest, has	ve been conse been approved	blidated (by comm by the Division.	nunitzation, w	nitization, foro	od-pooling, or	otherwise)
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00-21-02					 -		contained h	tify that the i erein is true a my knowledge	nd complete to
וה					 		Signature		
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		SEC	. 23 —		 		SURVE	YOR CERTIF	CATION
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5355	+	TITAT	INCLUD				Date Surveyed JAN Signature of S Professional S	WARY 20	U1904
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2000			S 88-02-	-59 E	5259.24'		Certificate No	8894	W
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(HORSESHOE-GALLUP (PRESSURE MAINTENANCE PROJECT NO. 4) POOL - Cont'd.)

that the injection well shall be assigned a top unit allowable, that the allowable for the project shall be the sum of the allowables of the producing well and the injection well, that the allowable for the injection well may be transferred to the producing well, and that the allowable for the project shall not exceed two times top unit allowable for the Horseshoe-Gallup Oil Pool.

(6) That the subject application should be approved and that the project should be designated as the Horseshoe-Gallup Pressure Maintenance Project No. 4.

(7) That the project area for said project should be defined as the SW/4 of Section 33, Township 32 North, Range 17 West, NMPM.

IT IS THEREFORE ORDERED:

(1) That the applicant, Skelly Oil Company, is hereby authorized to institute a pressure maintenance project in the Horseshoe-Gallup Oil Pool, to be designated the Horseshoe-Gallup Pressure Maintenance Project No. 4, comprising the SW/4 of Section 33, Township 32 North, Range 17 West, NMPM, San Juan County, New Mexico, by the injection of water into the Gallup formation through the Navajo "M" Well No. 2, located 1980 feet from the South line and 1980 feet from the West line of said Section 33.

(2) That the injection well shall be assigned a top unit allowable; that the allowable for the project shall be the sum of the allowables of the producing well and the injection well; and that the allowables for the injection well may be transferred to the producing well.

PROVIDED HOWEVER, That the allowable for the project shall not exceed two times the top unit allowable for the Horseshoe-Gallup Oil Pool.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

BISTI-LOWER GALLUP POOL CHA CHA-GALLUP POOL HORSESHOE-GALLUP POOL LONE PINE-DAKOTA "D" POOL MANY ROCKS-GALLUP POOL

(Certain Pressure Maintenance Projects Reclassified) San Juan and McKinley Counties, New Mexico

Order No. R-6172, Rescinding Various Orders Authorizing Pressure Maintenance Projects and Reclassifying Certain Pressure Main-Maintenance Projects and Reclassifying Certain Pressure Maintenance Projects as Secondary Recovery Projects in the Bisti-Lower Gallup, Cha Cha-Gallup, Horseshoe-Gallup, Lone Pine-Dakota "D", and Many Rocks-Gallup Pools, San Juan and McKinley Counties, New Mexico, November 2, 1979.

In the Matter of the Hearing Called by the Oil Conservation Division on its Own Motion to Consider the Reclassification of Certain Pressure Maintenance Projects in San Juan and McKinley Counties, New Mexico, as Secondary Recovery Projects.

> CASE NO. 6093 Order No. R-6172

ORDER OF THE DIVISION

BY THE DIVISION: This cause came on for hearing at 9 a.m. on November 30, 1977, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 2nd day of November, 1979, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS: (1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

That the Oil Conservation Division heretofore authorized the following Northwest New Mexico pressure maintenance projects in the named pools by the designated order:

PROJECT	POOL	ORDER NO.
Atlantic Horse- shoe Gallup	Horseshoe- Gallup	R-2210
Dugan Central Cha Cha Unit	Cha Cha- Gallup	R-2305
Energy Reserves Horseshoe Gallup No. 3	Horseshoe- Gallup	R-1876
Energy Reserves NE Hogback	Horseshoe- Gallup	R-2026
Eng. & Prod. Serv. Horse- shoe Gallup No. 2	Horseshoe- Gallup	R-1745
Eng. & Prod. Serv. Many Rocks Gallup No. 1	Many Rocks- Gallup	R-2541
Getty Many Rocks Gallup No. 3	Many Rocks- Gallup	R-2664

(BISTI-LOWER GALLUP, CHA CHA-GALLUP, HORSESHOE-GALLUP, LONE PINE-DAKOTA "D", AND MANY ROCKS-GALLUP (CERTAIN PRESSURE MAINTENANCE PROJECTS RECLASSIFIED) POOLS - Cont'd.)

PROJECT	POOL	ORDER NO.
Shell Carson Bisti	Bisti- Gallup	R-2065
Suburban NW Cha Cha	Cha Cha-	R-2154
Tenneco Lone Pine DK "D"	Gallup Lone Pine- Dakota "D"	R-4263
Woosley Many Rocks Gallup No. 4	Many Rocks- Gallup	R-2700

(3) That each of the above-named pressure maintenance projects has declined to the point where it can no longer be correctly classified as a "pressure maintenance" project but can be correctly classified as a "secondary recovery" project.

(4) That due to certain recent changes in the rules governing reports, the reporting of injection and production is less complicated and time-consuming to operators of secondary recovery projects than is the similar reporting for pressure maintenance projects.

(5) That the processing of data relating to secondary recovery projects by the Oil Conservation Division of the New Mexico Energy and Minerals Department for the purpose of maintaining production records is less time-consuming than is the processing of similar data for pressure maintenance projects.

(6) That the reclassification of the pressure maintenance projects named in Finding No. (2) above as secondary recovery projects will result in a saving of time and effort by both the operators of the projects and by the Division in reporting and processing data relating to the projects, thereby preventing waste, and that said reclassification will not impair correlative rights.

(7) That even though some of the subject projects may not at this time be active projects, or even though some of the originally authorized injection wells may no longer be on active injection, the reclassification of said projects can most easily be carried out by rescinding the orders authorizing said projects as pressure maintenance projects and reauthorizing said projects as secondary recovery projects, subject to any particular rules previously promulgated for said projects which would still be applicable.

(8) That portions of Order No. R-2210, as amended by R-2210-A and R-2719, which authorized the Atlantic Refining Company Horseshoe Gallup Unit Pressure Maintenance Project should be rescinded and approval given for the Atlantic Horseshoe Gallup Waterflood Project.

That Order No. R-2305 which authorized the Dugan Central (9)Cha Cha Unit Pressure Maintenance Project should be rescinded and approval given for the Dugan Central Cha Cha Unit Waterflood Project.

(10) That Order No. R-1876 which authorized the Energy Reserves Group Horseshoe Gallup Pressure Maintenance Project No. 3 should be rescinded and approval given to the Energy Reserves Group Horseshoe Gallup Waterflood Project No. 3.

(11) That Order No. R-2026 which authorized the Energy Reserves Group Northeast Hogback Pressure Maintenance Project should be rescinded and approval given to the Energy Reserves Group Northeast Hogback Waterflood Project.

(12) That Order No. R-1745 which authorized the Engineering and Production Service Horseshoe Gallup Pressure Maintenance Project No. 2 should be rescinded and approval given to the Engineering and Production Service Horseshoe Gallup Waterflood Project No. 2.

(13) That Order No. R-2541 which authorized the Engineering and Production Service Many Rocks Gallup Pressure Maintenance Project No. 1 should be rescinded and approval given for the Engineering and Production Service Many Rocks Gallup Waterflood Project No. 1.

(14) That Order No. R-2664 which authorized the Getty Many Rocks Gallup Pressure Maintenance Project No. 3 should be rescinded and approval given to the Getty Many Rocks Gallup Waterflood Project No. 3.

(15) That Order No. R-2065 which authorized the Shell Carson Bisti Lower Gallup Pressure Maintenance Project should be rescinded and approval given to the Shell Carson Bisti Lower Gallup Waterflood Project.

(16) That Order No. R-2154 which authorized the Suburban Propane Northwest Cha Cha Pressure Maintenance Project should be rescinded and approval given to the Suburban Propane Northwest Cha Cha Waterflood Project.

(17) That Order No. R-4263 which authorized the Tenneco Lone Pine Dakota "D" Pressure Maintenance Project should be rescinded and approval given to the Tenneco Lone Pine Dakota "D" Waterflood Project.

(18) That Order No. R-2700 which authorized the James P. Woosley Many Rocks Gallup Pressure Maintenance Project No. 4 should be rescinded and approval given to the Woosley Many Rocks Gallup Waterflood Project No. 4.

IT IS THEREFORE ORDERED: (1) That Order No. (8) of Division Order No. R-2210 and Order No. (2) of Division Order No. R-2210-A, and Division Orders Nos. R-2719, R-2305, R-1876, R-2026, R-1745, R-2541, R-2664, R-2065, R-2154, R-4263, and R-2700 are hereby rescinded.

(2) That the Atlantic Refining Company is hereby authorized to operate the Atlantic Horseshoe Gallup Waterflood Project, Horseshoe-Gallup Oil Pool, San Juan County, New Mexico, in accordance with the following:

The Division Director is authorized to approve such additional producing wells and injection wells at orthodox and unorthodox locations within the boundaries of the Horseshoe-Gallup Unit Area as may be necessary to complete an efficient production and injection pattern, provided said wells are drilled no closer than 330 feet to the outer boundary of said unit nor closer than 10 feet to any quarter-quarter section or subdivision inner boundary. To obtain such approval, the project operator shall file proper application with the Division, which application, if it seeks authorization to convert additional wells to injection or to deill additional modulation or injection wells shall include the to drill additional production or injection wells shall include the following:

A plat showing the location of proposed well, all wells within the project area, and offset operators, locating wells which offset the project area.

(2) A schematic drawing of the proposed well which fully describes the casing, tubing, perforated interval, and depth.

(3) A letter stating that all offset operators to the proposed well have been furnished a complete copy of the application and the date of notification.

(BISTI-LOWER GALLUP, CHA CHA-GALLUP, HORSESHOE-GALLUP, LONE PINE-DAKOTA "D", AND MANY ROCKS-GALLUP (CERTAIN PRESSURE MAINTENANCE PROJECTS RECLASSIFIED) POOLS - Cont'd.)

The Division Director may approve the proposed project and promulgate special rules therefor if, within 20 days after receiving the application, no objection to the proposal is received. The Division Director may grant immediate approval, provided waivers of objection are received from all offset operators.

Expansion of the project area may be approved by the Division Director administratively when good cause is shown therefor.

