

P-M

PURE OIL CO. 5 NAVAJO-138
SW SW Sec.1-40N-28E APACHE 213

s1

COUNTY Apache AREA 10 mi W/Teec Nos Pos LEASE NO. 14-20-0603-4190

WELL NAME (Dry Mesa Corp) see remarks Pure Oil Company 5 Navajo-138 5 Navajo-138 Coleman O+G

LOCATION SW SW SEC 1 TWP 40N RANGE 28E FOOTAGE 660' FWL 660' FWL
ELEV 5913 GR 5926 KB SPUD DATE 9-22-62 STATUS TOTAL
COMP. DATE 10-20-62 * DEPTH 5640'

CONTRACTOR P&A 11-16-99

| CASING SIZE | DEPTH | CEMENT | LINER SIZE & DEPTH | DRILLED BY ROTARY | DRILLED BY CABLE TOOL | PRODUCTIVE RESERVOIR | INITIAL PRODUCTION |
|---------------|-------------|---------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| <u>13 3/8</u> | <u>43'</u> | <u>45 sx</u> | <u>NA</u> | <u>x</u> | <u> </u> | <u> </u> | <u>P&A</u> |
| <u>9 5/8</u> | <u>1102</u> | <u>426 sx</u> | <u> </u> |

| FORMATION TOPS | DEPTHS | SOURCE | | REMARKS |
|-------------------|-------------|-----------------------------|-----------------------------|--|
| | | L.L. | E.L. | |
| <u>Chinle</u> | <u>1315</u> | <u>x</u> | <u>x</u> | <u>THIS WELL WAS REENTERED IN APRIL 1992</u> |
| <u>Hermosa</u> | <u>4028</u> | <u> </u> | <u> </u> | <u>AND COMPLETED AS A GAS WELL IN THE</u> |
| <u>Paradox A</u> | <u>4600</u> | <u> </u> | <u> </u> | <u>PARADOX FORMATION. THE WELL IS NOW</u> |
| <u>Paradox B</u> | <u>4727</u> | <u> </u> | <u> </u> | <u>UNDER THE DRY MESA CORP BLANKET BOND.</u> |
| <u>Miss.</u> | <u>5450</u> | <u> </u> | <u> </u> | <u> </u> |
| <u>Shinarump</u> | <u>1995</u> | <u> </u> | <u> </u> | <u> </u> |
| <u>Moenkopi</u> | <u>2030</u> | <u> </u> | <u> </u> | <u> </u> |
| <u>Coconion</u> | <u>2270</u> | <u> </u> | <u> </u> | <u> </u> |
| <u>Organ Rock</u> | <u>2680</u> | <u> </u> | <u> </u> | <u> </u> |
| <u>Cedar Mesa</u> | <u>3300</u> | <u> </u> | <u> </u> | <u> </u> |
| <u>Paradox C</u> | <u>4740</u> | <u> </u> | <u> </u> | <u> </u> |
| <u>Paradox D</u> | <u>4790</u> | <u> </u> | <u> </u> | <u> </u> |
| <u>Paradox E</u> | <u>4805</u> | <u> </u> | <u> </u> | <u> </u> |
| <u>Molas</u> | <u>5378</u> | <u> </u> | <u> </u> | <u> </u> |

| ELECTRIC LOGS | PERFORATED INTERVALS | PROD. INTERVALS | SAMPLE LOG |
|-----------------------------|-----------------------------|-----------------------------|------------------------------|
| <u>Sonic Log, Induc.</u> | <u> </u> | <u> </u> | <u>Am Strat</u> |
| <u> </u> | <u> </u> | <u> </u> | <u>SAMPLE DESCRP</u> |
| <u> </u> | <u> </u> | <u> </u> | <u>SAMPLE NO. <u>684</u></u> |
| <u> </u> | <u> </u> | <u> </u> | <u>CORE ANALYSIS</u> |
| <u> </u> | <u> </u> | <u> </u> | <u>DSTs</u> |
| <u> </u> | <u> </u> | <u> </u> | <u>*T 1653</u> |

REMARKS 5 DST - see file 5 Cores - see file
* This well re-entered and completed as gas producer 5/14/92 SLR

| | |
|---------------|----------|
| APP. TO PLUG | <u>x</u> |
| PLUGGING REP. | <u>x</u> |
| COMP. REPORT | <u>x</u> |

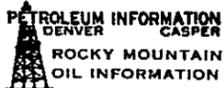
WATER WELL ACCEPTED BY

BOND CO. ***VALLEY NATIONAL BANK C.D. #2538054*** BOND NO. 400 AM-2104
St. Paul Fire & Marine Ins. Co. DATE
BOND AMT. \$ 75,000 Evidence of bond posted w/ TSA CANCELLED 8-21-63 ORGANIZATION REPORT 9-19-63
FILING RECEIPT 9316 LOC. PLAT x WELL BOOK x PLAT BOOK x
API NO. 02-001-05160 DATE ISSUED 9-19-62 DEDICATION W/2 SW/4

PERMIT NUMBER 213

(over)

ARIZONA
APACHE CO.
DRY MESA (D)



213
Twp 40n-28e
Section 1
C SW SW
660 n/s 660 e/w

OPR: Pure Oil

WELL #: 5 Navajo Tract 138

ELEV: 5923 DF

TOPS: Log-Samples
Cutler 2280
Hermosa 4028
Paradox A 4600
Paradox B 4727
Paradox C 4740
Paradox D 4790
Paradox E 4805
Molas 5378
Mississippian 5440

DSTS. & CORES:

Crd 5022-64, rec 5 sh;
7 ls; 6 1/2 ls, vuggy poro,
bleeding oil; 4 ls; 5 1/2 ls,
good vuggy poro, bleed-
ing oil; 14 ls. DST 5019-
64, 8 hrs 5 mins, gas in
10 mins, est 2500 MCF-
GPD, rec 870 GC black
sulfur wtr, FP 130-42#,
SIP (30 min) 1470#, HP
2440#. Crd 5490-5550,
rec 11 ls, fract; 2 sh; 7
ls, fract. DST 5445-
5550, failed. DST 5473-
5550, 1 hr 30 mins, rec
40 sli GCM, FP 55#, SIP

SPUD: 9-22-62

COMPL: 10-20-62

TD: 5640

PB:

CSG: 13-3/8" @ 43 w/46; 9-5/8" @
1102.w/438.

PERF:

PROD. ZONE:

INIT. PROD: D & A.

(30 mins) 85-70#, HP 2735#. Crd 5550-72, rec 2 ls; 1 1/2 dolo,
poro, bleeding oil; 9 1/2 ls, fract; 1 1/2 dolo, fract. bleeding oil; 1 1/2 ls; 2 dolo, poor poro, bleeding oil;
4 ls. Crd 5588-92, rec 1 dolo; 1 ls; 2 dolo, fract. Crd 5572-88, rec 16 to 14 ls, 2 dolo, fract. DST
5551-92, 1 hr. rec 15 mud, FP 30-60#, SIP (30 mins) 60#, FP 2730#. DST 5592-5640, 2 hrs, rec 180
mud, 3280 O&GC brackish wtr, FP 265-960#, SIP 1075#, HP 2780#.

Contr: Moran

Ariz-3-266011

WELL COMPLETION OR RECOMPLETION REPORT AND WELL LOG

Redrill DESIGNATE TYPE OF COMPLETION:

New Well Work-Over Deepen Plug Back Same Reservoir Different Reservoir Oil Gas Dry

DESCRIPTION OF WELL AND LEASE

| | | | |
|--|---|--|--|
| Operator Dry Mesa Corporation | | Address P.O. Box 5446 Farmington, NM 87410 | |
| Federal, State or Indian Lease Number or name of lessor if free lease 14-20-603-4190 | | Well Number #5 | Field & Reservoir Dry Mesa - Paradox |
| Location 660' FSL & 660' FWL Sec 1, T40N R28E | | County Apache | |
| Sec. TWP-Range or Block & Survey Section 1 T40N - R28E | | | |
| Date spudded 3/31/92 | Date total depth reached 4/4/92 | Date completed, ready to produce 5/14/92 | Elevation (DF, RKB, RT or Gr.) 5914 feet |
| Elevation of casing hd. flange 5914 feet | | | |
| Total depth 5451' | P.B.T.D. 4990' | Single, dual or triple completion? Single | If this is a dual or triple completion, furnish separate report for each completion. |
| Producing interval (s) for this completion 4668' - 4680' Lower Ismay | | Rotary tools used (interval) 0' - 5451' | Cable tools used (interval) none |
| Was this well directionally drilled? NO | Was directional survey made? NO | Was copy of directional survey filed? -NA- | Date filed -NA- |
| Type of electrical or other logs run (check logs filed with the commission) Cased Hole Compensated Neutron | | | Date filed Enclosed |

CASING RECORD

| Purpose | Size hole drilled | Size casing set | Weight (lb./ft.) | Depth set | Sacks cement | Amt. pulled |
|------------|-------------------|-----------------|------------------|-----------|--------------|-------------|
| Conductor | 17-1/2" | 13-3/8" | 48# | 43' | 45 | - 0 - |
| Surface | 12-1/4" | 9-5/8" | 40# | 1102' | 426 | - 0 - |
| Production | 8-3/4" | 4-1/2" | 10.5# | 5391' | 1258 | - 0 - |

| TUBING RECORD | | | | LINER RECORD | | | |
|---------------|-----------|---------------|------|--------------|--------|--------------|-------------|
| Size | Depth set | Packer set at | Size | Top | Bottom | Sacks cement | Screen (ft) |
| | ft. | ft. | in. | ft. | ft. | ft. | |
| 2-3/8 in. | 4620' | 4620' | | | | | |

| PERFORATION RECORD | | | ACID, SHOT, FRACTURE, CEMENT SQUEEZE RECORD | | |
|--------------------|-------------|----------------|---|----------------|--|
| Number per ft. | Size & type | Depth Interval | Amt. & kind of material used | Depth Interval | |
| 2 | 3-1/8" | 5026' - 5042' | 8000 gal - 28% HCL | 5026' - 5042' | |
| 2 | 3-1/8" | 4668' - 4680' | 6000 gal - 28% HCL | 4668' - 4680' | |

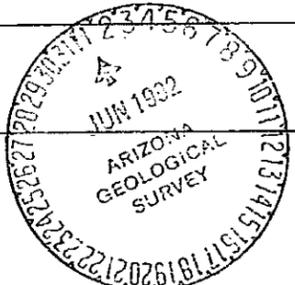
INITIAL PRODUCTION

| | | | | | | |
|--|-----------------------------------|---|---|--|---|--------------------------------------|
| Date of first production 5/14/92 | | Producing method (indicate if flowing, gas lift or pumping—if pumping, show size & type of pump.) Flowing | | | | |
| Date of test 5/14/92 | Hrs. tested 12 | Choke size 8/64" | Oil prod. during test trace bbls. | Gas prod. during test 67 MCF | Water prod. during test 0 bbls. | Oil gravity 42 *API (Corr) |
| Tubing pressure 390 flowing | Casing pressure 0 - PKR | Cal'ed rate of Production per 24 hrs. | Oil trace bbls. | Gas 134 MCF | Water 0 bbls. | Gas-oil ratio |

Disposition of gas (state whether vented, used for fuel or sold):
SOLD

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the Geologist of the Dry Mesa Corporation (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

Date: 5/27/92 Signature: Bob Hand

| | |
|-----------------------|---|
| 213 Permit No. |  <p>STATE OF ARIZONA OIL & GAS CONSERVATION COMMISSION Well Completion or Recompletion Report and Well Log Form No. 4 File One Copy</p> |
|-----------------------|---|

DETAIL OF FORMATIONS PENETRATED

| FORMATION | TOP | BOTTOM | DESCRIPTION* |
|------------------------------|-------|--------|--|
| Chinle | 1315' | | This was a re-entry of an existing wellbore. No Formation samples, cores, or DSTs were taken. See the Pure Oil Company's original completion report for this information. |
| Shinarump | 1995' | | |
| Moenkopi | 2030' | | |
| De Chelly | 2270' | | |
| Organ Rock | 2680' | | |
| Cedar Mesa | 3300' | | |
| Hermosa Group | 4028' | | |
| Ismay | 4595' | | |
| Desert Creek | 4730' | | |
| Akah | 4878' | | |
| Barker Creek | 5026' | | |
| Pinkerton Trail | 5156' | | |
| Molas | 5400' | | |
| Description of cement plugs: | | | Cement stringers were found between Plug 1 and Plug 2. Soft cement stringers were found from the base of Plug 2 to 2000'. The hole appeared to be partially collapsed or filled with sloughed Chinle shale from 2000' - 2100'. Significant amounts of non H2S bearing gas was observed on surface from 3000' to the top of Plug 3. It appeared that the cement cuttings from drilling Plug 3 weighed the mud enough to kill the gas flow. TD was reached on the first hard cement encountered in Plug 4. |
| Plug 1 | 0' | 15' | |
| Plug 2 | 1075' | 1225' | |
| Plug 3 | 4750' | 5094' | |
| Plug 4 | 5451' | (TD) | |

* Show all important zones of porosity, detail of all cores, and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries.

INSTRUCTIONS:

Attach drillers log or other acceptable log of well.

This Well Completion or Recompletion report and well log shall be filed with the State of Arizona Oil & Gas Conservation Commission not later than thirty days after project completion.

Form No. 4

WELL COMPLETION OR RECOMPLETION REPORT AND WELL LOG

Redrill DESIGNATE TYPE OF COMPLETION:
 New Well Work-Over Deepen Plug Back Same Reservoir Different Reservoir Oil Gas Dry

DESCRIPTION OF WELL AND LEASE

Operator: **Dry Mesa Corporation** Address: **P.O. Box 5446 Farmington, NM 87410**
 Federal, State or Indian Lease Number or name of lessor if free lease: **14-20-603-4190** Well Number: **#5** Field & Reservoir: **Dry Mesa - Paradox**

Location: **660' FSL & 660' FWL Sec 1, T40N R28E** County: **Apache**
 Sec. TWP-Range or Block & Survey: **Section 1 T40N - R28E**

Date spudded: **3/31/92** Date total depth reached: **4/4/92** Date completed, ready to produce: **5/14/92** Elevation (DF, RKB, RT or Gr.): **5914** feet Elevation of casing hd. flange: **5914** feet

Total depth: **5451'** P.B.T.D.: **4990'** Single, dual or triple completion?: **Single** If this is a dual or triple completion, furnish separate report for each completion.

Producing interval (s) for this completion: **4668' - 4680' Lower Ismay** Rotary tools used (interval): **0' - 5451'** Cable tools used (interval): **none**

Was this well directionally drilled?: **NO** Was directional survey made?: **NO** Was copy of directional survey filed?: **-NA-** Date filed: **-NA-**

Type of electrical or other logs run (check logs filed with the commission): **Cased Hole Compensated Neutron** Date filed: **Enclosed**

CASING RECORD

| Purpose | Size hole drilled | Size casing set | Weight (lb./ft.) | Depth set | Sacks cement | Amt. pulled |
|------------|-------------------|-----------------|------------------|-----------|--------------|-------------|
| Conductor | 17-1/2" | 13-3/8" | 48# | 43' | 45 | - 0 - |
| Surface | 12-1/4" | 9-5/8" | 40# | 1102' | 426 | - 0 - |
| Production | 8-3/4" | 4-1/2" | 10.5# | 5391' | 1258 | - 0 - |

TUBING RECORD

| Size | Depth set | Packer set at | Size | Top | Bottom | Sacks cement | Screen (ft) |
|-----------|-----------|---------------|------|-----|--------|--------------|-------------|
| 2-3/8 in. | 4620' ft. | 4620' ft. | in. | ft. | ft. | | |

PERFORATION RECORD

| Number per ft. | Size & type | Depth Interval | Am't. & kind of material used | Depth Interval |
|----------------|-------------|----------------|-------------------------------|----------------|
| 2 | 3-1/8" | 5026' - 5042' | 8000 gal - 28% HCL | 5026' - 5042' |
| 2 | 3-1/8" | 4668' - 4680' | 6000 gal - 28% HCL | 4668' - 4680' |

ACID, SHOT, FRACTURE, CEMENT SQUEEZE RECORD

INITIAL PRODUCTION

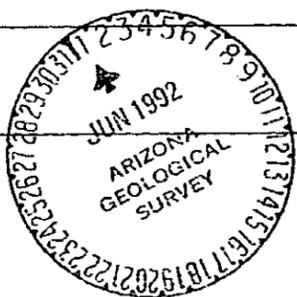
| | | | | | | |
|--|---------------------------------|---|---|--------------------------------------|---|------------------------------------|
| Date of first production: 5/14/92 | | Producing method (indicate if flowing, gas lift or pumping—if pumping, show size & type of pump.): Flowing | | | | |
| Date of test: 5/14/92 | Hrs. tested: 12 | Choke size: 8/64" | Oil prod. during test: trace bbls. | Gas prod. during test: 67 MCF | Water prod. during test: 0 bbls. | Oil gravity: 42 °API (Corr) |
| Tubing pressure: 390 flowing | Casing pressure: 0 - PKR | Cal'ed rate of Production per 24 hrs.: | Oil: trace bbls. | Gas: 134 MCF | Water: 0 bbls. | Gas-oil ratio: |

Disposition of gas (state whether vented, used for fuel or sold): **SOLD**

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the Geologist of the Dry Mesa Corporation (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

Date: 5/27/92

Signature: Bob Hand



Permit No. **213**

**STATE OF ARIZONA
 OIL & GAS CONSERVATION COMMISSION**
 Well Completion or Recompletion Report and Well Log
 Form No. 4 File One Copy

duplicate copy

DETAIL OF FORMATIONS PENETRATED

| FORMATION | TOP | BOTTOM | DESCRIPTION* |
|------------------------------|-------|--------|--|
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| Desert Creek | 4730' | | |
| Akah | 4878' | | |
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| Pinkerton Trail | 5156' | | |
| Molas | 5400' | | |
| Description of cement plugs: | | | Cement stringers were found between Plug 1 and Plug 2. Soft cement stringers were found from the base of Plug 2 to 2000'. The hole appeared to be partially collapsed or filled with sloughed Chinle shale from 2000' - 2100'. Significant amounts of non H2S bearing gas was observed on surface from 3000' to the top of Plug 3. It appeared that the cement cuttings from drilling Plug 3 wighted the mud enough to kill the gas flow. TD was reached on the first hard cement encountered in Plug 4. |
| Plug 1 | 0' | 15' | |
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INSTRUCTIONS:

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Form No. 4

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

FORM APPROVED
OMB No. 1004-0133
Expires July 31, 1996

5. Lease Serial No.
14/20/603-4190

6. If Indian, Allottee or Tribe Name
NAVAJO

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
NAVAJO TRACT 138 #5 P/N 213

9. API Well No.
02-001-05160

10. Field and Pool, or Exploratory Area
DRY MESA FIELD

11. County or Parish, State
APACHE COUNTY, AZ

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Oil Well Gas Well Other

2. Name of Operator
COLEMAN OIL & GAS, INC

3a. Address
P. O. DRAWER 3337, FARMINGTON, NM 87499

3b. Phone No. (include area code)
(505) 327-0356

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
660' FSL & 660' FWL
SEC 1, T40N, R38E

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION |
|--|--|
| <input type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Deepen |
| <input checked="" type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Fracture Treat |
| | <input type="checkbox"/> Alter Casing |
| | <input type="checkbox"/> Casing Repair |
| | <input type="checkbox"/> Change Plans |
| | <input type="checkbox"/> Convert to Injection |
| | <input type="checkbox"/> New Construction |
| | <input checked="" type="checkbox"/> Plug and Abandon |
| | <input type="checkbox"/> Plug Back |
| | <input type="checkbox"/> Production (Start/Rename) |
| | <input type="checkbox"/> Reclamation |
| | <input type="checkbox"/> Recomplete |
| | <input type="checkbox"/> Temporarily Abandon |
| | <input type="checkbox"/> Water Disposal |
| | <input type="checkbox"/> Water Shut-Off |
| | <input type="checkbox"/> Well Integrity |
| | <input type="checkbox"/> Other |

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

11/16/99 P&A well as follows:

- Plug #1 Set cement retainer @ 3979', squeeze w/115 sxs class B below retainer, 15 sxs class B above retainer.
 - Plug #2 Set 12 sxs class B inside casing @ 3000'-2840'.
 - Plug #3 Set 13 sxs class B inside casing @ 2340'-2169'.
 - Plug #4 Set 37 sxs Class B inside casing @ 1391'-900'.
 - Plug #5 Set 16 sxs Class B inside casing @ 95'-surface.
- Cut off well head and install dry hole marker.



14. I hereby certify that the foregoing is true and correct

| | |
|---|--------------------------|
| Name (Printed/Typed) MICHAEL T. HANSON | Title ENGINEER |
| Signature <i>Michael T. Hanson</i> | Date January 22, 2000 |

THIS SPACE FOR FEDERAL OR STATE USE

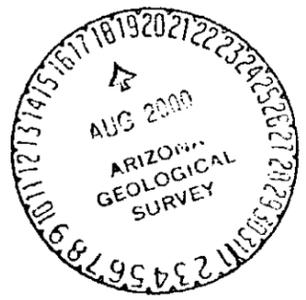
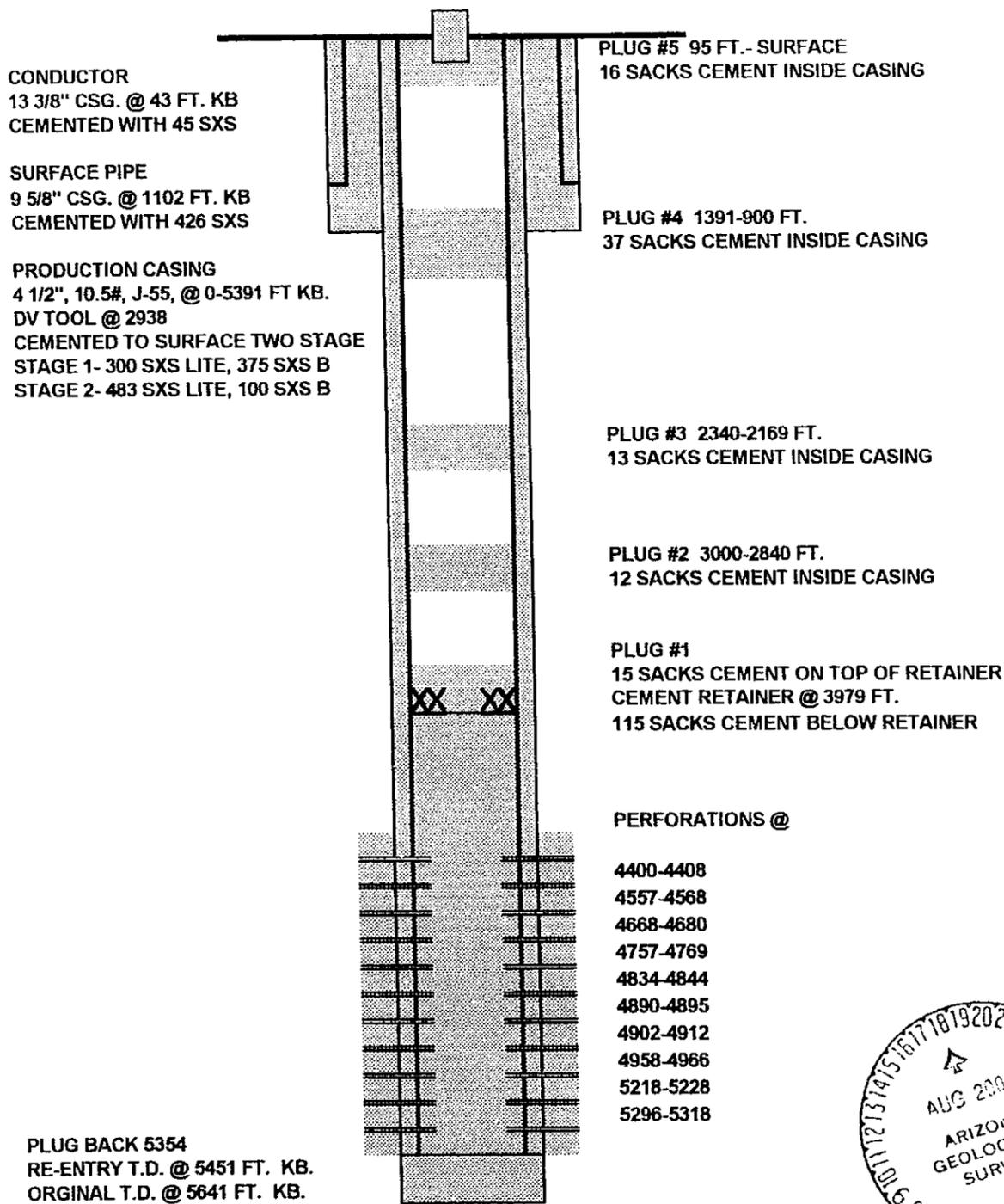
| | | |
|-------------|-------|------|
| Approved by | Title | Date |
|-------------|-------|------|

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

COLEMAN OIL GAS, INC.
 Dry Mesa #5
 660' FSL 660' FWL
 SEC 1, T40N, R28E

7/11 213



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

FORM APPROVED
OMB No. 1004-0133
Expires July 31, 1996

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Oil Well Gas Well Other

2. Name of Operator
Coleman Oil & Gas, Inc.

3a. Address **DRAWER 3337 FARMINGTON NM 87499**

3b. Phone No. (include area code) **(505)-327-7160**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
660' FSL & 660' FWL, Section 1, T40N, R28E

5. Lease Serial No.
14-20-603-4190

6. If Indian, Allottee or Tribe Name
Navajo

7. If Unit or CA/Agreement, Name and/or No.
PN 213

8. Well Name and No.
Tract 138 #5

9. API Well No.
02-001-05160

10. Field and Pool, or Exploratory Area
Dry Mesa Field

11. County or Parish, State
Apache County, AZ.

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION |
|--|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize <input type="checkbox"/> Deepen <input type="checkbox"/> Production (Start/Resume) <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing <input type="checkbox"/> Fracture Treat <input type="checkbox"/> Reclamation <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair <input type="checkbox"/> New Construction <input type="checkbox"/> Recomplete <input type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans <input checked="" type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon |
| | <input type="checkbox"/> Convert to Injection <input type="checkbox"/> Plug Back <input type="checkbox"/> Water Disposal |

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

See attached Plug and Abandon procedure.

Coleman Oil & Gas, Inc. would like to Plug and Abandon this well prior to November 1, 1999.



14. I hereby certify that the foregoing is true and correct

| | |
|--|---------------------------------|
| Name (Printed/Typed) Michael T. Hanson | Title Engineer |
| Signature <i>Michael T. Hanson</i> | Date October 16, 1999 |

THIS SPACE FOR FEDERAL OR STATE USE

| | | |
|-------------|-------|------|
| Approved by | Title | Date |
| | | |

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

P.O. DRAWER 3337
FARMINGTON, NM 87499

OFFICE: 505-327-0356
FAX: 505-327-9425



COLEMAN OIL & GAS, INC.

LEASE NAME: NAVAJO TRACT 138 DRY MESA #5
LOCATION: SW/SW SEC 1 T40N R28E
APACHE COUNTY, AZ

DATE: October 15, 1999

FIELD: DRY MESA
SURFACE: NAVAJO
MINERALS: 14-20-603-4190

ELEV: GL 5914
KB 5926
FBTD 5354

Permit # 213

PLUG AND ABANDON PROCEDURE:

1. MOL AND RU WORKOVER RIG WITH BOP, PUMP, PIT AND POWER SWIVEL. LAY 2" FLOW LINE TO THE PIT, WHICH SHOULD BE DOWN WIND FROM THE RIG.
2. BLOW WELL DOWN & KILL, IF NECESSARY, WITH PRODUCED WATER. NIPPLE DOWN WELL HEAD AND INSTALL 6" BOPS AND H2S EQUIPMENT.
3. TOOH AND STAND BACK 2 3/8" TUBING.
4. PICK UP AND RIH WITH CEMENT RETAINER ON TUBING AND SET @ ± 4350 FT..
5. PLUG #1 (HERMOSA GROUP; 4250'-5318'): CIRCULATE HOLE CLEAN WITH WATER AND PRESSURE TEST CASING TO 500 PSIG. ESTABLISH RATE INTO PERFORATIONS WITH WATER. MIX 130 SX CL B CEMENT PLUG, PLACING 115 SX BELOW AND 15 SX ABOVE RETAINER. PUH TO 2990 FT.
6. PLUG #2 (D.V. TOOL; 2990'-2840'): BALANCE 12 SX CL. B CEMENT PLUG INSIDE CASING. PUH TO 1370'.
7. PLUG #3 (CHINLE BOTTOM OF SURFACE PIPE; 900'-1370'): BALANCE 36 SX CL. B CEMENT PLUG INSIDE CASING. PUH TO 75'.
8. PLUG #4 (SURFACE; 0'-75'): BALANCE 6 SX CL. B CEMENT PLUG INSIDE CASING. NIPPLE DOWN BOP AND CUT OFF WELL HEAD. RIG DOWN MOVE OFF.
10. INSTALL DRY HOLE MARKER. RECLAIM LOCATION.



**COLEMAN OIL GAS, INC.
Dry Mesa #5
PROPOSED PLUGS**

P/N 213

CONDUCTOR
13 3/8" CSG. @ 43 FT. KB
CEMENTED WITH 45 SXS

SURFACE PIPE
9 5/8" CSG. @ 1102 FT. KB
CEMENTED WITH 426 SXS

PRODUCTION CASING
4 1/2", 10.5#, J-55, @ 0-5391 FT KB.
DV TOOL @ 2938
CEMENTED TO SURFACE TWO STAGE
STAGE 1- 300 SXS LITE, 375 SXS B
STAGE 2- 483 SXS LITE, 100 SXS B

| FORMATION TOPS | |
|----------------|------|
| CHINLE | 1315 |
| SHINARUMP | 1995 |
| MOENKOPI | 2030 |
| COCONINO | 2270 |
| ORGAN ROCK | 2680 |
| CEDAR MESA | 3300 |
| HERMOSA | 4028 |
| PARADOX "A" | 4600 |
| PARADOX "B" | 4727 |
| PARADOX "C" | 4740 |
| PARADOX "D" | 4790 |
| PARADOX "E" | 4805 |
| MOLAS | 5375 |
| MISSISSIPPIAN | 5440 |
| TD RE-ENTRY | 5451 |
| ORIGINAL TD | 5641 |

PLUG #4 DV TOOL
2990' 2840'
12 SACKS CLASS B

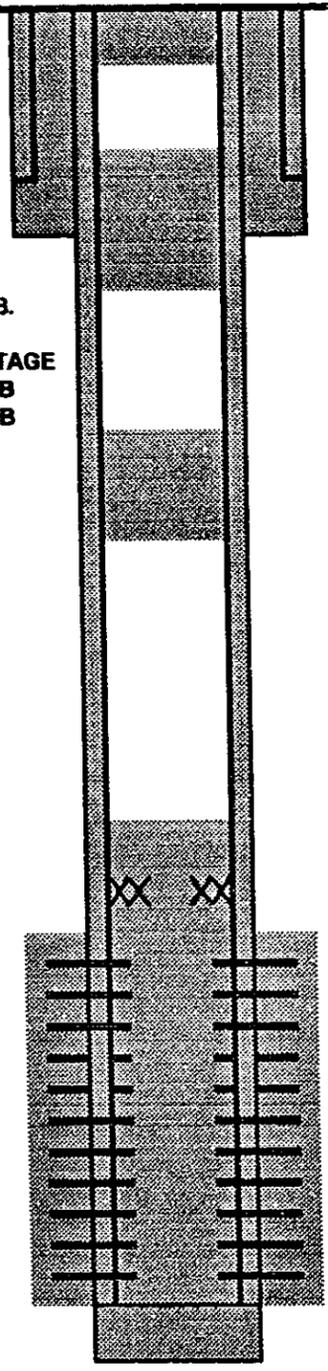
PLUG #3 CHINLE TO SURFACE PIPE
900'-1370'
36 SACKS CLASS B

PLUG #2 DV TOOL
2990' 2840'
12 SACKS CLASS B

PLUG #1 HERMOSA GROUP
4250' - 5318'
130 SACKS CLASS B

PERFORATIONS @
4400-4408
4557-4568
4668-4680
4757-4769
4834-4844
4890-4895
4902-4912
4958-4966
5218-5228
5296-5318

PLUG BACK 5354
RE-ENTRY T.D. @ 5451 FT. KB.
ORIGINAL T.D. @ 5641 FT. KB.



COLEMAN OIL GAS, INC.
Dry Mesa #5
Existing Wellbore

P/N 213

CONDUCTOR
 13 3/8" CSG. @ 43 FT. KB
 CEMENTED WITH 45 SXS

SURFACE PIPE
 9 5/8" CSG. @ 1102 FT. KB
 CEMENTED WITH 426 SXS

PRODUCTION CASING
 4 1/2", 10.5#, J-55, @ 0-5391 FT KB.
 DV TOOL @ 2938
 CEMENTED TO SURFACE TWO STAGE
 STAGE 1- 300 SXS LITE, 375 SXS B
 STAGE 2- 483 SXS LITE, 100 SXS B

TUBING STRING
 122 JOINTS 3863.37 FT.
 TUBING ANCHOR
 30 JOINTS 949.07 FT.
 SEATING NIPPLE
 PERFORATED SUB
 2 JOINTS 63.27 FT.
 TAPPED BULL PLUG

2 3/8" SN @ 4827.19 FT. KB.
 2 3/8" ANCHOR @ 3875.37 FT. KB.
 2 3/8" BTM TBG @ 4895.87 FT KB.
 SN 1.78 LD.

PLUG BACK 5354
 RE-ENTRY T.D. @ 5451 FT. KB.
 ORIGINAL T.D. @ 5641 FT. KB.

| FORMATION TOPS | |
|-----------------------|------|
| CHINLE | 1315 |
| SHINARUMP | 1995 |
| MOENKOPI | 2030 |
| COCONINO | 2270 |
| ORGAN ROCK | 2680 |
| CEDAR MESA | 3300 |
| HERMOSA | 4028 |
| PARADOX "A" | 4600 |
| PARADOX "A" | 4727 |
| PARADOX "A" | 4740 |
| PARADOX "A" | 4790 |
| PARADOX "A" | 4805 |
| MOLAS | 5375 |
| MISSISSIPPIAN | 5440 |
| TD RE-ENTRY | 5451 |
| ORIGINAL TD | 5641 |

| PERFORATIONS @ | |
|-----------------------|--|
| 4400-4408 | |
| 4557-4568 | |
| 4668-4680 | |
| 4757-4769 | |
| 4834-4844 | |
| 4890-4895 | |
| 4902-4912 | |
| 4958-4966 | |
| 5218-5228 | |
| 5296-5318 | |



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

FORM APPROVED
OMB No. 1004-0133
Expires July 31, 1996

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Oil Well Gas Well Other

2. Name of Operator
Coleman Oil & Gas, Inc.

3a. Address **Drawer 3337, Farmington NM 87499-3337**

3b. Phone No. (include area code) **(505)327-7160**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
660' FSL & 660' FWL, Section 1, T40N, R28E

5. Lease Serial No.
14-20-603-4190

6. If Indian, Allottee or Tribe Name
Navajo

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No. **PN 213**
Tract 138 #5

9. API Well No.
02-001-05160

10. Field and Pool, or Exploratory Area
Dry Mesa Field

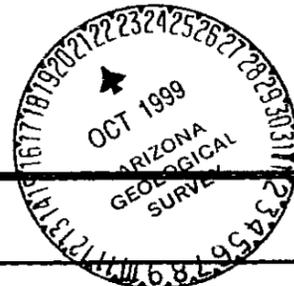
11. County or Parish, State
Apache County, AZ.

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION |
|---|---|
| <input type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize |
| <input checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Deepen |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Fracture Treat |
| | <input type="checkbox"/> New Construction |
| | <input type="checkbox"/> Plug and Abandon |
| | <input type="checkbox"/> Plug Back |
| | <input type="checkbox"/> Production (Start/Resume) |
| | <input type="checkbox"/> Reclamation |
| | <input type="checkbox"/> Recomplete |
| | <input type="checkbox"/> Temporarily Abandon |
| | <input type="checkbox"/> Water Disposal |
| | <input type="checkbox"/> Water Shut-Off |
| | <input type="checkbox"/> Well Integrity |
| | <input checked="" type="checkbox"/> Other PUT ON ROD PUMP |

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

- MIRU WORKOVER UNIT & SAFETY EQUIPMENT. PRESSURE TESTED TUBING CASING ANNULUS TO 1000 PSIG. HELD PRESSURE FOR 30 MINUTES WITH NO LEAK OFF.
- POOH WITH TUBING & ARROW SET I PRODUCTION PACKER.
- RIH WITH BAKER 4 1/2" SAND LINE DRILL ON SAND LINE AND DRILLED OUT RETAINER @ 4711 FT. KB. CHASED RETAINER TO BOTTOM.
- RIH WITH PRODUCTION TUBING. RIH WITH ROD PUMP AND SUCKER RODS.
- PUT WELL ON PRODUCTION.



14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed) **Michael T. Hanson** Title **Engineer**

Signature *Michael T. Hanson* Date **April 27, 1999**

THIS SPACE FOR FEDERAL OR STATE USE

Approved by _____ Title _____ Date _____

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

COLEMAN OIL GAS, INC.
Dry Mesa #5

PN 213

CONDUCTOR
13 3/8" CSG. @ 43 FT. KB
CEMENTED WITH 45 SXS

SURFACE PIPE
9 5/8" CSG. @ 1102 FT. KB
CEMENTED WITH 426 SXS

PRODUCTION CASING
4 1/2", 10.5#, J-55, @ 0-5391 FT KB.
DV TOOL @ 2938
CEMENTED TO SURFACE TWO STAGE
STAGE 1- 300 SXS LITE, 375 SXS B
STAGE 2- 483 SXS LITE, 100 SXS B

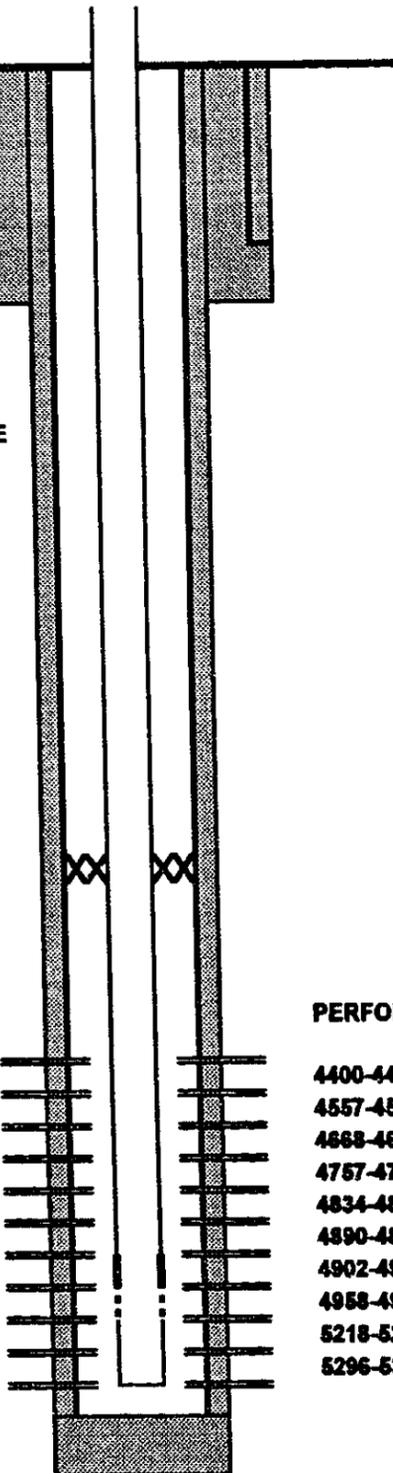
TUBING STRING
122 JOINTS 3863.37 FT.
TUBING ANCHOR
30 JOINTS 949.07 FT.
SEATING NIPPLE
PERFORATED SUB
2 JOINTS 63.27 FT.
TAPPED BULL PLUG

2 3/8" SN @ 4827.19 FT. KB.
2 3/8" ANCHOR @ 3875.37 FT. KB.
2 3/8" BTM TBG @ 4819.13 FT KB.
SN 1.78 I.D.