(3) That Dugan Production Company is hereby authorized to operate the Dugan Central Cha Cha Unit Waterflood Project, Cha Cha-Gallup Oil Pool, San Juan County, New Mexico, in accordance with the following:

A. Injection in the Central Cha Cha Unit Project shall be through the following-described wells in Section 31, Township 29 North, Range 13 West, NMPM:

Callow "B" Well No. 1, Unit K Callow "B" Well No. 2, Unit I

(4) That Energy Reserves Group is hereby authorized to operate the Energy Reserves Group Horseshoe Gallup Waterflood Project No. 3, Horseshoe-Gallup Oil Pool, San Juan County, New Mexico, in accordance with the following:

A. Injection in the Horseshoe Gallup Waterflood Project No. 3 shall be through the following described well in Section 5, Township 31 North, Range 17 West, NMPM:

Navajo Well No. 4-5, Unit M

(5) That Energy Reserves Group is hereby authorized to operate the Energy Reserves Group Northeast Hogback Water-flood Project, Horseshoe-Gallup Oil Pool, San Juan County, New Mexico, in accordance with the following:

Injection into the Northeast Hogback Waterflood Project shall be through the following described wells in Township 30 North, Range 16 West, NMPM:

Northeast Hogback Unit Well No. 4, Unit J, Section 14
INVITUEDEL HURDECK UNIT Well No 6 Unit R Section 15
INVILLEASE FLOXDACK LITHE WALL NO 10 LINE & Southern 14
NUTHEAST HOYDACK LINIT WALL NO. 11 LINIT E Soution 14
INUTUREASL FLOWDACK UNIT Well No. 13 Unit F Soution 12
INVILLIMENT FLORDROK LIMIT WALL NA 14 IImit T Continue 14
NUTLITEAST FLOYDACK LINIT Well No. 16 Unit K Section 10
NULLIEASL FIORDACK UNIT Well No. 17 Unit M. Soution 12
NULLIEASL FLOYDACK UNIT WALL NO 20 Unit D Soution 04
Normeast nogoack Unit Well No. 91 Unit D. Soution 15
INVILLEASE FLORDACK UNIT WALL NO 22 Unit C. Soution 15
INVINICABL HUXDACK LIDIT Well No 22 Unit B Soction 10
INUITINGAST NUKDACK UNIT Well No. 25 Unit D. Sostion 11
NULLICASE RUGDACK Unit Well No. 29 Unit F. Section 10
NUTHEAST ROYDACK Unit Well 30 Unit I Section 10
Northeast flog back Unit Well No. 32 Unit I Soution 11
Normeast nogback Unit Well No. 37 Unit P Section 10
williams well No. 2. Unit P Section 11
Williams Well No. 3. Unit J. Section 11
Federal Well No. 3, Unit B, Section 14

(6) Engineering and Production Service, Inc., is hereby autho-rized to operate the Engineering and Production Service Horseshoe-Gallup Waterflood Project No. 2, Horseshoe-Gallup Oil Pool, San Juan County, New Mexico, in accordance with the following:

A. Injection into the Engineering and Production Service Horseshoe Gallup Waterflood Project No. 2 shall be through the following described wells in Township 31 North, Range 17 West, NMPM:

NT	1 TT-24 D Guidding A
Navajo "F" Well No.	1, Unit D, Section 4
	3, Unit L, Section 4
Navajo "F" Well No.	8, Unit E, Section 10
Navajo "F" Well No.	9, Unit K, Section 10
Navajo "F" Well No.	11, Unit I, Section 10
Navajo "F" Well No.	14, Unit M, Section 10
Navaio "F" Well No.	15, Unit J. Section 9
	17, Unit G, Section 10
Navajo "F" Well No.	18, Unit C, Section 10
	21, Unit D, Section 10
Navajo "F" Well No.	
Navajo "F" Well No.	23, Unit B, Section 9
	24, Unit P, Section 4
Navajo "F" Well No.	25, Unit N, Section 4
Navajo "F" Well No.	27, Unit J, Section 4
Navajo "F" Well No.	28, Unit F, Section 4
Navajo "F" Well No.	31, Unit N, Section 3
Navajo "F" Well No.	
Navajo "F" Well No.	33. Unit D. Section 9
Navajo "F" Well No.	34, Unit F, Section 9
Navajo "F" Well No.	36, Unit A, Section 10
Navajo "F" Well No.	
Navajo "F" Well No.	40, Unit P, Section 9
Navajo "F" Well No.	43, Unit O, Section 3
Navajo "F" Well No.	44, Unit O, Section 10
Navajo "G" Well No.	3, Unit K, Section 11
Navajo "G" Well No.	4, Unit M, Section 11
Navajo "G" Well No.	
	5, Unit O, Section 11
Navajo "G" Well No.	6, Unit E, Section 11

(7) That Engineering and Production Services, Inc., is hereby authorized to operate the Engineering and Production Service Many Rocks Gallup Waterflood Project No. 1, Many Rocks-Gallup Oil Pool, San Juan County, New Mexico, in accordance with the following:

A. Injection into the Engineering and Production Service Many Rocks Gallup Waterflood Project shall be through the following described wells in Township 31 North, Range 17 West, NMPM:

Injection					
Injection	Well,	Unit	J.	Section	1
Injection	Well,	Unit	Ľ,	Section	1
Injection	Well,	Unit	Ν,	Section	1
Injection					
Injection	Well.	Unit	B.	Section	12

(8) That Getty Oil Company is hereby authorized to operate the Getty Many Rocks Gallup Waterflood Project No. 3, Many Rocks-Gallup Oil Pool, San Juan County, New Mexico, in accordance with the following:

A. Injection into the Getty Many Rocks Gallup Waterflood Project No. 3 shall be through the following described well in Section 35, Township 32 North, Range 17 West, NMPM:

Navajo "P" Well No. 6, Unit P

New Mexico Page 91

(BISTI-LOWER GALLUP, CHA CHA-GALLUP, HORSESHOE-GALLUP, LONE PINE-DAKOTA "D", AND MANY ROCKS-GALLUP (CERTAIN PRESSURE MAINTENANCE PROJECTS RECLASSIFIED) POOLS - Cont'd.)

(9) That Shell Oil Company is hereby authorized to operate the Shell Carson Bisti Lower Gallup Waterflood Project, Bisti-Lower Gallup Oil Pool, San Juan County, New Mexico, in accordance with the following:

Injection into the Shell Carson Bisti Lower Gallup Waterflood Α. Project shall be through the following described wells:

TOWNSHIP 25 NORTH, RANGE 11 WEST, NMPM TOWNSHIP 25 NORTH, RANGE 11 WEST, Section 7: No. 24-7; Section 17: Nos. 1, 23-17, 24-17, 31-17, 43-17; Section 18: Nos. 21-18, 22-18, 23-18, 24-18; Section 19: Nos. 21-19, 22-19; Section 20: Nos. 11-20, 23-20, 32-20, 41-20; Section 30: No. 11-30; TOWNSHIP 25 NORTH, RANGE 12 WEST, NMPM No. 31-10; Section 10: Nos. 22-11, 23-11, 24-11; No. 13-12; Section 11: Section 12: Nos. 21-13, 22-13, 23-13, 24-13; Nos. 21-14, 22-14, 23-14, 24-14; Section 13: Section 14: Section 15: No. 14-15; Section 23: No. 21-23; Section 24: Nos. 21-24, 23-24, 32-24;

In addition, Mudge 6 Lease Wells No. 12-16A and 14-16A, located in the SW/4 NW/4 and SW/4 SW/4 respectively, of Section 16, Township 25 North, Range 11 West, NMPM, are hereby approved for conversion to water injection, to form a water barrier between the Carson Unit Area and the acreage to the east thereof.

(10) That Suburban Propane Gas Company is hereby authorized to operate the Suburban Propane Northwest Cha Cha Waterflood Project, Cha Cha-Gallup Oil Pool, San Juan County, New Mexico, in accordance with the following:

Injection into the Suburban Propane Northwest Cha Cha Gallup Waterflood Project shall be through the following described wells in Township 29 North, Range 14 West, NMPM:

Navajo "B" Well No. 3, Unit K, Section 21 Navajo "E" Well No. 2, Unit I, Section 21 Ojo Amarillo Well No. 2, Unit C, Section 27 Navajo L Well No. 1, Unit E, Section 26 Navajo L Well No. 4, Unit O, Section 26 Navajo L Well No. 5, Unit E, Section 36

(11) That Tenneco Oil Company is hereby authorized to operate the Tenneco Lone Pine Dakota "D" Waterflood Project, Lone Pine-Dakota "D" Oil Pool, McKinley County, New Mexico, in accordance with the following:

A. Injection into the Tenneco Lone Pine Dakota "D" Waterflood Project shall be through the following described wells:

Well	Unit	Section	Township	Range
SFPRR No. 12	Ι	7	17N	8W
Lone Pine No. 1	D	19	17 N	8W
Hospah No. 44	Р	12	17 N	9W
SFPRR No. SFPRR No. 10	6 H B	13 13	17N 17N	9W 9W

(12) That James P. Woosley is hereby authorized to operator the Woosley Many Rocks Gallup Waterflood Project No. 4, Many Rocks-Gallup Oil Pool, San Juan County, New Mexico, in accordance with the following:

A. Injection into the Woosley Many Rocks Gallup Waterflood Project No. 4 shall be through the following described wells in Township 32 North, Range 17 West, NMPM:

Injection	Well,	Unit	D,	Section	27
Injection	Well,	Unit	Ο,	Section	27
Injection	Well.	Unit	I.	Section	28

(13) That each of the above-described waterflood projects shall be operated in accordance with Rules 701, 702, and 703 of the Division Rules and Regulations.

(14) That monthly reports concerning said waterflood projects shall be filed in accordance with Rule 1115 of the Division Rules and Regulations.

(15) That the injection wells herein authorized for each of the subject projects as well as such additional wells which have been previously authorized for pressure maintenance injection are hereby approved for injection purposes until further order of the Division.

(16) 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 the day and year hereinabove designated.

CHA CHA-GALLUP OIL POOL San Juan County, New Mexico

Order No. R-1800, Adopting Temporary Operating Rules for the Cha Cha-Gallup Oil Pool, San Juan County, New Mexico, November 1, 1960

Order No. R-1800-A, October 23, 1961, makes permanent the temporary rules adopted in Order No. R-1800, and set out below.

Application of Benson-Montin-Greer Drilling Corporation for the creation of a new Gallup Oil Pool in San Juan County, New Mexico, and for the promulgation of temporary special rules and regulations in connection therewith.

CASE NO. 2069 Order No. R-1800

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 o'clock a.m. on September 14, 1960, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 3rd day of October, 1960, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Benson-Montin-Greer Drilling Corporation, seeks an order creating a new oil pool for Gallup production consisting of Section 17, Township 28 North, Range 13 West, NMPM, San Juan County, New Mexico.

(3) That the applicant further proposes that temporary special rules and regulations be promulgated governing said pool, including a provision for 80-acre oil proration units and including a provision for transfer of allowables.

(4) That the evidence available at this time indicates that the Gallup reservoir underlying said Section 17 may be efficiently and economically drained and developed on 80-acre proration units and that it may be uneconomical to drill wells in said pool on 40-acre proration units.

(5) That during the one-year period in which this order will be in effect, the applicant should gather all available information relative to drainage and recoverable reserves in the subject pool, and thus the request for transfer of allowables should be approved.

(6) That this case should be heard again by the Commission at the regular monthly hearing in October, 1961, at which time the applicant should be prepared to prove by a preponderance of the evidence why the subject pool should not be developed on 40-acre proration units.

IT IS THEREFORE ORDERED:

(1) That a new pool in San Juan County, New Mexico,

classified as an oil pool for Gallup production, be and the same is hereby created and designated as the Cha Cha-Gallup Oil Pool, with the vertical limits being the Gallup formation and the horizontal limits being Section 17, Township 28 North, Range 13 West, NMPM, San Juan County, New Mexico.

(2) That temporary special rules and regulations for the said Cha Cha-Gallup Oil Pool be and the same are hereby promulgated as follows, effective November 1, 1960.

SPECIAL RULES AND REGULATIONS FOR THE CHA CHA-GALLUP OIL POOL

RULE 1. Each well completed or recompleted in the Cha Cha-Gallup Oil Pool or in the Gallup formation within one mile of the Cha Cha-Gallup Oil Pool, and not nearer to nor within the limits of another designated Gallup oil pool, shall be spaced, drilled, operated, and prorated in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well completed or recompleted in the Cha Cha-Gallup Oil Pool shall be located on a unit containing approximately 80 acres, which consists of any two contiguous quarter-quarter sections of a single governmental quarter section. For purposes of these Rules, a unit consisting of between 79 and 81 surface contiguous acres shall be considered a standard unit.

RULE 3. Each well projected to or completed in the Cha Cha-Gallup Oil Pool shall be located within 150 feet of the center of either quarter-quarter section in the 80-acre unit; provided, however, that nothing contained herein shall be construed as prohibiting the drilling of a well on each of the quarter-quarter sections in the 80-acre unit.

RULE 4. For good cause shown, the Secretary-Director may grant an exception to Rule 2 without notice and hearing where an application has been filed in due form, and where the unorthodox size or shape of the tract is due to a variation in the legal subdivision of the United States Public Lands Survey, or where the following facts exist and the following provisions are complied with:

(1) The non-standard unit is to consist of a single quarterquarter section or lot.

(2) The non-standard unit consists of not more than 81 acres.

(3) The entire non-standard unit may reasonably be presumed to be productive of oil from said pool.

(4) The applicant presents written consent in the form of waivers from all offset operators.

(5) In lieu of Paragraph 4 of this Rule, the applicant may furnish proof of the fact that all of the offset operators were notified of his intent to form such non-standard unit. The Secretary-Director may approve the application if, after a period of 30 days, no such operator has entered an objection to the formation of the non-standard unit.

(CHA CHA-GALLUP OIL POOL-Cont'd.)

RULE 5. The District Supervisor shall have authority to approve non-standard oil proration units without notice and hearing and without administrative approval by the Secretary-Director if such unit consists of two lots or tracts comprising less than 79 surface contiguous acres and the non-standard unit is necessitated by a variation in the United States Public Lands Survey.

RULE 6. The allowable assigned to any non-standard proration unit shall bear the same ratio to a standard allowable in the Cha Cha-Gallup Oil Pool as the acreage in the nonstandard unit bears to 80 acres.

RULE 7. An 80-acre proration unit (79 through 81 acres) in the Cha Cha-Gallup Oil Pool shall be assigned an 80-acre proportional factor of 2.33 for allowable purposes, and in the event there is more than one well on an 80-acre proration unit, the operator may produce the allowable assigned to the unit from said wells in any proportion.

IT IS FURTHER ORDERED:

That operators who propose to dedicate 80 acres to a well in the Cha Cha-Gallup Oil Pool must file an amended Commission Form C-128 with the Aztec District Office of the Commission by October 15, 1960, in order that the well may be assigned an 80-acre allowable on the November proration schedule.

IT IS FURTHER ORDERED:

That the applicant be and the same is hereby permitted to shut-in one of the wells presently completed in said pool and to transfer its allowable to any presently completed well or wells on the same basic lease which are producing from said pool. Provided, however, that such allowable transfer shall be limited to a period not to exceed one year.

IT IS FURTHER ORDERED:

That this case be reopened at the regular monthly hearing of the Commission in October, 1961, at which time the applicant shall appear and show cause why the Cha Cha-Gallup Oil Pool should not be developed on 40-acre proration units.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

ANGELS PEAK-GALLUP OIL POOL (FIELD RECLASSIFIED)

San Juan County, New Mexico

Order No. R-1357, Reclassifying from Gas to Oil the Angels Peak-Gallup Pool, San Juan County, New Mexico, April 1, 1959.

Application of the Oil Conservation Commission on its own motion to consider the Reclassification of the Angels Peak-Gallup Pool in San Juan County, New Mexico, from a Gas Pool to an Oil Pool.

CASE NO. 1616 Order No. R-1357

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 o'clock a.m. on March 18, 1959, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 20th day of March, 1959, the Commission, a quorum being present, having considered the application and the evidence adduced and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the evidence presented indicates there is more likelihood that the Angels Peak-Gallup Pool in San Juan County, New Mexico, is an oil pool rather than a gas pool.

(3) That unrestricted gas production from said Angels Peak-Gallup Pool will result in waste.

(4) That the Angels Peak-Gallup Pool should be reclassified as an oil pool and produced accordingly with a depth factor for proration purposes of 1.77.

(5) That non-standard oil well locations should be approved for all wells heretofore drilled in said Angels Peak-Gallup Pool on unorthodox oil-well locations.

(6) That the effective date of this order should be April 1, 1959.

IT IS THEREFORE ORDERED:

(1) That the Angels Peak-Gallup Pool in San Juan County, New Mexico, be and the same is hereby reclassified as an oil pool effective April 1, 1959, with a depth factor for proration purposes of 1.77.

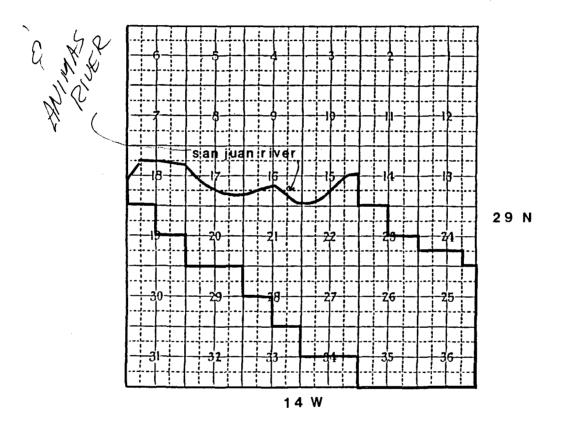
(2) That non-standard oil well locations be and the same are hereby approved for all such wells in said pool as were drilled or were drilling on unorthodox oil-well locations prior to March 18, 1959.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

NORTHWEST CHA-CHA

SAN JUAN COUNTY NEW MEXICO

EFFECTIVE 4-1-64





petroleum engineering and government regulation consultants



petroleum engineering and government regulation consultants

UNIT NAME: NORTHWEST CHA-CHA UNIT AREA CONTRACT NUMBER: ? (SW-I-4191) APPROVAL DATE: 3-3-64 EFFECTIVE DATE: 4-1-64 ACREAGE TOTAL: 7626.80 (7626.80 INDIAN) TYPE: WATERFLOOD UNITIZED FORMATION: GALLUP AUTOMATIC ELIMINATION DATE: NONE OPERATOR: SLAYTON OIL CORPORATION

PARTICIPATING AREAS

Name: INITIAL (ALL UNIT)
Effective Date: 4-1-64
Legal Description: T.29N.,R.14W.:
Lots 4,5,9,10,SE/4SE/4 sec. 15; Lots 46 sec. 16; Lots 3-5,9-11,SW/4SW/4 sec.
17; Lots 6-11,E/2SW/4,SE/4 sec. 18; NE/4
sec. 19; ALL sec. 20; ALL sec. 21; ALL
sec. 22; W/2,SE/4 sec. 23; S/2SW/4,
SW/4SE/4 sec. 24; ALL sec. 25; ALL sec.
26; ALL sec. 27; E/2,NW/4 sec. 28; N/2
sec. 34; ALL sec. 35; ALL sec. 36.

ARCHAEOLOGICAL INVENTORY REPORT DOCUMENTATION PAGE (HPD JAN/91)

1. HPD REPORT NO.	2. (FOR HPD USE ONLY)	3. <u>Recipients Accession No.</u>	
 TITLE OF REPORT: A Cultural Resources Inver Locations and Associated Access Roads as Part Northwest Cha Cha Unit in San Juan County, Ne AUTHOR: David Skoglund 	 5. <u>Fieldwork Dates</u>: 02/28/94-03/01/94 6. <u>Report Date</u>: 03/9/94 		
7. CONSULTANT NAME AND ADDRESS: General Charge: Meredith Matthews, Co-Direct Org. Name: San Juan College CRMP Org. Address: 4601 College Boulevard Farmington, NM 87402 Phone: (505) 599-0344	or	8. <u>Permit No.</u> B9401 9. <u>Consultant Report No.</u> 94-SJC-003A	
10. SPONSOR NAME AND ADDRESS: Ind. Responsible: Howard Daggett Org. Name: Daggett Inc. Org. Address: 420 W. Elm, Farmington, Ne Phone: (505) 326-1772	ew Mexico 87402	 11. SPONSOR PROJECT NO. 12. Areas of effect: <u>8.98</u> ac Areas Surveyed: <u>16.27</u> ac (see Attachment 1) 	
 13. LOCATION (See Attachment 2-Figure 1, Vicinity Map) a. Chapter: Upper Fruitland Chapter b. Agency: Northern Navajo Agency c. County: San Juan County d. State: New Mexico e. Land Status: Navajo Nation Tribal Trust 	f. UTM: (See Attachment 1) Zone 12 g. Area: T29N, R14W, NMPM h. 7.5' Map Name: Kirtland, NM, 1966 Photorevised 1979		
14. REPORT /X/ OR SUMMARY / / OR PRELIMINARY REPORT / /			

a. Description of Undertaking: (see Figure 1) The proposed project consists of construction of 10 gas well locations and four associated access roads. The proposed well locations and access roads are part of Sirgo Operating Inc. oil and gas lease, Northwest Cha Cha Unit. Five of the proposed well locations, NW Cha Cha Units 37, 47, 48, 49, and 60 are within the boundaries of the Navajo Indian Irrigation Project (NIIP) Block II survey. On February 15, 1994 Mr. Bob Crakow of the Bureau of Indian Affairs NIIP administration office was contacted by Dave Skoglund of San Juan College Cultural Resources Management Program (SJC-CRMP) in regards to these five locations. At that time Mr. Crakow informed Mr. Skoglund that because of the previous inventory and mitigation conducted for the Block II project area, these five proposed well locations did not have to be surveyed. The five remaining wells, proposed NW Cha Cha Units 25, 26, 27, 32, and 40 are outside of the previously surveyed Block II project area and thus required a complete inventory of the well locations and associated access roads.