PERFORATIONS @

- 4400-4408
- 4557-4568
- 4668-4680
- 4757-4769
- 4834-4844
- 4890-4895
- 4902-4912
- 4958-4966
- 5218-5228
- 5296-5318

PLUG BACK 5354
RE-ENTRY T.D. @ 5451 FT. KB.
ORIGINAL T.D. @ 5641 FT. KB.



SUBMIT IN ORIGINAL
(See instructions on reverse side)

FORM APPROVED
OMB NO. 1004-0137
Expires: February 28, 1995

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1a. TYPE OF WORK
 OIL WELL GAS WELL DRY Other _____

1b. TYPE OF WELL
 NEW WELL WORK OVER DEEPEN PLUG BACK DIFF RESVR Other ADD PERFORATIONS

2. NAME OF OPERATOR
COLEMAN OIL & GAS, INC.

3. ADDRESS AND TELEPHONE NO.
DRAWER 3337, FARMINGTON, N.M. 87499, (505) 327-0358

4. LOCATION OF WELL (Report locations clearly and in accordance with any State requirements.)*
 At Surface **860' FSL & 660 FWL, SECTION 1, T40E, R28E**
 At top prod. interval reported below
 At total depth

5. LEASE DESIGNATION AND SERIAL NO.
14-20-603-4190

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
NAVAJO

7. UNIT AGREEMENT NAME
N/A *PH213*

8. FARM OR LEASE NAME, WELL NO.
TRACT #138 DRY MESA #5

9. API WELL NO.
02-001-05160

10. FIELD AND POOL OR WILDCAT
BLACK ROCK

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA
1-T40N-R28E

12. COUNTY OR PARISH
APACHE

13. STATE
AZ

14. PERMIT NO. _____ DATE ISSUED _____

15. DATE SPUDDED _____ 16. DATE T.D. REACHED _____ 17. DATE COMPL. (Ready to prod.) _____ 18. ELEVATIONS (OF, RKB, RT, OR, ETC.)* _____ 19. ELEV. CASINGHEAD _____

20. TOTAL DEPTH, MD & TVD
 MD _____ TVD _____ 21. PLUG BACK T.D., MD & TVD
 MD _____ TVD _____ 22. IF MULTIPLE COMPL., HOW MANY* _____ 23. INTERVALS DRILLED BY **RT** ROTARY TOOLS _____ CABLE TOOLS _____

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*
SEE BACK PAGE

25. WAS DIRECTIONAL SURVEY MADE _____

26. TYPE ELECTRIC AND OTHER LOGS RUN _____

27. WAS WELL CORED _____

23. CASING RECORD (Report all strings set in well)

| CASING SIZE/GRADE | WEIGHT, LB/FT. | DEPTH SET (MD) | HOLE SIZE | TOP OF CEMENT, CEMENTING RECORD | AMOUNT PULLED |
|-------------------|----------------|----------------|-----------|---------------------------------|---------------|
| 13 3/8" K-55 | 54 | 43 | 17 1/4 | SURFACE | |
| 9 5/8" K-55 | 36 | 1102 | 12 3/4 | SURFACE | |
| 4 1/2" J-55 | 10.5 | 5451 | 6 1/4 | TWO STAGE TO SURFACE | |

29. LINER RECORD

| SIZE | TOP (MD) | BOTTOM (MD) | SACKS CEMENT* | SCREEN (MD) |
|------|----------|-------------|---------------|-------------|
| | | | | |

30. TUBING RECORD

| SIZE | DEPTH SET (MD) | PACKER SET (MD) |
|--------|----------------|-----------------|
| 2 3/8" | 4483 | 4483 |

31. PERFORATION RECORD (Interval, size and number)

| INTERVAL | SIZE | NUMBER |
|------------------------|------|--------|
| SEE ATTACHMENTS | | |

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

| DEPTH INTERVAL (MD) | AMOUNT AND KIND OF MATERIAL USED |
|---------------------|---|
| 5026-5042 | SQUEEZED WITH 250 SX CLASS B PRESSURE TEST. SQ. TO 600 PSIG |
| 4834-5318 | 50 GALS/FT 15% HCL W/ADD. |
| 4400-4769 | 100 GALS/FT 20% HCL W/ADD. |

33.* PRODUCTION

| DATE FIRST PRODUCTION | PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) | WELL STATUS (Producing or shut-in) |
|-----------------------|--|------------------------------------|
| 01/09/99 | FLOWING | PRODUCING |

| DATE OF TEST | HOURS TESTED | CHOKE SIZE | PROD. FOR TEST PERIOD | OIL-BBL. | GAS-MCF. | WATER-BBL. | GAS-WTR RATIO |
|--------------|--------------|------------|-----------------------|----------|----------|------------|---------------|
| 01/10/99 | 24 | OPEN | | 0 | 1 | 0 | |

| FLOW. TUBING PRESS. | CASING PRESSURE | CALCULATED 24-HOUR RATE | OIL-BBL. | GAS-MCF. | WATER-BBL. | OIL GRAVITY-API (CORR.) |
|---------------------|-----------------|-------------------------|----------|----------|------------|-------------------------|
| 450 PSIG | 0 PSIG | | 0 | 1 | 0 | NONE |

34. DEPOSITION OF GAS (Solid, used for fuel, vented, etc.)
GAS SOLD TO WESTERN GAS

35. LIST OF ATTACHMENTS
SUNDRY NOTICES.

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED Michael J. Stone TITLE ENGINEER ARIZONA GEOLOGICAL SURVEY DATE 01/09/1999

*Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.



37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals, and all drill-stems, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries).

| FORMATION | TOP | | DESCRIPTION, CONTENTS, ETC. | NAME | TOP | |
|---|--|--|---|------|-------------|------------------|
| | COMPLETION RIG THROUGH SEPARATOR. GAS WAS VENTED AND BURNED THROUGH FLARE STACK. | BOTTOM | | | MEAS. DEPTH | TRUE VERT. DEPTH |
| PINKERTON TRAIL | INTERVAL TESTED 5296 FT. KB. 5218 FT. KB. | 5318 FT. KB. 5228 FT. KB. | FLOW / SWAB TESTED AVERAGED 10 BBLs FLUID PER HOUR, 100 % WATER WITH TRACE OF OIL AND GAS. | | | |
| BARKER CREEK AKAH | 4958 FT. KB. 4902 FT. KB. 4890 FT. KB. 4834 FT. KB. | 4966 FT. KB. 4912 FT. KB. 4895 FT. KB. 4844 FT. KB. | SWABBING WITH 5 MINUTE AFTERFLOW. INITIAL FLUID LEVEL 2600 FT. FINAL FLUID LEVEL 3000 FT. | | | |
| DESERT CREEK LOWER ISMAY UPPER ISMAY HONAKER TRAIL | INTERVAL TESTED 4757 FT. KB. 4668 FT. KB. 4557 FT. KB. 4400 FT. KB. | 4769 FT. KB. 4680 FT. KB. 4568 FT. KB. 4408 FT. KB. | FLOW / SWAB TESTED AVERAGED 3 BBLs FLUID PER HOUR, 90 % WATER WITH 10% OIL AND GAS. SWABBING WITH 5-10 MINUTE AFTERFLOW. INITIAL FLUID LEVEL 2000 FT. FINAL FLUID LEVEL 4100 FT. | | | |

38.

GEOLOGIC MARKERS

| NAME | MEAS. DEPTH | TRUE VERT. DEPTH |
|------|-------------|------------------|
| | | |

Form 3160-5
(November 1994)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

FORM APPROVED
OMB No. 1004-0135
Expires July 31, 1996

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Oil Well Gas Well Other

2. Name of Operator
Coleman Oil & Gas, Inc.

3a. Address **DRAWER 3337 FARMINGTON NM 87499**

3b. Phone No. (include area code) **(505)-327-7160**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
660' FSL & 660' FWL, Section 1, T40N, R28E

5. Lease Serial No.
14-20-603-4190

6. If Indian, Allottee or Tribe Name
Navajo

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
Tract 138 #5 P/N 213

9. API Well No.
02-001-05160

10. Field and Pool, or Exploratory Area
Dry Mesa Field

11. County or Parish, State
Apache County, AZ.

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|---|---|---|--|---|
| <input type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input checked="" type="checkbox"/> Recomplete | <input type="checkbox"/> Other _____ |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

See attached information.



14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed) **Michael T. Hanson** Title **Engineer**

Signature *Michael T. Hanson* Date **October 16, 1999**

THE SPACE FOR FEDERAL OR STATE USE

Approved by _____ Title _____ Date _____

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. Office _____

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

P.O. DRAWER 3337
FARMINGTON, NM 87499

OFFICE: 505-327-0356
FAX: 505-327-9425



COLEMAN OIL & GAS, INC.

LEASE NAME: NAVAJO TRACT 138 DRY MESA #5
LOCATION: SW/SW SEC 1 T40N R28E
APACHE COUNTY, AZ

DATE: JANUARY 09, 1998

P/N 213

FIELD: DRY MESA
SURFACE: NAVAJO
MINERALS: 14-20-603-4190

ELEV: GL 5914
KB 5926
PBTD 5354

SUMMARY WORKOVER: SQUEEZED PERFORATIONS (5026-5042), PERFORATED AND ACIDIZED ADDITIONAL PERFORATIONS.

1. MOL AND RU WORKOVER RIG WITH BOP, PUMP, PIT AND POWER SWIVEL. LAID 2" FLOW LINE TO THE PIT.
2. BLEW WELL DOWN & KILLED WITH PRODUCED WATER. NIPPLED DOWN WELL HEAD AND INSTALLED 6" BOPS AND H2S EQUIPMENT.
3. RELEASED PACKER, TOOH LAID DOWN 2 3/8" TUBING AND PICKED UP NEW 2 3/8" TUBING.
4. PICKED UP 3 7/8" BIT ON NEW TUBING, TIH AND DRILLED OUT CIBP @ 4990 FT. KB. PUSHED PLUG TO BOTTOM 5326 FT. KB.
5. RIH WITH ARROW 32A SQUEEZE PACKER AND SQUEEZED INTERVAL 5026-5042 FT. WITH 250 SACKS OF CLASS B CEMENT (2500 PSI WALKING SQUEEZE). ESTIMATED 224 SACKS BEHIND PIPE.
6. DRILLED OUT CEMENT AND PRESSURE TESTED SQUEEZE HOLES 5026-5042 TO 600 PSI. PRESSURE TESTED TUBING CASING ANNULUS TO 500 PSIG.
7. PERFORATED THE FOLLOWING ZONES @ 2 JSPF. DEPTHS CORRELATED WITH OPEN HOLE LOGS.

| | | |
|-----------|--------|----------|
| 4834-4844 | 10 FT. | 20 HOLES |
| 4890-4895 | 5 FT. | 10 HOLES |
| 4902-4912 | 10 FT. | 20 HOLES |
| 4958-4966 | 8 FT. | 16 HOLES |
| 5218-5228 | 10 FT. | 20 HOLES |
| 5296-5318 | 22 FT. | 44 HOLES |

8. RIH WITH BRIDGE PLUG AND PACKER. ISOLATED AND TREATED WITH 3250 GALLONS 15% HCL WITH ADDITIVES.
9. RIH WITH PRODUCTION PACKER, SWABBED. PRODUCTION PACKER SET @ 4312 FT. WITH BOTTOM OF TUBING @ 5300 FT KB. AVERAGE 10 BBLS FLUID PER HOUR, 100% WATER WITH TRACE OF OIL AND GAS. SWABBING WITH 5 MINUTE AFTERFLOW.



10. PERFORATED THE FOLLOWING ZONES WITH 2 JSPP. DEPTHS CORRELATED WITH OPEN HOLE LOGS. PW2B

| | | |
|-----------|--------|----------|
| 4400-4408 | 8 FT. | 16 HOLES |
| 4557-4568 | 11 FT. | 22 HOLES |
| 4757-4769 | 12 FT. | 24 HOLES |

11. RIH WITH BRIDGE PLUG AND PACKER. ISOLATED AND TREATED WITH 4300 GALLONS 20% HCL WITH ADDITIVES.
12. RIH WITH BRIDGE PLUG AND PACKER. BRIDGE PLUG SET @4785, PACKER SET @ 4373FT. RIGGED UP AND SWABBED. AVERAGE 3 BBLS FLUID PER HOUR, 90% WATER WITH 10% OIL. SWABBING WITH 5-10 MINUTES OF AFTERFLOW.
13. 12 HOURS SHUT IN PRESSURE 940 PSIG.
14. PUT BACK ON PRODUCTION DECEMBER 03, 1998. AVERAGE 1-5 MCF/DAY. WELL LOGGED OFF DECEMBER 28, 1998.
15. MOL AND RU WORKOVER RIG WITH BOP, PUMP. LAID 2" FLOW LINE TO THE PIT. BLEW WELL DOWN & KILLED WITH PRODUCED WATER. NIPPLED DOWN WELL HEAD AND INSTALLED 6" BOPS AND H2S EQUIPMENT.
16. RELEASED PACKER AND RIH AND RETRIEVED BRIDGE PLUG, POOH WITH SAME. RIH WITH CEMENT RETAINER AND SET @ 4711 FT. KB.
17. RIH WITH PRODUCTION PACKER, SWABBED. PRODUCTION PACKER SET @ 4483 FT. WITH SEATING NIPPLE @4376 FT KB.
18. PUT BACK ON PRODUCTION JANUARY 09, 1998. AVERAGE 1-5 MCF/DAY.



Form 3160-5
(June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT - " for such proposals

SUBMIT IN TRIPLICATE

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

5. Lease Designation and Serial Number
Tract 138 #14-20-603-4190

6. If Indian, Allottee or Tribe Name

Navajo

7. If Unit or CA, Agreement Designation

- NA - *file 213*

8. Well Name and Number

Well #5

9. API Well Number

02-001-05160

10. Field and Pool, or Exploratory Area

Dry Mesa Field

11. County or Parish, State

Apache County, Arizona

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
Dry Mesa Corporation

3. Address and Telephone Number
15 Willowbrook, Wichita, Kansas 67207 (316) 684-0420

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
T40N - R28E, Section 1, SW/4 SW/4

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION |
|--|--|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Abandonment |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Recompletion |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Plugging Back |
| | <input type="checkbox"/> Casing Repair |
| | <input type="checkbox"/> Altering Casing |
| | <input type="checkbox"/> Other |
| | <input type="checkbox"/> Change of Plans |
| | <input checked="" type="checkbox"/> New Construction |
| | <input type="checkbox"/> Non-Routine Fracturing |
| | <input type="checkbox"/> Water Shut-Off |
| | <input type="checkbox"/> Conversion to Injection |
| | <input type="checkbox"/> Dispose Water |

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log Form.)

13. Describe Proposed or Completion Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true depths for all markers and zones pertinent to this work.)

Dry Mesa Corporation is planning to construct a lease fuel line to run from Gas Well #5 to tie into the existing lease fuel delivery line near Shut-In Gas Well #2. The lease fuel line will supply gas to supplement the existing fuel gas used to power the pump-jack motor & heater-treater at Oil Well #6 and the water disposal motor at Water Disposal Well #1. Lease fuel gas for this equipment currently is coming from gas separated out at the heater-treater at Well #6. The nitrogen content in this gas has been slowly increasing and the BTU content is no longer high enough to properly run the equipment.

The included lease map shows the general location of the new lease fuel line. The new lease fuel line will be above ground, 2" diameter PVC plastic line regulated to around 35 psi or as low as needed to run the equipment noted above. The pump-jack, heater-treater, and water disposal pump burn a combined total of 30 MCF/day. Gas Well #5 will supplement the existing supply gas. Daily volumes of supply gas from Well #5 should be around 10 MCF/day.

This construction is allowed under Paragraph #1 of the Navajo Tract 138 Lease #14-20-603-4190.

14. I hereby certify that the foregoing is true and correct

Signed Bob Hand Title Geologist Date December 24, 1996

(This space for Federal or State office use)

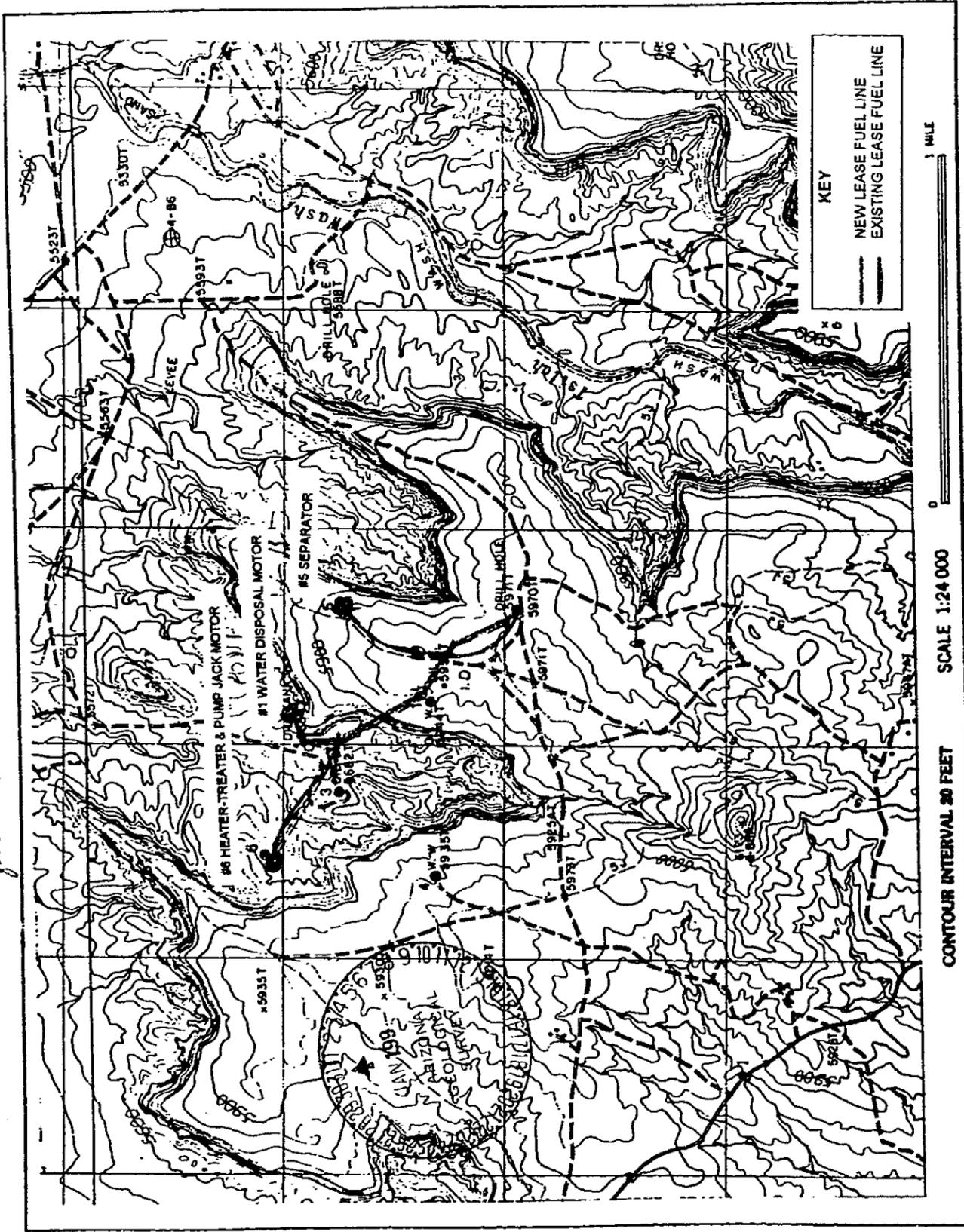
Approved by _____ Title _____ Date _____
Conditions for Approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.



Dry Mesa Field
Apache County, Arizona

file 213



Form 3160-5
(June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

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FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

5. Lease Designation and Serial Number

Tract 138 #14-20-603-4190

6. If Indian, Allottee or Tribe Name

Navajo

7. If Unit or CA, Agreement Designation

- NA - Permit

8. Well Name and Number

Well # 5 # 213

9. API Well Number

02-001-05160

10. Field and Pool, or Exploratory Area

Dry Mesa Field

11. County or Parish, State

Apache County, Arizona

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

Dry Mesa Corporation

3. Address and Telephone Number

15 Willowbrook, Wichita, Kansas 67207 (316) 684-0420

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

SW SW SEC 1
T. 40 N., R. 28 E.

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION |
|--|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Abandonment |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Recompletion |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Plugging Back |
| | <input type="checkbox"/> Casing Repair |
| | <input type="checkbox"/> Altering Casing |
| | <input checked="" type="checkbox"/> Other PIT USAGE |
| | <input type="checkbox"/> Change of Plans |
| | <input type="checkbox"/> New Construction |
| | <input type="checkbox"/> Non-Routine Fracturing |
| | <input type="checkbox"/> Water Shut-Off |
| | <input type="checkbox"/> Conversion to Injection |
| | <input type="checkbox"/> Dispose Water |

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log Form.)

13. Describe Proposed or Completion Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true depths for all markers and zones pertinent to this work.)

REQUEST FOR CONTINUED PIT USAGE AT GAS WELL #5 LOCATION

Dry Mesa Corporation is requesting that the BLM allow continued usage of the lined reserve pit at Well #5 location. The pit was constructed during the drilling of Well #5 and is fully lined with plastic, bermed to BLM specifications, and fully fenced. The pit is currently being used for water evaporation from the oil/gas/water separator at Well #5 and handles less than 1 bbl/day of water. Oil at this site is collected in a blow down tank. There is some residual degraded oil in the pit from initial well testing and gas production prior to the oil blow down tank being set. We are evaluating chemical methods to remediate this contamination at this time.

Pending resolution of bankruptcy, sale, or release of operating capital, Dry Mesa Corporation plans to recomple Well #5. The pit will be needed for testing purposes and for collection of spent stimulation fluids. After recompletion, the pit will be remediated to BLM and Navajo specifications as stated in the APD for this well as soon as is practical.

14. I hereby certify that the forgoing is true and correct

Signed

Title

Geologist

March 19, 1996

(This space for Federal or State office use)

Approved by

Title

Conditions for Approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.



Form 3160-5
(June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT - " for such proposals

SUBMIT IN TRIPLICATE

FORM APPROVED
Budget Bureau No 1004-0135
Expires March 31, 1993

5. Lease Designation and Serial Number
Tract 138 #14-20-603-4190

6. If Indian, Allottee or Tribe Name
Navajo

7. If Unit or CA, Agreement Designation
- NA - Permit 213

8. Well Name and Number
Well # 5

9. API Well Number
02-001-05160

10. Field and Pool, or Exploratory Area
Dry Mesa Field

11. County or Parish, State
Apache County, Arizona

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
Dry Mesa Corporation

3. Address and Telephone Number
15 Willowbrook, Wichita, Kansas 67207 (316) 684-0420

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**SW SW SEC 1
T. 40 N., R. 28 E.**

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION |
|--|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Abandonment |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Recompletion |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Plugging Back |
| | <input type="checkbox"/> Casing Repair |
| | <input type="checkbox"/> Altering Casing |
| | <input checked="" type="checkbox"/> Other BLOW DOWN TANK |
| | <input type="checkbox"/> Change of Plans |
| | <input type="checkbox"/> New Construction |
| | <input type="checkbox"/> Non-Routine Fracturing |
| | <input type="checkbox"/> Water Shut-Off |
| | <input type="checkbox"/> Conversion to Injection |
| | <input type="checkbox"/> Dispose Water |

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log Form.)

13. Describe Proposed or Completion Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true depths for all markers and zones pertinent to this work.)

REQUEST FOR CONTINUED USAGE OF FIBERGLASS BLOW DOWN TANK

Dry Mesa Corporation is requesting that the BLM allow continued usage of a fiberglass blow down tank at Dry Mesa Field - Well #5 facility. The tank is hooked up to the oil dump valve on a three stage gas separator at the facility. A slight mist of oil (less than 1 bbl/week) is produced with the gas. The well needs to be unloaded at irregular intervals and when unloaded through the separator, will make approximately 1.5 bbls oil into the blow down tank. The tank will hold 300 bbls and is properly sealed.

When the tank becomes full, (once a year or as needed) oil sales from Well #5 will be handled in this manner: A witness from the BLM and Navajo tribe will be notified prior to the oil sale. One of the oil sales tanks at Dry Mesa Field - Oil Well #6 battery will be gauged. A transport truck will load the oil from the Well #5 blow down tank and transport it to the previously gauged Well #6 oil sales tank. The oil will be pumped into the Well #6 oil sales tank, the tank regauged, and oil reloaded into the transport truck in the same manner as a regular oil sale.

Proper seal records and production accounting for this blow down tank will be kept according to BLM specifications.

14. I hereby certify that the forgoing is true and correct

Signed _____ Title **Geologist** Date **March 19, 1996**

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____

Conditions for Approval, if any: _____



Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

SUNDRY NOTICES AND REPORT ON WELLS

1. Name of Operator DRY MESA CORPORATION

2. OIL WELL GAS WELL OTHER (Specify) _____

3. Well Name WELLS #1 #2, #3, #5 AND #6

Location _____

Sec. 1, 2, 11, 12 Twp. 40N Rge. 28E County APACHE, Arizona.

4. Federal, State, or Indian Lease, or lessor's name if fee lease NAVAJO LEASE #14-20-603-4190 TRACT 138

5. Field or Pool Name DRY MESA FIELD

6. Check Appropriate Box to Indicate Nature of Notice, Report, or Other data

NOTICE OF IN SUBSEQUENT REPORT OF:

| | | | | | | | |
|---------------------|-------------------------------------|----------------------|-------------------------------------|-----------------------|--------------------------|------------------|--------------------------|
| TEST WATER SHUT-OFF | <input type="checkbox"/> | PULL OR ALTER CASING | <input type="checkbox"/> | WATER SHUT-OFF | <input type="checkbox"/> | MONTHLY PROGRESS | <input type="checkbox"/> |
| FRACTURE TREAT | <input type="checkbox"/> | DIRECTIONAL DRILL | <input type="checkbox"/> | FRACTURE TREATMENT | <input type="checkbox"/> | REPAIRING WELL | <input type="checkbox"/> |
| SHOOT OR ACIDIZE | <input checked="" type="checkbox"/> | PERFORATE CASING | <input checked="" type="checkbox"/> | SHOOTING OR ACIDIZING | <input type="checkbox"/> | ALTERING CASING | <input type="checkbox"/> |
| REPAIR WELL | <input type="checkbox"/> | CHANGE PLANS | <input type="checkbox"/> | (OTHER) _____ | <input type="checkbox"/> | ABANDONMENT | <input type="checkbox"/> |

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

7. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Dry Mesa Corporation is preparing to workover two wells and repair or enhance production on two others. This work will commence when the major creditor has approved the proposed work. The actual work planned on the wells is outlined on the following pages. It is estimated that this work will begin on or about April 20, 1994.

Additionally, Dry Mesa Corporation would like to perform an MIT on SWD Well #1 while there is equipment on the lease. The MIT will conform to the tougher of the EPA/State of AZ requirements. The exact time and date of this test are flexible depending on all of the interested partys schedules

The appropriate forms will be submitted following completion of the work.



8. I hereby certify that the foregoing is true and correct.

Signed Bob Hauge Title Geologist Date April 15, 1994

Permit No. 213

STATE OF ARIZONA
OIL AND GAS CONSERVATION COMMISSION
Sundry Notices and Report On wells
File One Copy
Form No. 28

Well #3

Well #3 will not produce against the 380 psi line pressure. Attempts to purge the water from the well and then produce it have failed, the well makes too much water. Log calculations showed the productive interval to have a high water saturation so the condition will not improve.

A small rental compressor should be tried on this well. Before it died, the well was making 300 - 400 MCF/day. If the rental compressor can lower the suction pressure, the well may make upwards of 400 MCF/day. The water that will be produced can be routed through the existing old oil flowline and end up at the #3 tank battery for disposal. Total cost to transport, hookup, and first month's rental on a compressor is estimated to be \$3,500. There is a possibility that the open zone is hopelessly watered out. A rental compressor should be the first option.

There is one additional potentially productive zone in this well. This zone is thin and the estimated reserves do not justify the workover expense at this time. Should the compressor fail, this zone should be tested as the second option.

This well still contains significant oil reserves. Before the casing split, production was 25 bbls oil/day with 120 bbls water/day. The decline rate was around 6% per year. The cost to repair the casing split, re-equip the well with pump and rods, service the pump jack and motor, and repair/replace flowlines and storage tanks make this the third option for this well.

Proposed Work

1. install rental compressor
2. hookup water flowline
3. test well through sales meter

Economics

A cost estimate for the proposed work and a table displaying various production and economic models for Well #3 are included in this summary. The estimated cost to work on this well is \$3,500. The first month's income if the compressor is successful is estimated to be \$13,140. Payout will occur within the first month. Gross Income for the first year (less royalty and gas transport fee) would be \$144,000 (high) - \$123,000 (low).

Well #5

This well is completed in a low permeability zone. Two attempts at acid stimulation failed and a frac would be necessary to stimulate this well. It is questionable whether a frac will have much effect on this zone and even then, potential reserves would not support the frac expense. Though the well could continue to make 35 MCF/day for a long time, 35 MCF/day is not economic.



Well #5 Continued

This well has excellent potential in 4 other zones. These 4 zones have been judge to be commercial and productive by DST, core, gas flows during the redrill, and/or production in equivalent zones in Black Rock Field wells. Estimated reserves after the workover are .9 - 1.1 BCF. Initial production should be in the 800 to 1,500 MCF/day range.

This well should be in good mechanical shape; packer refurbishing should be the only equipment expense needed.

The existing lined drill pit can be used for workover fluid evaporation from this well and Well #2. The BLM has requested that the pit be substantially reduced in size but will allow it to remain in it's present condition if it is being used for a constructive purpose. Eventually, there will be a pit size reduction expense (requiring bulldozer work) for this well.

Proposed Workover

1. kill well, remove wellhead, nipple up BOP stack
2. pull tubing and packer
3. run casing scraper to TD
4. perforate four zones (45' total)
6. acidize using straddle packer, plan on 50 gal 28% HCL per ft of perf, total acid volume - 2,250 gal. (this is a very small acid treatment)
7. run tubing and packer, nipple down BOP, install wellhead
8. swab and flow well.
9. 4 point test well.
10. hook up well to sales meter and produce.

Economics

A cost estimate for the proposed workover and a table displaying various production and economic models for Well #5 are included in this summary. The estimated workover cost for this well is \$24,000 (high) - \$20,000 (low). The first month's income after workover is estimated to be \$57,000 (high) - \$26,000 (low). Payout will occur within the first month in either model. Gross Income for the first year (less royalty and gas transport fee) would be \$368,000 (high) - \$209,000 (low).

Well #6 and Well #1

Well #6 may need it's pump replaced. This is a very normal expense; pumps last for 6 months to 2 years and it is time for a replacement. Since the well has been shut in for 8 months, normal maintenance will need to be done on all of the pumping equipment. The well has always responded with flush production when ever it has been shut-in for extended periods. It is estimated that the initially daily oil production rate could be in the 55 bbls/day range. This flush production will taper off over several months and production should stabilize around 35 bbls/day. The well will be able to maintain 30+ bbls/day for the entire year.

Well #6 produces approximately 500 bbls water/day. For this reason, it is absolutely necessary to have disposal Well #1 in operation. The injection line and pump were in operating order when last shut in.



Well Cost Estimate Sheet

(costs are estimated based on similar past service)

Prepared for: Dry Mesa Field - Well # 5

| Item | Price per/ | Est. Time or Volume | Item Total |
|--|---|-------------------------------|-----------------|
| Well Kill Truck and Service | | | \$1,000 |
| Rig Time | \$1,800 / day | 2.5 days | \$4,500 |
| Packer Repair | | | \$1,000 |
| Packer Hand | \$400 / day | 1 day | \$400 |
| Perforating (2 shots/ft, 4" gun) | | 45 feet total - multiple runs | \$4,500 |
| Acid Job (using straddle packer) | 2250 gal | | \$7,000 |
| 4 Pt. Well Test | | | \$350 |
| MISC. (pipe fittings, swab cups, port fees, casing scraper rental, etc.) | | | \$1,000 |
| H2S Monitoring Service | \$475/day W/ H2S Hand - 2 days | | |
| | \$75/day equipment rental (W/ consultant) | | \$150 |
| Consultant/Supervision | \$400 / day | 2 days | \$800 |
| 15% Contingency | | | \$3,105 |
| TOTALS | | | \$23,805 |

H2S monitoring must be done: the presence of H2S in Black Rock Field and the abnormally high H2S concentrations normally occurring during acid jobs demands it. An H2S Safety Engineer cost \$475/day. A good consultant can get by with renting H2S safety equipment and thus pay for his service with this item. A consultant could also get significant price breaks on the above estimates and get suppliers/service people to work for us where as we may not be able to. It is quite likely that this work can be done for less than \$20,000. The existing lined pit can be used for test fluids from Well #2 and #5. A smaller pit will have to be constructed at a later date.

The four additional zones to perforate are:

| | | | |
|---------------|-----------------------|--------------|----------------------------------|
| Akah | (4878' - 4912' gross) | Desert Creek | (4834' - 4846') (4759' - 4768') |
| Honaker Trail | (4400' - 4408') | | |



Well #5 - Economic Model

| Month | No Workover | | | After Workover (27% fee) | | | After Workover (15% fee) | | | | | |
|----------------|-----------------|-----------------|------------------|--------------------------|----------------|------------------|--------------------------|------------------|----------------|------------------|----------------|------------------|
| | IP - 35 MCF/day | | | Expected Case | | | Expected Case | | | | | |
| | Monthly Volume | Monthly Income | Low Case | IP - 1,500 MCF/day | Monthly Volume | Monthly Income | IP - 1,500 MCF/day | Monthly Volume | Monthly Income | IP - 800 MCF/day | Monthly Volume | Monthly Income |
| 1 | 1,050 | \$1,150 | \$49,275 | 45,000 | 24,000 | \$26,280 | 45,000 | \$57,375 | 24,000 | \$30,600 | 24,000 | \$28,815 |
| 2 | 1,050 | \$1,150 | \$44,238 | 40,400 | 22,600 | \$24,747 | 40,400 | \$51,510 | 22,600 | \$21,548 | 22,600 | \$20,145 |
| 3 | 1,050 | \$1,150 | \$38,873 | 35,500 | 16,900 | \$18,506 | 35,500 | \$39,143 | 16,900 | \$19,508 | 16,900 | \$18,998 |
| 4 | 1,050 | \$1,150 | \$33,617 | 30,700 | 15,800 | \$17,301 | 30,700 | \$32,895 | 15,800 | \$18,488 | 15,800 | \$17,213 |
| 5 | 1,050 | \$1,150 | \$28,251 | 25,800 | 15,300 | \$16,754 | 25,800 | \$26,648 | 15,300 | \$18,105 | 15,300 | \$16,703 |
| 6 | 1,050 | \$1,150 | \$22,886 | 20,900 | 14,900 | \$16,316 | 20,900 | \$20,400 | 14,900 | \$17,595 | 14,900 | \$16,193 |
| 7 | 1,050 | \$1,150 | \$17,520 | 16,000 | 14,500 | \$15,878 | 16,000 | \$20,018 | 14,500 | \$17,595 | 14,500 | \$16,193 |
| 8 | 1,050 | \$1,150 | \$17,192 | 15,700 | 14,200 | \$15,549 | 15,700 | \$19,508 | 14,200 | \$17,213 | 14,200 | \$16,193 |
| 9 | 1,050 | \$1,150 | \$16,754 | 15,300 | 13,800 | \$15,111 | 15,300 | \$18,998 | 13,800 | \$17,213 | 13,800 | \$16,193 |
| 10 | 1,050 | \$1,150 | \$16,316 | 14,900 | 13,500 | \$14,783 | 14,900 | \$18,488 | 13,500 | \$16,703 | 13,500 | \$15,549 |
| 11 | 1,050 | \$1,150 | \$15,878 | 14,500 | 13,100 | \$14,345 | 14,500 | \$18,105 | 13,100 | \$16,193 | 13,100 | \$15,549 |
| 12 | 1,050 | \$1,150 | \$15,549 | 14,200 | 12,700 | \$13,907 | 14,200 | \$18,105 | 12,700 | \$16,193 | 12,700 | \$15,549 |
| TOTALS: | 12,600 | \$13,797 | \$316,346 | 288,900 | 191,300 | \$209,474 | 288,900 | \$368,348 | 191,300 | \$243,908 | 191,300 | \$243,908 |

ASSUMPTIONS:

Income: = (Monthly MCF * Gas Price * (1 - Transport Fee)) * (1 - Royalty)
 Gas Price: \$1.80
 Royalty: 1/6
 Transport: 27% (unless specified to be 15%)
 Decline: Modeled after Watson "Type B" well in Reserve Estimate Report
 (No decline is expected at the well's current rate of 35 MCF/day)
 Month: 30 days
 Volume: MCF



Form 3160-5
(June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

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Use "APPLICATION FOR PERMIT—" for such proposals

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

5. Lease Designation and Serial No.
14-20-603-4190

6. If Indian, Allottee or Tribe Name
Navajo

7. If Unit or CA, Agreement Designation

8. Well Name and No.
Tract 138-#5

9. API Well No.
02-001-05160

10. Field and Pool, or Exploratory Area
Dry Mesa Field

11. County or Parish, State
Apache Co. AZ

SUBMIT IN TRIPLICATE

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
Dry Mesa Corporation

3. Address and Telephone No.
P. O. Box 5446 Farmington, NM 87499 (505) 325-2058

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
660' FSL 660' FWL Sec 1 T40N R28E

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION |
|---|--|
| <input type="checkbox"/> Notice of Intent | <input type="checkbox"/> Abandonment |
| <input checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Recompletion |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Plugging Back |
| | <input type="checkbox"/> Casing Repair |
| | <input type="checkbox"/> Altering Casing |
| | <input checked="" type="checkbox"/> Other Pipeline Hook-up |
| | <input type="checkbox"/> Change of Plans |
| | <input type="checkbox"/> New Construction |
| | <input type="checkbox"/> Non-Routine Fracturing |
| | <input type="checkbox"/> Water Shut-Off |
| | <input type="checkbox"/> Conversion to Injection |
| | <input type="checkbox"/> Dispose Water |

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

A three stage separator and gas meter shack were constructed and hooked up to Navajo Tract 138 Well #5. The well was connected to the existing gas gathering line and gas sale commenced on May 14, 1992. The gas buyer is Western Gas Processors, Denver, Colorado.

The well makes 50 - 250 MCF/day producing against a 360 - 380 psi line pressure. Flowing tubing pressure is 370 - 390 psi on an 8/64" choke. Shut-in tubing pressure is 1180 psi. The well makes a trace of oil - gravity is estimated to be 42 degrees API. The well has not made any water. Dry Mesa Corporation is negotiating to put the field on compression. Hopefully, this will reduce the gas sales line pressure to a point where the well can be further evaluated. A permanent tank will be set for oil production and an evaporation pit will be constructed for any produced water if the well proves to be commercial in the present producing zone.