<u>Existing Data Review:</u> A records search was conducted for this project by Karen Brown of the Navajo Nation Archaeology Department (NNAD) in Window Rock in late January. An additional records search was conducted at the Navajo Nation Archaeology Department in Farmington by SJC-CRMP personnel. Nearby sites were recorded during various phases of the large NIIP Block II survey (Allen et al. 1975; Correll 1976; Hallisy 1977; NNCRMP 1979), and several were excavated (Kirkpatrick 1980). Approximately 12 previously recorded sites have been recorded within a 0.5 kilometer area of the 10 well locations. These sites include Anasazi lithic and ceramic scatters, several historic and recent Navajo sites, and one undated prehistoric campsite. All of the previously recorded sites are 500 ft or more from the proposed well locations. See attached Nearby Sites Documentation (Attachment 3) for further detail.

ARCHAEOLOGICAL INVENTORY REPORT DOCUMENTATION PAGE (HPD JAN/91) Continued

c. Area Environmental and Cultural Setting: The proposed well locations and roads are located along the northern end and edge of a mesa top which borders the east side of Ojo Amarillo Canyon and is approximately 4 miles southeast of Kirtland, New Mexico. The San Juan River and Interstate 550 can be seen north of the project area. The mesa top is primarily agricultural land associated with NAPI and the University of New Mexico Experimental Farm. The area north of the mesa drops steeply towards the San Juan River and limestone outcrops are exposed throughout this area. Vegetation cover is approximately 5 to 10 percent and includes sparse juniper with an understory of sagebrush, Russian thistle, saltbush, Indian ricegrass, composites, mormon tea, narrowleaf yucca and pricklypear. Soils consist of decomposing tan to brown sandstone with areas of dunal sand. Due to the high amount of erosion, the entire area is also covered with lag gravels and various sizes of cobbles. One occupied residence, belonging to Harris Author, is within sight of several of the proposed well locations.

<u>d. Field Methods</u>: The proposed well locations had been marked with painted lath at each corner. The proposed access roads were also marked with painted lath approximatly 200 ft. apart. The proposed well locations and access roads were surveyed with contigious 15 m wide zig-zag transects. A 50 ft cultural buffer zone was surveyed around all sides of the well locations. A 50 ft wide corridor was surveyed along the proposed access roads. In this way a 30 ft wide access road and a 10 ft cultural buffer zone on either side were surveyed.

Any artifacts encountered were pinflagged in an effort to determine extent of scatter and the presence of any features. The relationship of the artifacts to the project areas was determined by using a compass and meter tape. The one newly recorded site was documented on a Laboratory of Anthropology Site Record form (Attachment 4). If the artifacts were determined to be Isolated Occurrences (IOs), the IOs were fully documented in the field using the NNHPD IO form as a guide to content (Attachment 5).

15. CULTURAL RESOURCE FINDINGS: One newly recorded site, LA 1030,987/SJC-2289, and two IOs were discovered during the inventory of the proposed project areas. Newly recorded site, LA 103,987, (Attachment 4, Figure 2), was located during field inspection of the originally proposed Unit 26 well location. 10 #1 was found during the survey of the Unit 32 well location, and 10 #2 was found during the survey of the Unit 26 access road. See Attachment 4, Cultural Resources Documentation, and Attachment 5, Isolated Occurrence Documentation, for further information.

A Traditional Cultural Properties (TCP) inventory was completed. Interviews with nearby residents and chapter officials were conducted. Although one resident, Mr. Harris Arthur, indicated that there were some abandoned hogans which were used for burials near the project area, none were found. Additionl information is provided in Attachment 6.

a. Location/Identification of Each Resource: The originally proposed Unit 26 well location was staked across the west half of site LA 103987. The site is an Anasazi PII activity area or seasonal habitation consisting of a possible structure, a charcoal ash stained area, and a dispersed artifact scatter. Due to the discovery of site LA 103,987, the Unit 26 well location was moved approximately 99 m east of the original location. Construction of the relocated Unit 26 well location will have no effect to the site. 10 #1 is located within the southeastern cultural buffer zone of the Unit 32 well location. The IO is 3.5 m outside of the staked area and consists of four amethyst glass shards, a rusted frying pan handle, one white crockery rim shard and a button. 10 #2 is located along the proposed Unit 26 access road approximately 61 m west of the Unit 27 well location. The IO consists of an alignment of sandstone slabs measuring 7.2 m in length x 50 cm wide x 40 cm high and is oriented at 345 deg. No additional cultural materials and or features were noted near the IO. The IO is most likely historic in age. The proposed access road is staked through the central portion of the feature.

<u>b.</u> Evaluation of Significance of Each Resource (above): Site LA 103987 is considered eligible for nomination to the National Register of Historical Places and is also eligible for protection under ARPA and possibly AIRFA. The IOs, fully documented in the field, are not considered to have significant data potential or integrity and, consequently, are not eligible for nomination to the NRHP, nor are they eligible for protection under ARPA or AIRFA.

16. MANAGEMENT SUMMARY (RECOMMENDATIONS): Archaeological clearance is recommended for the proposed 10 Cha Cha Unit well locations and associated access roads described in this report.

17. CERTIFICATION:

SIGNATURE and DATE: Saviel Storg level 3-16-94 PRINTED NAME and DATE: David Skoglund, 3/9/94

CHARGE NAME and DATE: Meredith H. Mcatheus 9 March 1994 PRINTED CHARGE NAME and DATE: Meredith Matthews, Co-Director, 3/9/94

References

Allan, William C., Alan Osborn, William J. Chasko, and David Stuart

1975 <u>An Archaeological Survey: Road Construction Rights-of-Way Block II, Navajo Indian</u> <u>Irrigation Project</u>. University of New Mexico Office of Contract Archaeology, Albuquerque, New Mexico.

Correll, J. Lee

1976 Archaeological Clearance Survey Report of Twenty-Nine Navajo Sites in Block II, Navajo Indian Irrigation Project Southeast of Fruitland, New Mexico. On file, Navajo Nation Archaeology Department, Window Rock, Arizona.

Hallisy, Stephen J.

1977 <u>An Archaeological Survey of Selected Agricultural Field Units and Class 6 Lands,</u> <u>Block II, Navajo Indian Irrigation Project, San Juan County, New Mexico</u>. U.S. Department of the Interior, National Park Service, Southwest Region, Southwest Cultural Resources Center, Santa Fe, New Mexico.

Kirkpatrick, David (ed.)

1980 <u>Prehistory and History of the Ojo Amarillo: Archaeological Investigations on Block II,</u> <u>Navajo Indian Irrigation Project, San Juan County, New Mexico</u>. New Mexico State University Cultural Resources Management Division Report 276, Las Cruces, New Mexico.

Navajo Nation Cultural Resources Management Program

1979 An Archaeological Survey Report and Mitigation Plan for the Block II Cultural Resources - Navajo Indian Irrigation Project. On file, Navajo Nation Archaeology Department, Window Rock, Arizona.

Attachment 1

Archaeological Inventory Report Documentation Page San Juan College Report 94-SJC-003A

Item 12, Area of Effect/Area Surveyed, and Item 13f, UTM

NW Cha Cha Unit 25 (NW1/4 NE1/4 SW1/4, Section 22) 2431 ft FSL, 1889 ft FWL UTM: E 741320 N 4066020 Area of Effect: 1.06 acres Area Surveyed: 1.94 acres Access Road: E 741350 N 4066840 UTM: beginning E 741320 N 4066020 ends Area of Effect: 0.42 acres Area Surveyed: 0.70 acres NW Cha Cha Unit 26, Originally Proposed (NW1/4 NE1/4 SE1/4, Section 22) 2105 ft FSL, 851 feet FEL UTM: E 742040 N 4065900 Area of Effect: 1.06 acres Area Surveyed: 1.89 acres Access Road: UTM: beginning E 742480 N 4065810 N 4065900 ends E 742040 Area of Effect: 0.65 acres Area Surveyed: 1.09 acres NW Cha Cha Unit 26, Relocated (NE1/4 NE1/4 SE1/4, Section 22) 2077 ft FSL, 317 ft FEL UTM: E 472180 N 4065900 Area Surveyed: 2.06 acres Area of Effect: 1.04 acres NW Cha Cha Unit 27 (SW1/4 NW1/4 SW1/4, Section 23) 1884 ft FSL, 652 ft FWL UTM: E 742480 N 4065810 Area of Effect: 1.06 acres Area Surveyed: 1.98 acres Access Road: UTM: beginning E 742420 N 4065560 E 742480 N 4065810 ends Area of Effect: 1.23 acres Area Surveyed: 2.06 acres NW Cha Cha Unit 32 (NW1/4 SW1/4 SW1/4, Section 22) 849 ft FSL, 682 FWL UTM: E 740940 N 4065520 Area of Effect: 1.21 acres Area Surveyed: 2.24 acres Access Road: UTM: beginning: E 740940 N 4065510 ends: E 740940 N 4065520 Area of Effect: 0.07 acres Area Surveyed: 0.13 acres NW Cha Cha Unit 40 (SW1/4 SE1/4 SW1/4, Section 23) 71 ft FSL, 2000 ft FWL UTM: E 742930 N 4065360 Area of Effect: 1.18 acres Area Surveyed: 2,18 acres

Archaeological Inventory Report Documentation Page San Juan College Report 94-SJC-003A Attachment 1, Page 2

Total Areas for NW Cha Cha Units 25, 26, 27, 32, and 40:

Well Locations:	Total Areas of Effect	6.61 acres
	Total Areas of Survey	12.29 acres
Access Roads:	Total Areas of Effect	2.37 acres
	Total Areas of Survey	3.98 acres

NW Cha Cha units within the Navajo Indian Irrigation Project Block II Survey area that were not surveyed.