14. I hereby certify that the foregoing is true and correct

Signed Bob Hand

Title Geologist

Date 5/28/92

(This space for Federal or State office use)

Approved by _____
Conditions of approval, if any:

Title _____

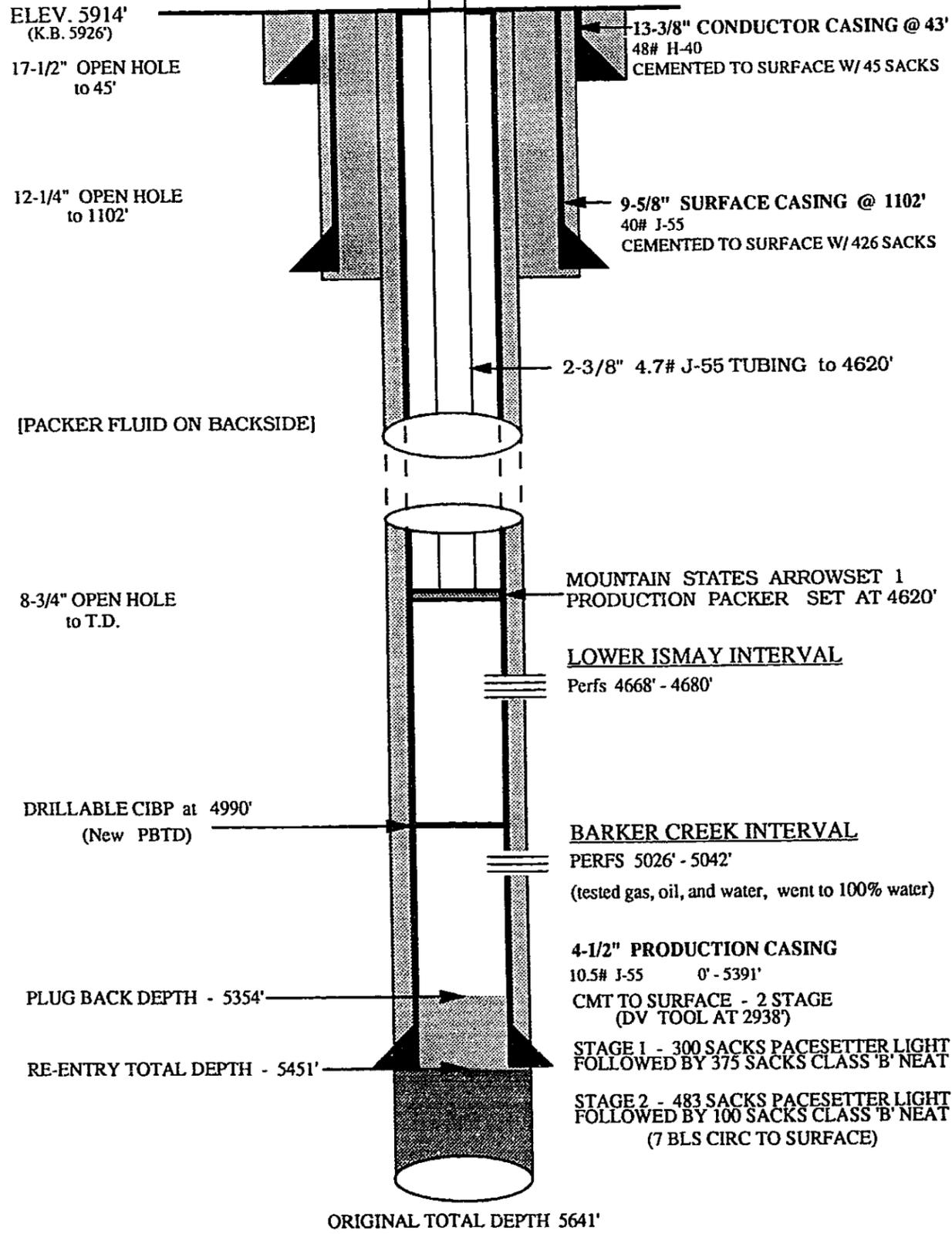
Date _____

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*See Instruction on Reverse Side



Tract 138 - Well #5
 T40N R28E SW SW Section 1
 Dry Mesa Field Apache Co., Arizona
 as of 5/92



Form 3160-5
(June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

5. Lease Designation and Serial No.
14-20-603-4190

6. If Indian, Allottee or Tribe Name

Navajo

7. If Unit or CA, Agreement Designation

SUBMIT IN TRIPLICATE

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
Dry Mesa Corporation

3. Address and Telephone No.
P. O. Box 5446 Farmington, NM 87499 (505) 325-2058

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
660' FSL 660' FWL Sec 1 T40N R28E

8. Well Name and No.
Tract 138-#5

9. API Well No.
02-001-05160

10. Field and Pool, or Exploratory Area
Dry Mesa Field

11. County or Parish, State
Apache Co. AZ

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION |
|---|--|
| <input type="checkbox"/> Notice of Intent | <input type="checkbox"/> Abandonment |
| <input checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Recompletion |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Plugging Back |
| | <input type="checkbox"/> Casing Repair |
| | <input type="checkbox"/> Altering Casing |
| | <input type="checkbox"/> Other _____ |
| | <input type="checkbox"/> Change of Plans |
| | <input checked="" type="checkbox"/> New Construction |
| | <input type="checkbox"/> Non-Routine Fracturing |
| | <input type="checkbox"/> Water Shut-Off |
| | <input type="checkbox"/> Conversion to Injection |
| | <input type="checkbox"/> Dispose Water |

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Day 30 (4/29/92) Well shut-in. Released rig. Will monitor well for pressures and production potential. Considering a frac job or attempt to recomplete in different zone.

END of REPORTS

Will submit further Sundries and the Completion Report after well is evaluated further.



14. I hereby certify that the foregoing is true and correct

Signed Bob Hand

Title Geologist

Date 5/2/92

(This space for Federal or State office use)

Approved by _____
Conditions of approval, if any:

Title _____

Date _____

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SUBMIT IN TRIPLICATE

FORM APPROVED
Budget Bureau No. 1004-0133
Expires: March 31, 1993

5. Lease Designation and Serial No.
14-20-603-4190

6. If Indian, Allottee or Tribe Name
Navajo

7. If Unit or CA, Agreement Designation

8. Well Name and No.
Tract 138-#5

9. API Well No.
02-001-05160

10. Field and Pool, or Exploratory Area
Dry Mesa Field

11. County or Parish, State
Apache Co. AZ

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
Dry Mesa Corporation

3. Address and Telephone No.
P. O. Box 5446 Farmington, NM 87499 (505) 325-2058

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
660' FSL 660' FWL Sec 1 T40N R28E

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION |
|---|--|
| <input type="checkbox"/> Notice of Intent | <input type="checkbox"/> Abandonment |
| <input checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Recompletion |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Plugging Back |
| | <input type="checkbox"/> Casing Repair |
| | <input type="checkbox"/> Altering Casing |
| | <input type="checkbox"/> Other _____ |
| | <input type="checkbox"/> Change of Plans |
| | <input checked="" type="checkbox"/> New Construction |
| | <input type="checkbox"/> Non-Routine Fracturing |
| | <input type="checkbox"/> Water Shut-Off |
| | <input type="checkbox"/> Conversion to Injection |
| | <input type="checkbox"/> Dispose Water |

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Day 28 (4/27/92) Acidized w/ 4000 gal 28% HCL. Formation did not appear to break down. Swabbed back acid gas, oil, and formation water. Fluid entry around 1000' / hour. Swabbed 20 bls oil and 25 bls water. Estimate 100 - 200 MCF / gas. Shut down.

Day 29 (4/28/92) Shut down. Considering a frac job.



14. I hereby certify that the foregoing is true and correct

Signed Bob Hand Title Geologist Date 4/29/92

(This space for Federal or State office use)

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*See instruction on Reverse Side

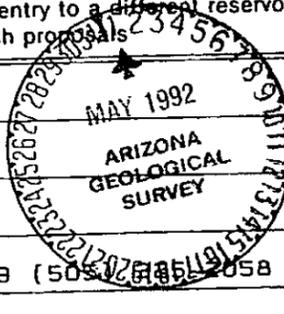
Form 3160-5
(June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

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Use "APPLICATION FOR PERMIT—" for such proposals.

SUBMIT IN TRIPLICATE



FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

5. Lease Designation and Serial No.
14-20-603-4190

6. If Indian, Allottee or Tribe Name
Navajo

7. If Unit or CA, Agreement Designation

8. Well Name and No.
Tract 138-#5

9. API Well No.
02-001-05160

10. Field and Pool, or Exploratory Area
Dry Mesa Field

11. County or Parish, State
Apache Co. AZ

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
Dry Mesa Corporation

3. Address and Telephone No.
P. O. Box 5446 Farmington, NM 87499 (505) 485-058

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
660' FSL 660' FWL Sec 1 T40N R28E

12 CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION |
|---|--|
| <input type="checkbox"/> Notice of Intent | <input type="checkbox"/> Abandonment |
| <input checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Recompletion |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Plugging Back |
| | <input type="checkbox"/> Casing Repair |
| | <input type="checkbox"/> Altering Casing |
| | <input type="checkbox"/> Other |
| | <input type="checkbox"/> Change of Plans |
| | <input checked="" type="checkbox"/> New Construction |
| | <input type="checkbox"/> Non-Routine Fracturing |
| | <input type="checkbox"/> Water Shut-Off |
| | <input type="checkbox"/> Conversion to Injection |
| | <input type="checkbox"/> Dispose Water |

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Day 23-24 (4/22-23/92) Swabbed on well. Recovered 100% formation water. No drop in fluid level indicates zone will be non-productive.

Day 25 (4/24/92) Shut Down.

Day 26 (4/25/92) RD wellhead. NU 80P's. POH w/ tubing and packer. Set CIBP at 4990'. Tested plug. Perfed 4668' - 4680' (Lower Ismay) w/ 2 shots per foot. RIH w/ tubing and packer. Set packer at 4620'. Swabbed dry.

Day 27 (4/26/92) Acidized w/ 2000 gal 15% HCL. Formation did not appear to break down. Swabbed small volume green oil and water. Did not recover load. Fluid entry 300' per hour. Will re-acidize.

14. I hereby certify that the foregoing is true and correct

Signed Bob Hand Title Geologist Date 4/27/92

(This space for Federal or State office use)

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((REVISED)--

Form 3160-5
(June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

5. Lease Designation and Serial No.
14-20-603-4190

6. If Indian, Allottee or Tribe Name

Navajo

7. If Unit or CA, Agreement Designation

SUBMIT IN TRIPLICATE

1. Type of Well
 Oil Well Gas Well Other

8. Well Name and No.
Tract 138-#5

2. Name of Operator
Dry Mesa Corporation

9. API Well No.
02-001-05160

3. Address and Telephone No.
P. O. Box 5446 Farmington, NM 87499 (505) 325-2058

10. Field and Pool, or Exploratory Area
Dry Mesa Field

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
660' FSL 660' FWL Sec 1 T40N R28E

11. County or Parish, State
Apache Co. AZ

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | |
|---|--|--|
| <input type="checkbox"/> Notice of Intent | <input type="checkbox"/> Abandonment | <input type="checkbox"/> Change of Plans |
| <input checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Recompletion | <input checked="" type="checkbox"/> New Construction |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Plugging Back | <input type="checkbox"/> Non-Routine Fracturing |
| | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> Water Shut-Off |
| | <input type="checkbox"/> Altering Casing | <input type="checkbox"/> Conversion to Injection |
| | <input type="checkbox"/> Other _____ | <input type="checkbox"/> Dispose Water |

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Day 16 - 22 (4/15-21/92) Swabbing well. Well will flow gas, oil, and water - as flowing pressure drops, well dies. When swabbed after dying, well will only make water for 5 - 6 swab runs. Water has been analyzed as being probable acid water. Continuing to swab and evaluate.



14. I hereby certify that the foregoing is true and correct

Signed Bob Hand

Title Geologist

Date 4/21/92

(This space for Federal or State office use)

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Date _____

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--(REV(ED)--

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14-20-603-4190

6. If Indian, Allottee or Tribe Name

Navajo

7. If Unit or CA, Agreement Designation

SUBMIT IN TRIPLICATE

8. Well Name and No.

Tract 138-#5

9. API Well No.

02-001-05160

10. Field and Pool, or Exploratory Area

Dry Mesa Field

11. County or Parish, State

Apache Co. AZ

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator

Dry Mesa Corporation

3. Address and Telephone No.

P. O. Box 5446 Farmington, NM 87499 (505) 325-2058

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

660' FSL 660' FWL Sec 1 T40N R28E

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION |
|---|--|
| <input type="checkbox"/> Notice of Intent | <input type="checkbox"/> Abandonment |
| <input checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Recompletion |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Plugging Back |
| | <input type="checkbox"/> Casing Repair |
| | <input type="checkbox"/> Altering Casing |
| | <input type="checkbox"/> Other |
| | <input type="checkbox"/> Change of Plans |
| | <input checked="" type="checkbox"/> New Construction |
| | <input type="checkbox"/> Non-Routine Fracturing |
| | <input type="checkbox"/> Water Shut-Off |
| | <input type="checkbox"/> Conversion to Injection |
| | <input type="checkbox"/> Dispose Water |

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form 1)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Day 14 (4/13/92) Released test packer. POH w/ packer & tubing. LD tubing and packer. RIH w/ production packer and 2-3/8" tubing. Set packer at 4995'. Load backside w/ water & packer fluid. ND BOP's. Instal wellhead.

Day 15 (4/14/92) Swabbed on well all day. Recovered spent acid water. Well starting to make gas but would not kick off.



14. I hereby certify that the foregoing is true and correct

Signed Scott Hough

Title Geologist

Date 4/15/92

(This space for Federal or State office use)

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Date _____

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UNITED STATES
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Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS
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Use "APPLICATION FOR PERMIT—" for such proposals

5. Lease Designation and Serial No.
14-20-603-4190

6. If Indian, Allottee or Tribe Name
Navajo

7. If Unit or CA, Agreement Designation

8. Well Name and No.
Tract 138-#5

9. API Well No.
02-001-05160

10. Field and Pool, or Exploratory Area
Dry Mesa Field

11. County or Parish, State
Apache Co. AZ

SUBMIT IN TRIPLICATE

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
Dry Mesa Corporation

3. Address and Telephone No.
P. O. Box 5446 Farmington, NM 87499 (505) 325-2058

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
660' FSL 660' FWL Sec 1 T40N R28E

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION |
|---|--|
| <input type="checkbox"/> Notice of Intent | <input type="checkbox"/> Abandonment |
| <input checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Recompletion |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Plugging Back |
| | <input type="checkbox"/> Casing Repair |
| | <input type="checkbox"/> Altering Casing |
| | <input type="checkbox"/> Other |
| | <input type="checkbox"/> Change of Plans |
| | <input checked="" type="checkbox"/> New Construction |
| | <input type="checkbox"/> Non-Routine Fracturing |
| | <input type="checkbox"/> Water Shut-Off |
| | <input type="checkbox"/> Conversion to Injection |
| | <input type="checkbox"/> Dispose Water |

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Day 14 (4/13/92) Released test packer. POH w/ packer & tubing. LD tubing and packer. RIH w/ production packer and 2-3/8" tubing. Set packer at 4995'. Load backside w/ water & packer fluid. ND BOP's. Instal wellhead.

Day 15 (4/14/92) Swabbed on well all day. Recovered spent acid water. Well starting to make gas but would not kick off.

Day 16 (4/15/92) Swabbed well until it kicked off. RD Big A rig and moved to town. Flowed well. Shut well in until production equipment is installed.

END OF REPORTS

Will file completion form after production equipment is set and well is flowing. Estimate well ready to produce by 4/25/92.

14. I hereby certify that the foregoing is true and correct

Signed B. G. Hays Title Geologist Date 4/15/92

(This space for Federal or State office use)

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5. Lease Designation and Serial No.
14-20-603-4190

6. If Indian, Allottee or Tribe Name
Navajo

7. If Unit or CA, Agreement Designation

8. Well Name and No.
Tract 138-#5

9. API Well No.
02-001-05160

10. Field and Pool, or Exploratory Area
Dry Mesa Field

11. County or Parish, State
Apache Co. AZ

SUBMIT IN TRIPLICATE

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
Dry Mesa Corporation

3. Address and Telephone No.
P. O. Box 5446 Farmington, NM 87499 (505) 325-2058

4. Location of Well (Footage, Sec., T. R., M., or Survey Description)
660' FSL 660' FWL Sec 1 T40N R28E

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION |
|---|--|
| <input type="checkbox"/> Notice of Intent | <input type="checkbox"/> Abandonment |
| <input checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Recompletion |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Plugging Back |
| | <input type="checkbox"/> Casing Repair |
| | <input type="checkbox"/> Altering Casing |
| | <input type="checkbox"/> Other _____ |
| | <input type="checkbox"/> Change of Plans |
| | <input checked="" type="checkbox"/> New Construction |
| | <input type="checkbox"/> Non-Routine Fracturing |
| | <input type="checkbox"/> Water Shut-Off |
| | <input type="checkbox"/> Conversion to Injection |
| | <input type="checkbox"/> Dispose Water |

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Day 11 (4/10/92) Well dead. Made 5 swab runs. Well started flowing gas, oil, and water. H2S measured 350 ppm and decreasing. Estimated rate: 1000 MCF/day + considerable water + 5% green oil. Oil cut seems to be increasing. Killed well for weekend.

Day 12 (4/11/92) Shut down for weekend.

Day 13 (4/12/92) Shut down for weekend.



14. I hereby certify that the foregoing is true and correct

Signed Bob Housh Title Geologist Date 4/12/92
(This space for Federal or State office use)

Approved by _____ Title _____ Date _____
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5. Lease Designation and Serial No.
14-20-603-4190

6. If Indian, Allottee or Tribe Name
Navajo

7. If Unit or CA, Agreement Designation

SUBMIT IN TRIPLICATE

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
Dry Mesa Corporation

3. Address and Telephone No.
P. O. Box 5446 Farmington, NM 87499 (505) 325-2058

4. Location of Well (Footage, Sec., T. & R., M., or Survey Description)
660' FSL 660' FWL Sec 1 T40N R28E

8. Well Name and No.
Tract 138-#5

9. API Well No.
02-001-05160

10. Field and Pool, or Exploratory Area
Dry Mesa Field

11. County or Parish, State
Apache Co. AZ

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | |
|---|--|--|
| <input type="checkbox"/> Notice of Intent | <input type="checkbox"/> Abandonment | <input type="checkbox"/> Change of Plans |
| <input checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Recompletion | <input checked="" type="checkbox"/> New Construction |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Plugging Back | <input type="checkbox"/> Non-Routine Fracturing |
| | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> Water Shut-Off |
| | <input type="checkbox"/> Altering Casing | <input type="checkbox"/> Conversion to Injection |
| | <input type="checkbox"/> Other | <input type="checkbox"/> Dispose Water |

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

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Day 9 (4/8/92) Drill out D V Tool. POH w/ bit and drillsting.
Ran Compensated Neutron log from 5330' - 4300'.
Prepared to perf - gun did not fire.

Day 10 (4/9/92) Perfed 5026' - 5042' w/ 2/ft 3-1/8" gun. RIH w/
tubing and packer. Set packer at 4967'. Acidized
w/ 8000 gal 28% HCL. Made 1 swab run. Well started
unloading acid water. Well unloaded and started making
gas at estimated rate of 300 MCF/day. Shut well in
for night.



14. I hereby certify that the foregoing is true and correct

Signed Bob Howard Title Geologist Date 4/13/92

(This space for Federal or State office use)

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FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

5. Lease Designation and Serial No.
14-20-603-4190

6. If Indian, Allottee or Tribe Name

Navajo

7. If Unit or CA. Agreement Designation

8. Well Name and No.

Tract 138-#5

9. API Well No.

02-001-05160

10. Field and Pool, or Exploratory Area

Dry Mesa Field

11. County or Parish, State

Apache Co. AZ

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

Dry Mesa Corporation

3. Address and Telephone No.

P. O. Box 5446 Farmington, NM 87499 (505) 325-2058

4. Location of Well (Footage, Sec., T. R., M., or Survey Description)

660' FSL 660' FWL Sec 1 T40N R28E

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

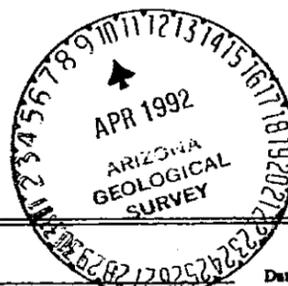
| TYPE OF SUBMISSION | TYPE OF ACTION |
|---|--|
| <input type="checkbox"/> Notice of Intent | <input type="checkbox"/> Abandonment |
| <input checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Recompletion |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Plugging Back |
| | <input type="checkbox"/> Casing Repair |
| | <input type="checkbox"/> Altering Casing |
| | <input type="checkbox"/> Other |
| | <input type="checkbox"/> Change of Plans |
| | <input checked="" type="checkbox"/> New Construction |
| | <input type="checkbox"/> Non-Routine Fracturing |
| | <input type="checkbox"/> Water Shut-Off |
| | <input type="checkbox"/> Conversion to Injection |
| | <input type="checkbox"/> Dispose Water |

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Day 7 (4/6/92): WOC

Day 8 (4/7/92): WOC. Change 9-5/8" BOP stack to 4-1/2" BOP stack.
Test BOP's. RIH w/ bit to DV tool at 2938'. WOC.



14. I hereby certify that the foregoing is true and correct

Signed Bob Hawk

Title Geologist

Date 4/7/92

(This space for Federal or State office use)

Approved by _____
Conditions of approval, if any:

Title _____

Date _____

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*See Instruction on Reverse Side

Form 3160-5
(June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

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SUBMIT IN TRIPLICATE

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

5. Lease Designation and Serial No.
14-20-603-4190

6. If Indian, Allottee or Tribe Name
Navajo

7. If Unit or CA, Agreement Designation

8. Well Name and No.
Tract 138-#5

9. API Well No.
02-001-05160

10. Field and Pool, or Exploratory Area
Dry Mesa Field

11. County or Parish, State
Apache Co. AZ

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
Dry Mesa Corporation

3. Address and Telephone No.
P. O. Box 5446 Farmington, NM 87499 (505) 325-2058

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
660' FSL 660' FWL Sec 1 T40N R28E

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

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|---|--|
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| | <input type="checkbox"/> Casing Repair |
| | <input type="checkbox"/> Altering Casing |
| | <input type="checkbox"/> Other |
| | <input type="checkbox"/> Change of Plans |
| | <input checked="" type="checkbox"/> New Construction |
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| | <input type="checkbox"/> Conversion to Injection |
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13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Day 3 (4/2/92): DRLG ahead at 1965'. Hit hard fill. ROP dropped significantly. Shale and CMT in samples. Hole appears partially collapsed. DRLG ahead very slowly.

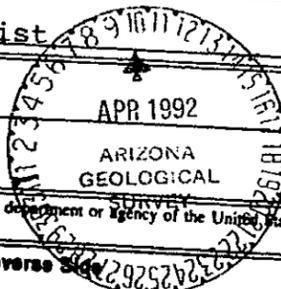
Day 4 (4/3/92): DRLG at 2058'. ROP much improved. Hole began to get tite. Mixed mud and CIRC. DRLD to 3591'. Began to get significant gas to surface. No H2S recorded. Shut pipe rams. No pressure at surface. DRLD 3 stands and CIRC bottoms up. Continue to get gas at surface. DRLG ahead slowly and CIRC. (no CMT plug was found at 2250' - 2350' as reported in plugging records)

14. I hereby certify that the foregoing is true and correct

Signed Bob Hand Title Geologist Date 4/5/92

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____
Conditions of approval, if any:



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*See instruction on Reverse

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SUNDRY NOTICES AND REPORTS ON WELLS

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FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

5. Lease Designation and Serial No.
14-20-603-4190

6. If Indian, Allottee or Tribe Name

Navajo

7. If Unit or CA, Agreement Designation

8. Well Name and No.
Tract 138-#5

9. API Well No.
02-001-05160

10. Field and Pool, or Exploratory Area
Dry Mesa Field

11. County or Parish, State
Apache Co. AZ

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
Dry Mesa Corporation

3. Address and Telephone No.
P. O. Box 5446 Farmington, NM 87499 (505) 325-2058

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
660' FSL 660' FWL Sec 1 T40N R28E

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | |
|---|--|--|
| <input type="checkbox"/> Notice of Intent | <input type="checkbox"/> Abandonment | <input type="checkbox"/> Change of Plans |
| <input checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Recompletion | <input checked="" type="checkbox"/> New Construction |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Plugging Back | <input type="checkbox"/> Non-Routine Fracturing |
| | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> Water Shut-Off |
| | <input type="checkbox"/> Altering Casing | <input type="checkbox"/> Conversion to Injection |
| | <input type="checkbox"/> Other | <input type="checkbox"/> Dispose Water |

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

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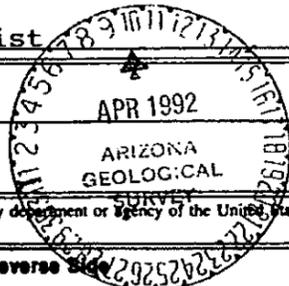
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14. I hereby certify that the foregoing is true and correct

Signed Rolo Hand Title Geologist Date 4/5/92

(This space for Federal or State office use)

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SUBMIT IN TRIPLICATE

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
 Dry Mesa Corporation

3. Address and Telephone No.
 P. O. Box 5446 Farmington, NM 87499 (505) 325-2058

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
 660' FSL 660' FWL Sec 1 T40N R28E

FORM APPROVED
 Budget Bureau No. 1004-0135
 Expires: March 31, 1993

5. Lease Designation and Serial No.
 14-20-603-4190

6. If Indian, Allottee or Tribe Name
 Navajo

7. If Unit or CA, Agreement Designation

8. Well Name and No.
 Tract 138-#5

9. API Well No.
 02-001-05160

10. Field and Pool, or Exploratory Area
 Dry Mesa Field

11. County or Parish, State
 Apache Co. AZ

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

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| | <input type="checkbox"/> Other |
| | <input type="checkbox"/> Change of Plans |
| | <input checked="" type="checkbox"/> New Construction |
| | <input type="checkbox"/> Non-Routine Fracturing |
| | <input type="checkbox"/> Water Shut-Off |
| | <input type="checkbox"/> Conversion to Injection |
| | <input type="checkbox"/> Dispose Water |

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

The well was spudded at 13:00 hours on Tuesday, March 31, 1992.

Day 1 (3/31/92): MI rig. RU. Test BOPS. NU wellhead. Drill 1st plug (15'cmt). Drilling ahead.

Day 2 (4/1/92): Drill to top of 2nd plug (1085') Test surface CSG. CSG TSTD good. Drill out 2nd plug. Drilling ahead.



14. I hereby certify that the foregoing is true and correct

Signed Bobs Hand Title Geologist Date 4/2/92

(This space for Federal or State office use)

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(June 1990)

UNITED STATES
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BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

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SUBMIT IN TRIPLICATE

| | |
|--|---|
| 1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other | 5. Lease Designation and Serial No. 14-20-603-4190 |
| 2. Name of Operator Dry Mesa Corporation | 6. If Indian, Allottee or Tribe Name Navajo |
| 3. Address and Telephone No. P. O. Box 5446 Farmington, NM 87499 (505) 325-2058 | 7. If Unit or CA. Agreement Designation |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 660' FSL 660' FWL Sec 1 T40N R28E | 8. Well Name and No. Tract 138-#5 |
| | 9. API Well No. 02-001-05160 |
| | 10. Field and Pool, or Exploratory Area Dry Mesa Field |
| | 11. County or Parish, State Apache Co. AZ |

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| | <input type="checkbox"/> Other _____ |
| | <input type="checkbox"/> Change of Plans |
| | <input checked="" type="checkbox"/> New Construction |
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Day 5 (4/4/92): DRLG at 4300'. CIRC and mix mud. Significant gas at surface. Hit CMT plug at 4750'. DRLD CMT to 5094'. Gas at surface ceased. DRLD to 5451', Hit hard CMT, Well at TD (5451'), CIRC and condition hole. TOH. Hole tite at 1800'. TIH and CIRC. TOH, Hole still tite at 1800'. CIRC and ream tite spot.

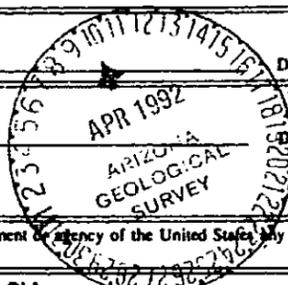
Day 6 (4/5/92): TOH. Set CSG, CMT 1st stage, CIRC 4 hours. CMT 2nd stage, WOC. CSG and CMT details included on attachment.

14. I hereby certify that the foregoing is true and correct

Signed Bob Hand Title Geologist Date 4/6/92

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Casing and Cementing Record

for Dry Mesa Corporation
Navajo Tract 138 - Well #5
located in Section 1, T40N R28E, Apache County, Arizona

Existing conductor and surface casing were utilized from the original plugged well. The specifications follow:

| <u>Purpose</u> | <u>Size</u> | <u>Grade</u> | <u>Weight</u> | <u>Set Depth</u> |
|----------------|-------------|--------------|---------------|------------------|
| Conductor | 13-3/8" | H-40 | 48# | 0' - 43' |

Cemented to surface with 45 sacks Regular Cement with 2% CaCl₂

| <u>Purpose</u> | <u>Size</u> | <u>Grade</u> | <u>Weight</u> | <u>Set Depth</u> |
|----------------|-------------|--------------|---------------|------------------|
| Surface | 9-5/8" | J-55 | 40# | 0' - 1102' |

Cemented to surface with 276 sacks 50/50 Pozmix and Regular with 2% CaCl₂, followed by 150 sacks Regular Cement

New production casing was used and cemented to surface with a two stage cement job. Specifications follow:

131 joints of new casing were set. The hole size was 8-3/4".

| <u>Purpose</u> | <u>Size</u> | <u>Grade</u> | <u>Weight</u> | <u>Set Depth</u> |
|----------------|-------------|--------------|---------------|------------------|
| Production | 4-1/2" | J-55 | 10.5# | 0' - 5391' |

10 Centralizers were placed at every other joint beginning at the shoe joint. A centralizer was placed on either side of the diverter tool at 2938', and at 2350' and 2250' the base of fresh water (14 centralizers total).

Cementing was done by the Western Company. A diverter tool was placed at 2938' and the float collar was set at 5354' (PBTD). The first stage used 300 sacks Pacesetter Light plus 12% gel (yield 687 cubic feet) followed by 375 sacks Class B Neat (yield 439 cubic feet).

The upper hole was circulated for 4 hours.

The second stage used 483 sacks Pacesetter Light plus 12% gel (yield 1106 cubic feet) followed by a tail slurry of 100 sacks Class B with 2% CaCl₂ (yield 117 cubic feet). 7 barrels were circulated to surface. The plug was down at 6:30 PM on 4/5/92.



THE WESTERN COMPANY
CEMENT JOB DETAIL SHEET

| | | | | | | | | | | | | | | | |
|--|------------------------------|--|------------------------|--|---|---|--------------------|--|-------------|-------------|-------------|--------------|--------------|--------------|--|
| CUSTOMER <i>Dry Mesa Pt</i> | | DATE <i>7-5-01</i> | SRV. NO. <i>213241</i> | SER. SUP. <i>Hubb. Hous.</i> | TYPE JOB <i>W-35</i> | | | | | | | | | | |
| LEASE NAME <i>W-35</i> | | LOCATION <i>Hubb. Hous.</i> | | COUNTY-PARISH-BLOCK <i>Hubb. Hous.</i> | | | | | | | | | | | |
| DISTRICT <i>Hubb. Hous.</i> | | DRILLING CONTRACTOR/RIG <i>Hubb. Hous.</i> | | OPERATOR <i>D. J. Hous.</i> | | | | | | | | | | | |
| MATERIAL FURNISHED BY WPS | TYPE OF PLUGS | LIST CSG HARDWARE | SQ. MANI. FOLD | TOP OF EACH FLUID | PHYSICAL SLURRY PROPERTIES | | | | | | | | | | |
| | <i>TOP 1 5/8" Plug</i> | <i>ENRES FRAC Collar</i> | <i>Y N</i> | | SLURRY WGT PPG, SLURRY YLD FT, WATER GPS, PUMP TIME HR:MIN, BN SLURRY, Bbl. MIX WATER | | | | | | | | | | |
| | <i>300 sks 65-35-122 gal</i> | | <i>687 cu ft</i> | | <i>11.78 2.29 10.79 1224 913</i> | | | | | | | | | | |
| | <i>375 sks B-wat</i> | | <i>442 cu ft</i> | | <i>15.6 1.18 5.2 78.87 464</i> | | | | | | | | | | |
| | <i>10 bbls W.M.W.1</i> | | | | <i>10 10</i> | | | | | | | | | | |
| Available Mix Water <i>400</i> Bbl. | | Available Displ. Fluid <i>100</i> Bbl. | | TOTAL <i>31137/47.7</i> | | | | | | | | | | | |
| HOLE | | TBG-CSG-D.P. | | TBG-CSG-D.P. | | COLLAR DEPTHS | | | | | | | | | |
| SIZE | % EXCESS | DEPTH | SIZE | WGT. | TYPE | DEPTH | SIZE | WGT. | TYPE | DEPTH | SHOE | FLOAT | STAGE | | |
| <i>8 3/4</i> | <i>50</i> | <i>5450</i> | <i>4 1/2</i> | <i>10.5</i> | <i>K-55</i> | <i>5439</i> | | | | | <i>5439</i> | <i>5315</i> | <i>2980</i> | | |
| LAST CASING | | PKR-CMT RET-BR PL-LINER | | PERF. DEPTH | | TOP CONN | | WELL FLUID | | | | | | | |
| SIZE | WGT. | TYPE | DEPTH | BRAND & TYPE | DEPTH | TOP | BTM | SIZE | THREAD | TYPE | WGT. | | | | |
| <i>9 5/8</i> | <i>36.2</i> | | <i>1100'</i> | | | <i>4 1/2</i> | <i>8nd.</i> | <i>Mod</i> | | <i>7.0</i> | | | | | |
| CAL. DISPL. VOL.-Bbl. | | CAL. PSI | | CAL. MAX PSI | | OP. MAX | | MAX TBG PSI | | MAX CSG PSI | | DISPL. FLUID | | WATER SOURCE | |
| TBG. | CSG. | CSG. | TOTAL | BUMP PLUG | TO REV | SQ. PSI | RATED | OP. | RATED | OP. | TYPE | WGT. | WATER SOURCE | | |
| | | <i>84.7</i> | <i>84.7</i> | | | | | | <i>4790</i> | <i>3800</i> | <i>Mod</i> | <i>7.0</i> | <i>7.0</i> | | |
| EXPLANATION: TROUBLE SETTING TOOL, RUNNING CSG, ETC. PRIOR TO CEMENTING. | | | | | | | | | | | | | | | |
| PRESSURE/RATE DETAIL | | | | | | EXPLANATION | | | | | | | | | |
| TIME HR: MIN. | PRESSURE-PSI | RATE BPM | Bbl. FLUID PUMPED | FLUID TYPE | SAFETY MEETING: WPS CREW <input checked="" type="checkbox"/> CO. REP <input type="checkbox"/> | TEST LINES <i>4000</i> PSI <i>12.45</i> | | CIRCULATING WELL-RIG <input checked="" type="checkbox"/> WPS <input checked="" type="checkbox"/> | | | | | | | |
| <i>1250</i> | <i>4.2nd</i> | | <i>10</i> | <i>Flush</i> | <i>W.M.W.-1</i> | | | | | | | | | | |
| <i>1253</i> | <i>4.2nd</i> | | <i>10</i> | <i>H₂O</i> | <i>H₂O</i> | | | | | | | | | | |
| <i>1255</i> | <i>5mm-240</i> | | <i>1224</i> | <i>PSL</i> | <i>Contact @ 11.78</i> | | | | | | | | | | |
| <i>1315</i> | <i>6mm-200</i> | | <i>78.87</i> | <i>TA-1</i> | <i>Contact @ 15.6</i> | | | | | | | | | | |
| <i>1332</i> | | | | | <i>Shut down</i> | | | | | | | | | | |
| <i>1333</i> | | | | | <i>Wash up & Plug Plug</i> | | | | | | | | | | |
| <i>1336</i> | <i>8mm-2000</i> | | <i>85.78</i> | <i>H₂O</i> | <i>Displace H₂O</i> | | | | | | | | | | |
| <i>1354</i> | <i>2mm</i> | | | | <i>Bump Plug</i> | | | | | | | | | | |
| <i>1357</i> | <i>2000-0</i> | | | | <i>Blow out</i> | | | | | | | | | | |
| <i>1405</i> | | | | | <i>Mod Bump</i> | | | | | | | | | | |
| <i>1420</i> | <i>8mm-600</i> | | | <i>Mud</i> | <i>Call Tool</i> | | | | | | | | | | |
| <i>1431</i> | <i>6mm-800</i> | | <i>220</i> | <i>Mud</i> | <i>Pump 220 bbls Mud</i> | | | | | | | | | | |
| <i>1500</i> | | | | <i>Mud</i> | <i>Swirl arm to Rig Circulate</i> | | | | | | | | | | |
| BUMPED PLUG | PSI TO BUMP PLUG | TEST FLOAT EQUIP. | TOTAL Bbl. PUMPED | Bbl. CMT. RETURNS/ REVERSED | PSI LEFT ON CSG | SPOT TOP CEMENT | SER. SUP. | CUSTOMER REP. | | | | | | | |
| <i>(N)</i> | | <i>Y</i> | <i>537</i> | <i>0</i> | | | <i>Hubb. Hous.</i> | <i>[Signature]</i> | | | | | | | |

213



THE WESTERN COMPANY
CEMENT JOB DETAIL SHEET

| | | | | | | | | | | | |
|--|---|--|---|-------------------|----------------------------|--------------|--------------|-------------|---------------|-----------------------|----------------|
| CUSTOMER <i>Day, Massey, Petroleum</i> | | DATE <i>4-22-54</i> | SER. SUP. <i>K. H. Hart</i> | TYPE JOB <i>1</i> | | | | | | | |
| LEASE / WELL NAME / OCSG <i>100-20-118</i> | | LOCATION <i>100-20-118</i> | COUNTY / DISTRICT / BLOCK <i>100-20-118</i> | | | | | | | | |
| DISTRICT <i>100-20-118</i> | DRILLING CONTRACTOR / RIG <i>100-20-118</i> | | OPERATOR <i>100-20-118</i> | | | | | | | | |
| MATERIAL FURNISHED BY WPS | TYPE OF PLUGS | LIST CSG HARDWARE | SO. MAN. FOLD Y N | TOP OF EACH FLUID | PHYSICAL SLURRY PROPERTIES | | | | | | |
| <i>485 sks 65-35-12</i> | | | <i>110</i> | | <i>11.8</i> | <i>2.29</i> | <i>12.8</i> | | <i>178</i> | <i>147</i> | |
| <i>100 sks B+2% ACL6 outside</i> | | | <i>116</i> | | <i>15.6</i> | <i>1.18</i> | <i>15.6</i> | | <i>21</i> | <i>11.3</i> | |
| <i>10 Bbls WMW-1</i> | | | | | | | | | | <i>10</i> | |
| Available Mix Water <i>300</i> Bbl. | | Available Displ. Fluid <i>100</i> Bbl. | | TOTAL | <i>219</i> | <i>169</i> | | | | | |
| HOLE | | | TBG-CSG-D.P. | | | TBG-CSG-D.P. | | | COLLAR DEPTHS | | |
| SIZE | % EXCESS | DEPTH | SIZE | WGT. | DEPTH | SIZE | WGT. | DEPTH | SHOE | FLOAT | STAGE |
| | | <i>4 1/2</i> | <i>10.5</i> | <i>1.55</i> | <i>2980</i> | | | | | | <i>2980</i> |
| LAST CASING | | | PKR-CMT RET-BR PL-LINER | | | PERF. DEPTH | | | TOP CONN | | WELL FLUID |
| SIZE | WGT. | DEPTH | BRAND & TYPE | | | DEPTH | TOP | BTM | SIZE | THREAD | TYPE |
| <i>9 5/8</i> | <i>36</i> | <i>1100</i> | | | | | <i>4 1/2</i> | <i>800</i> | | <i>800</i> | <i>Mud 9.1</i> |
| CAL. DISPL. VOL.-Bbl. | | | CAL. PSI | CAL. MAX PSI | OP. MAX | MAX TBG PSI | | MAX CSG PSI | | DISPL. FLUID | WATER SOURCE |
| TBG | CSG | TOTAL | BUMP PLUG | TO REV | SO. PSI | RATED | OP. | RATED | OP. | TYPE | WGT. |
| | | <i>47.38</i> | <i>47.38</i> | <i>900</i> | | | | <i>4790</i> | <i>3800</i> | <i>H₂O</i> | <i>8.4</i> |

EXPLANATION: TROUBLE SETTING TOOL, RUNNING CSG, ETC. PRIOR TO CEMENTING

| PRESSURE/RATE DETAIL | | | | | EXPLANATION | |
|----------------------|-------------------|----------------------|----------|-------------------|-------------|---|
| TIME HR: MIN. | PRESSURE-PSI PIPE | PRESSURE-PSI ANNULUS | RATE BPM | Bbl. FLUID PUMPED | FLUID TYPE | SAFETY MEETING: WPS CREW <input checked="" type="checkbox"/> CO. REP <input type="checkbox"/> |
| <i>1730</i> | <i>400</i> | | | | | <i>WMW-1</i> |
| <i>1732</i> | <i>200</i> | | | | | <i>160</i> |
| <i>1734</i> | <i>200-200</i> | <i>UN!</i> | | | | <i>Cement 11.8</i> |
| <i>1800</i> | <i>400</i> | | | | | <i>15.6</i> |
| <i>1810</i> | <i>-</i> | | | | | <i>11.8</i> |
| <i>1812</i> | <i>-</i> | | | | | <i>15.6</i> |
| <i>1814</i> | <i>200-100</i> | | | | | <i>11.8</i> |
| <i>1822</i> | <i>200-200</i> | | | | | <i>15.6</i> |
| <i>1824</i> | <i>2500-0</i> | | | | | <i>11.8</i> |

| | | | | | | | | |
|-------------------------------------|------------------|-------------------------------------|-------------------|-----------------------------|-----------------|-----------------|-----------------------|---------------------------|
| BUMPED PLUG | PSI TO BUMP PLUG | TEST FLOAT EQUIP. | TOTAL Bbl. PUMPED | Bbl. CMT. RETURNS/ REVERSED | PSI LEFT ON CSG | SPOT TOP CEMENT | SER. SUP. <i>M.H.</i> | CUSTOMER REP. <i>C.G.</i> |
| <input checked="" type="checkbox"/> | <i>1500</i> | <input checked="" type="checkbox"/> | <i>700</i> | <i>0</i> | <i>0</i> | | | |

213

Application for a Permit to Drill
as specified by:
Onshore Oil and Gas Order 1
for drilling the

DRY MESA CORPORATION
Navajo Tract 138 Well #5
660' FSL and 660' FWL, Section 1, T40N R28E, Apache Co., Arizona

Part A. DRILLING PROGRAM

1. Important Geological Markers (taken from log correlation)

| <u>FORMATION</u> | <u>DEPTH</u> |
|------------------|--------------|
| Chinle | 1315' |
| Shinarump | 1995' |
| Moenkopi | 2030' |
| De Chelly | 2270' |
| Organ Rock | 2680' |
| Cedar Mesa | 3300' |
| Hermosa Group | 4028' |
| Ismay | 4595' |
| Desert Creek | 4730' |
| Akah | 4803' |
| Barker Creek | 4964' |
| Molas | 5378' |
| T.D. | 5400' |

2. Depth of Anticipated Water, Oil, Gas, or Minerals

The anticipated gas pay zone is in the Barker Creek Formation at 5049' - 5075'.

SP log analysis indicates that the base of usable water (TDS baseline of 10,000 ppm Chlorides) occurs in the upper portion of the De Chelly Formation around 2300'.

Production casing will be set and cemented from T.D. to surface. This will protect all formations encountered.

3. Minimum Specifications For Pressure Control

Exhibit D is a schematic of a blowout preventer of the type to be used on this well. The BOP's will be hydraulically tested to their full working pressure after nipping up and after any use under pressure. Pipe rams will be operationally checked each 24 hour period and blind rams with annular preventer checked each time pipe is pulled out of the hole. Accessories to the BOP stack will include kelly cock, floor safety valve, and choke manifold with pressure rating equal to the BOP stack.

Anticipated BOP Testing Procedure:

1. All ram type preventers will be tested to the rated working pressure of the stack or to 70% of the minimum internal yield of the casing (whichever is less).
2. The annular preventers will be tested to 50% of their rated working pressures.
3. BOP tests will be run at the time of installation, prior to drilling out the casing shoe, and at least every 14 days.

Note: The drilling contractor selected to drill this well may have a different BOP test schedule. If the contractor's testing schedule is radically different, a Sundry Notice detailing BOP testing will be submitted to the BLM for approval before nipping up is completed.

4. Casing and Cementing

It is planned to utilize the existing conductor and surface casing strings in the abandoned Pure Oil - Navajo #5 Well (after an appropriate casing and casing shoe integrity test is run) and to set a new string of 5-1/2" production casing to T.D. The casing and cementing specifications follow:

| Purpose | Size | Grade | Weight | Thread Type | Set Depth |
|------------|---|-------|--------|-------------|------------|
| (existing) | | | | | |
| Conductor | 13-3/8" | H-40 | 48# | STC | 0' - 43' |
| | Cemented to surface with 45 sacks Regular Cement with 2% CaCl | | | | |
| (existing) | | | | | |
| Surface | 9-5/8" | J-55 | 40# | STC | 0' - 1102' |
| | Cemented to surface with 276 sacks 50/50 Pozmix and Regular with 2% CaCl followed by 150 sacks Regular Cement | | | | |
| (New) | | | | | |
| Production | 5-1/2" | J-55 | 15.5# | STC | 0' - 5400' |

A two stage cement job will be used to cement from T.D. to surface. The job will use a sliding sleeve joint placed around 3000' and a diverter tool. The first stage will use 718 sacks (606 sacks calculated annular volume plus 212 sacks 35% excess minus 100 sacks) 65/35 Pozmix/Regular lead slurry followed by 100 sacks Class 'B' Neat tail slurry. The sleeve will be opened and the second stage will be pumped. The second stage will be a 65/35 Pozmix/Regular followed by 100 sacks of Class 'B' Neat. The anticipated volume will be 1020 sacks; (479 sacks of calc. open hole volume + 167 sacks for 35% excess + 374 sacks of cased hole volume), or: a volume sufficient to circulate cement to surface.

Existing Casing Test Method:

After welding a new casing head on the existing 9-5/8" casing, Plug #6 (0-25') will be drilled out and Plug #5 (1075' - 1350') felt for. When it is established that Plug #5 exists, is competent, and the top of the plug is inside the existing 9-5/8" casing, the 9-5/8" string will be pressured to 1000 psi and monitored 15 minutes for pressure drop. If the test is successful, plug #5 will be drilled to a depth of 1110' (8' below base of 9-5/8" casing), a cement integrity test (shoe test) will be run to ensure a competent cement job. The shoe test shall consist of pressuring the hole to 1000 psi and monitoring 15 minutes for any pressure drop.

Auxiliary Equipment to be used while drilling include:

1. Kelly cock
2. A stabbing valve to be stabbed into the drill pipe when the Kelly is not in the drill string
3. A float may be used at the bit
4. H₂S monitoring equipment will be used from 2350' to T.D.
5. mud gas monitoring equipment will be used from 2350' to T.D.

5. Type and Characteristics of the Proposed Circulating Muds

| <u>Interval</u> | <u>Mud Type</u> | <u>Mud Weight</u> | <u>Viscosity</u> | <u>Fluid Loss</u> | <u>pH</u> |
|-----------------|-----------------|-------------------|------------------|-------------------|------------|
| 0' - 1200' | Spud Mud | 8.5 - 9.0 | 35 - 50 | No Control | 9 - 10 |
| 1200' - 5400' | Non Dispersed | 9.0 - 9.5 | 35 - 45 | 15 - 20 | No Control |

Note: the above fluid properties are meant only as a guide and will be adjusted to meet actual wellsite conditions.

The anticipated mud volume will be 720 bls (420 bls hole volume plus 300 bls). According to the original plugging report, heavy mud was placed between all of the cement plugs. If this is so, the mud volume needed to be mixed may vary greatly from the 720 bls indicated above. In any case, a sufficient volume of barite weighting materials will be on hand to drill and complete this well and provide for adequate blow-out protection. A total mud gas monitoring system will be used from 2350' (base of plug #4) to T.D.

6. Testing, Logging, and Coring Program

The well was originally logged by Schlumberger with SP, Induction Electric, Gamma Ray, Sonic, and Caliper Logging tools. The well was cored from 5022' - 5064' and drill stem tested from 5019' - 5064'.

If the cement plugs can be successfully drilled out, the anticipated logging program will consist of a cased hole Gamma Ray/Neutron Correlation Log for perforating and a CBL. No cores or DST's are anticipated.

7. Abnormal Temperatures, Pressures, or Hazardous Conditions

The maximum recorded temperature in the Pure Oil - Navajo Well #5 was 130° F at T.D. of 5641'. The maximum anticipated temperature at a T.D. of 5400' will be around 125° F.

The maximum recorded pressure in the Pure Oil - Navajo Well #5 was 1565 psi during a DST at 5591'. The maximum anticipated pressure at a T.D. of 5400' will be around 1525 psi.

Water flows in the De Chelly formation have been known to occur in this area and sufficient mud weight will be maintained to counter their possibility.

An H₂S hazard will exist in the lower Paradox Formations. An H₂S concentration of 0.5% was measured in the gas produced during the DST of the Barker Creek Formation (anticipated gas pay zone). Envirosafe out of Cortez, Colorado will be contracted to perform H₂S monitoring from 2350' (base of plug #4) to T.D. . The rig will be notified of this potential hazard before spud so that the crew can be properly H₂S safety trained and so that H₂S safety equipment will be in place and ready if needed.

8. Anticipated Starting Date, Duration of Operations, and Notification of Operations

The anticipated starting date will be immediately after the issuance of drilling permits from the BLM and State of Arizona, and after necessary approvals from the various Navajo Tribal Authorities are obtained.

Drilling, testing, and completion operations should be completed within one month of spudding the redrill.

Dry Mesa Corporation, P. O. Box 5446, Farmington, NM 87499 - phone 505/325-2058 will be the operator. The operator will orally notify the BLM in Farmington, NM and the BIA in Ship Rock, NM 48 hours prior to beginning construction of the location. The operator will notify the BLM in Farmington, NM 24 hours prior to spud. A Sundry Notice (form 3160-5) will be sent reporting spud date and time. Should the well prove to be non-commercial, the operator will contact the BLM regarding P&A operations. The well will not be plugged without prior knowledge and approval from the BLM. Upon completion and production testing of the well, a Well Completion Form 3160-B will be filed. When the well has been hooked up to the pipeline and commercial production begins, a Sundry Notice (form 3160-5) will be filed detailing initial production pressures and volumes. The operator will file Form 9-329 "Monthly Report of Operations" from the month of first commercial production until the well is plugged.

Part B. SURFACE USE PLAN

1. Existing Roads

A. A survey map showing the staked location and elevation for the proposed drilling location is included as Exhibit B.

B. The proposed wellsite is located approximately 10 miles southeast of the Red Mesa Trading Post, Arizona. The location is shown on Exhibit E. Directions to the location from the Red Mesa Trading Post are as follows:

From the Red Mesa Trading Post on AZ Highway 160, proceed southward on the Sweetwater Road (not paved) for approx. 4.5 miles. At the top of the mesa, turn southeast onto a dirt road and follow it approx. 1.1 miles. At the intersection of dirt roads, turn east onto the dirt road and follow it for approx 1.7 miles and turn north. Follow this dirt road approx. 8/10 mile to the location. See Exhibit E.

C. The location of all known existing roads in the area are shown on Exhibit E.

D. The staked location as surveyed is located within 10' of an existing road. There is no surface indication of the plugged wellbore and some doubt about the actual location remains. It is planned to locate the plugged wellbore with a blade when clearing the location. It appears certain that the access road will have to be diverted around the wellbore however, the distance and direction can not be forecasted until the wellbore is definitely located. If the wellbore is not located at the position indicated by the surveyor, a new survey will be made. A decision regarding rerouting of the road will not be made until after the On-Site Inspection and until the wellbore is definitely located.

Aside from diverting the access road around the wellbore, there are no plans to upgrade any of the other existing roads. We will maintain these roads in the same or better condition and repair any damage resulting from drilling, completion, or subsequent workover operations of this well.

2. Planned Access Roads

Since the well is located next to an existing road, no additional access roads will be required. The following list of planned access road information is not applicable.

- | | |
|--|----------------|
| A. Length of the access road: | Not Applicable |
| B. Maximum grade: | Not Applicable |
| C. Turnouts: | Not Applicable |
| D. Drainage design: | Not Applicable |
| E. Culverts: | Not Applicable |
| F. Surfacing material: | Not Applicable |
| G. Gates, cattlegaurds, or fence cuts: | Not Applicable |
| H. Centerline flagging: | Not Applicable |

3. Location of Existing Wells

All existing or plugged and abandoned wells drilled in the area are shown on Exhibit F. The water well indicated on the map is 970' deep and provides water for livestock use only. Dry Mesa Corporation operates all of the oil and gas wells within 1 mile of this location.

4. Location of Existing and Proposed Production Facilities

In the event that the well is productive, planned production facilities will included: a three stage separator, condensate tank, water evaporating tank, methanol injection facility, meter run, and pipeline hook-up. The location of the anticipated new production facilities are shown on Exhibit G. All facilities will be located on the drilling pad and within reach of the existing road. The wellhead, separator, condensate tank, and all pits will be fenced. Additionally, the condensate tank will be bermed on all sides. Appropriate H₂S warning signs and a windsock will be erected on location. The gathering line and pipeline hook-up already exist.

5. Water Supply

The water supply for drilling and completing the proposed well will come from the San Juan River located in SW/4 Section 21, T32N R20W. The water will be trucked to the location over existing roads by a commercial water hauling company. No water well will be drilled for this well.

6. Source of Construction Material

No additional construction materials will be needed to build the proposed location. Any sand or gravel used in the construction of permanent production facilities will be obtained through a local commercial source.

7. Methods for Handling Waste Disposal

(1)(2)(3) The drill cuttings, circulating fluids, and produced fluids will be placed in the reserve pit. The reserve pit will be fenced on the three sides away from the drilling pad during drilling and on the fourth side as soon as the rig moves out. The reserve pit will be allowed to dry out completely, backfilled, and contoured to the local topography as possible. The reserve pit and portion of the location not used for production facilities will then be reseeded with an appropriate seed mixture as directed by the BIA.

(4) A portable chemical toilet will be provided and maintained during drilling operations.

(5) A portable trash bin will be on location during drilling and completion operations.

(6) During and after drilling and completion, the location and surrounding area will be cleared of any trash or drilling debris. Such debris will be deposited in the trash bin. After completion operations, the trash bin will be hauled off to a suitable landfill for proper disposal of the trash.

8. Ancillary Facilities

No ancillary facility will be built during the drilling or completion of this well.

9. Well Site Layout

A. A cross section showing the drilling pad with appropriate cuts and fills is shown on Exhibit H.

B.C. The location of the reserve pit, drilling equipment, rig orientation, and access road approach are shown on Exhibit I. (Note: Exhibit I shows the layout of a typical rig. Since no drilling contractor has been selected at this time, the actual rig layout may vary from this diagram)

D. The reserve pit will be lined.

10. Surface Rehabilitation Plan

Upon completion or abandonment of the well, that portion of the location not used in production will be cleaned of trash and debris, recontoured as naturally as possible, and reseeded with the appropriate seed mixture as determined by the BIA. The reserve pit will be allowed to dry completely and the pit lining material will be cut off 24" below ground level before the pit is backfilled and recontoured. Production equipment will be painted the color designated by the surface managing agency. Appropriate fences will be erected to keep out livestock. H₂S warning signs and a windsock will be erected to warn the local population of possible H₂S danger.

11. Surface and Mineral Ownership

The land surface and mineral owner for all land involved in this well is the Navajo Nation, headquartered in Window Rock, Arizona.

12. Other Information

An archaeological survey for the proposed location was conducted for Dry Mesa Corporation by Abajo Archaeology in January, 1992. A copy of this survey is included as Exhibit J. The survey found no historic sites and concluded that no adverse impact regarding historical finds will result from re-drilling this well. If any artifacts are uncovered during location building, the Navajo Nation Historic Preservation Department will be called and all work will stop until the proper authorities have had a chance to examine the site.

A complete environmental assessment for a portion of this location was conducted in 1991 for Western Gas Processors in order to secure a pipeline right of way. The E. A. found no endangered species of plants or animals inhabit the area. A copy of this E. A. is available for review if requested.

A gathering line to serve this well was built in August, 1991 by Western Gas Processors for Dry Mesa Corporation. Dry Mesa Corporation is the operator of the gathering line, Western Gas Processors operates the main line.

There will be no major changes from the proposed drilling program without prior approval from the BLM District Manager. Safe drilling and operating practices will be followed at all times. The well will be identified in accordance with 43 CFR 3162.2 prior to, during, and after drilling operations commence. Sundry Notices will be filed for approval for all changes in plans and other operations.

13. Lessee's or Operator's Representative and Certification

The operator of this well will be:
Dry Mesa Corporation
P. O. Box 5446
Farmington, New Mexico 87499
Kenneth Hand, President (505) 325-2058 or (316) 684-0420
Bob Hand, Geologist

CERTIFICATION

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Dry Mesa Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

SIGNATURE _____ DATE January 8, 1992
NAME Bob Hand TITLE Geologist

APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

APPLICATION TO DRILL

RE-ENTER OLD WELL

NAME OF COMPANY OR OPERATOR

Dry Mesa Corporation

Address

City

State

P. O. Box 5446, Farmington, NM 87499

Drilling Contractor

unknown at this time

Address

DESCRIPTION OF WELL AND LEASE

Federal, State or Indian Lease Number, or if fee lease, name of lessor
Navajo 14-20-603-4190

Well number
#5

Elevation (ground)
5914'

Nearest distance from proposed location to property or lease line:

4620 feet

Distance from proposed location to nearest drilling, completed or applied—for well on the same lease:

1867 feet

Number of acres in lease:

2357 acres

Number of wells on lease, including this well, completed in or drilling to this reservoir:

3 completed, 6 total penetrated

If lease, purchased with one or more wells drilled, from whom purchased:

Name

Address

BHP America

Houston, Texas

Well location (give footage from section lines)
660' FSL & 660' FWL

Section—township—range or block and survey
Section 1, T40N R28E

Dedication (Comply with Rule 105)
160 acres

Field and reservoir (if wildcat, so state)
Dry Mesa Field - Barker Creek

County

Apache

Distance in miles, and direction from nearest town or post office
Approx. 16 miles W-SW of Teec Nos Pos, AZ

Proposed depth:
5400'

Rotary or cable tools
Rotary

Approx. date work will start
Feb 1, 1992

Bond Status current

Organization Report

Filing Fee of \$25.00

Amount \$25,000

On file Yes Or attached

Attached YES

Remarks:

See Attachments

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the Geologist of the Dry Mesa Corporation (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

Bob Hand
Signature

1/7/92
Date

Permit Number: 213

Approval Date: 1-13-92

Approved By: Steven L. Rant

Notice: Before sending in this form be sure that you have given all information requested. Much unnecessary correspondence will thus be avoided.

Form No. 3

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
Application to Drill or Re-enter
File Two Copies

API # 02-001-05160

(Complete Reverse Side)

1. Operator shall outline the dedicated acreage for *both* oil and gas wells on the plat.
2. A registered professional engineer or land surveyor registered in the State of Arizona or approved by the Commission shall show on the plat the location of the well and certify this information in the space provided.
3. ALL DISTANCES SHOWN ON THE PLAT MUST BE FROM THE OUTER BOUNDARIES OF THE SECTION.
4. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES NO
5. If the answer to question four is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES NO . If answer is "yes," Type of Consolidation _____
6. If the answer to question four is "no," list all the owners and their respective interests below:

| Owner | Land Description |
|--|--|
| | |
| <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: auto;"> <p>Section 1</p> <p>160 acres</p> <p>T40N R28E</p> </div> | <p style="text-align: center;">CERTIFICATION</p> <p>I hereby certify that the information above is true and complete to the best of my knowledge and belief.</p> <p style="text-align: center;"><i>Bob Hand</i></p> <p>Name Bob Hand</p> <p>Position Geologist</p> <p>Company Dry Mesa Corp.</p> <p>Date 1/7/92</p> <p>I hereby certify that the well location shown on the plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.</p> <p>see attached survey plat</p> <p>Date Surveyed 12/17/91</p> <p>Registered Professional Engineer and/or Land Surveyor</p> <p>E. Risenhoover</p> <p>Certificate No. 14207</p> |

PROPOSED CASING PROGRAM

| Size of Casing | Weight | Grade & Type | Top | Bottom | Cementing Depths | Sacks Cement | Type |
|----------------|--------|--------------|-----|--------|------------------|--------------|---------|
| 13-3/8" | 48# | H-40 | 0 | 43' | 43' - 0 | 45 | Regular |
| 9-5/8" | 40# | J-55 | 0 | 1102' | 1102' - 0 | 426 | Poz/Reg |
| 5-1/2" | 15.5# | J-55 | 0 | 5400' | 5400' - 0 | 1740 | Poz/Reg |

Form 3160-3
(November 1983)
(formerly 9-331C)

SUBMIT IN TRIPPLICATE*
(Other instructions on
reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

| | | | | |
|---|--|-----------------------------------|--|-----------------|
| 1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> Re-enter DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> | | | 5. LEASE DESIGNATION AND SERIAL NO. 14-20-603-4190 | |
| b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/> | | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME Navajo | |
| 2. NAME OF OPERATOR Dry Mesa Corporation | | | 7. UNIT AGREEMENT NAME | |
| 3. ADDRESS OF OPERATOR P. O. Box 5446, Farmington, NM 87499 | | | 8. FARM OR LEASE NAME Tract 138 | |
| 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 660' FSL & 660' FWL, Section 1, T40N R28E At proposed prod. zone Same Location | | | 9. WELL NO. #5 | |
| 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* Approx. 16 miles W-SW of Teec Nos Pos, AZ | | | 10. FIELD AND POOL, OR WILDCAT Dry Mesa Field | |
| 15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drilg. unit line, if any) 4620' | | 16. NO. OF ACRES IN LEASE 2357 | 11. SEC., T., R., M., OR BLE. AND SURVEY OR AREA Sec 1, T40N R28E | |
| 18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1867' | | 19. PROPOSED DEPTH 5400' | 12. COUNTY OR PARISH Apache | 13. STATE AZ |
| 21. ELEVATIONS (Show whether DF, RT, GB, etc.) 5914' ground | | | 20. ROTARY OR CABLE TOOLS Rotary | |
| | | | 22. APPROX. DATE WORK WILL START* Feb 1, 1992 | |

23. PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|----------------|-----------------|---------------|--------------------|
| 17-1/2" | 13-3/8" | 48# H-40 | 43' | 45 sacks |
| 12-1/4" | 9-5/8" | 40# J-55 | 1102' | 426 sacks |
| 8-3/4" | 5-1/2" | 15.5# J-55 | 5400' | 1740 sacks |

SEE ATTACHMENTS

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED _____ TITLE Geologist DATE 1/7/92

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

DRY MESA CORPORATION - NAVAJO TRACT 138 WELL #5

Attachments to Form 3160-3

List of Exhibits

- Exhibit A.** Project Overview
- Exhibit B.** Location and Elevation Plat
- Exhibit C.** APD
 - Part A. Drilling Program
 - Part B. Surface Use Program
- Exhibit D.** B.O.P. Stack Diagram
- Exhibit E.** Topographical and Road Map
- Exhibit F.** Map of Wells in the Area
- Exhibit G.** Proposed Production Facilities Diagram
- Exhibit H.** Location Cut and fill Diagrams and Cross Sections
- Exhibit I.** Rig Layout Diagram
- Exhibit J.** Abajo Archaeology Report

Dry Mesa Corporation - Navajo Tract 138 Well #5

Project Overview

Dry Mesa Corporation is proposing to redrill a plugged and abandoned well located in the SW/4 SW/4, Section 1, T40N R28E, Apache County, Arizona. The well was originally drilled by Pure Oil Company in 1962. Although the well was non-productive in the Mississippian Leadville oil reservoir (oil pay in Dry Mesa Field), the well tested gas on a drill stem test at a rate estimated to be 2,500 MCF/day from the Barker Creek Formation before being plugged. Dry Mesa Corporation hopes to exploit this gas zone.

Pure Oil originally drilled and plugged the Navajo Tract 138 - Well #5 in 1962. A copy of the plugging report and a wellbore sketch showing the reported existing casing and cement plugs is included. Additional information (logs, cores, etc.) on this well should exist in your respective files. Dry Mesa Corporation hopes to utilize the existing conductor and surface casing, drill out the cement plugs numbered 2 - 6 on the diagram, and complete the well in the Barker Creek Formation. A recently installed gas gathering and sales line are available to transport the gas to a market.

Dry Mesa Corporation hopes to achieve a substantial cost savings by re-entering this well as opposed to drilling a new one. Cost savings will occur from not having to purchase, set, and cement two casing strings, and a substantial cost savings in rig time will result from drilling seven hundred feet of cement as opposed to drilling 5100' of new hole. Should the attempt to drill out the cement plugs prove to be unfeasible (due to collapsed casing, junk in hole, sidetracking off cement plugs, etc.), new hole will be drilled to a T.D. of 5150'. This will result in some minor deviations from the proposed drilling plan in areas such as estimated cement volume, logging, and formation testing. Otherwise, the proposed drilling program should cover both conditions.

PLUGGING RECORD

| | | | |
|--|-----------------|---|--|
| Operator The Pure Oil Company | | Address P. O. Box 1338, Moab, Utah | |
| Name of Lease INDIAN LAND Navajo Tract 138 | | Well No. 5 | Field & Reservoir Dry Mesa (Toh-Atin) Mississippian |
| Location of Well Navajo Tribe U-20-603-4190 | | Sec-Twp-Rge or Block & Survey County Apache | |
| Application to drill this well was filed in name of The Pure Oil Company | | | |
| Date plugged: October 19 & 20, 1962 | | Total depth 5,640' | Character of well at completion (initial production): Oil (bbls/day) None Gas (MCF/day) None Dry? Dry Hole |
| Name of each formation containing oil or gas. Indicate which formation open to well-bore at time of plugging | | Fluid content of each formation | Depth interval of each formation |
| Well Plugged and Abandoned as follows: | | | |
| Plug No. 1 | 5,640' - 5,400' | 240' - 130 | sax cement |
| Plug No. 2 | 5,150' - 4,950' | 200' - 100 | sax cement |
| Plug No. 3 | 4,650' - 4,550' | 100' - 50 | sax cement |
| Plug No. 4 | 2,350' - 2,250' | 100' - 50 | sax cement |
| Plug No. 5 | 1,350' - 1,075' | 275' - 15' | sax cement |
| Plug No. 6 | 25' - 0' | 25' - 22 | sax cement |

| CASING RECORD | | | | | |
|---------------|-------------------|------------------|--------------------|--|-------------------|
| Size pipe | Put in well (ft.) | Pulled out (ft.) | Left in well (ft.) | Give depth and method of parting casing (shot, ripped etc) | Packers and shoes |
| 13-3/8" | 43' | None | 43' | | |
| 9-5/8" | 1,102' | None | 1,102' | | |
| | | | | | |
| | | | | | |

| | | |
|---|--|--|
| Was well filled with mud-laden fluid, according to regulations? Yes | | Indicate deepest formation containing fresh water. |
|---|--|--|

| NAMES AND ADDRESSES OF ADJACENT LEASE OPERATORS OR OWNERS OF THE SURFACE | | |
|--|---------|---------------------------|
| Name | Address | Direction from this well: |
| Texas-Pacific Coal & Oil Co. is the Operator of the Toh-Atin Unit. The Pure Oil Co. was designated Operator for the drilling of the Navajo Tract 138, Well No. 5. | | |

In addition to other information required on this form, if this well was plugged back for use as a fresh water well, give all pertinent details of plugging operations to base of fresh water sand, perforated interval to fresh water sand, name and address of surface owner, and attach letter from surface owner authorizing completion of this well as a water well and agreeing to assume full liability for any subsequent plugging which might be required.

Use reverse side for additional detail
File this form in duplicate with the State of Arizona Oil & Gas Conservation Commission

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the **Moab District Office Manager** of the **Pure Oil Company** (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

Date: **November 8, 1962** Signature: *L. K. Joggan* **L. K. Joggan**

STATE OF ARIZONA OIL & GAS CONSERVATION COMMISSION
Plugging Record File two copies

Form No. P-15
Authorized by Order No. ~~XXXXXXXXXX~~
XXXXXXXXXXXXXXXXXXXXXXXXXXXX

ELEV. 5913' G.L.
(K.B. 5926')

Tract 138 - Well #5
T40N R28E SW SW Section 1
Dry Mesa Field Apache Co., Arizona

CASING HEAD CUT OFF,
STEEL CAP WELDED ON

Plug #6 25' / 22 Sacks
0' - 25'

17-1/2" (?) HOLE
to 45'

12-1/4" (?) HOLE
to 1102'

13-3/8" CONDUCTOR CASING @ 43'
48# H-40
CEMENTED TO SURFACE W/ 45 SACKS
REGULAR CMT W/ 2% CACL

9-5/8" SURFACE CASING @ 1102'
40# J-55
CEMENTED TO SURFACE W/
276 SACKS 50/50 POZMIX
W/ 2% CACL & 150 SACKS
REGULAR CMT

Plug #5 275' / 158 Sacks
1075' - 1350'

Plug #4 100' / 50 Sacks
2250' - 2350'

MUD PLACED BETWEEN ALL PLUGS
MW: ?, VIS: ?

MAX REPORTED HOLE DEVIATION $\angle 2$

8-3/4" OPEN HOLE
to T.D.

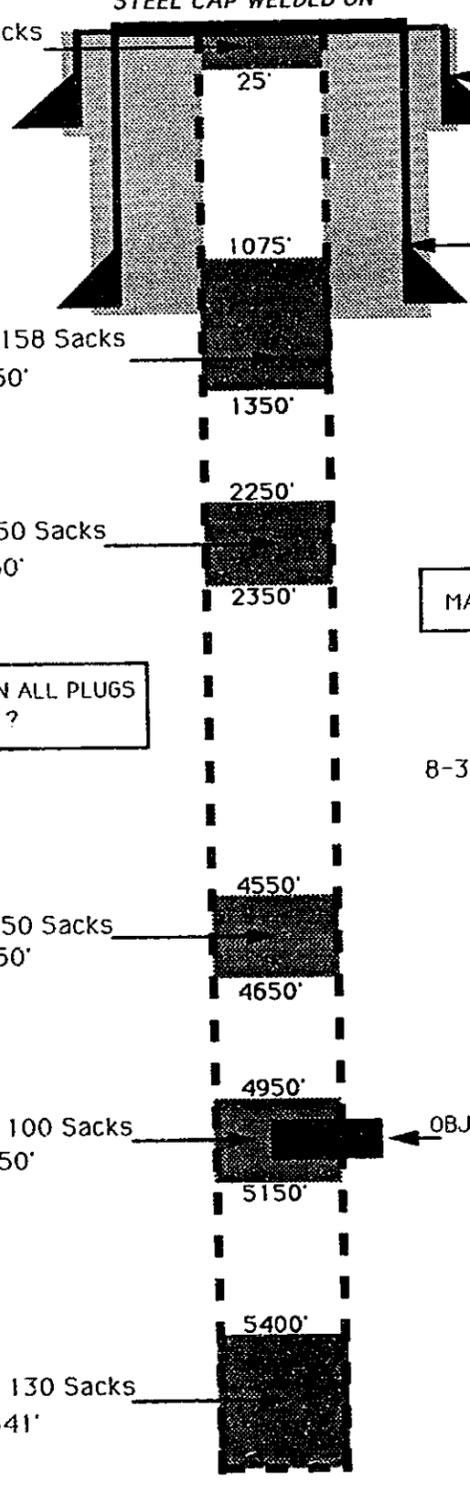
Plug #3 100' / 50 Sacks
4550' - 4650'

Plug #2 200' / 100 Sacks
4950' - 5150'

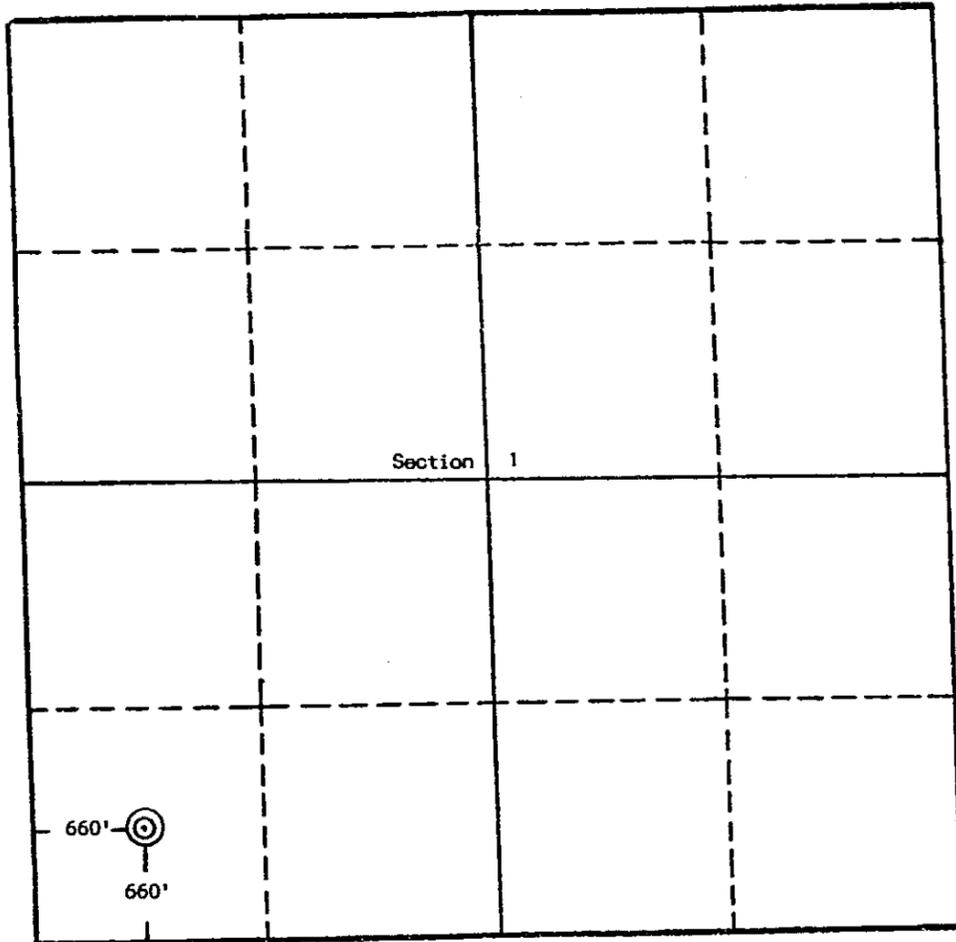
OBJECTIVE: BARKER CREEK GAS ZONE
(5025' - 5070')

Plug #1 240' / 130 Sacks
5400' - 5641'

TOTAL DEPTH 5641'



Company Dry Mesa Corporation
Well Name & No. #5
Location 660' F/SL 660' F/ML
Sec. 1, T. 40 N., R. 28 E., G. & S. R. M., County Apache, Arizona
Ground Elevation 5914

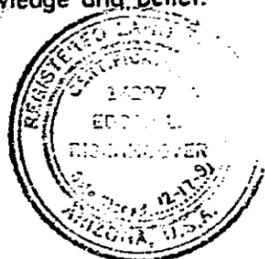


Scale, 1 inch = 1,000 feet

Surveyed _____ December 17, 19 91

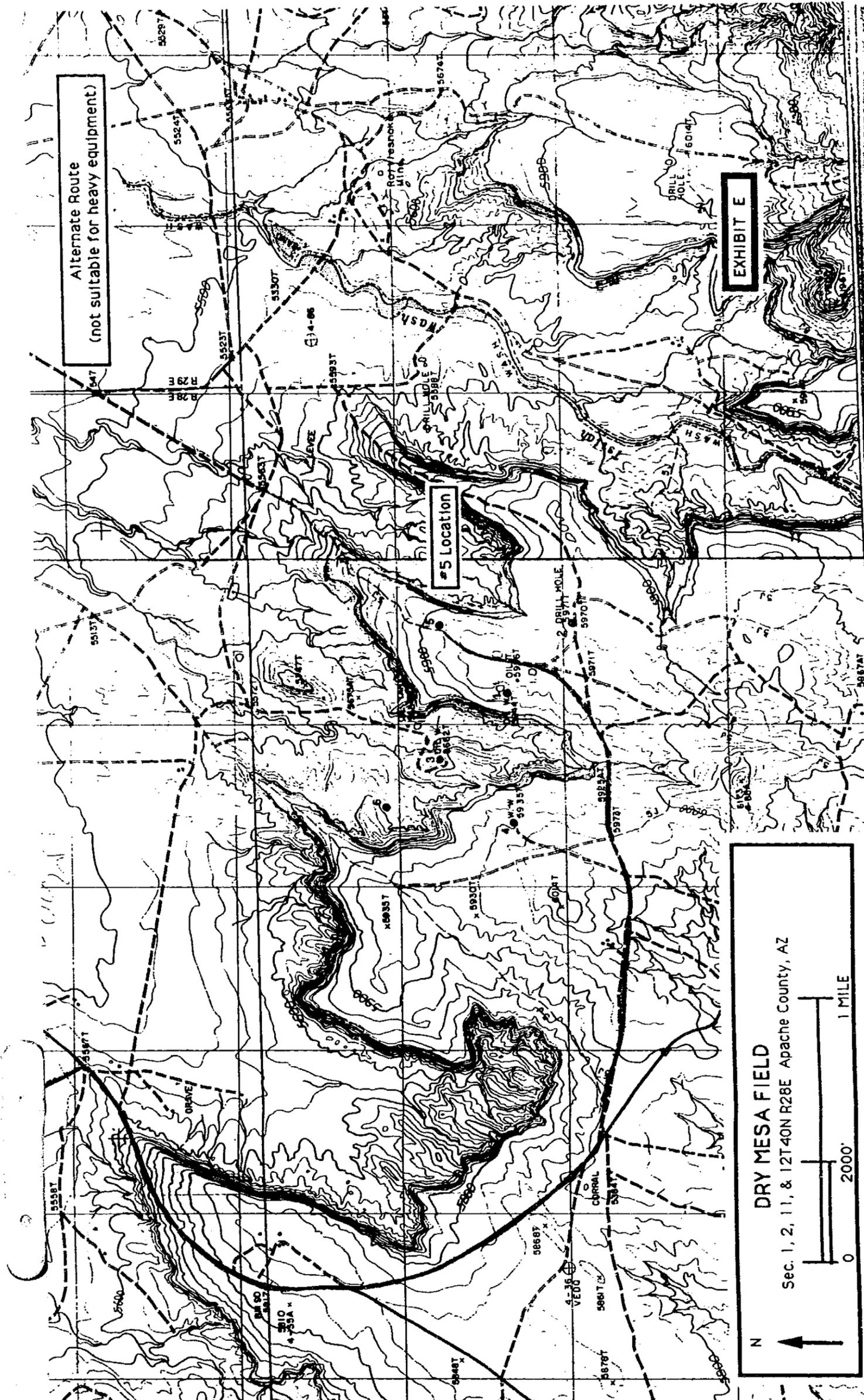
This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