NW Cha Cha Unit 37 (NW1/4 NE1/4 NW1/4, Section 27) 436 ft FNL, 1892 ft FWL UTM: E 741290 N 4065150

NW Cha Cha Unit 47 (NW1/4 SW1/4 NE1/4, Section 27) 1567 ft FNL, 1849 ft FEL UTM: E 741770 N 4064770

 NW Cha Cha Unit 48 (SE1/4 SW1/4 NW1/4, Section 27)

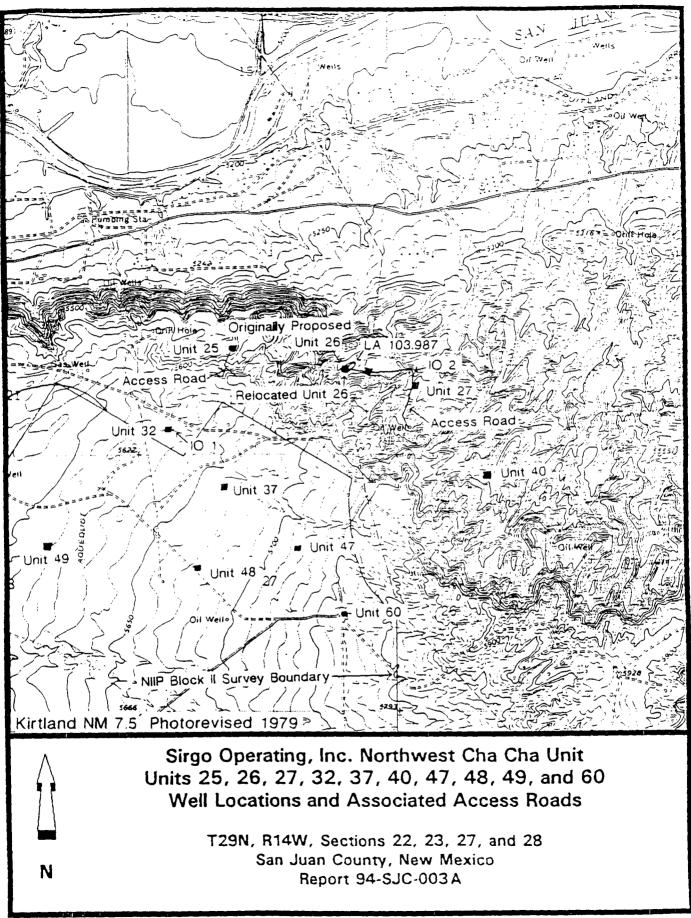
 1394 ft FWL, 2067 FNL
 UTM: E 741140 N 4064630

 NW Cha Cha Unit 49 (NE1/4 SW1/4 NE1/4, Section 28)

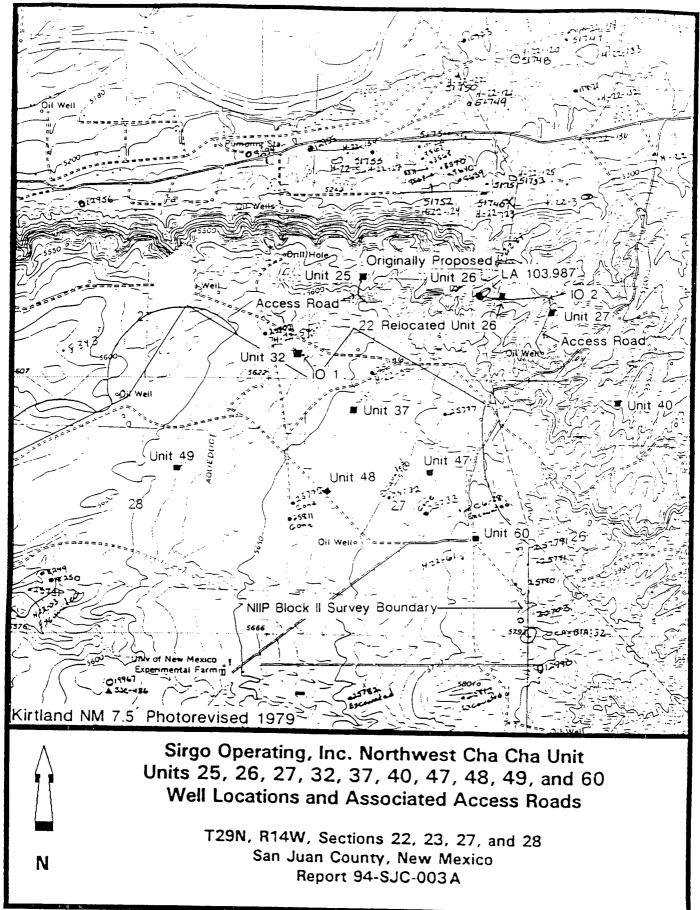
 1761 ft FNL, 1761 ft FEL
 UTM: E 740220 N 4064750

 NW Cha Cha Unit 60 (NW1/4 NE1/4 SE1/4, Section 27)

 1930 ft FSL, 971 ft FEL
 UTM: E 742060
 N 4064360



Attachment 2 Figure 1. Vicinity Map



Attachment 3. Nearby Sites Map

Form C-102

Revised 1-1-39

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DISTRICT I P.O. Box 1980, Hobbs, N.M. 88240

DISTRICT II P.O. Drawer DD. Artesia, N.M. 88210

DISTRICT III 1000 Rio Brazos Rd., Aztec, N.M. 87410

OIL CONSERVATION DIVISION P.O. Box 2088

Santa Fe. New Mexico 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section Losso Tell No. SIRGO OPERATING. 25 INC. NW CHA CHA Section Range County Unit Letter Township 29 NORTH 22 14 WEST NMPM SAN JUAN Actual Pootage Location of Wall: SOUTH 1889 WEST feet from the line and feet from the line Ground level Klev. Producing Formation Pool Dedicated Acreage: Gallup Cha Cha Gallup 80 Acres 1. Outline the acreage dedicated to the subject well by colored pencil or hachure mark 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 interest of all owners been consolidated by communitization. unitazation, force-pooling, etc.? 🗌 You T No if answer is "yes" type of consolidation . or until a non-standard unit, eliminating such interest, has been approved by the Division. SURVEYOR CERTIFCATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature Printed Name Position Company Date SEC. 22 SURVEYOR CERTIFCATION 1889' 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 2431' correct to the best of my knowledge and beilef. Date Surveyed 218/1994 JANUARY Signature & 6aai 02 N;F 1.30 RC 401 JAZ, 3894 CIS b N 37-28-57 W 5278.26 Cartificate OFFSSIONAL

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OIL CONSERVATION DIVISION

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DESTRICT II P.O. Drawer DD, Arienia, N.M. 88210

DISTRICT III 1000 Blo Brazos Rd., Azteo, N.M. 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT All Distances must be from the outer boundaries of the section

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Form C-102 Revised 1-1-89

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DISTRICT II P.O. Drawer DD, Artesia, N.M. 88210

DISTRICT III

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1000 Rio Erazos Rd., Azteo, N.M. 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT All Distances must be from the cuter boundaries of the rection

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OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

Form C-102 Revised 1-1-AQ

Submit to Appropriate Submit to Appropriate District Office State Leave - 4 copies Fee Leave - 3 copies

DISTRICT III

DISTRICT I P.O. Box 1980, Hobbs, N.M. 88240

DISTRICT II P.O. Drawer DD. Artesia. N.M. 88210

WELL LOCATION AND ACREAGE DEDICATION PLAT

1000 Rio Brazos Rd., Aztec, N.M. 87410 All Distances must be from the outer boundaries of the section Lease Well No. Operator SIRGO OPERATING, INC. NW CHA CHA 32 Section Township Range County Unit Letter 29 NORTH м 14 WEST NMPM SAN JUAN Actual Footage Location of Well: SOUTH 849 feet from the line and 682 feet from the WEST line Ground level Elev. Producing Formation Pool Dedicated Acreage: Gallup 5615 Cha Cha Gallup 80 Acres 1. Outline the acreage dedicated to the subject well by colored pencil or hachure mark 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 royaity). 3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization. unitazation, force-pooling, etc.? T 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 neccessary. or until a non-standard unit, eliminating such interest, has been approved by the Division. SURVEYOR CERTIFCATION z 00 - 24 - 51I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. m Signature Printed Name Position Company Date - SEC. 22 SURVEYOR CERTIFCATION I hereby certify that the well location shown 5363.18 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 beilef. Date Surveyed JANUARY Signature & Seal of Professional Surveyor 682 YOR 849 : : Certificate No. OFFSSIONAL U N 87-28-57 W 5278.26' 8 660 1320 1650 1980 2310 2640 330 ό n 990 2000 1500 1000 500

ATTACHMENT le

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DISTRICT I

DISTRICT III

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P.O. Box 1980, Hobbs, N.M. 88240

OIL CONSERVATION DIVISION

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Form C-102 Revised 1-1-89

P.O. Box 2088 Santa Fe, New Mexico 87504-2088

DISTRICT II P.O. Drawar DD, Artesia, N.M. 88210

1000 Rio Brazos Rd., Aztec, N.M.

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ATTACHMENT 1f

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

Yorm C-102

Ravisod 1-1-89

Submit to Appropriate District Office State Lease - 4 copies Fee Lease - 3 copies

DISTRICT III

DISTRICT I P.O. Box 1980, Hobbs, N.M. 88240

DISTRICT II P.O. Drawer DD, Artesia, N.M. 88210

WELL LOCATION AND ACREAGE DEDICATION PLAT

1000 Rio Brazos Rd., Aztec. N.M. 87410 All Distances must be from the outer boundaries of the section Operator LAnsa Tell No. SIRGO OPERATING, INC. 40 NW CHA CHA Unit Letter Section Township Range County 23 29 NORTH 14 WEST SAN JUAN N NMPM Actual Pootage Location of Well: 2000 WEST 71 feet from the SOUTH line and feet from the line Ground level Elev. Producing Formation Pool Dedicated Acreage: Cha Cha Gallup Gallup 80 5536 Acres 1. Outline the acreage dedicated to the subject well by colored pencil or hachure mark 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 interest of all owners been consolidated by communitization. unitazation, force-pooling, etc.? I Yes No 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 neocessary. _ The allowable will be assigned to the well until all intrests have been consolidated (by communitzation, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division. SURVEYOR CERTIFCATION z 00-21-02 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. m Signature Printed Name Position Company Date - SEC. 23 SURVEYOR CERTIFCATION 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 beiler. Date Surveyed A UAR 2 ת JAI 5355.92 Signature & w),N Seal of Ę 2000 S 88-02-59 Ε 5259.24* Cartificate ANDIE EST 8

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Supmit to Appropriate District Office State Lease - 4 copies For Lease - 3 copies

DISTRICT III

DISTRICT I P.O. Box 1980, Hobbs, N.M. 88240

DISTRICT II P.O. Drawer DD, Artesia, N.M. 88210

WELL LOCATION AND ACREAGE DEDICATION PLAT 1000 Rio Brazos Rd., Aztec, N.M. 87410

All Distances must be from the outer boundaries of the section Tell No. Operator Loaza SIRGO OPERATING, INC NW CHA CHA 47 Section County Unit Letter Township Range G 27 14 WEST SAN JUAN 29 NORTH NMPY Actual Pootage Location of Wall: EAST 1567 1849 NORTH feet from the feet from the line and line Ground level Klev. Producing Formation Pool Dedicated Acreage: 5713 Gallup <u>Cha Cha Gallup</u> 80 Acres 1. Outline the acreage dedicated to the subject well by colored pencil or hachure mark 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 interest of all owners been consolidated by communitization. unitazation, force-pooling, etc.? If answer is 'yes' type of consolidation _ O. Yes No No if answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if neocessary. No allowable will be assigned to the well until all intrests have been consolidated (by communitzation, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division. N 87-28-57 W 5278.26' SURVEYOR CERTIFCATION Z I hereby certify that the information 00 contained herein is true and complete to 1567 1 the best of my knowledge and belief. نہ 02 Signature m Printed Name 1849 Position Company Date - SEC. 27 SURVEYOR CERTIFCATION 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 bellef. Date Surveyed Aの早少 1994 JANUAR 5355. Signature # Professional Seal of .92 Cartificate OFESSIONAL 330 860 990 1320 1650 1980 2310 2640 2000 1600 1000 500 ò