Seal:



Edgar L. Resumberger

EXHIBIT B



Alternate Route
(not suitable for heavy equipment)

#5 Location

EXHIBIT E

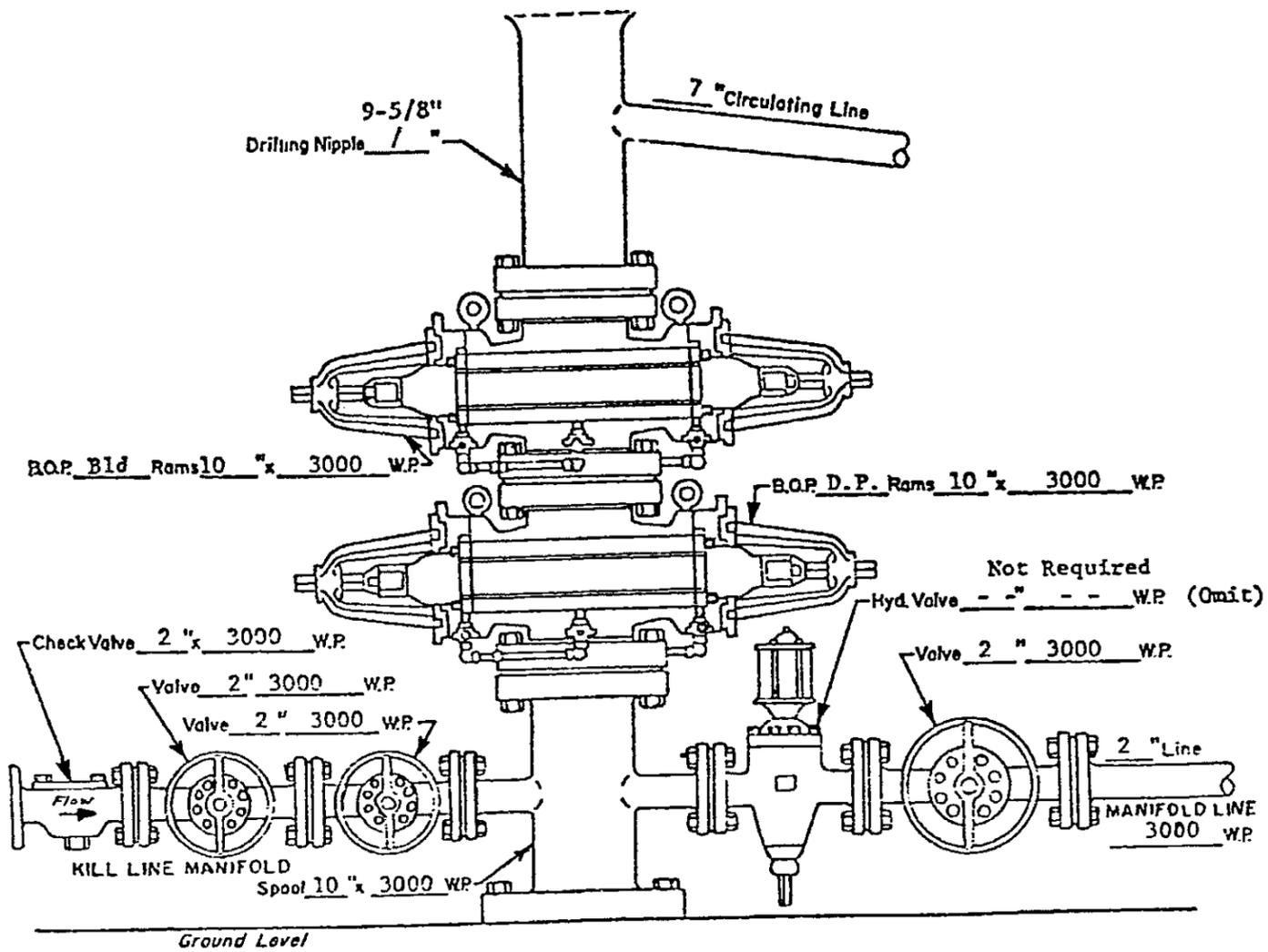
N

↑

0 2000' 1 MILE

DRY MESA FIELD
Sec. 1, 2, 11, & 12T40N R28E Apache County, AZ

B.O.P. Stack Diagram
 for: Dry Mesa Corporation
 Navajo Tract 138 Well #5



WELL HEAD B.O.P.
 3000 #W.P. ☒ Hydraulic

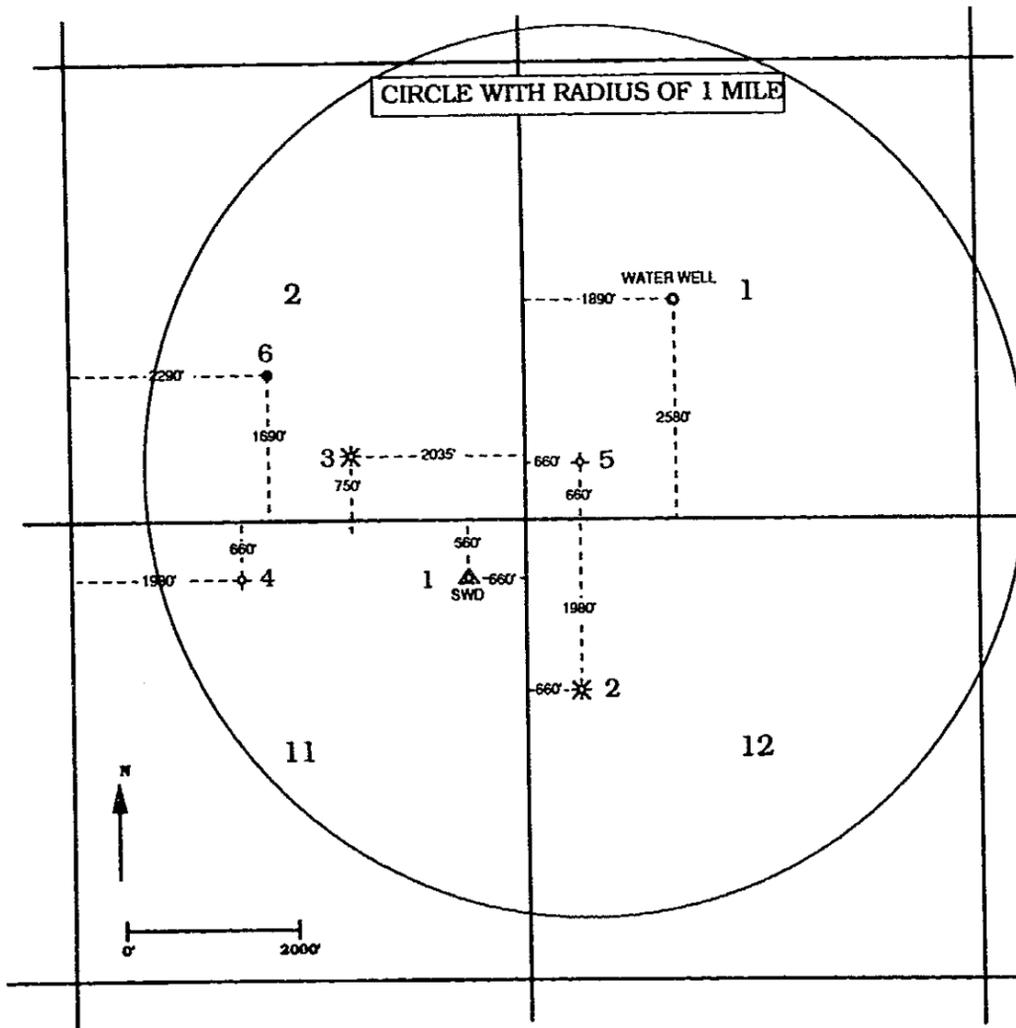
This diagram represents a B.O.P. Stack of sufficient size to
 drill this well. Actual B.O.P. stack may vary from this diagram.

EXHIBIT D

DRY MESA FIELD

T40N R28E SECTIONS 1, 2, 11, & 12
APACHE COUNTY, ARIZONA

(UNSURVEYED TOWNSHIP)

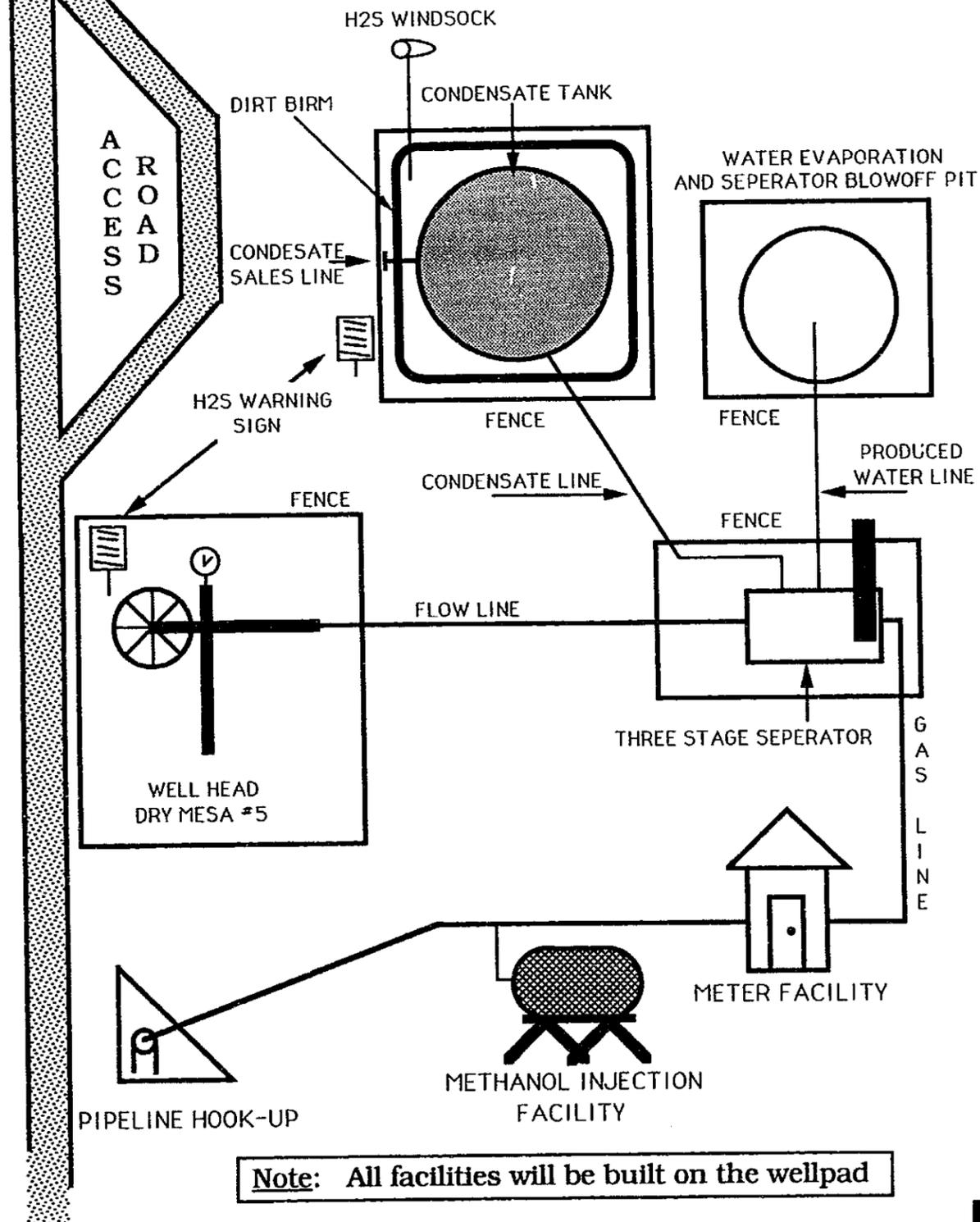


NAVAJO LEASE # 14-20-603-4190 TRACT 138

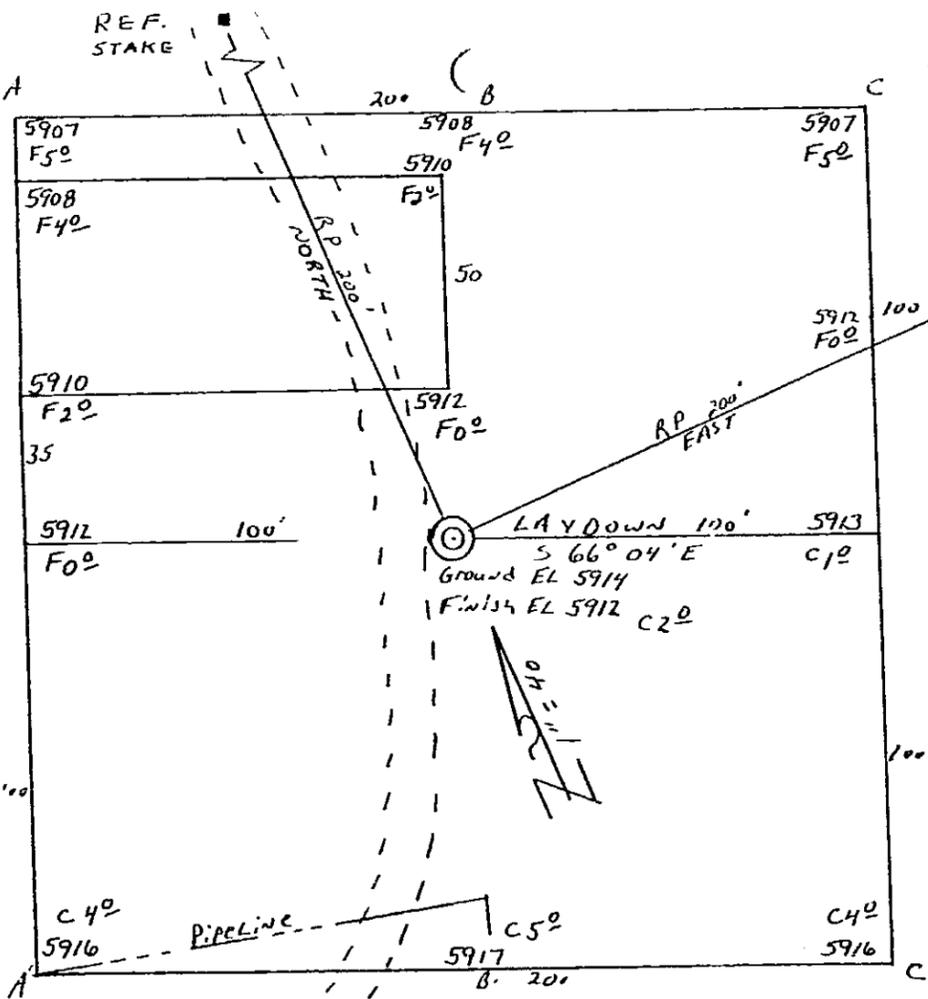
| WELL # | CASING | TUBING | GROSS PERFS | STATUS | T.D. | ELEVATION K.B. |
|--------|--------|--------|-------------|--------|-------|----------------|
| 1 | 5824' | 5560' | 5566'-5589' | SWD | 6080' | 5952' |
| 2 | 5766' | 5722' | 5053'-5090' | GAS | 5771' | 5980' |
| 3 | 5410' | 5360' | 4782'-4794' | GAS | 5411' | 5688' |
| 4 | 1092' | ----- | ----- | P&A | 5795' | 5960' |
| 5 | 1102' | ----- | ----- | P&A | 5641' | 5926' |
| 6 | 5540' | 5539' | 5256'-5285' | OIL | 5540' | 5710' |

EXHIBIT F

DRY MESA CORPORATION
 NAVAJO TRACT 138 WELL #5
PROPOSED PRODUCTION FACILITIES



Note: All facilities will be built on the wellpad



Dry Mesa Corporation
 OPERATOR

#5
 WELL NAME and NUMBER

660' F/SL 660' F/WL
 FOOTAGES

1 40N 28E
 SEC. TWP. RGE.

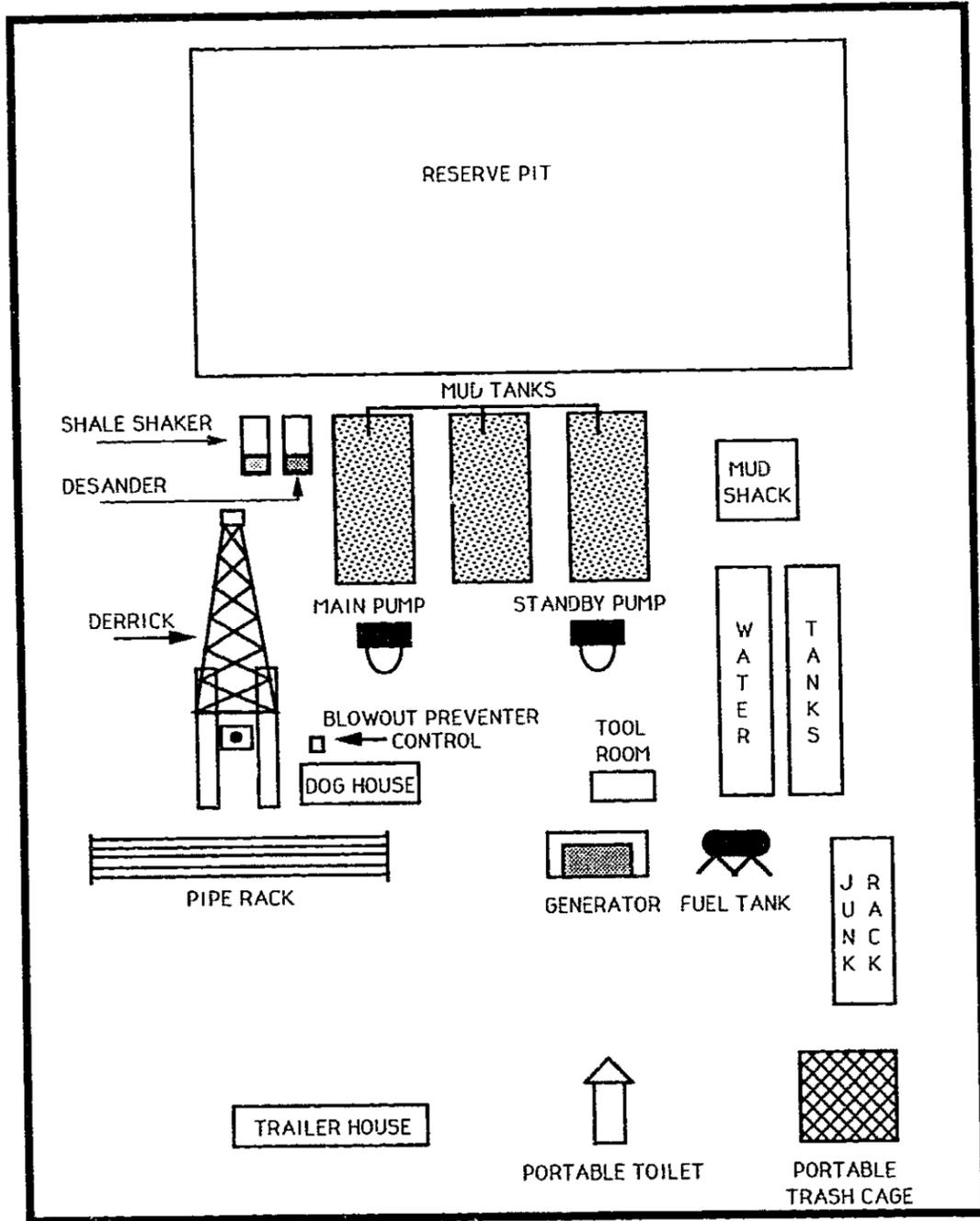
Apache, Arizona
 COUNTY STATE

December 17, 1991
 DATE

| | | | | | |
|----|------|--|--|--|------|
| A | | | | | |
| | 5920 | | | | 5912 |
| | 5910 | | | | |
| A' | 5900 | | | | |
| B | | | | | |
| | 5920 | | | | 5912 |
| | 5910 | | | | |
| B' | 5900 | | | | |
| C | | | | | |
| | 5920 | | | | |
| | 5910 | | | | |
| C' | 5900 | | | | |

SCALE
 Horiz. 1" = 40'
 Vert. 1" = 30'

EXHIBIT H



This is a layout of a rig of sufficient size to drill this well. The actual rig layout may vary from this layout as a rig has not been contracted at this time

SAMPLE DESCRIPTION
PURE OIL NAVAJO 138 #5
SW SEC 1, T40N-R28E

AZ OIL & GAS
CONSERVATION COMMISSION

OCT 17 1990

| | |
|-----------|---|
| 4610-20 | lms, tite |
| 4620-30 | AA |
| 4630-40 | shale |
| 4640-50 | lms & shale |
| 4650-60 | lms |
| 4660-70 | lms |
| 4670-80 | lms & shale |
| 4680-90 | lms |
| 4690-4700 | lms & shale, tite |
| 4700-10 | possible faulting, slickensides, poor samples, lots of cavings |
| 4710-20 | lms, tite to sli moldic porosity, shale, cavings |
| 4720-30 | shale |
| 4730-40 | shale |
| 4740-50 | shale |
| 4750-60 | lms, tite, shale |
| 4760-70 | lms, tite |
| 4770-80 | AA |
| 4780-90 | shale |
| 4790-4800 | shale, minor lms |
| 4800-10 | lms & shale |
| 4810-20 | lms, pure |
| 4820-30 | lms, becoming chalky |
| 4830-40 | AA |
| 4840-50 | AA, fractures, slickensides, LCM in samples |
| 4850-60 | lms & dol |
| 4860-70 | AA, becoming shalier |
| 4870-80 | AA, lots of cavings |
| 4880-90 | lms, shale, & dol |
| 4890-4900 | AA, possible drag folding in shale |
| 4900-10 | lms & dol, tite |
| 4910-20 | lms & shale, slight evidence of fracturing |
| 4920-30 | shale |
| 4930-40 | shale, slickensides, slight fracturing |
| 4940-50 | lms & shale, moderate amount of fracturing |
| 4950-60 | lms, tite |
| 4960-70 | lms & shale, minor chert |
| 4970-80 | AA |
| 4980-90 | lms & shale |
| 4990-5000 | AA |
| 5000-10 | lms, tite, fractured |
| 5010-20 | lms, aa |
| 5020-circ | AA |
| 5020-30 | lms, drk gry to brn, v sli porosity |
| 5030-40 | lms, aa, chert & dol, fractures, very porous |
| 5040-50 | lms, aa, fractured, chert |
| 5050-60 | lms, aa, chert, slickensides |
| 5060-70 | lms, aa, chert, calcite frac fill |

CONFIDENTIAL

Release Date 4-17-91

AZ OIL & GAS
CONSERVATION COMMISSION

OCT 17 1990

| | |
|-----------|--|
| 5070-80 | lms, wht to gry |
| 5080-90 | lms, aa, slight fracturing |
| 5090-5100 | lms, aa, shale |
| 5100-10 | lms, tite, chert |
| 5110-20 | AA |
| 5120-30 | lms, chalky to tite, galena & pyrite, |
| 5130-40 | lms, aa, fractured, sli dolomitic, good porosity |
| 5140-50 | lms, 1 set of closely spaced fractures |
| 5150-60 | lms, aa, float test |
| 5160-70 | lms, aa, some float test |
| 5170-80 | lms & shale, tite |
| 5180-90 | AA |
| 5190-5200 | lms, white, fractured, tite |
| 5200-10 | lms & shale, highly fractured, lots of cavings |
| 5210-20 | AA |
| 5220-30 | lms, tite, fractured, chert |
| 5230-40 | lms, tite, fractured, pyrite |
| 5240-50 | lms & shale |
| 5250-60 | AA |
| 5260-70 | AA, fractured |
| 5270-80 | lms, chalky to cxln, fractured |
| 5280-90 | AA |
| 5290-5300 | lms, chalky, fractured, minor porosity, galena, Chaetetes |
| 5300-10 | lms, chalky to porous, fractured slickensides, Chaetetes, gilsonite |
| 5310-20 | lms, less chalky, v sli porosity, fractured, Chaetetes |
| 5320-30 | lms, tite, fractured, Chaetetes, shale |
| 5330-40 | AA with gilsonite |

CONFIDENTIAL

Release Date 4-17-91

PLUGGING RECORD

| | | | | | |
|---|---------------------------------|---|--|--|-------------------|
| Operator The Pure Oil Company | | Address P. O. Box 1338, Moab, Utah | | | |
| Name of Lease INDIAN LAND Navajo Tract 138 | | Well No. 5 | Field & Reservoir Dry Mesa (Toh-Atin) Mississippian | | |
| Location of Well Navajo Tribe 14-20-603-4190 | | Sec-Twp-Rge or Block & Survey Apache | | | |
| Application to drill this well was filed in name of The Pure Oil Company | | Has this well ever produced oil or gas No | Character of well at completion (initial production): Oil (bbls/day) None Gas (MCF/day) None Dry? Dry Hole | | |
| Date plugged: October 19 & 20, 1962 | Total depth 5,640' | Amount well producing when plugged: Oil (bbls/day) None Gas (MCF/day) None Water (bbls./day) None | | | |
| Name of each formation containing oil or gas. Indicate which formation open to well-bore at time of plugging | Fluid content of each formation | Depth interval of each formation | Size, kind & depth of plugs used. Indicate zones squeeze cemented, giving amount cement. | | |
| Well Plugged and Abandoned as follows: | | | | | |
| Plug No. 1 | 5,640' - 5,400' | 240' - 130 | sax cement | | |
| Plug No. 2 | 5,150' - 4,950' | 200' - 100 | sax cement | | |
| Plug No. 3 | 4,650' - 4,550' | 100' - 50 | sax cement | | |
| Plug No. 4 | 2,350' - 2,250' | 100' - 50 | sax cement | | |
| Plug No. 5 | 1,350' - 1,075' | 275' - 158 | sax cement | | |
| Plug No. 6 | 25' - 0' | 25' - 22 | sax cement | | |
| CASING RECORD | | | | | |
| Size pipe | Put in well (ft.) | Pulled out (ft.) | Left in well (ft.) | Give depth and method of parting casing (shot, ripped etc) | Packers and shoes |
| 13-3/8" | 43' | None | 43' | | |
| 9-5/8" | 1,102' | None | 1,102' | | |
| Was well filled with mud-laden fluid, according to regulations? Yes | | | | Indicate deepest formation containing fresh water. | |
| NAMES AND ADDRESSES OF ADJACENT LEASE OPERATORS OR OWNERS OF THE SURFACE | | | | | |
| Name | Address | | | Direction from this well: | |
| Texas-Pacific Coal & Oil Co. is the Operator of the Toh-Atin Unit. The Pure Oil Co. was designated Operator for the drilling of the Navajo Tract 138, Well No. 5. | | | | | |
| In addition to other information required on this form, if this well was plugged back for use as a fresh water well, give all pertinent details of plugging operations to base of fresh water sand, perforated interval to fresh water sand, name and address of surface owner, and attach letter from surface owner authorizing completion of this well as a water well and agreeing to assume full liability for any subsequent plugging which might be required. | | | | | |
| Use reverse side for additional detail File this form in duplicate with the State of Arizona Oil & Gas Conservation Commission | | | | | |
| CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the Moab District Office Manager.....of the Pure Oil Company(company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge. | | | | | |
| November 8, 1962 Date | | Signature <i>L. K. Coggan</i> L. K. Coggan | | | |
| STATE OF ARIZONA OIL & GAS CONSERVATION COMMISSION | | | | | |
| Form No. P-15 • Plugging Record File two copies | | | | | |

2138

APPLICATION TO ABANDON AND PLUG

FIELD Dry Mesa
 OPERATOR The Pure Oil Company ADDRESS P. O. Box 1338, Moab, Utah
 LEASE Navajo 14-20-603-4190 WELL NO. Navajo Tract 138, No. 5 COUNTY Apache
 SURVEY G. & S. R. M. SECTION Sec. 1 DRILLING PERMIT NO. 213
 LOCATION 660' FSL and 660' FWL, Sec. 1, T10N, R28E, Apache County, Arizona

TYPE OF WELL Dry Hole TOTAL DEPTH 5,640'
(Oil, Gas or Dry Hole)

ALLOWABLE (If Assigned) _____
 LAST PRODUCTION TEST OIL _____ (Bbls.) WATER _____ (Bbls.)
 GAS _____ (MCF) DATE OF TEST _____

PRODUCING HORIZON _____ PRODUCING FROM _____ TO _____

1. COMPLETE CASING RECORD 2 jts. 13-3/8" OD 48# H-40 casing set at 43' with 45 sax of regular cement with 2% calcium chloride.
35 jts. 9-5/8" OD 40# casing set at 1,102' with 276 sax 50-50 Pozmix with 2% calcium chloride, followed with 150 sax regular cement with 2% calcium chloride.

2. FULL DETAILS OF PROPOSED PLAN OF WORK Drilled to 5,640' TD. Drilling completed at 1:00 a.m. 10-18-62. Ran electric logs to TD. Propose to plug and abandon well as follows:

Plug No. 1 5,640' - 5,400' - 240' - 130 sax cement
 Plug No. 2 5,150' - 4,950' - 200' - 100 sax cement
 Plug No. 3 4,650' - 4,550' - 100' - 50 sax cement
 Plug No. 4 2,350' - 2,250' - 100' - 50 sax cement
 Plug No. 5 1,350' - 1,075' - 275' - 158 sax cement
 Plug No. 6 25' - 0' - 25' - 22 sax cement

If well is to be abandoned, does proposed work conform with requirements of Rule 202? Yes If not, outline proposed procedure above.

DATE COMMENCING OPERATIONS October 19, 1962

NAME OF PERSON DOING WORK J. H. Payey ADDRESS P. O. Box 1338, Moab, Utah
 CORRESPONDENCE SHOULD BE SENT TO L. K. Coggan, c/o The Pure Oil Company
P. O. Box 1338, Moab, Utah

NAME L. K. Coggan
 TITLE District Office Manager

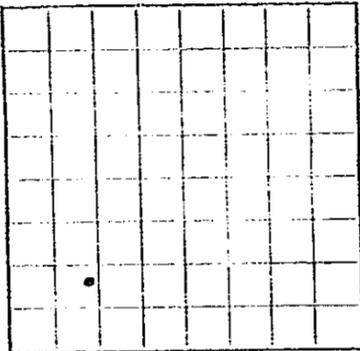
Date Approved 18 Oct 62

STATE OF ARIZONA OIL & GAS CONSERVATION COMMISSION

STATE OF ARIZONA
 OIL & GAS CONSERVATION COMMISSION
 Application to Abandon and Plug
 Form No. 15A File 2 Copies

XXXXXXXXXXXXXXXXXXXX
 XXXXXXXXXXXXXXXXXXXX
 XXXXXXXXXXXXXXXXXXXX

U. S. LAND OFFICE Salt Lake City
SERIAL NUMBER 14-20-603-4190
LEASE OR PERMIT TO PROSPECT



LOCATE WELL CORRECTLY

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

LOG OF OIL OR GAS WELL

Company The Pure Oil Company Address P. O. Box 1338 Moab, Utah
Lessor or Tract U. S. Government Field Dry Mesa State Arizona
Navajo Tract, No. 138
Well No. 5 Sec. 1 T. SW R. SW Meridian G&S RM County Apache
Location 40 ft. [X] of N. Line and 28 ft. [X] of E. Line of SW SW Sec. 1 Elevation 5913'
(Mark these relative to sea level)

The information given herewith is a complete and correct record of the well and all work done thereon so far as can be determined from all available records.

Signed [Signature] Title Senior District Clerk
Date December 21, 1962

The summary on this page is for the condition of the well at above date.

Commenced drilling September 22, 1962 Finished drilling October 18, 1962

OIL OR GAS SANDS OR ZONES
(Denote gas by G)

No. 1, from None to None No. 4, from None to None
No. 2, from None to None No. 5, from None to None
No. 3, from None to None No. 6, from None to None

IMPORTANT WATER SANDS

No. 1, from None to None No. 3, from None to None
No. 2, from None to None No. 4, from None to None

CASING RECORD

| Size casing | Weight per foot | Threads per inch | Make | Amount | Kind of shoe | Cut and pulled from | Perforated | | Purpose |
|-------------|-----------------|------------------|------|--------|--------------|---------------------|------------|-----|-----------|
| | | | | | | | From- | To- | |
| 13 3/8" | 187 | 8-B | SS | 43' | None | | | | Conductor |
| 9 5/8" | 107 | 8-B | SS | 1107' | Reg. Guide | | | | Surface |

MUDDING AND CEMENTING RECORD

| Size casing | Where set | Equivaler sacks of cement | Method used | Mud gravity | Amount of mud used |
|-------------|-----------|---------------------------|-------------|-------------|--------------------|
| 13 3/8" | 43' | 45 sac | Halliburton | | |
| 9 5/8" | 1107' | 426 sac | Halliburton | | |

PLUGS AND ADAPTERS

Heaving plug—Material None Length None Depth set None
Adapters—Material None Size None

SHOOTING RECORD

| Size | Shell used | Explosive used | Quantity | Date | Depth shot | Depth cleaned out |
|------|------------|----------------|----------|------|------------|-------------------|
| | | | | | | |

TOOLS USED

Rotary tools were used from 0 feet to 5,641 feet, and from None feet to None feet
Cable tools were used from None feet to None feet, and from None feet to None feet

DATES

Put to producing 19, 1962
The production for the first 24 hours was None barrels of fluid of which None % was oil; None % emulsion; None % water; and None % sediment.

Gravity, °Bé. None
If gas well, cu. ft. per 24 hours None Gallons gasoline per 1,000 cu. ft. of gas None
Rock pressure, lbs. per sq. in. None

EMPLOYEES

Driller None Driller None
Driller None Driller None

FOLD MARK

Lessor or Tract U. S. Government
 Navajo Tract, No. 138
 Well No. 5 Sec. 1 T. 25 N. R. 25 W. Meridian G&S RM. County Apache State Arizona
 Location 40 ft. [X] of N. Line and 28 ft. [X] of E. Line of S. 1. Elevation 5913' KB-5926'

The information given herewith is a complete and correct record of the well and all work done thereon so far as can be determined from all available records.

Signed *A. Strong*
 Date December 21, 1962 Title Senior District Clerk

The summary on this page is for the condition of the well at above date.
 Commenced drilling September 22, 1962 Finished drilling October 18, 1962

OIL OR GAS SANDS OR ZONES
 (Denote gas by G)

No. 1, from None to No. 4, from to
 No. 2, from to No. 5, from to
 No. 3, from to No. 6, from to

IMPORTANT WATER SANDS

No. 1, from None to No. 3, from to
 No. 2, from to No. 4, from to

CASING RECORD

| Size casing | Weight per foot | Threads per inch | Make | Amount | Kind of shoe | Cut and pulled from | Perforated | | Purpose |
|-------------|-----------------|------------------|------|--------|--------------|---------------------|------------|-----|-----------|
| | | | | | | | From- | To- | |
| 13 3/8" 108 | | 8-R | SS | 43' | None | | | | Conductor |
| 9 5/8" 108 | | 8-R | SS | 1107' | Reg. Guide | | | | Surface |

MUDDING AND CEMENTING RECORD

| Size casing | Where set | Number sacks of cement | Method used | Mud gravity | Amount of mud used |
|-------------|-----------|------------------------|-------------|-------------|--------------------|
| 13 3/8" | 43' | 45 sack | Halliburton | | |
| 9 5/8" | 1107' | 426 sack | Halliburton | | |

PLUGS AND ADAPTERS

Heaving plug—Material Length Depth set
 Adapters—Material Size

SHOOTING RECORD

| Size | Shell used | Explosive used | Quantity | Date | Depth shot | Depth cleaned out |
|------|------------|----------------|----------|------|------------|-------------------|
| | | | | | | |

TOOLS USED

Rotary tools were used from 0 feet to 5,611 feet, and from feet to feet
 Cable tools were used from feet to feet, and from feet to feet

DATES

Put to producing 1962
 The production for the first 24 hours was barrels of fluid of which % was oil; % emulsion; % water; and % sediment. Gravity, °Bé.
 If gas well, cu. ft. per 24 hours Gallons gasoline per 1,000 cu. ft. of gas
 Rock pressure, lbs. per sq. in.