State of New Mexico Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088 Santa Fe, New Mexico 87504-2088 Form C-102 Revised 1-1-89

> Form C-102 Revised 1-1-de

Submit to Appropriate District Office State Lease - 4 copies Fee Lease - 3 copies

DISTRICT I P.O. Box 1980, Hobbs, N.M. 88240 OIL CONSERVATION DIVISION P.O. Box 2088 Santa Fe, New Mexico 87504-2088

DISTRICT II P.O. Drawer DD. Artesia, N.M. 68210

DISTRICT III

1000 Rio Brazos Rd., Arteo, N.M. 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT All Distances must be from the outer boundaries of the section

Operator 10030 Yell No. SIRGO OPERATING, INC. NW CHA CHA 49 Section Unit Letter Township Range County 28 C 29 NORTH 14 WEST NMPV SAN JUAN Actual Pootage Location of Vall: 1761 feet from the NORTH EAST 1741 line and feet from the line Ground level Elev. Producing Formation Pool Dedicated Acreage: 5606 Gallup Cha Cha Gallup 80 Acres 1. Outline the screage dedicated to the subject well by colored pencil or hachure mark 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 interest of all owners been consolidated by communitization, unitazation, force-pooling, etc.? 🗌 Yea 1 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 in answer is no list the owners and tract descriptions which have actually been consolidated (by communitzation, unitization, forced-pooling, or otherwise) No allowable will be assigned to the well until all intrests have been consolidated (by communitzation, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division N 87-28-57 W 5278.26 SURVEYOR CERTIFCATION Z I hereby certify that the information 00contained herein is true and complete to 76 the best of my knowledge and belief. -24-51 Signature m Printed Name Position 1741' Company Date - SEC. 28 SURVEYOR CERTIFCATION 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 bellet. Date Surveyed JANGARY A201 1994 Signature & Seal of 5363.18 145 ngd OFTSSIONAL Cartificata N 330 660 890 1320 1650 1980 2310 2640 a 1500 2000 1000 500 ò

ATTACHMENT 1j

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

Form C-102 Revised 1-1-82

Submit to Appropriate District Office State Lease - 4 copies Fee Lease - 3 copies

DISTRICT I P.O. Box 1980, Hobbs, N.M. 88240

DISTRICT II P.O. Drawer DD, Artesia, N.M. 88210

DISTRICT III 1000 Rio Brazos Rd., Aztec. N.M. 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT All Distances must be from the outer boundaries of the section

Operator Lease Well No. SIRGO OPERATING, INC. NW CHA CHA 60 Section Township Range Unit Letter County SAN JUAN 1 27 29 NORTH 14 WEST NMPM Actual Footage Location of Wall: SOUTH 1930 feet from the line and 971 feet from the EAST line Ground level Klev. Producing Formation Pool Dedicated Acreage: 5770 Gallup <u>Cha Cha Gallup</u> Acres 80 1. Outline the acreage dedicated to the subject well by colored pencil or hachure mark 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 royaity). 3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitazation, force-pooling, etc.? D No If answer is "yes" type of consolidation . 1 Yes if answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if neccessary. No allowable will be assigned to the well until all intrests have been consolidated (by communitzation, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division. SURVEYOR CERTIFCATION Z 00-I hereby certify that the information contained herein is true and complete to Ň the best of my knowledge and belief. 1 02 Signature Printed Name Position Company Data SEC. 27 SURVEYOR CERTIFCATION 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 971' supervision, and that the same is true and correct to the best of my knowledge and belief. Date Surveyed 1994 JANUARY -20, 1930 Signature & Seal of 5355. Surv RUSH ROY 92 S 87-33-49 E Certificath RF6 5283.94 Q 330 660 990 1320 1650 1960 2310 2640 2000 1500 1000 500 ά

ATTACHMENT 1k

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

> CASE No. 2447 Order No. R-2154

APPLICATION OF HUMBLE OIL & REFINING COMPANY FOR APPROVAL OF THE CHA CHA-GALLUP PRESSURE MAINTENANCE PROJECT, SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on December 11, 1961, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this <u>3rd</u> day of January, 1962, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Humble Oil & Refining Company, proposes to institute a pressure maintenance project in the Cha Cha-Gallup Oil Pool, said project area to comprise Navajo Indian Reservation Lands constituting portions of Sections 15, 16, 17, 18, 19, 23, 24, 28, and 34, and all of Sections 20, 21, 22, 25, 26, 27, 35, and 36, all in Township 29 North, Range 14 West, NMPM, San Juan County, New Mexico. Initial injection into the Gallup formation would be through certain wells located in Sections 21, 26, 27, and 36 of the same Township.

(3) That the applicant proposes that an administrative procedure be established whereby said pressure maintenance project may be expanded for good cause shown, and whereby additional wells in the project area may be converted to water injection.

(4) That Special Rules and Regulations for the operation of the Humble Oil & Refining Company Cha Cha-Gallup Pressure Maintenance Project should be promulgated and, for operational -2-CASE No. 2447 Order No. R-2154

convenience, such rules should provide certain flexibility in authorizing the production of the project allowable from any well or wells in the project in any proportion, provided that no well in the project area which directly or diagonally offsets a well outside the project area producing from the same common source of supply should be allowed to produce in excess of top unit allowable for the Cha Cha-Gallup Oil Pool until such time as the well has experienced a substantial response from water injection. When such a response has occurred, the well should be permitted to produce up to two times top unit allowable for the Cha Cha-Gallup Oil Pool. Production of such well at a higher rate should be authorized only after notice and hearing.

IT IS THEREFORE ORDERED:

(1) That the applicant is hereby authorized to institute a Pressure Maintenance Project in the Cha Cha-Gallup Oil Pool, San Juan County, New Mexico, by the injection of water into the Gallup formation through the following-described wells in Township 29 North, Range 14 West:

Pan American-Navajo "E" No. 3, Unit K, Section 21;

Pan American-Navajo "E" No. 2, Unit I, Section 21;

El Paso Natural Gas Products-Ojo Amarillo No. 2, Unit C, Section 27;

Humble-Navajo "L" No. 1, Unit E, Section 26;

Humble-Navajo "L" No. 4, Unit O, Section 26;

Humble-Navajo "L" No. 5, Unit E, Section 36.

(2) That Special Rules and Regulations governing the operation of The Humble Oil & Refining Company Cha Cha-Gallup Pressure Maintenance Project, San Juan County, New Mexico, are hereby promulgated as follows, effective January 1, 1962:

SPECIAL RULES AND REGULATIONS FOR THE HUMBLE OIL & REFINING COMPANY CHA CHA-GALLUP PRESSURE MAINTENANCE PROJECT

<u>RULE 1.</u> The project area of The Humble Oil & Refining Company Cha Cha-Gallup Pressure Maintenance Project, San Juan County, New Mexico, hereinafter referred to as the Project, shall comprise that area described as follows:

> TOWNSHIP 29 NORTH, RANGE 14 WEST, NMPM Section 15: That portion of the S/2 lying South of the midchannel of the San Juan River

-3-CASE No. 2447 Order No. R-2154

Section	16:	All that portion lying South of the mid-channel of the San Juan River
Section	17:	All that portion lying South of the mid-channel of the San Juan River
Section	18:	All that portion lying South
		of the mid-channel of the San
		Juan River
Section	19:	NE/4
Section	20:	All
Section	21:	All
Section	22:	All
Section	23:	S/2 and NW/4
Section	24:	SW/4 SE/4 and S/2 SW/4
Section	25:	A11
Section	26:	All
Section	27:	All
Section	28:	E/2 and $NW/4$
Section	34:	N/2
Section	35:	All
Section	36:	All

<u>RULE 2</u>. The allowable for the Project shall be the sum of the allowables of the several wells within the project area, including those wells which are shut-in, curtailed, or used as injection wells. Allowables for all wells shall be determined in a manner hereinafter prescribed.

<u>RULE 3</u>. Allowables for injection wells may be transferred to producing wells within the project area, as may the allowables for producing wells which, in the interest of more efficient operation of the Project, are shut-in or curtailed because of high gas-oil ratio or are shut-in for any of the following reasons pressure regulation, control of pattern or sweep efficiencies, or to observe changes in pressures or changes in characteristics of reservoir liquids or progress of sweep.

<u>RULE 4</u>. The allowable assigned to any well which is shut-in or which is curtailed in accordance with the provisions of Rule 3, which allowable is to be transferred to any well or wells in the project area for production, shall in no event be greater than its ability to produce during the test prescribed by Rule 6, below, or greater than the current top unit allowable for the pool during the month of transfer, whichever is less.

<u>RULE 5</u>. The allowable assigned to any injection well on an 80-acre proration unit shall be top unit allowable for the Cha Cha Gallup Oil Pool.

<u>RULE 6</u>. The allowable assigned to any well which is shut-in or curtailed in accordance with Rule 3, shall be determined by a

-4-CASE No. 2447 Order No. R-2154

24-hour test at a stabilized rate of production, which shall be the final 24-hour period of a 72-hour test throughout which the well should be produced in the same manner and at a constant rate. The daily tolerance limitation set forth in Commission Rule 502 I (a) and the limiting gas-oil ratio (2,000 to 1) for the Cha Cha-Gallup Oil Pool shall be waived during such tests. The project operator shall notify all operators offsetting the well, as well as the Commission, of the exact time such tests are to be conducted. Tests may be witnessed by representatives of the offsetting operators and the Commission, if they so desire.

The allowable assigned to each producing well in RULE 7. the Project shall be equal to the well's ability to produce or to top unit allowable for the Cha Cha-Gallup Oil Pool, whichever is less, provided that any producing well in the project area which directly or diagonally offsets a well outside the project area producing from the same common source of supply shall not produce in excess of top unit allowable for the pool until such time as the well receives a substantial response to water injection. When such a response has occurred, the well shall be permitted to produce up to two times top unit allowable for the pool. Production of such well at a higher rate shall be authorized only after not and hearing. Each producing well shall be subject to the limiting gas-oil ratio (2,000 to 1) for the Cha Cha-Gallup Oil Pool, except that any well or wells within the project area producing with a gas-oil ratio in excess of 2,000 cubic feet of gas per barrel of oil may be produced on a "net" gas-oil ratio basis, which net gas-oil ratio shall be determined by applying credit for daily average gas injected, if any, into the Cha Cha-Gallup Oil Pool within the project area to such high gas-oil ratio well. The daily adjusted oil allowable for any well receiving gas injection credit shall be determined in accordance with the following formula:

$$A_{adj} = \frac{TUA \times F_a \times 2,000}{\frac{P_g - I_g}{P_o}}$$

where:

 A_{adj} = the well's daily adjusted allowable TUA = top unit allowable for the pool F_a = the well's acreage factor P_g = average daily volume of gas produced by the

well during the preceding month, cubic feet

--5-CASE No. 2447 Order No. R-2154

- Ig = the well's allocated share of the daily average gas injected during the preceding month, cubic feet
- P_o = average daily volume of oil produced by the well during the preceding month, barrels

In no event shall the amount of injected gas being credited to a well be such as to cause the net gas-oil ratio, $\frac{P_g - I_g}{P_o}$, to

be less than 2,000 cubic feet of gas per barrel of oil produced.