EMPLOYEES

Driller
 Driller
 Driller

FORMATION RECORD

| FROM | TO | TOTAL FEET | FORMATION |
|-------|-------|------------|-------------------------------|
| 0 | 43 | 43 | Sand |
| 43 | 1,102 | 1,059 | Shale & Lime |
| 1,102 | 1,379 | 277 | Sandstone |
| 1,379 | 2,760 | 1,381 | Sand & Shale |
| 2,760 | 3,036 | 276 | Sand, Shale & Lime |
| 3,036 | 3,990 | 954 | Sand, Shale, Lime & Anhydrite |
| 3,990 | 5,022 | 1,032 | Shale & Lime |
| 5,022 | 5,061 | 39 | Core # 1—see reverse side |
| 5,061 | 5,490 | 426 | Shale & Lime |
| 5,490 | 5,550 | 60 | Core # 2—see reverse side |
| 5,550 | 5,572 | 22 | Core # 3—see reverse side |
| 5,572 | 5,588 | 16 | Core # 4—see reverse side |
| 5,588 | 5,592 | 4 | Core # 5—see reverse side |
| 5,592 | 5,611 | 19 | Shale & Lime |

FOLD MARK

| FROM- | TO- | TOTAL FEET | FORMATION |
|------------|----------------|------------|--|
| CORE NO. 1 | 5022'-5064' | 42' | Out & Rec. 42' |
| | | | 5'-Shale, dark grey-blk. |
| | | | 7'-Ls, grey, fn, xln, dnse |
| | | | 6 1/2'-Ls, fn, xln, fair to excellent vuggy porosity, bleeding show of oil. |
| | | | 4'-Ls, gry, fn, xln, dnse |
| | | | 5 1/2'-Ls, fn, xln, excellent vuggy porosity, bleeding show of oil. |
| | | | 14'-Ls, gry, fn, xln, dnse, shaly. |
| CORE NO. 2 | 5490'-5550' | 60' | Recovered 20'. Miss. |
| | | | 5'-Ls, drk gray, very shaley with abundant red solidified orinoid stems. |
| | | | 2 1/2'-Ls, gray, medium xln tight few hairline fractures. |
| | | | 7'-Ls, tan, fn xln with inclusions of red brown shale, fractured. |
| | | | 2'-Shale, red-brown with small inclusions of limestone. |
| | | | 3'-Ls, greenish tan, fn xln, dnse, badly broken. |
| | | | 2 1/2'-Ls, gray, fn xln, dnse, few parting and inclusions of red-brown shale |
| | | | 4'-Ls, breccias and red brown shale. |
| CORE NO. 3 | 5550'-5572' | 22' | Cut and Recovered 22'. Miss. |
| | | | 2'-Ls, light brown, fine crystalline, shaley, dnse. |
| | | | 1'-Dolomite, lt gry, fn xln, poor small vuggy porosity. |
| | | | 9'-Ls, lt gry to tan, very fn xln with inclusions and fracs filled with red brown & lt green shale. |
| | | | 1 1/2'-Dolomite, tan, sub-lithographic with poor small vuggy porosity, slightly bleeding oil, fractured. |
| | | | 1 1/2'-Ls, tan to gray, fn xln, dnse, slightly fractured, strolitic, no bleeding |
| | | | 2'-Dolomite, drk gry, very fn xln, dnse, shaley, poor porosity in top 1' slightly bleeding oil |
| | | | 4'-Ls, lite tan to gry, med to coarse xln, dnse, abundant micro-fossils. |
| CORE NO. 4 | 5572'-5588' | 16' | Cut and Recovered 16' Miss |
| | | | 14'-Ls, lt gry, med to coarse xln, dnse orinoidal tight w/few vertical frac. No show |
| | | | 1'-Dolomite, tan, fn xln, dnse, slightly brecciated with green & brown shale fillings |
| | | | 1'-Dolomite, drk gry, lithographic, broken, no show with few calcite filled fractures. |
| CORE NO. 5 | 5588' to 5592' | 4' | Cut & Recovered 4' Miss |
| | | | 1'-Dolomite, drk gry to drk tan, fn xln, to lithographic, shaley, dnse |
| | | | 1'-Limestone, tan, fn xln, dnse, few inclusions of green and brown shale. |
| | | | 2'-Dolomite, gry, fn xln, dnse, tight, whole core has few hairline fractures. No show. |
| DST NO. 1 | 5019'-5064' | | Paradox-Barker Creek Tool open 8 hrs. and 5 minutes. Tool opened with very strong blow. Gas to surface in 10 min. Estimated gas flow 2 1/2 million cubic feet on 1/2" choke. Flow pressure at end of test on 1/2" choke 590#. Recovered 876' of gas cut black sulfur water. Pressures: IH & FH 2440#, 30 min. ICI 1470#, IF 642#, 30 min. FCI 1440#, Temp. -130 deg. |
| DST NO. 2 | 5445'-5550' | 105' | Miss. Misrun. Packer wouldn't hold, formation apparently fractured. |
| DST NO. 3 | 5473'-5550' | 77' | Miss. Tool open 1 hr. & 3 min. Tool opened with very weak blow, decreasing to zero in 10 min. Recovered 40' of slightly gas cut drilling mud. Pressures: IH 2735, 30 min. ICI 85, IF 55, 30 min. FCI 70 FH 2735. Bottom hole temp. 126 deg. |
| DST NO. 4 | 5551' to 5592' | 41' | Miss. Tool opened 1 hr. Tool opened w/very weak blow decreasing to zero in 3 min. Recovered 15' drilling mud. Pressures: 2730, ICI 175, 30 min. IF 30, IF 60, FCI 60 30 min, FH 2730, Temp. 126 deg. |
| DST NO. 5 | 5592'-5640' | (48') | Initial open 3 min. Tool open 2 hr. Tool open w/good blow Rec. 180' drilling mud, also 3020' oil & gas cut brackish water. Pressures: IH 2780, 30 min. ICI 150, IF 26, IF 96, 30 min FCI 1075, FH 2750, Temp. 130 |

FOUR OVER

HISTORY OF OIL OR GAS WELL

It is of the greatest importance to have a complete history of the well. Please state in detail the dates of redrilling, together with the reasons for the work and its results. If there were any changes made in the casing, state fully, and if any casing was "side tracked" or left in the well, give its size and location. If the well has been dynamited, give date, size, position, and number of shots. If plugs or bridges were put in to test for water, state kind of material used, position, and results of pumping or bailing.

Drilling completed 1 A.M. 10/18/62

| Plug No. | Depth | Material | Notes |
|------------|------------------|----------------|------------|
| Plug No. 1 | 5640-5400 (240') | 130 sax cement | 0' 1' flow |
| Plug No. 2 | 5150-4950 (200') | 100 sax cement | 0' 3' flow |
| Plug No. 3 | 4650-4550 (100') | 50 sax cement | |
| Plug No. 4 | 2350-2250 (100') | 50 sax cement | |
| Plug No. 5 | 1350-1075 (275') | 150 sax cement | 0' 0' flow |
| Plug No. 6 | 25-0 (25') | 22 sax cement | Surface |

Added cap on surface casing & installed dry hole marker according to USGS regulations.
 Rig released at 4:30 A.M. 10/20/62 - FINAL

LOG TOPS:
 Chinle 1,315 (plus 4611) OFF OR GVS BVNDS OF NOMEZ
 Shinarump 1,995 (plus 3931)
 Moenkopi 2,030 (plus 3896)
 Coconino 2,270 (plus 3656)

CORE NO. 3 5550'-5572' Cut and Recovered 22' Miss.
 2'-Ls, light brown, fine crystalline, shaley, dense.
 1'-Dolomite, lt gry, fn xnl, poor small vuggy porosity.
 9'-Ls, lt gry to tan, very fn xnl with inclusions and frags filled with red brown & lt green shale.
 1'-Dolomite, tan, sub-lithographic with poor small vuggy porosity, slightly bleeding oil, fractured.
 1'-Ls, tan to gray, fn xnl, dnse, slightly fractured, atyolitic, no bleeding
 2'-Dolomite, drk gry, very fn xnl, dnse, shaley, poor porosity in top 1' slightly bleeding oil
 4'-Ls, lite tan to gry, med to coarse xnl, dnse, abundant micro-fossils.

CORE NO. 4 5572'-5588' Cut and Recovered 16' Miss
 1'-Ls, lt gry, med to coarse xnl, dnse crinoidal tight w/few vertical frac. No show
 1'-Dolomite, tan, fn xnl, dnse, slightly brecciated with green & brown shale fillings
 1'-Dolomite, drk gry, lithographic, broken, no show with few calcite filled fractures.

CORE NO. 5 5588' to 5592' Cut & Recovered 4' Miss
 1'-Dolomite, drk gry to drk tn, fn xnl, to lithographic, shaley, dnse
 1'-Limestone, tan, fn xnl, dnse, few inclusions of green and brown shale.
 2'-Dolomite, gry, fn xnl, dnse, tight, whole core has few hairline fractures. No show.

DST NO. 1 5019'-5061' Paradox-Barker Creek Tool open 8 hrs. and 5 minutes. Tool opened with very strong blow. Gas to surface in 10 min. Estimated gas flow 2 1/2 million cubic feet on 1/2" choke. Flow pressure at end of test on 1/2" choke 590#. Recovered 876' of gas cut black sulfur water. Pressures: IH & FH 2440#; 30 min. ICI 1470#, IF 842#, 30 min. FCI 1440#, Temp. -130 deg.

DST NO. 2 5445'-5550-105-Miss. Misrun. Packer wouldn't hold, formation apparently fractured.

DST NO. 3 5473'-5550'-77'-Miss. Tool open 1 hr. & 3 min. Tool opened with very weak blow, decreasing to zero in 10 min. Recovered 40' of slightly gas cut drilling mud. Pressures: IH 2735, 30 min. ICI 85, IF 45, 30 min. FCI 70 FH 2735. Bottom hole temp. 126 deg.

DST NO. 4 5551' to 5592' 41' Miss. Tool opened 1 hr. Tool opened w/very weak blow decreasing to zero in 3 min. Recovered 15' drilling mud. Pressures: 2730, ICI 175, 30 min. IF 30, FF 60, FCI 60 30 min, FH 2730, Temp. 126 deg.

DST NO. 5 5592'-5640' (48') Initial open 3 min. Tool open 2 hr. Tool open w/good blow Rec. 180' drilling mud, also 3020' oil & gas cut brackish water. Pressures: IH 2780, 30 min. FCI 1565, IF 265, FF 960, 30 min FCI 1075, FH 2750, Temp. 130

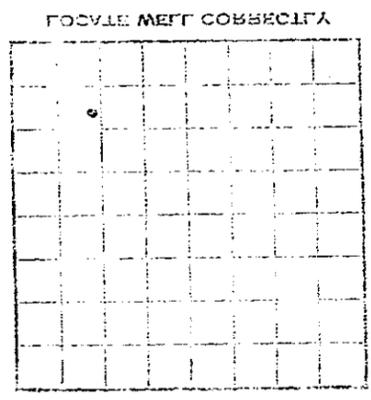
HISTORY OF OIL OR GAS WELL

It is of the greatest importance to have a complete history of the well. Please state in detail the dates of redrilling, together with the reasons for the work and its results. If there were any changes made in the casing, state fully, and if any casing was sidetracked, or left in the well, give its size and location. If the well has been dynamited, give date, size, position, and number of shots. If plugs or bridges were put in to test for water, state kind of material used, position, and results of pumping or bailing.

Drilling completed 1 A.M. 10/18/62

- Plug No. 1 5640-5400 (240')-130 sax cement
 - Plug No. 2 5150-4950 (200')-100 sax cement
 - Plug No. 3 4650-4550 (100')- 50 sax cement
 - Plug No. 4 2350-2250 (100')- 50 sax cement
 - Plug No. 5 1350-1075 (275')-150 sax cement
 - Plug No. 6 25-0 (25')- 22 sax cement-Surface
- Welded cap on surface casing & installed dry hole marker according to USGS regulations.
 Rig released at 4:30 A.M. 10/20/62 - FINAL

- LOG TOPS:
- Chinle 1,315 (plus 4611) OIL OR GAS SANDS OR ZONES
 - Shinarump 1,995 (plus 3931)
 - Moenkopi 2,030 (plus 3896)
 - Cocconino 2,270 (plus 3656)
 - Organ Rock 2,680 (plus 3246)
 - Cedar Mesa 3,300 (plus 2,626)
 - Hermosa 4,028 (plus 1,898)
 - Paradox A 4,600 (plus 1,326)
 - Paradox B 4,727 (plus 1,189)
 - Paradox C 4,780 (plus 1,186)
 - Paradox D 4,790 (plus 1,136)
 - Paradox E 4,805 (plus 1,121)
 - Navajo 4,875 (plus 848)
 - Mississippian 5,440 (plus 486)
 - W 5,611 (plus 285)



LOG OF OIL OR GAS WELL

GEOLOGICAL SURVEY
 DEPARTMENT OF THE INTERIOR
 UNITED STATES

FIELD NO. 1338-1339-1340
 SURVEY NUMBER 13-30-303-1338
 U.S. FIELD OFFICE STATE OF ARIZONA

Form 9-311 b
(April 1952)

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Sec. 1

(SUBMIT IN TRIPLICATE)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Budget Bureau No. 42-R359.4
Approval expires 12-31-60.

Indian Agency Navajo
Window Rock, Arizona
Allottee 14-20-603-4190
Lease No. _____

SUNDRY NOTICES AND REPORTS ON WELLS

| | | |
|---|--|---|
| NOTICE OF INTENTION TO DRILL | SUBSEQUENT REPORT OF WATER SHUT-OFF | |
| NOTICE OF INTENTION TO CHANGE PLANS | SUBSEQUENT REPORT OF SHOOTING OR ACIDIZING | |
| NOTICE OF INTENTION TO TEST WATER SHUT-OFF | SUBSEQUENT REPORT OF ALTERING CASING | |
| NOTICE OF INTENTION TO REDRILL OR REPAIR WELL | SUBSEQUENT REPORT OF REDRILLING OR REPAIR | |
| NOTICE OF INTENTION TO SHOOT OR ACIDIZE | SUBSEQUENT REPORT OF ABANDONMENT | X |
| NOTICE OF INTENTION TO PULL OR ALTER CASING | SUPPLEMENTARY WELL HISTORY | |
| NOTICE OF INTENTION TO ABANDON WELL | | |

(INDICATE ABOVE BY CHECK MARK NATURE OF REPORT, NOTICE, OR OTHER DATA)

October 23, 19 62

Navajo Tract 138
Well No. 5 is located 660 ft. from S line and 660 ft. from W line of sec. 1
S SW Sec. 1 40N. 28E. G. & S. R. M.
(34 Sec. and Sec. No.) (Twp.) (Range) (Meridian)
Dry Mesa Apache Arizona
(Field) (County or Subdivision) (State or Territory)

The elevation of the ~~ground~~ ground above sea level is 5913 ft. KB Elevation - 5926 ft.

DETAILS OF WORK

(State names of and expected depths to objective sands; show sizes, weights, and lengths of proposed casings; indicate mudding jobs, cementing points, and all other important proposed work)

Plugged and abandoned well as follows:

- Plug #1 5640-5400 (240') - 130 ex cement
- Plug #2 5150-4950 (200') - 100 ex cement
- Plug #3 4650-4550 (100') - 50 ex cement
- Plug #4 2350-2250 (100') - 50 ex cement
- Plug #5 1350-1075 (275') - 158 ex cement
- Plug #6 25- 0 (25') - 22 ex cement - Surface

Welded cap on surface casing and installed dry hole marker according to USGS and State regulations. Rig released at 4:30 AM 10/20/62. Final.

I understand that this plan of work must receive approval in writing by the Geological Survey before operations may be commenced.

Company The Pure Oil Company
Address P. O. Box 1338
Moab, Utah
253-3581
By L. K. Cogger
Title District Office Manager

2/3 5

JKP

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Tract 138
Apache Navajo Tribal
Tribe Navajo Tribe
Lease No. 14-20-603-4190

LESSEE'S MONTHLY REPORT OF OPERATIONS

State Arizona County Apache Field Dry Mesa

The following is a correct report of operations and production (including drilling and producing wells) for the month of October 1962

Agent's Address P. O. Box 1338 Company THE PURE OIL COMPANY
Mcab, Utah Signed [Signature]
Phone 253-3581 Agent's title District Office Manager

| SEC. AND 1/4 of 3/4 | TWP. | RANGE | WELL NO. | Days Prod. | Barrels of Oil | Gravity | Cu. ft. of Gas (in thousands) | Gallons of Gasoline Recovered | Obis. water (If none, so state) | REMARKS (If drilling, depth of shut down, cause; date and result of test for gasoline content of oil) |
|---|------|-------|----------|------------|----------------|---------|-------------------------------|-------------------------------|---------------------------------|--|
| SW SW Sec. 1 Navajo Tract 138, Well No. 5 | 40N | 28E | 5 | -0- | | | | | | Drilled 3352' to 5057'. Core No. 1 - 5022'-5064'. DST No. 1 5019'-5054'. Drilled to 5490'. Core No. 2 - 5490' - 5550'. DST No. 2 - 5445' - 5550'. DST No. 3 - 5473' - 5550'. Core No. 3 - 5550' - 5572'. Core No. 4 - 5572' - 5588'. Core No. 5 - 5588' - 5592'. DST No. 4 - 5551' - 5592'. Drilled to 5640' TD. Drilling completed 10-18-62. DST No. 5 - 5592' - 5640'. Ran electric logs to TD. Well P & A 10-19-62 as follows: Plug #1 - 5640' - 5400' - 240' - 130 sack cement Plug #2 - 5150' - 4950' - 200' - 100 sack cement Plug #3 - 4650' - 4550' - 100' - 50 sack cement Plug #4 - 2350' - 2250' - 100' - 50 sack cement Plug #5 - 1350' - 1075' - 275' - 158 sack cement Plug #6 - 25' - 0' - 25' - 22 sack cement Heavy drilling mud left between plugs. Installed dry hole marker in accordance with U.S.G.S. regulations. <u>FINAL</u> |

NOTE: Texas-Pacific Coal & Oil Company is the Operator of the Toh-Atin Unit now containing four wells; however, The Pure Oil Co. has been designated as Operator for the drilling of well No. 5.

NOTE.—There were No runs or sales of oil; No M. cu. ft. of gas sold; No runs or sales of gasoline during the month. (Write "no" where applicable.)

NOTE.—Report on this form is required for each calendar month, regardless of the status of operations, and must be filed in duplicate with the supervisor by the 6th of the succeeding month, unless otherwise directed by the supervisor.

Form 9-331 b
(April 1952)

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Sec. 1

(SUBMIT IN TRIPLICATE)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Budget Bureau No. 42-R359.1
Approval expires 12-31-60.

Indian Agency Navajo
Window Rock, Arizona
Allottee Navajo Tribe
Lease No. 11-20-603-1190

SUNDRY NOTICES AND REPORTS ON WELLS

| | | |
|---|--|---|
| NOTICE OF INTENTION TO DRILL | SUBSEQUENT REPORT OF WATER SHUT-OFF | |
| NOTICE OF INTENTION TO CHANGE PLANS | SUBSEQUENT REPORT OF SHOOTING OR ACIDIZING | |
| NOTICE OF INTENTION TO TEST WATER SHUT-OFF | SUBSEQUENT REPORT OF ALTERING CASING | |
| NOTICE OF INTENTION TO REDRILL OR REPAIR WELL | SUBSEQUENT REPORT OF REDRILLING OR REPAIR | |
| NOTICE OF INTENTION TO SHOOT OR ACIDIZE | SUBSEQUENT REPORT OF ABANDONMENT | |
| NOTICE OF INTENTION TO PULL OR ALTER CASING | SUPPLEMENTARY WELL HISTORY | X |
| NOTICE OF INTENTION TO ABANDON WELL | | |

(INDICATE ABOVE BY CHECK MARK NATURE OF REPORT, NOTICE, OR OTHER DATA)

October 19, 1962

Navajo Tract 138

Well No. 5 is located 660 ft. from S line and 660 ft. from W line of sec. 1

SW SW Sec. 1 40 N. 28 E. G. & S. R. M.
(1/4 Sec. and Sec. No.) (Twp.) (Range) (Meridian)

Dry Mesa Apache Arizona
(Field) (County or Subdivision) (State or Territory)

The elevation of the ~~center~~ ^{ground} above sea level is 5913 ft. KB Elevation - 5926 ft.

DETAILS OF WORK

(State names of and expected depths to objective sands; show sizes, weights, and lengths of proposed casings; indicate mudding jobs, cementing points, and all other important proposed work)

10/17/62 DST No. 4 5551-5592' /41/ Miss. Tool open 1 hr. Tool opened with weak blow decreasing to zero in 3 min. Recovered 15' Drilling mud. Pressures: IH 2730, ICI 175 30 min, IF 30, FF 60, FCI 60 30 min, FH 2730, Temp. 126°

10/18/62 DST No. 5 5592-5640' /48/ Miss. Tool open 2 hrs. Initial open 3 min. Tool open with good blow. Recovered 180' drilling mud, also 3020' oil and gas out brackish water. Pressures: IH 2780, 30 min ICI 1565, IF 265, FF 960, 30 min FCI 1075, FH 2750, Temp. 130 degrees.

I understand that this plan of work must receive approval in writing by the Geological Survey before operations may be commenced.

Company The Pure Oil Company

Address P. O. Box 1338

Moab, Utah

253-3581

By [Signature]
L. K. Coggan
Title District Office Manager

2139

Form 9-331 b
(April 1952)

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Sec. 1

(SUBMIT IN TRIPLICATE)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Budget Bureau No. 42-R359.4
Approval expires 12-31-60.

Indian Agency Navajo
Window Rock, Arizona
Allottee Navajo Tribal
Lease No. 11-20-603-4190

SUNDRY NOTICES AND REPORTS ON WELLS

| | | |
|---|--|---|
| NOTICE OF INTENTION TO DRILL | SUBSEQUENT REPORT OF WATER SHUT-OFF | |
| NOTICE OF INTENTION TO CHANGE PLANS | SUBSEQUENT REPORT OF SHOOTING OR ACIDIZING | |
| NOTICE OF INTENTION TO TEST WATER SHUT-OFF | SUBSEQUENT REPORT OF ALTERING CASING | |
| NOTICE OF INTENTION TO REDRILL OR REPAIR WELL | SUBSEQUENT REPORT OF REDRILLING OR REPAIR | |
| NOTICE OF INTENTION TO SHOOT OR ACIDIZE | SUBSEQUENT REPORT OF ABANDONMENT | |
| NOTICE OF INTENTION TO PULL OR ALTER CASING | SUPPLEMENTARY WELL HISTORY | X |
| NOTICE OF INTENTION TO ABANDON WELL | | |

(INDICATE ABOVE BY CHECK MARK NATURE OF REPORT, NOTICE, OR OTHER DATA)

October 16, 1962

Navajo Tract 138
Well No. 5 is located 660 ft. from N line and 660 ft. from W line of sec. 1
SW 1/4 Sec. 1 10N. 28E. G. & S. R. M.
(1/4 Sec. and Sec. No.) (Twp.) (Range) (Meridian)
Dry Mesa Apache Arizona
(Field) (County or Subdivision) (State or Territory)

The elevation of the ~~water table~~ ^{ground} above sea level is 5913 ft. KB Elevation - 5926 ft.

DETAILS OF WORK

(State names of and expected depths to objective sands; show sizes, weights, and lengths of proposed casings; indicate mudding jobs, cementing points, and all other important proposed work)

10/15/62 DST No. 2 - 5445-5550' /105/ Miss. Misrun. Packer wouldn't hold, formation apparently fractured.

DST No. 3 5473-5550' /77/ Miss. Tool open 1 hour and 3 minutes. Tool opened with very weak blow, decreasing to zero in 10 minutes. Recovered 40' of slightly gas cut drilling mud. Pressures: IH 2734, 30 min. ICI 85, IF & FF 55, 30 minute FCI 70, FH 2735. Bottom hole temp. 126 degrees.

I understand that this plan of work must receive approval in writing by the Geological Survey before operations may be commenced.

Company The Pure Oil Company

Address P. O. Box 1338

Moab, Utah

253-3581

By L. K. Cogger
L. K. Cogger
Title District Office Manager

213 9

Form 9-331b
(April 1932)

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Sec. 1

(SUBMIT IN TRIPLICATE)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Budget Bureau No. 42-R359.4
Approval expires 12-31-60.

Indian Agency Navajo
Window Rock, Arizona
Allottee Navajo Tribal
Lease No. 14-20-603-4190

SUNDRY NOTICES AND REPORTS ON WELLS

| | | |
|---|--|---|
| NOTICE OF INTENTION TO DRILL | SUBSEQUENT REPORT OF WATER SHUT-OFF | |
| NOTICE OF INTENTION TO CHANGE PLANS | SUBSEQUENT REPORT OF SHOOTING OR ACIDIZING | |
| NOTICE OF INTENTION TO TEST WATER SHUT-OFF | SUBSEQUENT REPORT OF ALTERING CASING | |
| NOTICE OF INTENTION TO REDRILL OR REPAIR WELL | SUBSEQUENT REPORT OF REDRILLING OR REPAIR | |
| NOTICE OF INTENTION TO SHOOT OR ACIDIZE | SUBSEQUENT REPORT OF ABANDONMENT | X |
| NOTICE OF INTENTION TO PULL OR ALTER CASING | SUPPLEMENTARY WELL HISTORY | |
| NOTICE OF INTENTION TO ABANDON WELL | | |

(INDICATE ABOVE BY CHECK MARK NATURE OF REPORT, NOTICE, OR OTHER DATA)

October 12, 1962

Navajo Tract 138
Well No. 5 is located 660 ft. from N line and 660 ft. from W line of sec. 1
SW Sec. 1 40N 28E. G. & S. R. M.
(1/4 Sec. and Sec. No.) (Twp.) (Range) (Meridian)
Dry Mesa Apache Arizona
(Field) (County or Subdivision) (State or Territory)

The elevation of the ~~surface~~ ground (Ungraded) above sea level is 5913 ft. KB will be reported later.

DETAILS OF WORK

(State names of and expected depths to objective sands; show sizes, weights, and lengths of proposed casings; indicate mudding jobs, cementing points, and all other important proposed work)

10/10/62 DST No. 1 - 5019-5064' - Paradox-Barker Creek. Tool open 8 hours and 5 minutes. Tool opened with very strong blow. Gas to surface in 10 minutes. Estimated gas flow 2 1/2 million cubic feet on 1/2" choke. Flow pressure at end of test on 1/4" choke 590#.

Recovered 876° of gas out black sulfur water. Pressures: IH & FH 2440#, 30 minute ICI 1470 #, IP 130, FF 812#, 30 minute FCI 1440#, Temperature 130 degrees.

I understand that this plan of work must receive approval in writing by the Geological Survey before operations may be commenced.

Company The Pure Oil Company

Address P. O. Box 1338

Moab, Utah

253-3581

By L. K. Coggan

Title District Office Manager

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Tract 138
Navajo Tribal
Navajo Tribe
Lease No. M-20-603-4190

LESSEE'S MONTHLY REPORT OF OPERATIONS

State Arizona County Apache Field Dry Mesa

The following is a correct report of operations and production (including drilling and producing wells) for the month of September 1962

Agent's Address P. O. Box 1338 Company THE PURE OIL COMPANY
Moab, Utah Signed [Signature]
Phone 253-3581 Agent's title District Office Manager

| SEC. AND 1/4 of 3/4 | TWP. | RANGE | WELL NO. | Days Prod. | Barrels of Oil | Gravity | Cu. ft. of Gas (in thousands) | Gallons of Gasoline Recovered | Gal. water (if none, so state) | REMARKS if drilling, depth if shut down, cause; date and result of test for gasoline content of gas |
|---|------|-------|----------|------------|----------------|---------|-------------------------------|-------------------------------|--------------------------------|---|
| SW SW Sec. 1 Navajo Tract 138, Well No. 5 | 40N | 28E | 5 | -0- | | | | | | Location: 660' FSL and 660' FWL. L & S elevations - GR 5913, KB 5926'. Spudded 11 A.M. 9/22/62. Drld to 43'. Set 2 jts 13-3/8" OD 40# H-40 casing at 43' KB with 45 sax of regular cement with 2% calcium chloride. Drilled to 1102'. Set 35 jts 9-5/8" OD 40# casing at 1102' with 276 sax 50-50 Pozmix with 2% calcium chloride, followed with 150 sax regular Neat cement with 2% calcium chloride. Circulated * cement. Job complete 3:00 A.M. 9/26/62. Drilled to 3352' - Inc. |

NOTE: Texas-Pacific Coal & Oil Company is the Operator of the Ton-Atin Unit now containing four wells; however, The Pure Oil Co. has been designated as Operator for the drilling of Well No. 5. If well is completed as a producer, Texas-Pacific will take over as Operator.

NOTE:—There were No runs or sales of oil; No M. cu. ft. of gas sold;

No runs or sales of gasoline during the month. (Write "no" where applicable.)

NOTE.—Report on this form is required for each calendar month, regardless of the status of operations, and must be filed in duplicate with the supervisor by the 6th of the succeeding month, unless otherwise directed by the supervisor.

Form 9-331b
(April 1952)

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(SUBMIT IN TRIPLICATE)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Budget Bureau No. 42-12359.4
Approval expires 12-31-60.

Indian Agency Navajo
Window Rock, Arizona
Allottee Navajo Tribal
Lease No. 14-20-603-4190

Sec. 1

SUNDRY NOTICES AND REPORTS ON WELLS

| | | |
|---|--|-------------------------------------|
| NOTICE OF INTENTION TO DRILL | SUBSEQUENT REPORT OF WATER SHUT-OFF | |
| NOTICE OF INTENTION TO CHANGE PLANS | SUBSEQUENT REPORT OF SHOOTING OR ACIDIZING | |
| NOTICE OF INTENTION TO TEST WATER SHUT-OFF | SUBSEQUENT REPORT OF ALTERING CASING | |
| NOTICE OF INTENTION TO REDRILL OR REPAIR WELL | SUBSEQUENT REPORT OF REDRILLING OR REPAIR | |
| NOTICE OF INTENTION TO SHOOT OR ACIDIZE | SUBSEQUENT REPORT OF ABANDONMENT | |
| NOTICE OF INTENTION TO PULL OR ALTER CASING | SUPPLEMENTARY WELL HISTORY | <input checked="" type="checkbox"/> |
| NOTICE OF INTENTION TO ABANDON WELL | | |

(INDICATE ABOVE BY CHECK MARK NATURE OF REPORT, NOTICE, OR OTHER DATA)

September 27, 1962

Navajo Tract 138
Well No. 5 is located 660 ft. from S line and 660 ft. from W line of sec. 1

SW SW Sec. 1 40N 28E O. & S. R. N.
(1/4 Sec. and Sec. No.) (Twp.) (Range) (Meridian)
Dry Run Apache Arizona
(Field) (County or Subdivision) (State or Territory)

The elevation of the ~~drill floor~~ ground (Ungraded) above sea level is 5913 ft. KB will be reported later.

DETAILS OF WORK

(State names of and expected depths to objective sands; show sizes, weights, and lengths of proposed casings; indicate mudding jobs, cementing points, and all other important proposed work)

Spudded 11:00 a.m. 9-22-62. Drilled to 43'. Set 2 jts. 13-3/8" OD 40# H-40 casing at 43' KB with 45 sax of regular cement with 2% calcium chloride. Drilled to 1,102'. Set 35 jts. 9-5/8" OD 40# casing, with H-40 cement guide shoe and automatic insert valve and three centralizers, at 1,102' KB, with 276 sax 50-50 Pozmix with 2% calcium chloride, followed with 150 sax regular cement with 2% calcium chloride. Pumped plug down with 85 bbls. of water and bumped plug with 1500# pressure. Circulated cement. Job complete at 10:30 p.m. 9-25-62. Released pressure and cut off at 3:00 a.m. 9-26-62.

I understand that this plan of work must receive approval in writing by the Geological Survey before operations may be commenced.

Company The Pure Oil Company

Address P. O. Box 1318

Koeb, Utah

253-3581

By L. K. Ryan

Title District Office Manager

9/3/62

Form 9-331 b
(April 1952)

| | | | |
|---|--|--|--|
| | | | |
| | | | |
| | | | |
| 0 | | | |

Sec. 1

(SUBMIT IN TRIPLICATE)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Budget Bureau No. 42-R359.1
Approval expires 12-31-60.

India's Agency Navajo
Window Rock, Arizona
Allottee Navajo Tribal
Lease No. 14-20-603-4190

SUNDRY NOTICES AND REPORTS ON WELLS

| | | | |
|---|-------------------------------------|--|--|
| NOTICE OF INTENTION TO DRILL | <input checked="" type="checkbox"/> | SUBSEQUENT REPORT OF WATER SHUT-OFF | |
| NOTICE OF INTENTION TO CHANGE PLANS | | SUBSEQUENT REPORT OF SHOOTING OR ACIDIZING | |
| NOTICE OF INTENTION TO TEST WATER SHUT-OFF | | SUBSEQUENT REPORT OF ALTERING CASING | |
| NOTICE OF INTENTION TO REDRILL OR REPAIR WELL | | SUBSEQUENT REPORT OF REDRILLING OR REPAIR | |
| NOTICE OF INTENTION TO SHOOT OR ACIDIZE | | SUBSEQUENT REPORT OF ABANDONMENT | |
| NOTICE OF INTENTION TO PULL OR ALTER CASING | | SUPPLEMENTARY WELL HISTORY | |
| NOTICE OF INTENTION TO ABANDON WELL | | | |

(INDICATE ABOVE BY CHECK MARK NATURE OF REPORT, NOTICE, OR OTHER DATA)

September 13, 19 62

Navajo Tract 138

Well No. 5 is located 660 ft. from NS line and 660 ft. from EX line of sec. 1

SW SW Sec. 1 40N 28E O. & S. R. M.
(34 Sec. and Sec. No.) (Twp.) (Range) (Meridian)

Dry Mesa Apache Arizona
(Field) (County or Subdivision) (State or Territory)

The elevation of the ~~surface~~ ground (Ungraded) above sea level is 5913 ft. KB elevation will be reported later.

DETAILS OF WORK

(State names of and expected depths to objective sands; show sizes, weights, and lengths of proposed casings; indicate mudding jobs, cementing points, and all other important proposed work)

Propose to drill well with rotary tools to an estimated depth of 5,700' with necessary drilling mud as needed. The proposed casing program is as follows:

- 35' - 13-3/8" OD 48# H-40 Conductor - Cemented to surface
- 1,200' - 9-5/8" OD 36# & 40# J-55 Surface Casing - Cemented to surface
- 5,700' - 5-1/2" OD 11# & 15.5# J-55 Production String - Cemented with sufficient cement to meet conditions encountered. (4,700' - 5,700')

The objective pay is the Mississippian Formation. Estimated spud date is 9-20-62. The surface formation is the Morrison. Anticipate coring from approximately 5,020' to 5,070' in Paradox and about 50' of Mississippian, starting about 50' below top of Mississippian. Anticipate two DST's in Paradox and possibly three DST's in the Mississippian, each covering about 50' of section.

I understand that this plan of work must receive approval in writing by the Geological Survey before operations may be commenced.

Company THE PURE OIL COMPANY

Address P. O. Box 1338

Moab, Utah

253-3581

By W. W. Weir

Title District Superintendent

APPLICATION FOR PERMIT TO DRILL, DEEPEN OR PLUG BACK

APPLICATION TO DRILL DEEPEN PLUG BACK

| | | | |
|---|-----------------------|---|--------------------|
| NAME OF COMPANY OR OPERATOR | | DATE | |
| THE PURE OIL COMPANY | | September 13, 1962 | |
| Address | | City State | |
| P. O. Box 1338 | | Moab Utah | |
| INDIAN LAND DESCRIPTION OF WELL AND LEASE | | | |
| Name of lease Navajo Tract 138 | | Well number | Elevation (ground) |
| Navajo Tribe 14-20-603-4190 | | 5 | 5,913' |
| Well location (give footage from section lines) | | Section—township—range and block & survey | |
| 660' FSL and 660' FWL of Sec. 1, T-40N, R-28E G.S.&R.M. | | | |
| Field & reservoir (if wildcat, so state) | | County | |
| Dry Mesa (Toh-Atin) Mississippian | | Apache | |
| Distance, in miles, and direction from nearest town or post office | | | |
| 65 miles west of Shiprock, New Mexico | | | |
| Nearest distance from proposed location to property or lease line: | | Distance from proposed location to nearest drilling, completed or applied—for well on the same lease: | |
| 4,620 feet | | 2,640 feet | |
| Proposed depth: | Rotary or cable tools | Approx. date work will start | |
| 5,700 | Rotary | Sept. 20, 1962 | |
| Number of acres in lease: | | Number of wells on lease, including this well, completed in or drilling to this reservoir: | |
| 2,357 | | 5 | |
| If lease, purchased with one or more wells drilled, from whom purchased: | | | |
| Name Address | | | |
| * - See Below | | | |
| Status of bond | | | |
| \$2,500.00 bond applied for | | | |
| Remarks: (If this is an application to deepen or plug back, briefly describe work to be done, giving present producing zone and expected new producing zone) | | | |
| * Texas-Pacific Coal & Oil Co. is the Operator of the Toh-Atin Unit now containing four wells; however, The Pure Oil Co. has been designated as Operator for the drilling of Well No. 5. If well is completed as a producer, Texas-Pacific will take over as Operator. | | | |
| * Fill in Proposed Casing Program on other side | | | |
| CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the Moab District Office Manager of the Pure Oil Company (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge. | | | |
| September 13, 1962 | | Signature L. K. Coggan | |
| Date | | | |
| Permit Number: <u>PK 213</u> | | STATE OF ARIZONA OIL & GAS CONSERVATION COMMISSION | |
| Approval Date: <u>9-18-62</u> | | Application to Drill, Deepen or Plug Back | |
| Approved By: <u>[Signature]</u> | | Form No. P-1 File two copies | |
| Notice: Before sending in this form be sure that you have given all information requested. Much unnecessary correspondence will thus be avoided. | | Effective Feb. 28, 1962. | |
| 9/13 See Instruction on Reverse Side of Form | | | |

OK
2/2

INSTRUCTIONS

READ CAREFULLY AND COMPLY FULLY

For the purpose of this determination attach hereto a neat, accurate plat, map or sketch of this lease, section, block or lot locating thereon the proposed site for this location. Plat shall be drawn to a scale which will permit the facile observation of all pertinent data. Show distances of the proposed well from the two nearest lease and section lines, and from the nearest wells on the same lease completed in or drilling to the same reservoir. If the location requested is not in conformance with the applicable well-spacing rules, show all off-setting wells to the proposed well, and the names and addresses of all adjoining lease or property owners.

In event plat is filed for the purpose of designating the drilling and producing unit, or proration unit, on which the proposed well is to be drilled, the boundaries of such unit shall be shown, also the boundaries of all other such units attributed to other wells on the same lease completed in or drilling to the same reservoir. The acreage contained within each unit shall also be shown.

Do not confuse survey lines with lease lines. The sketch or plat should show your entire lease if possible. If it is not practical to show the entire lease and the plat shows only a section, block or lot out of your lease, you should clearly show that same is only a part of the lease.

Designate scale to which plat or sketch is drawn. Also designate northerly direction on the sketch or plat.

PROPOSED CASING PROGRAM

| Size of Casing | Weight | Grade & Type | Top | Bottom | Cementing Depths | Sacks Cement |
|----------------|---------|--------------|-----|--------|------------------|--------------|
| 13-3/8" | 48# | H-40 | 0' | 35' | 35' | 40 |
| 9-5/8" | 36 & 40 | J-55 | 0' | 1,200' | 1,200' | 600 |
| 5-1/2" | 14 & 15 | J-55 | 0' | 5,700' | 4700-5700 | 200 |

Form No. P-1

THE PURE OIL COMPANY

LOCATION REPORT

Aneth-Toh-Atin Field

A.F.E. No. 4611

Date 8-31-62

Division Northern Producing

Prospect District

Noab District

Lease Navajo Tribe 14-20-603-4390

Acres 589.25

Lease No. 8056

Ungraded

Navajo Tract No. 138

Quadrangle SW/4 SW/4

Sec. 1

Twp. 40N

Elevation Gr. 5913

Well No. 5 (Serial No. _____)

Survey G & S. R. M.

County Apache

State Arizona

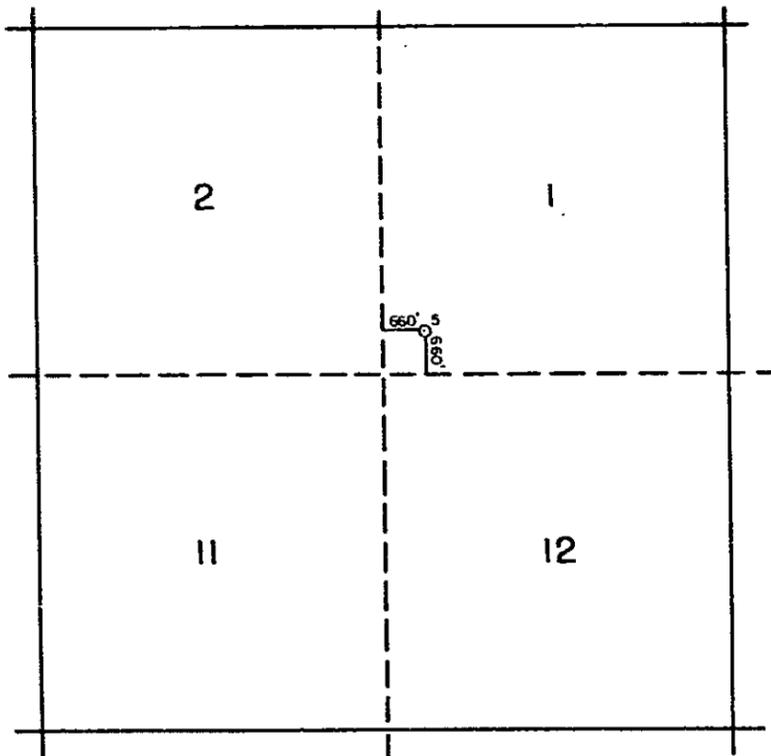
Operator The Pure Oil Company

Map Arizona 1-2

660 Feet North of the South line of Section
660 Feet East of the West line of Section
 _____ Feet _____ of the _____ line of _____
 _____ Feet _____ of the _____ line of _____

LEGEND

- ☀ Gas Well
- Oil Well
- ☀ Gas-Distillate Well
- or ○ Dry Hole
- Location
- ⊙ Abandoned Location
- ☀ or ☀ Abandoned Gas Well
- or ● Abandoned Oil Well
- or ○ Input Well



N

Scale 2" = 1 Mile

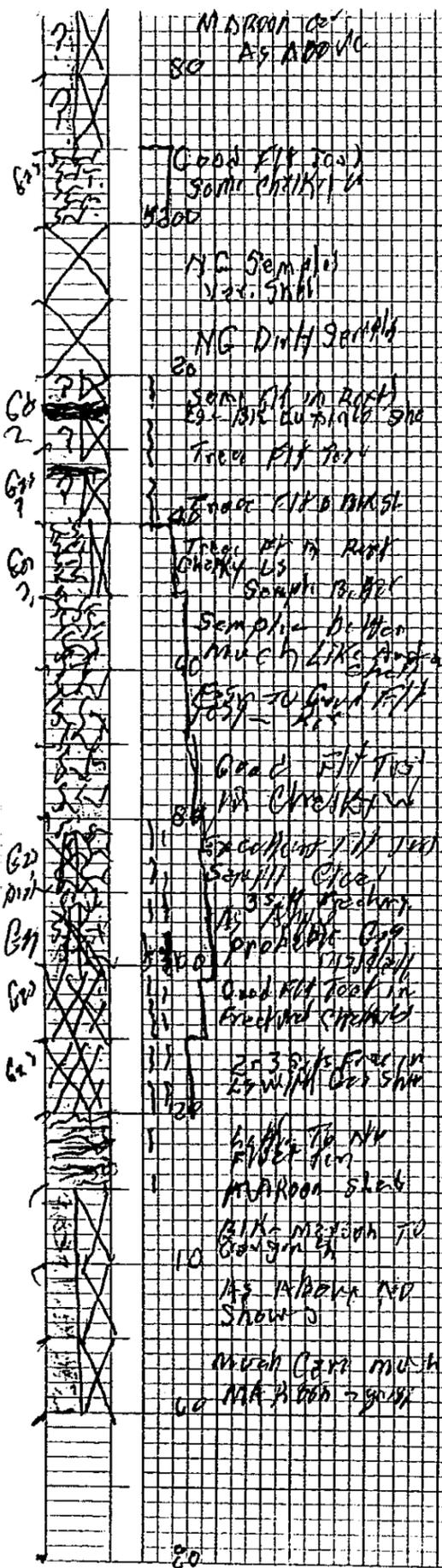
Remarks: The Pure Oil Company (Operator) 50%
Sun Oil Company 50%

(Texas-Pacific Coal & Oil Company is Operator of the Toh-Atin Field; however, T-P and Monsanto Chemical Company elected not to participate in the drilling of the well. Pure and Sun agreed to equally carry the interest of the non-participants.)

Submitted by [Signature] Civil Engineer

Approved by _____ Division Manager

Approved by _____ Vice-President—General Manager



DRY MESA FIELD

Operator: Coleman Oil & Gas, Inc.

Bond Company*: Indian lands, evidence of bond posted with BIA

Amount: \$75,000

Bond No.: Letter of Credit Bond No. 564 **Date approved:** 11/28/94

*** Pursuant to commission motion of October 31, 1997, no bond required with State of Arizona upon evidence of bond posted with the BIA.**

Permits covered by this bond posted with the BIA:

077

106

115

213

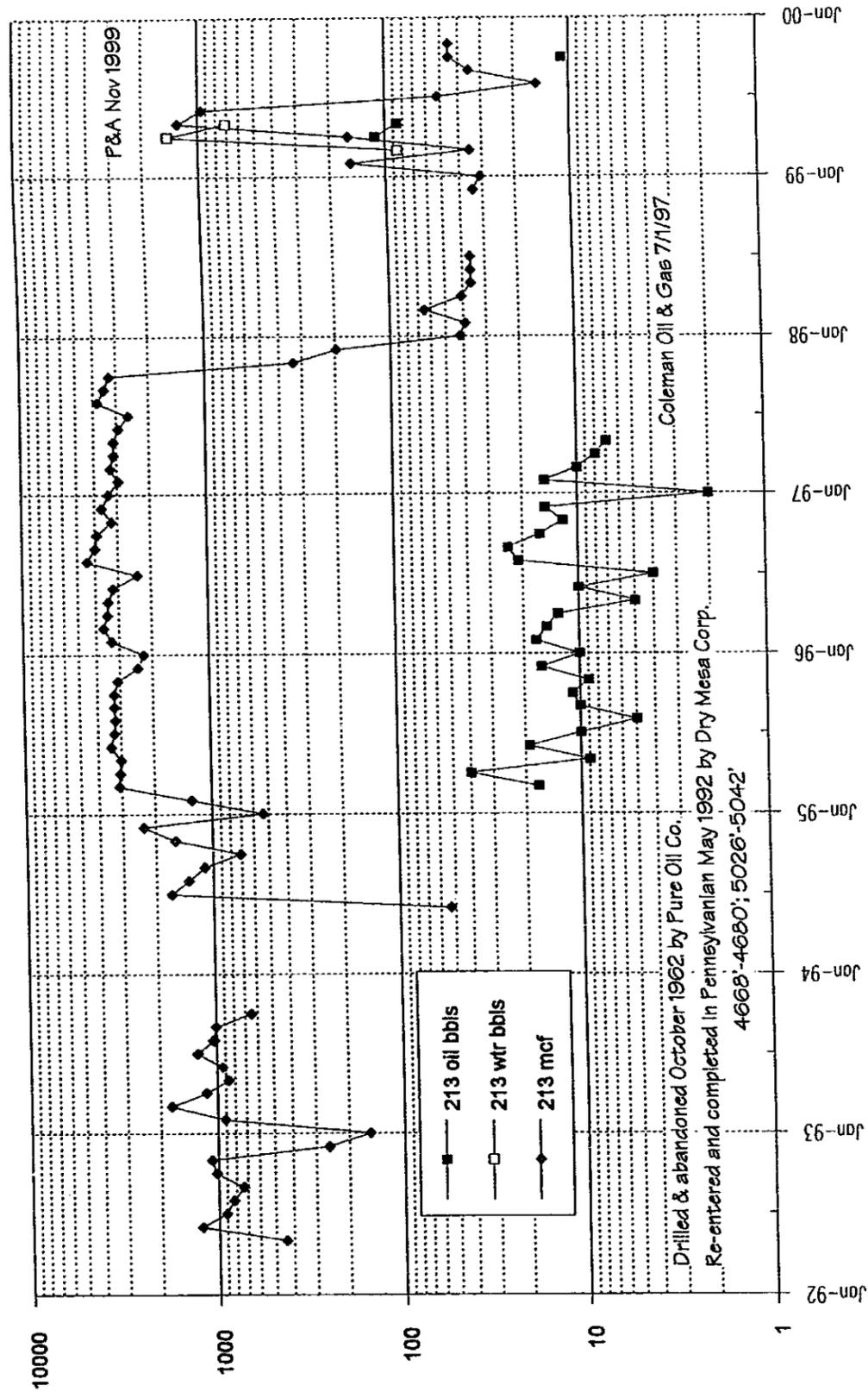
852

907

P4 A 11-16-99

MONTHLY PRODUCTION AT 5 NAVAJO-138 (213), ARIZONA: MAY 1992 - NOV 1999

SW SW 1-40n-28e, Dry Mesa Field, Apache County



MONTHLY OIL, WATER, AND GAS PRODUCTION AT 5 NAVAJO-138, DRY MESA FIELD, ARIZONA
(per SLR audit of monthly producer's reports 5/92 -- 11/99)

| DATE | oil in bbls | cum oil bbl | wtr in bbls | cum wtr bb | mcf | cum mcf | DATE |
|--------|-------------|-------------|-------------|------------|------|---------|--------|
| Jan-92 | | | | | | | Jan-92 |
| Feb-92 | | | | | | | Feb-92 |
| Mar-92 | | | | | | | Mar-92 |
| Apr-92 | | | | | | | Apr-92 |
| May-92 | | | | | 437 | 437 | May-92 |
| Jun-92 | | | | | 1226 | 1663 | Jun-92 |
| Jul-92 | | | | | 910 | 2573 | Jul-92 |
| Aug-92 | | | | | 825 | 3398 | Aug-92 |
| Sep-92 | | | | | 730 | 4128 | Sep-92 |
| Oct-92 | | | | | 1021 | 5149 | Oct-92 |
| Nov-92 | | | | | 1083 | 6232 | Nov-92 |
| Dec-92 | | | | | 257 | 6489 | Dec-92 |
| Jan-93 | | | | | 153 | 6642 | Jan-93 |
| Feb-93 | | | | | 908 | 7550 | Feb-93 |
| Mar-93 | | | | | 1745 | 9295 | Mar-93 |
| Apr-93 | | | | | 1141 | 10436 | Apr-93 |
| May-93 | | | | | 863 | 11299 | May-93 |
| Jun-93 | | | | | 932 | 12231 | Jun-93 |
| Jul-93 | | | | | 1259 | 13490 | Jul-93 |
| Aug-93 | | | | | 1032 | 14522 | Aug-93 |
| Sep-93 | | | | | 1000 | 15522 | Sep-93 |
| Oct-93 | | | | | 647 | 16169 | Oct-93 |
| Nov-93 | | | | | | 16169 | Nov-93 |
| Dec-93 | | | | | | 16169 | Dec-93 |
| Jan-94 | | | | | | 16169 | Jan-94 |
| Feb-94 | | | | | | 16169 | Feb-94 |
| Mar-94 | | | | | | 16169 | Mar-94 |
| Apr-94 | | | | | | 16169 | Apr-94 |
| May-94 | | | | | | 16169 | May-94 |
| Jun-94 | | | | | 53 | 16222 | Jun-94 |
| Jul-94 | | | | | 1672 | 17894 | Jul-94 |
| Aug-94 | | | | | 1349 | 19243 | Aug-94 |
| Sep-94 | | | | | 1109 | 20352 | Sep-94 |
| Oct-94 | | | | | 709 | 21061 | Oct-94 |
| Nov-94 | | | | | 1580 | 22641 | Nov-94 |
| Dec-94 | | | | | 2314 | 24955 | Dec-94 |
| Jan-95 | | | | | 532 | 25487 | Jan-95 |
| Feb-95 | | | | | 1278 | 26765 | Feb-95 |
| Mar-95 | 17 | 17 | | | 3102 | 29867 | Mar-95 |
| Apr-95 | 40 | 57 | | | 3062 | 32929 | Apr-95 |
| May-95 | 9 | 66 | | | 3030 | 35959 | May-95 |
| Jun-95 | 19 | 85 | | | 3404 | 39363 | Jun-95 |
| Jul-95 | 10 | 95 | | | 3263 | 42626 | Jul-95 |
| Aug-95 | 5 | 100 | | | 3220 | 45846 | Aug-95 |
| Sep-95 | 10 | 110 | | | 3247 | 49093 | Sep-95 |
| Oct-95 | 11 | 121 | | | 3237 | 52330 | Oct-95 |
| Nov-95 | 9 | 130 | | | 3097 | 55427 | Nov-95 |
| Dec-95 | 16 | 146 | | | 2397 | 57824 | Dec-95 |
| Jan-96 | 10 | 156 | | | 2219 | 60043 | Jan-96 |
| Feb-96 | 17 | 173 | | | 3298 | 63341 | Feb-96 |

P.O. DRAWER 3337
FARMINGTON, NM 87499

OFFICE: 505-327-0356
FAX: 505-327-9425



COLEMAN OIL & GAS, INC.

VIA US MAIL

October 15, 1999

Arizona Geological Survey
416 W. Congress, Suite 100
Tucson, AZ 85701

file 213

Attn: Steve Rauzi

Dear Mr. Rauzi:

Attached is a copy of the Sundry Notice to Plug and Abandon the Dry Mesa #5, that was sent to the Bureau of Land Management in Farmington NM. Coleman Oil & Gas would like to have this well Plugged and Abandoned before November 1, 1999.

I will give you a call the first part of next week to see if this is possible.

Sincerely,

Coleman Oil & Gas

Michael T. Hanson

Michael Hanson





WALSH

ENGINEERING & PRODUCTION CORP.

Petroleum Engineering Consulting
Lease Management
Contract Pumping

7415 East Main
Farmington, New Mexico 87402
(505) 327-4892

November 6, 1997

FAX 520 770-3505

TO: Steve Rauzi

FROM: Ruth Rogge

As per your conversation with Chris Coleman, enclosed please find an approved Designation of Operator and also a copy of approved Letter of Credit Bond No. 564 for Coleman/Thompson.

I am also enclosing a copy of letter received from Mr. Clint W. Smith concerning bonding on this lease. I will send you copies of the above in the mail today.

If you need anything else, please give me a call.

rr



P/N 213

08/17/97 11:22 FAX 505 327 4862

COLEMAN OIL GAS

002

(March 1988)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS

(submit in triplicate to appropriate
BIA office)

DESIGNATION OF OPERATOR

The undersigned is, on the records of the Bureau of Indian Affairs, holder of lease

AREA OFFICE:
LEASE NO: 14-20-603-4190

and hereby designates

NAME: Thompson Engineering & Production Corporation

ADDRESS: 7415 East Main Farmington, N.M. 87402-5180



as his operator and local agent, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the authorized officer may serve written or oral instructions in securing compliance with the Operating Regulations (43 CFR 3160 and 25 CFR 211 and 212) with respect to (describe acreage to which this designation is applicable):

T40N, R28 E, CASRM
Section 1, 2 -ALL (Fractional)
Section 11 and 12-ALL
2365.09 Acres, Surveyed, Apache County, Arizona

Bond coverage under 25 CFR 211, 212 or 225 for lease activities conducted by the above named designated operator is under Bond Number Letter Of Credit #564 (attach copy). Evidence of bonding is required prior to the commencement of operations.

It is understood that this designation of operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Operating Regulations. It is also understood that this designation of operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated operator, the lessee will make full and prompt compliance with all regulations, lease terms, stipulations, or orders of the Secretary of the Interior or his representative.

Attach all appropriate documentation relevant to this document.

The lessee agrees promptly to notify the authorized officer of any change in the designated operator.

George E. Coleman
(Signature of lessee)

George E. Coleman, President

Coleman Oil & Gas, Inc. P.O. Drawer 3337 Farmington, N.M.

(Address)

87499

July 1, 1997

APPROVED, PURSUANT TO SECRETARY'S REDELEGATION ORDER 209 IM, & SECRETARY'S ORDER NOS. 3150 AND 3177, AND 10 BYAM BULLETIN 13, AS AMENDED.

Glenn Danetson
APPROVED BY

ACTING AREA DIRECTOR
TITLE

9/12/97
(Date)

09/17/97 11:22 FAX 327 4862

COLEMAN OIL GAS

001



United States Department of the Interior

BUREAU OF INDIAN AFFAIRS
NAVAJO AREA OFFICE

P. O. Box 1060
Gallup, New Mexico 87305

IN REPLY
REFER TO:

ARES/543

SEP 12 1997

*Dr. Max
Fitt.*

Mr. Chris Coleman
Coleman Oil and Gas, Inc.
P. O. Box Drawer 3337
Farmington, New Mexico 87499-3337

Dear Mr. Coleman:

Enclosed for your information and use is an approved original copy of Designation of Operator between Coleman Oil & Gas, Inc., and Thompson Engineering & Production Corporation on Navajo Tribal Oil and Gas Lease No. 14-20-603-4190.

Please note that all other concerned parties will be furnished their approved copy of the Designation of Operator for their use.

Sincerely,

Dale Underwood

Acting Area Realty Officer

Enclosure





United States Department of the Interior

**BUREAU OF INDIAN AFFAIRS
NAVAJO AREA OFFICE**

**P. O. Box 1060
Gallup, New Mexico 87305-1060**

IN REPLY
REFER TO:

ARES/543

AUG 22 1997

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. Chris Coleman
Coleman Oil and Gas, Inc.
P. O. Drawer 3337
Farmington, New Mexico 87499-3337

Dear Mr. Coleman:

Enclosed for your information and file is a copy of the approved Letter of Credit Bond No. 564 for the amount of \$75,000 for lease No. 14-20-603-4190. The original copy will be on file in our office.

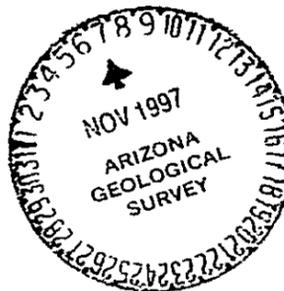
If you have any further questions, you may contact Ms. Bertha Spencer, Realty Specialist, at (520) 871-5938.

Sincerely,

Dale Underwood

Acting Area Realty Officer

Enclosure





First National Bank of Farmington
Charter Member FDIC

RECEIVED

AUG 7 1997

NAVAJO AREA OFFICE
BRANCH OF REAL ESTATE SERVICES

RECEIVED

JUL 14 1997

NAVAJO AREA OFFICE
BRANCH OF REAL ESTATE SERVICES

June 30, 1997

RECEIVED
AUG 10 1997
NAVAJO AREA OFFICE
REAL ESTATE SERVICES

IRREVOCABLE LETTER OF CREDIT

First National Bank of Farmington
P.O. Box 4540
Farmington, NM 87499-4540

Letter of Credit No. 564
Amount: U.S. \$75,000.00

Beneficiary:
Bureau of Indian Affairs
Navajo Area Office
P.O. Box 1060
Gallup, NM 87305-1060

Applicant:
Coleman Oil and Gas, Inc.
Thompson Engineering & Production Corp.
P.O. Drawer 3337
Farmington, NM 87499-3337

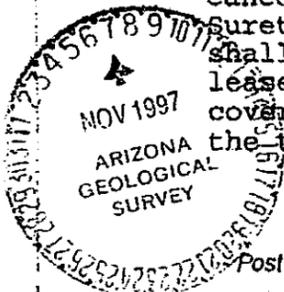
Date of Issue:
6/30/97

Expiration Date: Written Approval of BIA

Gentlemen:

First National Bank of Farmington ("Surety") hereby issues our Irrevocable Letter of Credit No. 564 in favor of the Bureau of Indian Affairs, Navajo Area Office, hereinafter referred to as Beneficiary for the account of Coleman Oil & Gas, Inc. ("Principal") for the sum of up to, but not exceeding, Seventy-Five Thousand and No/100 U.S. Dollars (\$75,000.00) available by your draft. This Irrevocable Letter of Credit is a guarantee that the operator/lessee/assignee/permittee shall well and truly perform and fulfill all the undertakings, covenants, terms, and conditions of said agreement and the applicable federal regulations (25 CFR, 30 CFR and 43 CFR). The draft will be made available upon written certification from the Area Director, Navajo Area, stating that such amounts are due and payable. Each sight draft so drawn and presented shall be honored by us if presented. This Letter of Credit refers to x oil and gas x activities on the entire: Navajo Lease Allotment No: BIA 14-20-603-4190.

It is the express condition of this Letter of Credit that it shall be in effect until the Area Director, Navajo Area, in writing, cancels said Letter of Credit upon request of the Principal or Surety. The Principal and Surety agree that the Letter of Credit shall extend to and include all extensions and renewals of the lease/permit/agreement covered by this Letter of Credit, such coverage to continue without interruption due to the expiration of the term set forth therein.



Sharing the Hometown Spirit

Post Office Box 4540 • Farmington, New Mexico 87499-4540 • (505)326-9000 • TDD(TYY) 326-9035



Coleman Oil & Gas, Inc.
Letter of Credit No. 564
June 30, 1997
Page 2

The Surety hereby waives any right to notice of any modification of any lease/permit/agreement, or obligation thereunder whether effected by extension of time for performance, by commitment of such lease to unit, cooperative, or communitization agreement, by waiver, suspension, or change in rental, by minimum royalty payment, by compensatory royalty payment, or otherwise, and this Letter of Credit is to remain in full force and effect notwithstanding.

The Principal and Surety agree that the neglect or forbearance of any obligee under this Letter of credit in enforcing the payment of any obligations or the performance of any other covenant, condition, or agreement of any such lease/permit/agreement shall not in any way release the Principal and Surety, or either of them, from any liability under this Letter of Credit.

The original signed Letter of Credit will be presented to the Surety by the Bureau of Indian Affairs along with any draft presented pursuant to this Letter of Credit, and will be surrendered to the Surety with any draft which draws the full amount, or the balance remaining available, under the Letter of Credit.

PROVIDED, that in the event supervision over all the tracts to which this bond applies is relinquished by the Secretary of the Interior and the lessee/permittee/assignee/operator/contractor shall have made all payments then due under the agreement and shall have fully performed all obligations on their part to be performed up to the time of relinquishment of supervision, the liability of this bond shall be of no further force and effect.



Coleman Oil & Gas, Inc.
Letter of Credit No. 564
June 30, 1997
Page 3

IN PRESENCE OF:

Corporate Principal:

Coleman Oil & Gas, Inc.
P.O. Drawer 3337
Farmington, NM 87499-3337

Attest: Jeff E. Coleman

By: G. Chris Coleman
G. Chris Coleman

Title: Vice President

Thompson Engineering & Production Corp.
204 North Auburn
Farmington, NM 87401

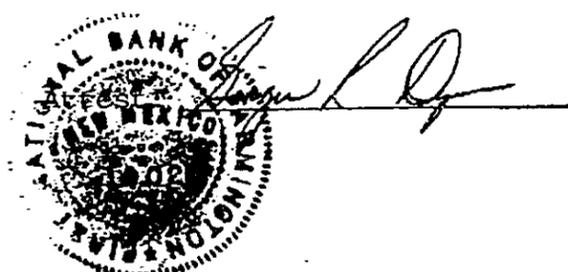
Attest: Paul C. Thompson

By: Paul C. Thompson
Paul C. Thompson

Title: President

Issuing Agent:

First National Bank of Farmington
P.O. Box 4540
Farmington, NM 87499-4540



By: Dennis E. Peterson
Dennis E. Peterson

Title: Executive Vice President

DEPARTMENT OF THE INTERIOR
Bureau of Indian Affairs

August 21, 1997

APPROVED: Pursuant to Secretarial
Redelegation Order 209 DMB,
Secretary's Order ~~XXXXXXXXXX~~
~~XXXXXXXXXX~~ Nos. 3150 and
3177, and 10 BIAM Bulletin Area Director
13, as Amended. Genni Peterson
ACTING

Sharing the Hometown Spirit

Post Office Box 4540 • Farmington, New Mexico 87499-4540 • (505)326-9000 • TDD(TYY) 326-9035

NOV. 06 '97 (150) 10:05



August 1, 1997

United States Department of the Interior
Bureau of Indian Affairs
PO Box 1060
Gallup, NM 87305-1060

Attention: Acting Area Director

Dear Sir:

On March 19, 1997, the Board of Directors of First National Bank of Farmington duly elected Dennis Peterson as Executive Vice President of First National Bank and thereby conveyed authority to Mr. Peterson to act on behalf of the Bank.

Mr. Peterson is indeed authorized to sign the Irrevocable Letter of Credit in question for Coleman Oil & Gas, Inc. on behalf of First National Bank of Farmington.

If you have further questions you may contact me at 505-324-9548.

Sincerely,

Ginger R. Dye
Executive Secretary to the Board of Directors

RECEIVED
AUG 02 1997
NAVAJO AREA OFFICE
BRANCH OF REAL ESTATE SERVICES



RECEIVED

AUG 7 1997

NAVAJO AREA OFFICE
BRANCH OF REAL ESTATE SERVICES

CWS
Clint W. Smith, P.C.

931 E. Southern Ave., #212
Mesa, Arizona 85204
(602) 892-9300
(602) 545-9252 (Fax)

November 4, 1997

Mr. Chris Coleman
Coleman Oil & Gas
P.O. Drawer 3337
Farmington, NM 87499

Re: Dry Mesa Corporation

Dear Chris:

It has come to our attention that your company has not yet posted the required bonds with the Arizona Oil and Gas Commission. Accordingly, we have not been able to recover our bond there. As you know, your cooperation is required, pursuant to the court's order, "to ensure that transfer documents are lodged with the appropriate governmental agencies," so that we may recover our cash bond.

Please take immediate action to obtain a bond with the State of Arizona so that we may recover our bond. If I have not heard from you within ten days, we will be forced to initiate litigation to enforce our rights. I will look forward to hearing from you.

Very truly yours,


Clint W. Smith



OIL AND GAS CONSERVATION COMMISSION

From the Meeting of October 31, 1997

COMMISSION POLICY ON PUBLIC AND INDIAN LAND

Mr. Rauzi reported that the Commission holds bonds for companies drilling on public and Indian lands even though companies drilling on public land are required to post a bond with the federal government and companies drilling on Indian land are required to post a bond with the BIA. He reported that the bonds held by the Commission are duplicate bonds.

Mr. Lanshe moved, seconded by Dr. Clay:

**THAT THE ADMINISTRATOR RELEASE DUPLICATE BONDS IF EVIDENCE OF
BONDS HELD WITH THE FEDERAL GOVERNMENT OR BIA IS OBTAINED**

Motion carried unanimously.

ORGANIZATION REPORT

Full Name of the Company, Organization, or Individual
THOMPSON ENGINEERING & PRODUCTION CORP.

Mailing Address and Phone Number
7415 E. Main Farmington, New Mexico 87402 505 327-4892

Plan of Organization (State whether organization is a corporation, joint stock association, firm or partnership, or individual
Corporation

Purpose of Organization (State type of business in which engaged)
Oil & Gas

If a reorganization, give name and address of previous organization

| If a foreign corporation, give (1) State where incorporated | (2) Name and mailing address of state agent | (3) Date of permit to do business in state |
|--|---|--|
| Principal Officers or Partners (if partnership) NAME | TITLE | MAILING ADDRESS |
| Paul C. Thompson | President | 7415 E. Main Farmington, New Mexico 87402 |
| Leslie W. Thompson | Vice President | 7415 E. Main Farmington, New Mexico 87402 |
| | | |
| | | |
| | | |
| | | |
| | | |

| DIRECTORS NAME | MAILING ADDRESS |
|----------------|-----------------|
| | |
| | |
| | |
| | |
| | |
| | |
| | |

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the President of the THOMPSON ENGR. & PROD. CORP. (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

Paul C. Thompson
 Signature

8/29/97
 Date



Mail completed form to:
 Oil and Gas Program Administrator
 Arizona Geological Survey
 416 W. Congress., #100
 Tucson, AZ 85701

STATE OF ARIZONA

OIL & GAS CONSERVATION COMMISSION

Organization Report
 File One Copy

Form No. 1

213

| OPERATOR'S CERTIFICATE OF COMPLIANCE AND AUTHORIZATION TO TRANSPORT OIL OR GAS FROM LEASE | | |
|--|-------------------------|--|
| Federal, State, or Indian Lease Number, or lessor's name if fee lease | Field Dry Mesa Field | Reservoir ^{gas} Pennsylvanian Paradox & Mississippian Leadville |
| Survey or Sec-Twp-Rge 11, 1, 12, 2, -T40N-R28E | County Apache | State Arizona |
| Operator THOMPSON ENGR. & PROD. CORP. | | |
| ADDRESS ALL CORRESPONDENCE CONCERNING THIS FORM TO: | | |
| Street 7415 E. Main | City Farmington | State New Mexico 87402 |
| Above named operator authorizes (name of transporter) Giant Refining Company | | |
| Transporter's street address 23733 Scottsdale Rd. | City Scottsdale | State AZ 85255 |
| Field Address | | |
| Oil, condensate, gas well gas, casinghead gas | | |
| To transport | 100 % of the | oil from said lease |
| OTHER GATHERERS TRANSPORTING FROM THIS LEASE ARE AS FOLLOWS: | | |
| Name of gatherer Western Gas Resources | % transported 100 | Product transported Gas |
| | | |
| | | |
| Indicate whether or not this certificate is for a new lease. If not a new lease, indicate whether or not it is a change of operator, change of lease name, change of gatherer, or a consolidation or subdivision of leases and give effective date of change. Change in Operator from Dry Mesa Corporation 15 Willowbrook Wichita, Kansas 67207 | | |

The undersigned certifies that the rules and regulations of the State of Arizona Oil & Gas Conservation Commission have been complied with in drilling and producing operations on this lease, except as noted above, and that the above transporter is authorized to transport the above specified percentage of the allowable oil or gas produced from the above described property, and that this authorization will be valid until further notice or until cancelled by the State of Arizona Oil & Gas Conservation Commission.

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the President of the THOMPSON ENGR. & PROD. CORP. (company), and that I am authorized by said company to make this report; that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

Date 8/29/97

Signature Paul C. Thompson
Signature Paul C. Thompson

Date approved: 9-19-97

By: SL Ramirez
STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION

Permit No. 106 115 213.752



STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
Operator's Certificate of Compliance & Authorization to Transport Oil or Gas from Lease
File Two Copies
Form No. 8

Mail two copies of completed form to:
Oil & Gas Program Administrator
Arizona Geological Survey
416 W. Congress #100
Tucson AZ 85701-1315

DRY MESA CORPORATION
15 Willowbrook
Wichita, Kansas 67207
(316) 684-0420

Steve Rauzi
Oil and Gas Program Administrator
Arizona Geological Survey
~~845 North Park, #100~~ 416 W. Congress # 100
Tucson, Arizona 85719
85701

July 22, 1997

file 213

Notice of Sale and Request for Termination of Bond Liability

Effective July 1, 1997, Dry Mesa Corporation (DMC) did sell to Coleman Oil & Gas all of DMC's interests, responsibilities, and operations in Dry Mesa Field located on Navajo lease #14-20-603-4190 which includes all of Sections 1, 2, 11, and 12, T40N - R28E, Apache county, Arizona. Coleman Oil & Gas will assume operations of the field effective July 1, 1997 and will be the Operator of Record.

Included in this sale are the wells named below and all surface facilities and production equipment located on this lease.

Well #1 API #02-001-05159 SWD Well
NE/4 NE/4 Sec 11, T40N - R28E, Apache County, Arizona

Well #2 API #02-001-05303 Gas Well
SW/4 NW/4 Sec 12, T40N - R28E, Apache County, Arizona

Well #3 API #02-001-05305 Gas Well
SW/4 SE/4 Sec 2, T40N - R28E, Apache County, Arizona

Well #5 API #02-001-05160 Gas Well
SW/4 SW/4 Sec 1, T40N - R28E, Apache County, Arizona

Well #6 API #02-001-20283 Oil Well
NE/4 NW/4 Sec 2, T40N - R28E, Apache County, Arizona

Upon written confirmation of this sale and acceptance of financial responsibility (posting of bond) for the above named wells by Coleman Oil & Gas, DMC requests that all liabilities and obligations that DMC may have under it's existing Arizona Producers Bond concerning these wells be terminated.

Sincerely,

Bob Hand
Bob Hand
Dry Mesa Corporation

pn 213



Fife Symington
Governor

State of Arizona
Arizona Geological Survey

416 W. Congress, Suite 100
Tucson, Arizona 85701
(520) 770-3500



Larry D. Fellows
Director and State Geologist

July 10, 1997

Mr. Paul Thompson
Thompson Engineering & Production
7415 E. Main
Farmington, New Mexico 87402

213

Dear Mr. Thompson:

Mr. Alan Emmendorfer has informed me that Thompson Engineering & Production will be operating the Dry Mesa Field, Arizona, on behalf of Coleman Oil & Gas. Welcome to Arizona.

To facilitate the transfer, I am enclosing some of our forms (with references to pertinent rules) that you should complete and file with this office as soon as possible. These include:

- (1) Organization report (A.A.C. R12-7-194),
- (2) Designation of operator (A.A.C. R12-7-101(11)),
- (3) Operator's certificate of compliance and authorization to transport oil or gas from lease (A.A.C. R12-7-183),
- (4) Performance bond or alternative assignment (A.A.C. R12-7-103),
- (5) Monthly producer's report (A.A.C. R12-7-161), and
- (6) a few Sundry notices.

Legible copies of these forms are acceptable.

Let me know if we may be of assistance or answer any questions.

Sincerely,

Steven L. Rauzi
Oil & Gas Program Administrator

Enclosures

SUBSIDIARIES
BIG A WELL SERVICE
SUNCO TRUCKING

DRAWER 3337
FARMINGTON, N.M. 87499

OFFICE: 505-327-0356



COLEMAN OIL & GAS, INC.

May 13, 1997

Mr. Steven L. Rauzi
Arizona Geological Survey
416 W. Congress, Suite 100
Tucson, AZ 85701



file 213

RE: Sample Log, Pure Oil Navajo 138 #5 (Permit #213)
Section 1, T40N-R28E, Apache County, AZ

Dear Steve:

Enclosed please find a copy of the sample log generated from the drill cutting of the well referenced above.

Coleman Oil & Gas respectfully requests that this information be kept confidential for a period of one year.

Thanks for your help on this matter.

Sincerely,

Alan P. Emmendorfer

Alan P. Emmendorfer
Coleman Oil & Gas
708 S. Tucker
Farmington, NM 87401

CONFIDENTIAL

Release Date 5/15/98

ARIZONA OIL & GAS CONSERVATION COMMISSION

SAMPLE POLICY

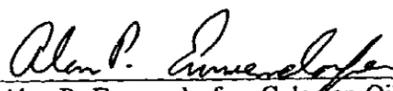
The Oil and Gas Conservation Commission hereby adopts the following as its policy regarding samples and cores. In the declaration policy "samples" is meant to include rotary and cable tool cuttings, chips, cores, core slabs, and core chips.

1. Samples received by the Commission under A.A.C. R12-7-121 shall be preserved and maintained in good order.
2. A record or file shall be kept indicating the location of samples from each well.
3. Samples are to be maintained for use as a public library.
4. Samples may be examined on the premises by any person requesting to do so. Reasonable notice for retrieval of the samples may be required.
5. Samples may be loaned for use off-premises to any responsible person at the discretion of the Commission. Borrowers are responsible for shipping costs and return of samples in proper order.
6. Users of samples shall take reasonable and customary measures to maintain the integrity and volume of each individual sample and shall not mix samples together.
 - a. Users may use ordinary tests for mineralogical determination. Acid shall not be placed in the bulk sample, rather, one or two individual grains may be removed to a separate container for acid tests.
 - b. Solvents shall not be placed in the bulk sample, rather, one or two individual grains may be removed to a separate container for solvent tests.
 - c. In no case shall bulk solvent extraction, pyrolysis, or other destructive tests be run on any samples without prior permission of the Commission.
7. Users shall return all individual samples to their original containers. If the container is damaged beyond use, a new container shall be provided.
8. Users shall replace all samples in order from top of the hole down in the original sample box.
9. Users shall provide the Commission, within 30 days of their completion, copies of all logs, paleontological and other reports, maturation studies, source rock analysis, and any other study or analysis made possible by use of samples from the Commission's library. The Commission shall grant a six-month confidentiality period if so requested by the owner of the report and may grant one six-month extension of the period of confidentiality if so requested.

Adopted 11/21/86

* * * * *

I acknowledge receipt of sample set #684, Pure Oil Navajo-138 #5 (Permit #213) Box 5 (cuttings 4800-5640') and Box 7 (core chips 5502-5592') and agree to abide by the terms of this sample policy.


Alan P. Emmendorfer, Coleman Oil & Gas

Samples
Returned
5/5/97
SKR

3/17/97
Date



Fife Symington
Governor

State of Arizona
Arizona Geological Survey

416 W. Congress, Suite 100
Tucson, Arizona 85701
(520) 770-3500



Larry D. Fellows
Director and State Geologist

March 13, 1997

Mr. Alan P. Emmendorfer
Coleman Oil & Gas
708 S. Tucker
Drawer 3337
Farmington, New Mexico 87499

file 213

Dear Alan:

The samples from the Navajo-138 #5 you requested are being shipped separately by Federal Express. Please sign and return one copy of the enclosed sample policy upon receipt of the samples. The other copy is for your files. Thank you.

Let me know if we may be of further assistance.

Sincerely,

Steven L. Rauzi
Oil & Gas Program Administrator

Enclosures

ARIZONA OIL & GAS CONSERVATION COMMISSION

SAMPLE POLICY

The Oil and Gas Conservation Commission hereby adopts the following as its policy regarding samples and cores. In the declaration policy "samples" is meant to include rotary and cable tool cuttings, chips, cores, core slabs, and core chips.

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Adopted 11/21/86

* * * * *

I acknowledge receipt of sample set #684, Pure Oil Navajo-138 #5 (Permit #213) Box 5 (cuttings 4800-5640') and Box 7 (core chips 5502-5592') and agree to abide by the terms of this sample policy.

Alan P. Emmendorfer, Coleman Oil & Gas

Date

SUBSIDIARIES
BIG A WELL SERVICE
SUNCO TRUCKING

DRAWER 3337
FARMINGTON, N.M. 87499

OFFICE: 505-327-0356



COLEMAN OIL & GAS, INC.

March 10, 1997

Mr. Steven L. Rauzi
Arizona Geological Survey
416 W. Congress, Suite 100
Tucson, AZ 85701

RE: Sample Set #684, Pure Oil Navajo 138 #5 (Permit #213)
Section 1, T40N-R28E, Apache County, AZ

Dear Steve:

I would like to examine samples from the above mentioned well. In particular I would like to borrow Box 5 (cuttings 4800'-5640') and Box 7 (core chips 5502'-5592').

Please send me a copy of the current Sample Policy also. We are prepared to receive the samples C.O.D. as has been the custom in the past at our street address below.

Should you need to contact me concerning this please call at the number listed above.

Thanks,

Alan P. Emmendorfer
Coleman Oil & Gas
708 S. Tucker
Farmington, NM 87401

FedEx USA Airbill

Tracking Number **2825311996**

Sender's Copy
268245 00045/00050

1 From (please print)
Date 3/13/97 Sender's FedEx Account Number 1070-0064-0

Sender's Name STEVEN L RAUZI Phone (520) 770-3500
Dept./Floor/Suite/Room

Company ARIZONA GEOLOGICAL SURVEY

Address 416 W CONGRESS

City TUCSON State AZ Zip 85701

2 Your Internal Billing Reference Information
(Optional) (First 24 characters will appear on invoice)

3 To (please print)
Recipient's Name ALAN EMMENDORFER Phone (505) 327-0356
Dept./Floor/Suite/Room

Company COLEMAN OIL & GAS / BIG A WELL SERVICE

Address 708 S. TUCKER
(To "HOLD" at FedEx location, print FedEx address here) (We Cannot Deliver to P.O. Boxes or P.O. Zip Codes)

City FARMINGTON State NM Zip 87401

For **HOLD** at FedEx location check here
 Hold Weekday (Not available with FedEx First Overnight)
 Hold Saturday (Not available at all locations) (Not available with FedEx First Overnight or FedEx Standard Overnight)
For **Saturday Delivery** check here
 Extra Charge (Not available at all locations) (Not available with FedEx First Overnight or FedEx Standard Overnight)

Service Conditions, Declared Value, and Limit of Liability - By using this Airbill, you agree to the service conditions in our current Service Guide or U.S. Government Service Guide. Both are available on request. SEE BACK OF SENDER'S COPY OF THIS AIRBILL FOR INFORMATION AND ADDITIONAL TERMS. We will not be responsible for any claim in excess of \$100 per package whenever the result of loss, damage, or delay, non-delivery, misdelivery, or misinformation, unless you declare a higher value, pay an additional charge, and document your

actual loss in a timely manner. Your right to recover from us for any loss includes intrinsic value of the package, loss of sales, interest, profit, attorney's fees, costs, and other forms of damage, whether direct, incidental, consequential, or special, and is limited to the greater of \$100 or the declared value but cannot exceed actual documented loss. The maximum declared value for any FedEx Letter and FedEx Pak is \$500. Federal Express may, upon your request, and with price limitations, refund all transportation charges paid. See the FedEx Service Guide for further details.