<u>RULE 8.</u> Credit for daily average net water injected into the Cha Cha-Gallup Oil Pool through any injection well located within the project area may be converted to its gas equivalent and applied to any well producing with a gas-oil ratio in excess of two thousand cubic feet of gas per barrel of oil. Total credit for net water injected in the project area shall be the gas equivalent volume of the daily average net water injected during a one-month period. The daily average gas equivalent of net water injected shall be computed in accordance with the following formula:

$$E_{g} = (V_{w \text{ inj}} - V_{w \text{ prod}}) \times 5.61 \times \frac{P_{a}}{15.025} \times \frac{520^{\circ} \times 1}{T_{r}}$$

where:

- E = Average daily gas equivalent of net water injected, cubic feet
- V = Average daily volume of water injected, barrels
- V prod = Average daily volume of water produced, barrels
- 5.61 = Cubic foot equivalent of one barrel of water
- P_a = Average reservoir pressure at a datum of + 418 feet above sea level, psig + 12.00, as determined from most recent survey
- 15.025 = Pressure base, psi
- 520^o = Temperature base of 60^oF expressed as absolute temperature
- $^{\mathrm{T}}$ r
- = Reservoir temperature of 158^oF expressed as absolute temperature (618^oR)

-6-CASE No. 2447 Order No. R-2154

Z

 Compressibility factor from analysis of Cha Cha-Gallup gas at average reservoir pressure, P_a, interpolated from compressibility tabulation below:

Pressure	_	Pressure		Pressure	
<u>Psig</u>	_ <u>Z</u>	Psig	_ <u>Z</u>	Psig	<u> </u>
0	.986	500	.912	1000	.869
50	.976	550	.906	1050	.865
100	.963	600	.902	1100	.860
150	.952	650	.899	1150	.857
200	.943	700	.895	1200	.853
250	.935	750	.891	1250	.849
300	.930	800	.886	1300	.845
350	.927	850	.882	1350	.842
400	.923	900	.877	1400	.838
450	.918	950	.873		

<u>RULE 9.</u> Each month the project operator shall, within three days after the normal unit allowable for Northwest New Mexico has been established, submit to the Commission a Pressure Maintenanc Project Operator's Report, on a form prescribed by the Commission, outlining thereon the data required, and requesting allowables for each of the several wells in the Project as well as the total Project allowable. The aforesaid Pressure Maintenance Project Operator's Report shall be filed in lieu of Form C-120 for the Project.

<u>RULE 10</u>. The Commission shall, upon review of the report and after any adjustments deemed necessary, calculate the allowable for each well in the Project for the next succeeding month in accordance with these rules. The sum of the allowables so calculated shall be assigned to the Project and may be produced from the wells in the Project in any proportion except that no well in the Project which directly or diagonally offsets a well outside the Project producing from the same common source of supply shall produce in excess of two times top unit allowable for the pool.

<u>RULE 11</u>. The conversion of producing wells to injection, the drilling of additional wells for injection, and expansion of the project area shall be accomplished only after approval of the same by the Secretary-Director of the Commission. To obtain such approval, the Project operator shall file proper application with the Commission, which application, if it seeks authorization to convert additional wells to injection or to drill additional injection wells shall include the following:

(1) A plat showing the location of proposed injection well, all wells within the project area, and offset operators, locating wells which offset the project area.

-7-CASE No. 2447 Order No. R-2154

(2) A schematic drawing of the proposed injection well which fully describes the casing, tubing, perforated interval, and depth showing that the injection of gas or water will be confined to the Gallup formation.

(3) A letter stating that all offset operators to the proposed injection well have been furnished a complete copy of the application and the date of notification.

The Secretary-Director may approve the proposed injection well if, within 20 days after receiving the application, no objection to the proposal is received. The Secretary-Director may grant immediate approval, provided waivers of objection are received from all offset operators.

Expansion of the project area may be approved by the Secretary Director of the Commission administratively when good cause is shown therefor.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

> STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

E. S. WALKER, Member

A. L. PORTER, Jr., Member & Secretary

SEAL



United States Department of the Interior

BUREAU OF LAND MANAGEMENT Farmington District Office 1235 La Plata Highway Farmington, New Mexico 87401



IN REPLY REFER TO

14-20-603-2168A et al. (WC) 3162.3-1 (07337)

March 17, 1994

Mr. M. A. Sirgo, III Mountain States Petroleum Corporation c/o Sirgo Brothers Energy Corporation P. O. Box 3531 Midland, Texas 79702

Dear Mr. Sirgo:

References are made to your Applications for Permits to Drill (APD's) the wells listed on the enclosure. Your APD's are being processed; final action pending receipt of further information as noted. If you have any questions, please contact Mr. Errol Becher of this office at (505) 599-6358.

Sincerely,

Ken Townsend Chief, Branch of Drilling and Production

Note: Retained, but incomplete APD's must be brought to an acceptable level of completion within 45 days of the date of this notice or they will be returned unapproved.

Enclosure



United States Department of the Interior

BUREAU OF LAND MANAGEMENT Farmington District Office 1235 La Plata Highway

Farmington, New Mexico 87401



IN REPLY REFER TO:

14-20-603-2199 (WC) 3162.3-1 (07337)

March 24, 1994

Mr. M. A. Sirgo, III Mountain States Petroleum Corporation c/o Sirgo Brothers Energy Corporation P. O. Box 3531 Midland, Texas 79702

Dear Mr. Sirgo:

Reference is made to your Application for Permit to Drill (APD) for Well No. 26 NW Cha Cha Unit, 2077' FSL & 317' FEL (NE¹/₄SE¹/₄), Sec. 22, T. 29 N., R. 14 W., San Juan County, New Mexico, Navajo Lease No. 14-20-603-2199. The APD was received on March 21, 1994. The following information is required in order to comply with BLM engineering specifications:

 $^{\checkmark}$ The Plan of Development for NW Cha Cha Unit.

 \checkmark Need to show both the surface location and the location at the bottom of the producing interval on the Acreage Dedication Plat.

NMOCD approval of the unorthodox location.

The posting date for the start of the 30-day waiting period is November 5, 1993. Your APD is being processed; final action pending receipt of further information as noted above. If you have any questions, please contact Mr. Errol Becher of this office at (505) 599-6358.

Sincerely,

500 913 21 V

The Ken Townsend Chief, Branch of Drilling and Production

Note: A retained, but incomplete APD must be brought to an acceptable level of completion within 45 days of the date of this notice or it will be returned unapproved.

SENDS BLM

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Pending APD's

Mountain States Petroleum Corporation

1. Well No. 47 NW Cha Cha Unit, 1567' FNL & 1849' FEL (SW\nE\), Sec. 27, T. 29 N., R. 14 W., San Juan County, New Mexico, Navajo Lease No. 14-20-603-2168A. The APD was received on March 8, 1994. The following information is required in order to comply with BLM engineering specifications:

 \checkmark The Plan of Development for NW Cha Cha Unit.

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 $\dot{\mathcal{N}}$ Need to fill in the Producing Formation, Pool and Dedicated Acreage on the Acreage Dedication Plat.

NMOCD approval of the unorthodox location.

2. Well No. 37 NW Cha Cha Unit, 436' FNL & 1892' FWL (NE\xNW\x), Sec. 27, T. 29 N., R. 14 W., San Juan County, New Mexico, Navajo Lease No. 14-20-603-2168A. The APD was received on March 8, 1994. The following information is required in order to comply with BLM engineering specifications:

VThe Plan of Development for NW Cha Cha Unit.

NMOCD approval of the unorthodox location.

 $^{\vee}$ Need to dedicate an acreage that does not overlap the acreage dedicated to Well No. 48 NW Cha Cha Unit.

3. Well No. 48 NW Cha Cha Unit, 2067' FNL & 1394' FWL (SE¼NW¼), Sec. 27, T. 29 N., R. 14 W., San Juan County, New Mexico, Navajo Lease No. 14-20-603-2168A. The APD was received on March 8, 1994. The following information is required in order to comply with BLM engineering specifications:

Need to fill in the Producing Formation, Pool and Dedicated Acreage on the Acreage Dedication Plat.

^VNeed to show both the surface and location at the bottom of the producing interval on the Acreage Dedication Plat.

 $^{\downarrow}$ Need to dedicate an acreage that does not overlap the acreage dedicated to Well No. 37 NW Cha Cha Unit.

4. Well No. 60 NW Cha Cha Unit, 1930' FSL & 971' FEL (NE¼SE¼), Sec. 27, T. 29 N., R. 14 W., San Juan County, New Mexico, Navajo Lease No. 14-20-603-2168A. The APD was received on March 8, 1994. The following information is required in order to comply with BLM engineering specifications:

 $\sqrt{}$ The Plan of Development for NW Cha Cha Unit.

 $^{\checkmark}{\rm Need}$ to fill in the Producing Formation, Pool and Dedicated Acreage on the Acreage Dedication Plat.

NMOCD approval of the unorthodox location.

5. Well No. 49 NW Cha Cha Unit, 1761' FNL & 1741' FEL $(SW_{4}NE_{4})$, Sec. 28, T. 29 N., R. 14 W., San Juan County, New Mexico, Navajo Lease No. 14-20-603-2168A. The APD was received on March 8, 1994. The following information is required in order to comply with BLM engineering specifications:

The Plan of Development for NW Cha Cha Unit.

Need to fill in the Producing Formation, Pool and Dedicated Acreage on the Acreage Dedication Plat.

NMOCD approval of the unorthodox location.

6. Well No. 27 NW Cha Cha Unit, 1884' FSL & 652' FWL (NW4SW4), Sec. 23, T. 29 N., R. 14 W., San Juan County, New Mexico, Navajo Lease No. 14-20-603-2168A. The APD was received on March 8, 1994. The following information is required in order to comply with BLM engineering specifications:

- ightarrow The Plan of Development for NW Cha Cha Unit.
- \checkmark Need to fill in the Producing Formation, Pool and Dedicated Acreage on the Acreage Dedication Plat.

7. Well No. 32 NW Cha Cha Unit, 849' FSL & 682' FWL (SW_3SW_3) , Sec. 22, T. 29 N., R. 14 W., San Juan County, New Mexico, Navajo Lease No. 14-20-603-2199. The APD was received on March 8, 1994. The following information is required in order to comply with BLM engineering specifications:

The Plan of Development for NW Cha Cha Unit.

 \sim Need to fill in the Producing Formation, Pool and Dedicated Acreage on the Acreage Dedication Plat.

NMOCD approval of the unorthodox location.

8. Well No. 25 NW Cha Cha Unit, 2431' FSL & 1889' FWL (NE¹/₃SW¹/₃), Sec. 22, T. 29 N., R. 14 W., San Juan County, New Mexico, Navajo Lease No. 14-20-603-2199. The APD was received on March 8, 1994. The following information is required in order to comply with BLM engineering specifications:

The Plan of Development for NW Cha Cha Unit.
Need to fill in the Producing Formation, Pool and Dedicated Acreage on the Acreage Dedication Plat.

NMOCD approval of the unorthodox location and the non-standard proration unit.

9. Well No. 40 NW Cha Cha Unit, 71' FSL & 2000' FWL $(SE_3SW/\frac{1}{3})$, Sec. 23, T. 29 N., R. 14 W., San Juan County, New Mexico, Navajo Lease No. 14-20-603-2172. The APD was received on March 8, 1994. The following information is required in order to comply with BLM engineering specifications:

The Plan of Development for NW Cha Cha Unit.

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 \checkmark Need to fill in the Producing Formation, Pool and Dedicated Acreage on the Acreage Dedication Plat.

NMOCD approval of the unorthodox location.

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070 FARMINGTON, NM

March 28, 1994

United States Department of the Interior Bureau of Land Management Farmington Resource Area 1235 LaPlata Highway Farmington, New Mexico 87401 Attn: Duane W. Spencer

Re: N.W. Cha Cha Unit, San Juan County, NM.

Dear Mr. Spencer:

Following is the review of the 1993 operations and the Plan of Development for 1994 for the above captioned property.

REVIEW OF 1993 OPERATIONS:

(Sirgo Operating, Inc. until 7/1/93, MSPC until 12/31/93) Number of Drilling Wells 0 Number of Producing Wells 12 Number of Shut in Wells 4 Number of Injection Wells 10 Oil Production for 1993 15,244 bbls Gas Production for 1993 TSTM Water Production for 1993 23,813 bbls Cumulative Oil Production 12/31/93 5,726,963 bbls Cumulative Water Production 12/31/93 11,011,045 bbls

PLAN OF DEVELOPMENT FOR 1994:

Sirgo Brothers Energy Corp. plans to spend approximately \$3.0 million in capital expenditures to infield drill and reestablish a waterflood program in the Unit. Currently plans are to implement a line drive flood taking advantage of the directional permeability of the gallup formation.

Sirgo plans to drill 10 new wells in the unit, located in the Phase I area as shown on the attached plat. The new wells #32, 47, 49, 25, and 27 will be drilled and completed as producers? Well #32 will be conventionally cored throughout the Gallup interval to assist in a more definite reservoir description for stimulation design, and further study fracture orientation in the field. The new wells #26, 48, 37, 40, and 60 will be drilled and completed as producers and will be converted to injection wells by Sirgo in the future depending on results. All of the new wells will circulate cement to surface on the production casing.

In addition to the new wells being drilled, Sirgo will workover the following current producing wells #39, 36, and 50. These workover wells will be restimulated using larger stimulation programs and the wells will remain as producers.

Page 2. Plan of Development Letter for 1994, MSPC to Navajo Nation dated March 24, 1994, N.W. Cha Cha Unit.

The # 30 current producer will be converted to an injection well.

The #16, 24, 35, and 48 wells will be worked over and restimulated for use as injection wells.

In addition to the well work described above, Sirgo plans to upgrade the water injection plant and the production facilities to handle the expected results from this capital outlay.

Sirgo has begun upgrading and repairing the existing water source wells and testing these wells for use as injection make up water sources.

The work described above will commence upon Sirgo's receiving requisite approval for all permitted work by the proper regulatory agencies.

We respectfully submit this Plan of Development for your review. If you have any questions or comments please contact myself or Manny Sirgo at (915) 685-0878.

Very truly yours

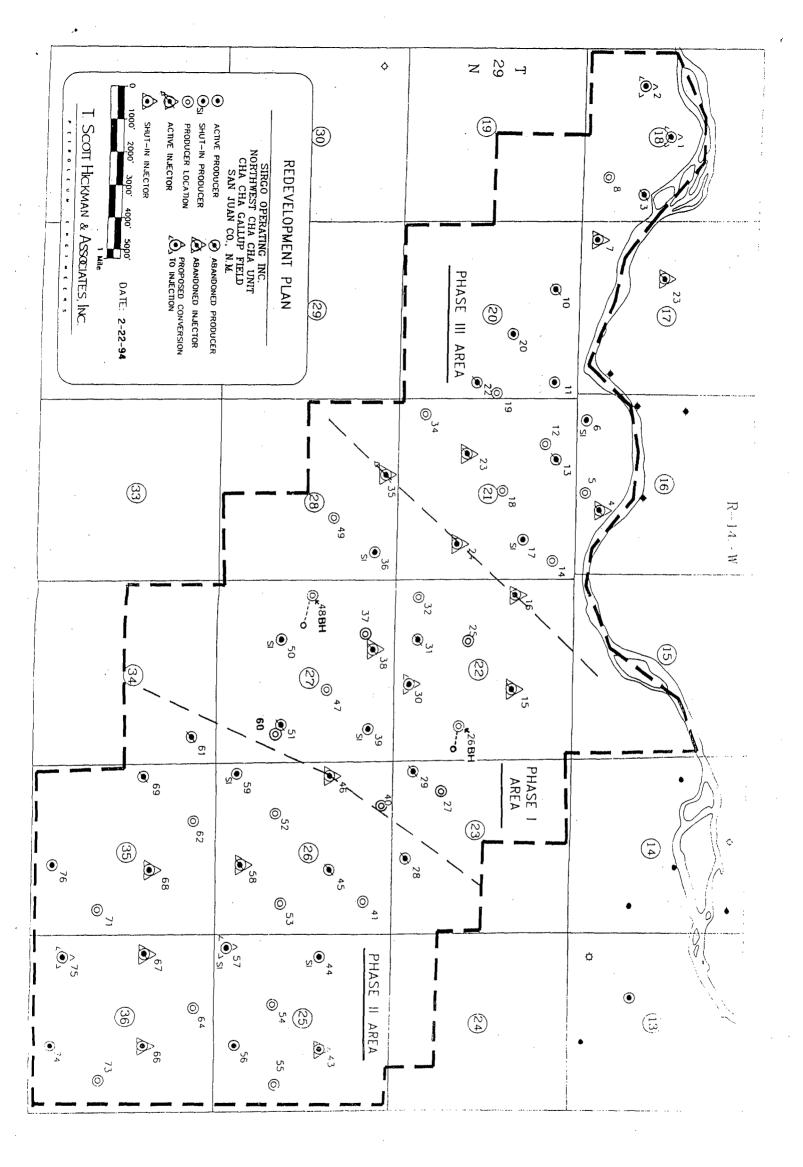
Brian M. Sirgo Landman

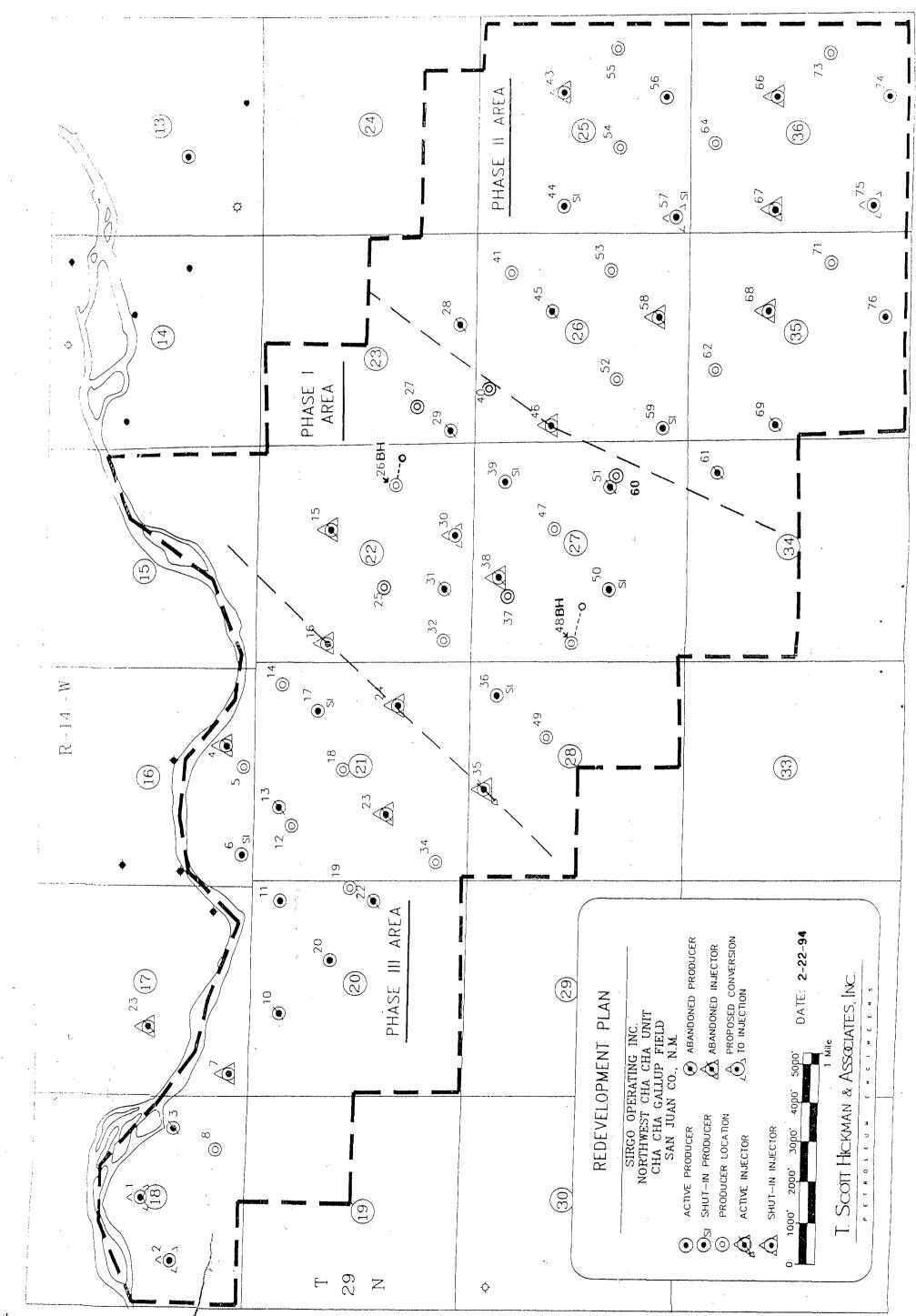
PO Box 3531 Midland 79702

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APPROVED

Done D CHIEF, BRANCH OF RESERVOIR MANAGEMENT





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