Questions?
Call 1-800-Go-FedEx (1-800-463-3339)

The World On Time.

4a Express Package Service Packages under 150 lbs. Delivery commitments may be later in some areas.
 FedEx Priority Overnight (Next business morning)
 FedEx Standard Overnight (Next business afternoon)
 FedEx 2Day* (Second business day)

NEW FedEx First Overnight (Earliest next business morning delivery to select locations) (Higher rates apply)
*FedEx Letter Rate not available. Minimum charge: One pound FedEx 2Day rate.

4b Express Freight Service Packages over 150 lbs. Delivery commitments may be later in some areas.
 FedEx Overnight Freight (Next business day service for any distance)
 FedEx 2Day Freight (Second business day service for any distance)
 FedEx Express Saver Freight (Up to 3 business day service based upon distance)
(Call for delivery schedule. See back for detailed descriptions of freight products.)

5 Packaging FedEx Letter FedEx Pak FedEx Box FedEx Tube Other Pkg.
(Declared value limit \$500)

6 Special Handling
Does this shipment contain dangerous goods? Yes (As per attached Shipper's Declaration) Yes (Shower & Containment required)
 Dry Ice (Dry Ice, 8, UN 1845 III, 1g, 904) CA Cargo Aircraft Only
(Dangerous Goods Shipper's Declaration not required)

7 Payment
Bill to: Sender (Account no. in section 1 will be billed) Recipient (Enter FedEx account no. or Credit Card no. below) Third Party Credit Card Cash/Check

FedEx Account No. 1166-1893-1 Exp. Date

Total Packages 1 Total Weight 8 lbs Total Declared Value \$00 Total Charges \$

*When declaring a value higher than \$100 per shipment you pay an additional charge. See SERVICE CONDITIONS, DECLARED VALUE AND LIMIT OF LIABILITY section for further information.

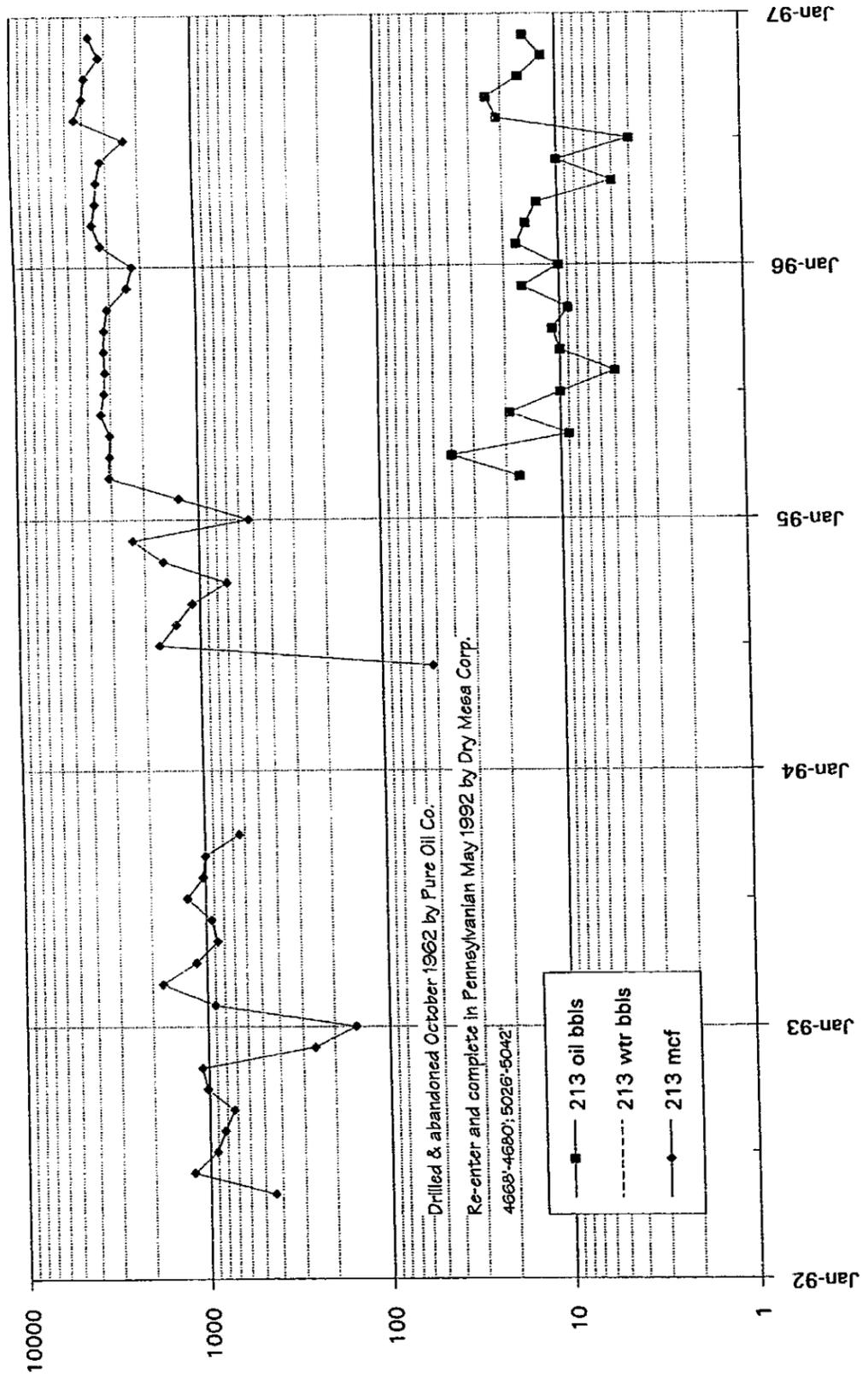
8 Release Signature Sign to authorize delivery without obtaining signature.
Your signature authorizes Federal Express to deliver this shipment without obtaining a signature and agrees to indemnify and hold harmless Federal Express from any resulting claims.

272

FORM 3000
Rev. 02/95
PART 11/95
©1994-95 FedEx
PRINTED IN U.S.A.

MONTHLY PRODUCTION AT 5 NAVAJO-138 (213), ARIZONA: MAY 1992 - DEC 1996

sw sw 1-40n-28e, Dry Mesa Field, Apache County



Drilled & abandoned October 1962 by Pure Oil Co.

Re-enter and complete in Pennsylvanian May 1992 by Dry Mesa Corp.

4668-4690; 5026-5042

■ 213 oil bbls
 - - - 213 wtr bbls
 ● 213 mcf



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington District Office
1235 La Plaza Highway
Farmington, New Mexico 87401

IN REPLY REFER TO:
14-20-603-4190 (WC)
3162.3-2 (7300)

Dry Mesa Corp.
Attn: Mr. Ken Hand
No. 15 Willow Brook
Wichita, KS 67207

FEB 13 1996

file 213



Dear Mr. Hand:

Our records indicate that you are the operator of the following wells located in T. 40 N., R. 28 E., Apache County, Arizona, Lease 14-20-603-4190:

- 1) No. 2 Tract 138, 1980' FNL & 660' FWL, Sec. 12. Date of last production January 1994.
- 2) No. 3 Tract 138, 760' FSL & 2035' FEL, Sec. 2. Date of last production May 1992.

Title 43 CFR Section 3162.3-4 requires that the lessee shall promptly plug and abandon, condition as a service well, or condition as a water well, any well on a lease that is not used or useful for the purpose of the lease. Accordingly, you are required to advise this office by Sundry Notice within 30 calendar days of your intent to perform one of the following:

1. Condition the well to a useful function.
2. Temporarily abandon the well.
3. Continued shut-in status.
4. Permanently plug and abandon the well.

The Bureau of Land Management's Definition of a shut-in well is a completion that is **physically and mechanically capable of production in paying quantities** or capable of service use. The definition of a temporarily abandoned well is a completion that is **not capable of production in paying quantities** but which may have value as a service completion.

See attached General Requirements for Non-Producing wells on Federal leases.

The 30 calendar days commences upon receipt of this letter or seven days from the date it is mailed, whichever is less. Failure to comply within the 30 calendar days will result in strict enforcement of 43 CFR 3163.1.

Under provisions of 43 CFR 3165.3, you may request an Administrative Review of the orders described above. Such requests, including all supporting documents, must be filed in writing within 20 business days of receipt of this notice and must be filed with the State Director, Bureau of Land Management, P. O. Box 27115, Santa Fe, New Mexico 87504-0115. Such request shall not result in a suspension of the orders unless the reviewing official so determines. Procedures governing appeals from instructions, orders or decisions are contained in 43 CFR 3165.4 and 43 CFR 4.400 et seq.

If you have any questions, please contact Stephen Mason with this office at (505) 599-6364.

Sincerely,



Ken Townsend
Senior Technical Advisor
Petroleum Management Team

cc:
BIA, Gallup, NM
NNMD, Window Rock, AZ



Effective January 1, 1995

General Requirements for Non-Producing Wells
On Federal Oil and Gas Leases

file 213

I. **TEMPORARY ABANDONMENT:** A temporarily abandoned well is defined as a completion that is not capable of production in paying quantities but which may have value as a service well. Pursuant to 43 CFR 3162.3-4(c), no well may be temporarily abandoned for more than 30 days without the prior approval of the Authorized Officer. When justified by the operator, the Authorized Officer may authorize additional delays, no one of which may exceed an additional 12 months.

A. Any temporary abandonment request must be submitted on a Sundry Notice (Form 3160-5) and include the following:

1. Justification why the well should be temporarily abandoned rather than permanently plugged and abandoned.
2. Description of the temporary abandonment procedure.
3. A complete wellbore diagram shown as temporarily abandoned.
4. The anticipated date the operations will occur. Mike Flaniken, Supervisory, Oil and Gas Inspector, **MUST BE NOTIFIED A MINIMUM OF 48 HOURS PRIOR TO COMMENCING ANY ABANDONMENT SO THAT THE OPERATIONS MAY BE WITNESSED.** (505/599-8907)

B. The following terms and conditions will apply to all wells approved for temporary abandonment:

1. The temporary abandonment method must provide for the installation of an isolation device (such as a retainer or bridge plug) within 50' to 100' of the top perforation or a cement plug that extends at least 50 feet above each set of open perforations. Unless prior approval is granted by the Authorized Officer, the well bore must be filled with conditioned, non-corrosive fluid and shut-in at the surface. If a cement plug is used, the top of the cement must be verified by tagging. If the wellbore had more than one producing horizon, the lower set(s) of perforations or open hole must meet the requirements for permanent plug to abandonment, unless justification is provided by the operator not to do so.

2. A test demonstrating casing mechanical integrity is required. An approved method is a pressure test of the casing and uppermost plug. The pressure test conducted shall be a minimum of 500 psi surface pressure with less than 10 percent pressure drop within thirty (30) minutes. In no event shall the pressure test required exceed seventy (70) percent of the internal yield of the casing. In the case of a plug or casing failure, the operator shall either correct the problem or plan to plug and abandon the well. Alternative methods demonstrating casing mechanical integrity may be approved by the Authorized Officer on a case-by-case basis.

3. A bradenhead test will be conducted. If the test indicates a problem exists, a remedial plan and a time frame for remediation will be submitted within ninety (90) days from the date of the test.

C. A subsequent report Sundry Notice (Form 3160-5) is required to be submitted within thirty (30) days upon the completion of the work.

D. Approval will be granted for one (1) year and renewed annually, upon receipt of a proper request. All temporarily abandoned wells are required to demonstrate casing mechanical integrity every five (5) years, unless the Authorized Officer determines, on a case-by-case basis, more frequent testing is required.



II. SHUT-IN WELL: A shut-in well is defined as a completion that is physically and mechanically capable of production in paying quantities or capable of service use. No well may be shut-in for more than one (1) year without prior approval from the Authorized Officer. Any well with a known or suspected casing leak is to be repaired immediately.

A. Any request for continued shut-in status must be submitted on a Sundry Notice (Form 3160-5) and include the following:

1. Justification why the well should be shut-in rather than activated as a producer or a service well.
2. The anticipated date(s) that casing mechanical integrity and/or production testing will occur. Mike Flaniken, Supervisory, Oil and Gas Inspector, MUST BE NOTIFIED A MINIMUM OF 48 HOURS PRIOR TO COMMENCING ANY TESTING SO THAT THE TEST(S) MAY BE WITNESSED. (505/599-8907)

B. The following terms and conditions will apply to all wells approved for continued shut-in:

1. Approved shut-in wells are to demonstrate casing mechanical integrity initially and thereafter every five (5) years. An approved method is to pressure test. The test pressure shall be a minimum of 500 psi surface pressure with less than 10 percent pressure drop within 30 minutes. In no event shall the pressure test required exceed seventy (70) percent of the internal yield of the casing. If the casing fails, it is required that the casing be repaired or the well plugged and abandoned. Alternative methods demonstrating casing mechanical integrity may be approved by the Authorized Officer on a case-by-case basis.

2. Approval for shut-in is also contingent upon conducting a production verification test. A production test will be conducted for a period of 24 hours. Depending on the circumstances, the Authorized Officer may require a longer test period, or may approve a shorter test period, to demonstrate the well's ability to produce in paying quantities. Supporting documents will be submitted with the request. Recent production history demonstrating production capabilities may be accepted in lieu of conducting the test.

3. A bradenhead test will be conducted and if the test indicates a problem exists, a remedial plan and a time frame for remediation will be submitted within ninety (90) days of the test.

4. Close all valves on the wellhead. All disconnected lines shall have bull plugs installed.

5. For oil wells with pump jacks, the operator will be allowed to leave the pump and rods in the hole and close all valves at the surface. The operator must request approval to remove the pumping unit before it is removed.

C. A subsequent report Sundry Notice (Form 3160-5) is required to be submitted within thirty (30) days upon the completion of the work.

D. Shut-In approval will be granted for a one (1) year period. A period of up to five (5) years may be granted by the Authorized Officer, with justification.

All of the above are minimum requirements. Failure to comply with the above conditions of approval may result in an assessment for noncompliance being issued pursuant to 43 CFR 3163.1. You are further advised that any instructions, orders, or decisions issued by the Bureau of Land Management are subject to administrative review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4 and 43 CFR 4.700.

14-20-603-4190 (GC)
3163.1 (07347)

MAY 13 1994

CERTIFIED--RETURN RECEIPT REQUESTED
P 866 760 517

Mr. Ken Hand
Dry Mesa Corporation
No. 15 Willow Brook
Wichita, Kansas 67207

77
106
115
213
852

Dear Mr. Hand:

On May 12, 1994, a joint inspection was performed by representatives from the Bureau of Indian Affairs (Navajo Area Office), Navajo Nation Minerals Department, Bureau of Land Management and Dry Mesa Corporation on Navajo Tribal Lease 14-20-603-4190. It was determined and agreed to by all parties that Dry Mesa Corporation has satisfied the stipulations of "Notice to Shut Down Operations" (No. NM07094BS001) issued October 15, 1993, by the Bureau of Land Management.

Dry Mesa Corporation is hereby notified that the Notice to Shut Down Operations is lifted and may resume operation of Navajo Tribal Lease 14-20-603-4190.

If you have any questions, please contact Mike Flaniken with this office at (505) 599-6381.

Sincerely,

/s/ John L. Keller

John L. Keller
Assistant District Manager
Division of Mineral Resources

cc:
Mr. Akhtar Zaman
The Navajo Nation
Minerals Department
P. O. Box 146
Window Rock, AZ 86515

Bureau of Indian Affairs
Navajo Area Office
P. O. Box 1060
Gallup, NM 87305-1060

Mr. James Miles
Indian Minerals Office
1400 La Plata Highway
Farmington, NM 87401

AZ OIL & GAS
CONSERVATION COMMISSION

JUN 10 1994



Fife Symington
Governor

State of Arizona
Arizona Geological Survey

845 North Park Avenue, #100
Tucson, Arizona 85719
(602) 882-4795



Larry D. Fellows
Director and State Geologist

March 8, 1994

Mr. Kenneth R. Hand
Dry Mesa Corporation
15 Willowbrook
Wichita, KS 67207

Dear Mr. Hand:

According to our records, Dry Mesa Corporation posted a \$25,000 state-wide performance bond on November 24, 1989, to cover its operations in the State of Arizona. Dry Mesa Corporation, therefore, meets the current bonding requirements of the Arizona Oil and Gas Conservation Commission to operate its existing, permitted oil and gas wells in Arizona.

Our records further indicate that Dry Mesa Corporation's bond currently covers six active permits at the Navajo-O (BIA 14-20-603-716) lease and five active permits at the Navajo-138 (BIA 14-20-603-4190) lease.

Please let me know if I can be of further assistance.

Sincerely,

Steven L. Rauzi
Oil & Gas Program Administrator

c Dennis Peterson, First National Bank, Farmington, NM



Fife Symington
Governor

State of Arizona
Arizona Geological Survey

845 North Park Avenue, #100
Tucson, Arizona 85719
(602) 882-4795



Larry D. Fellows
Director and State Geologist

June 29, 1993

Mr. Ken Hand
Dry Mesa Corporation
15 Willowbrook
Wichita, KS 67207

213

Re: Sale and designation of operator at Dry Mesa Field (Navajo tract 138)

Dear Ken:

I talked with Bob this morning about your pending sale of the Dry Mesa Field to Chuska Energy Company. As a result of our conversation, I have enclosed several copies of our "Designation of Operator" form so that you may officially notify this office of the transfer.

With respect to transfer of the wells, A.A.C. R12-7-103.B (copy enclosed) requires three things before the Commission can release your bonded responsibility for the wells. These are (1) that you properly notify the Commission in writing of what is being transferred, (2) that the transferee declare to the Commission in writing acceptance and bonded responsibility for the wells, and (3) the Commission approves the transfer.

With respect to transfer of the disposal well, A.A.C. R12-7-178 (copy enclosed) requires that you notify the Commission on the "Designation of Operator" form in triplicate before the proposed transfer date. The Commission will send a copy of the approved form to the former and proposed operator along with a copy of the order authorizing injection.

Please let me know if I can be of further assistance in this matter.

Sincerely,

Steven L. Rauzi
Oil & Gas Program Administrator

Enclosures

213



Fife Symington
Governor

State of Arizona
Arizona Geological Survey

845 North Park Avenue, #100
Tucson, Arizona 85719
(602) 882-4795



Larry D. Fellows
Director and State Geologist

May 14, 1993

Mr. Ken Hand
Dry Mesa Corporation
15 Willowbrook
Wichita, KS 67207

Re: Well #5 Navajo tract 138, State permit #213.

Dear Ken:

I inspected the wells at the Dry Mesa field on Friday, May 7, 1993, and noted that the reserve pit on the #5 Navajo-138 has not been reclaimed. The pit is mostly dry but collects water from rains, contains a skim of oil on the water, and is partially filled with dry tumbleweeds, which are partially soaked with oil (photograph on file).

Even though the reserve pit on the #5 Navajo-138 location is fenced, it is unsightly, poses a potential liability problem, and may be creating concern on the part of the local residents. Therefore, the reserve pit on the #5 Navajo-138 location should be reclaimed as soon as possible.

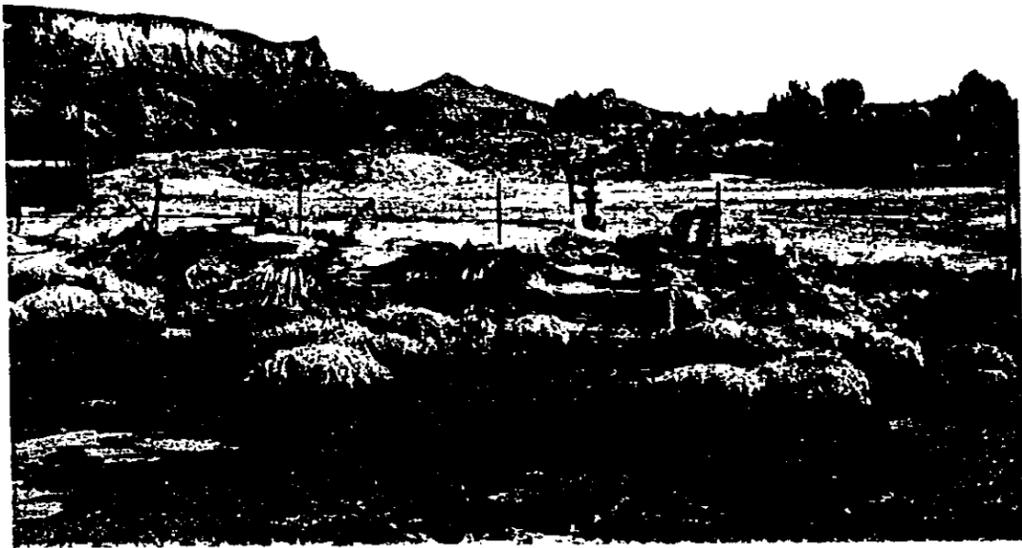
I am hopeful that you will take the necessary steps to reclaim the reserve pit on the #5 Navajo-138 location as soon as possible and favor this office with your intentions and accomplishments in this matter.

Sincerely,

Steve

Steven L. Rauzi
Oil & Gas Program Administrator

Bob Hand noted on 6/29/93 that Cluster planned to rework this well if the sale goes through and that the reserve pit would be used for



Steve:

I'll send the reservoir pressure report
and the backpressure test report forms
after I have received a gas analysis from
Western Gas

Bob Hand

DRY MESA CORPORATION

POST OFFICE BOX 5446
FARMINGTON, NEW MEXICO 87499
505 325-2058

April 21, 1992

Steve Rauzi
Arizona Geological survey
845 North Park, #100
Tucson, AZ 85719



RE: Revised Sundry Notices for Navajo Tract 138 - Well #5

Dear Steve:

The Sundry Notice that I filed concerning drilling progress on Dry Mesa Corporation's Well #5 which included Day 16, (4/15/92) was incorrect. I left Farmington on the morning of the 15th for the holidays and assumed that the well would swab in and we would release the rig on that day. That is what I put on the Sundry Notice that I submitted. This did not happen. The well did not swab in and the rig was left on location. I am submitting revised Sundry Notices to correct this error.

As of 12:00 on 4/21/92, we are still swabbing. The well will flow gas, oil, and water for several hours and then log off. When swabbed after dying, the well will only make water for 5 -6 swab runs with no show of gas or oil. Gas increases on subsequent swab runs until the well begins to flow again. When flowing, the well appears to be making around a 1,000,000 CF gas/day with significant green oil of estimated 40-41 gravity. The water recovered from swabbing has been analyzed and still appears to be spent acid water. We are continuing to evaluate the well. I will continue to submit Sundry Notices until the rig is released. I will submit a Completion Report upon production testing.

Sincerely,

Bob Hand
Bob Hand

MEMORANDUM TO FILE

DATE: APRIL 6, 1992

FROM: STEVEN L. RAUZI *SLR*

SUBJECT: DRY MESA CORPORATION 5 NAVAJO-138, STATE PERMIT #213

AT 4:00 PM ON MARCH 31, 1992, I, ACCOMPANIED BY RICK TRAPP, WITNESSED THE BLOW-OUT-PREVENTER TEST ON THIS WELL. THE BLIND RAMS WERE PRESSURED UP TO 2000 PSI FOR 15 MINUTES WITH NO DROP IN PRESSURE. THE PIPE RAMS WERE PRESSURED UP TO 2000 PSI FOR 15 MINUTES WITH NO DROP IN PRESSURE. ALL CONNECTIONS AND VALVES WERE CHECKED AND WERE SECURE. THE EQUIPMENT TESTED GOOD.

AT 8:30 AM ON APRIL 1, 1992, WE WITNESSED THE PRESSURE TEST OF THE 9 5/8 INCH CASING ON THIS WELL. THE CASING WAS PRESSURED UP TO 600 PSI FOR 30 MINUTES WITH NO SIGNIFICANT DROP IN PRESSURE. PRESSURE AT END OF TEST WAS 580 PSI, WELL WITHIN THE 10 PERCENT DROP ALLOWED BY RULE R12-7-110. ALL CONNECTIONS AND VALVES WERE CHECKED AND WERE SECURE. THE CASING TESTED GOOD.

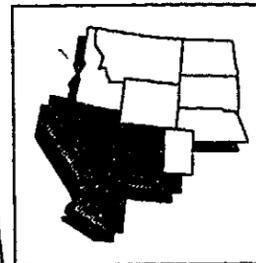
The Week in Review...Four Corners Area

Jack J. Grynberg staked six new exploratory tests in an area of the eastern Sand Wash Basin about 12 miles north of Craig, northwestern Colorado. The Moffat County tests, all projected to 4500 ft in Lewis, are on a state lease on the southeastern flank of Blue Gravel field. They are the 7-36 State, nw se 36-9n-91w; 8-36 State, ne se 36-9n-91w; 9-36 State, sw se 36-9n-91w; 10-36 State, se se 36-9n-91w; 11-36 State, se nw 36-9n-91w; and the 12-36 State in sw ne 36-9n-91w. Grynberg has completion work in various stages under way at a number of other Lewis tests in the vicinity. (PI 1115/92)

Equitable Resources Energy spudded a 5400-ft test of Paleozoics in Nevada's Railroad Valley about 14 miles southwest of Currant. The 24-17 Balcron-Bacon Flat-Federal, se sw 17-7n-57e, Nye County, offsets to the southeast the Bacon Flat field opener in c sw 17-7n-57e. That well produced almost 315,000 bbls of oil from Devonian at 5316-64 ft before being shut in in 1986. Nearly two miles to the south-southeast, Equitable late last year drilled a 4500-ft wildcat at the 43-29 Balcron-Thorn Springs-Federal in ne se 29-7n-57e. No details have been released on that wildcat. The two Equitable ventures are within two miles west and southwest, respectively, of

Devonian oil production at the prolific Grant Canyon field. (PI 1116/92)

Dry Mesa Corp will evaluate Barker Creek at a 5400-ft reentry off the southern flank of the Paradox Basin 11 miles west of Teec Nos Pos, northeastern Arizona. The Apache County workover, the 5 Tract 138 in sw sw 1-40n-28e, is half a mile east of a Barker Creek gas producer operated by the company in Dry Mesa field and half a mile north of an Ismay gas/condensate producer on the field's eastern flank. (PI 1115/92)



The New Mexico State Office of the Bureau of Land Management will hold an oral-bid oil and gas lease sale on Wednesday, January 22, in Santa Fe. The sale is comprised of 266 parcels in New Mexico, Oklahoma, Kansas and Texas. It includes 53 parcels covering 54,764.55 acres in the northern townships of New Mexico, in Rio Arriba, Santa Fe, Guadalupe, Sandoval, San Juan and McKinley counties. (PI 1115/92)

Workover Slated Northeastern Arizona's Dry Mesa Area

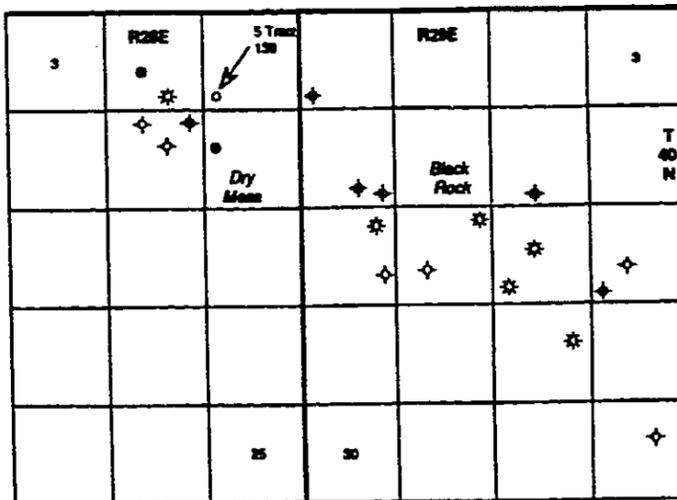
FARMINGTON-BASED Dry Mesa Corp will evaluate Barker Creek (lower Paradox) at a 5400-ft reentry off the southern flank of the Paradox Basin 11 miles west of Teec Nos Pos, northeastern Arizona.

The northeastern Apache County workover, the 5 Tract 138 in sw sw 1-40n-28e, is half a mile east of a Barker Creek gas producer operated by the company in Dry Mesa field and half a mile north of an Ismay gas/condensate producer on the field's eastern flank.

The 5 Tract 138, originally drilled as the 5 Navajo Tract 138, was completed in 1962 by Pure Oil Co as a 5640-ft dry hole. Log tops, measured from a 5923-ft derrick floor elevation, include Hermosa at 4028 ft, Paradox "A" 4600, Paradox "B" 4727, Paradox "C" 4740, Paradox "D" 4790, Paradox "E" 4805 and Mississippian at 5440 ft.

Pure reported oil shows in a core cut from 5022 to 5064 ft. On a drillstem test between 5019 and 5063 ft, gas surfaced at an estimated rate of 2,500,000 cu ft per day. Pipe recovery was 870 ft of gas cut black sulfur water.

523,000 bbls of water from Mississippian at 5566-89 ft before being converted into a salt water disposal well. Cumulative production from the field through September 1991 was 792,258 bbls of oil, 431 million cu ft of gas and 1.13 million



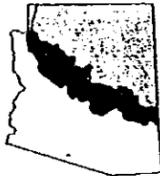
The workover offsets to the northeast the 1962 Dry Mesa field discovery, Texas-Pacific Coal & Oil Co's 1 Navajo 138 in ne ne 11-40n-28e. The discovery produced more than 240,000 bbls of oil, 27.5 million cu ft of gas and nearly

bbls of water. Average daily production at that time from three active wells was 2,558,000 cu ft of gas, 39 bbls of oil and 400 bbls of water.

More regional news, earnings, beginning on Page 17, following the northern New Mexico tract description.

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Rocky Mountain Region Report (USPS 113-170). Price: \$1560 per year. "Northern Edition" Price: \$1320 per year. "Wyoming Edition" Price: \$1320 per year. "Four Corners-Intermountain Edition" Price: \$960 per year. "Southeastern Edition" Price: \$960 per year. "Newsletter Edition" Price: \$888 per year. Published by Petroleum Information Corporation, Monday through Friday except New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and the day after, and Christmas Day and the day after, 4100 East Dry Creek Road, Littleton, CO 80122. Second class postage paid at Littleton, CO 80122 and additional mailing offices. Postmaster: Send address changes to: Rocky Mountain Region Report, P.O. Box 2612, Denver, CO 80201.



Fife Symington
Governor

State of Arizona
Arizona Geological Survey

845 North Park Avenue, #100
Tucson, Arizona 85719
(602) 882-4795

Larry D. Fellows
Director and State Geologist

January 13, 1992

Mr. Ken Hand
Dry Mesa Corporation
P. O. Box 5446
Farmington, New Mexico 87499

Re: Navajo 138-5, Section 1, T40N-R28E, State Permit No. 213

Dear Mr. Hand:

Enclosed is your approved Application for Permit to Drill or Renter and filing fee receipt.

Please note that in addition to notifying the BLM and the BIA, advance notice to and approval from the Commission is required before any well is plugged and abandoned. Also, that our rules require surface casing to be pressure tested for at least 30 minutes with no more than a 10% drop in pressure allowed.

Forms enclosed for your use upon completion of this well include Form 4, Well Completion Report; Form 7, Reservoir Pressure Report; Form 9, Application to Plug and Abandon; Form 10, Plugging Record; Form 18, Multipoint...; and Form 25, Sundry notices. BLM forms may be substituted for Form 25.

Since I am now in Tucson, let me emphasize that this office be notified *at least* 48 hours before you move in the rig and commence drilling operations.

I look forward to a successful completion of your well.

Sincerely,

Steven L. Rauzi
Oil & Gas Program Administrator

Enclosures

RECEIPT Date 1-13- 1992 No. **3016**

Received From Dry Mesa Corporation
 Address PO Box 5446, Farmington NM 87499
 For Twenty five and no/100 Dollars \$25.00
Permit #213, Well #5

| ACCOUNT | | HOW PAID | |
|-----------------|--|-------------|--------------|
| AMT. OF ACCOUNT | | CASH | |
| AMT. PAID | | CHECK | <u>25.00</u> |
| BALANCE DUE | | MONEY ORDER | |

By Laurette Colton

8K806 Redipen

DRY MESA CORPORATION 2607
 P. O. BOX 5446
 FARMINGTON, NEW MEXICO 87499
 PH. 505-325-2058

Copy Non-negotiable

9 DECEMBER 1991 ⁹⁵⁻⁵⁴/₁₀₂₂

PAY TO THE ORDER OF ARIZONA GEOLOGICAL SURVEY \$ 25.00

TWENTY FIVE AND NO/100 DOLLARS

 **First National Bank**
 First in Farmington and the Four Corners
 Farmington, Aztec, Bloomfield, Shiprock, New Mexico

FOR Well #5 Permit Ken & Paul

⑈002607⑈ ⑆102200546⑆ 010103030⑈

DRY MESA CORPORATION

POST OFFICE BOX 5446
FARMINGTON, NEW MEXICO 87499
505 325-2058

January 8, 1992

Steve Rauzi
Oil and gas Program Administrator
Arizona Geological Survey
845 North Park, #100
Tucson, Arizona 85719

Dear Mr. Rauzi:

Enclosed, please find 2 copies of an Application for a Drilling Permit for a well we hope to drill on the Navajo Reservation in Apache County, Arizona. Also enclosed is the \$25.00 filing fee. Should you find any deficiencies or have any comments about the application, please contact us at 505/ 325-2058. We will return your call as soon as possible.

We are hoping to spud this well as soon as possible to take advantage of the seasonal gas price increase, please give this document timely consideration. I have enclosed some things required by the BLM to help you review the project. Thank you and we look forward to hearing from you.

Sincerely,

Bob Hand
Bob Hand



State of Arizona
Arizona Geological Survey

845 North Park Avenue, #100
Tucson, Arizona 85719
(602) 882-4795

Larry D. Fellows
Director and State Geologist

December 6, 1991

Mr. Ken Hand
Dry Mesa Corporation
15 Willowbrook
Wichita, KS 67207

Dear Ken:

I have enclosed an Arizona application to drill or re-enter an abandoned well.

Return the completed form including your proposed drilling and re-completion program with an application fee of \$25.00 made out to *Arizona Geological Survey*.

The BLM required Chuska Energy to line reserve pits and fence them to keep out livestock as well as cement production casing to surface. I mentioned these points to Bob when he called earlier today.

Don't hesitate to call if you have any questions.

Sincerely,

Steven L. Rauzi
Oil & Gas Program Administrator

Enclosure



GIANT EXPLORATION AND
PRODUCTION COMPANY

P.O. Box 2810
Farmington, New Mexico
87499

505
326-3325

AZ OIL & GAS
CONSERVATION COMMISSION

OCT 17 1990

October 15, 1990

Oil and Gas Conservation Commission
5150 N. 16th Street, Suite B-141
Phoenix, AZ 85016

ATTENTION: Mr. Steven L. Rauzi

REFERENCE: Sample Set No. 684
Navajo 138 #5

Permit 213

Dear Mr. Rauzi:

Enclosed please find a copy of the sample description that
was generated from sample set #684, Navajo 138 #5.

Per item #9 in your sample policy, Giant Oil & Gas
respectively request a 6 month confidentiality period for
this sample description.

Once again, Giant appreciates the opportunity to utilize the
data that is contained in your States subsurface library.
Thank you for your help in assisting us.

Sincerely,

GIANT EXPLORATION & PRODUCTION COMPANY

John C. Corbett
Vice President - Exploration

APE:clm

Enclosure

*in Confidential file
until April 1991*



GIANT EXPLORATION AND
PRODUCTION COMPANY

P.O. Box 2810
Farmington, New Mexico
87499

505
326-3325

September 26, 1990

Oil and Gas Conservation Commission
5150 N. 16th Street, Suite B-141
Phoenix, AZ 85016

ATTENTION: Mr. Steven L. Rauzi

REFERENCE: Sample Set No. 684
Navajo 138 #5

Dear Mr. Rauzi:

Enclosed please find boxes 4 and 5 of sample set #684, Navajo
138 #5.

We have finished our analysis of the cuttings. A copy of our
sample descriptions will be sent under separate cover in a
few days.

Giant appreciates the opportunity to examine samples from
your library in the convenience of our office. This
subsurface library is an invaluable aid to exploration, and
your efforts to maintain it as such should be applauded.

Sincerely,

GIANT EXPLORATION & PRODUCTION COMPANY

John C. Corbett
Vice President - Exploration

APE:clm

Enclosures



GIANT EXPLORATION AND
PRODUCTION COMPANY

P.O. Box 2810
Farmington, New Mexico
87499

505
326-3325

2200 Bloomfield Hwy
Farmington, NM 87401

August 1, 1990

Oil and Gas Conservation Commission
5150 N. 16th Street, Suite B-141
Phoenix, Arizona 85016

ATTENTION: Mr. Steven L. Rauzi

REFERENCE: Sample Set No. 684
Navajo 138 #5

Dear Mr. Rauzi:

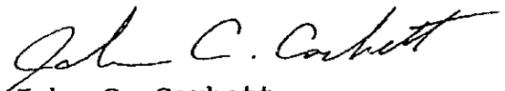
Thank you for sending your publication list and information regarding the samples in which we are interested. We would like to borrow sample set #684, Navajo 138 #5.

We have received the Sample Policy. We have read, understand and agree to abide by the rules set forth in it.

Please ship sample set #684 as soon as possible. Thank you for your help.

Sincerely,

GIANT EXPLORATION & PRODUCTION COMPANY


John C. Corbett
Vice President - Exploration

APE:dh

Boxes 4x5
24" x 5 1/2" x 4 1/2" @ 9 lbs
SHIP C.O.D. UPS, Tuesday 8-7-90
\$ 10.76



Oil and Gas Conservation Commission

STATE OF ARIZONA

5150 N. 16th STREET, SUITE B-141
PHOENIX, ARIZONA 85016
PHONE: (602) 255-5161

July 12, 1990

Mr. Alan Emmendorfer
Giant Exploration & Production
P. O. Box 2810
Farmington, NM 87499

RE: Sample Set #684, Pure Oil Navajo 138 #5 (Permit #213)
Section 1 - T.40N., R.28E., Apache County, Arizona

Dear Alan:

We have 7 boxes of formation samples for the above referenced well. I have listed the depth interval contained in each box on the enclosed scout card for this well.

Simply record the well name, sample set number, and which intervals (boxes) you wish to borrow on the enclosed form. Return the form with a letter acknowledging receipt of our Sample Policy, and your agreement to abide by it, and we will ship the samples to you C.O.D.

Please contact me if you have any questions.

Sincerely,

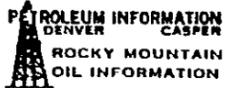
Steven L. Rauzi

Steven L. Rauzi
Oil & Gas Specialist

Enclosures

Sample Set # 684

ARIZONA
APACHE CO.
DRY MESA (D)



Twp 40n-28e
Section 1
C SW SW
660 n/s 660 e/w

OPR: Pure Oil

WELL #: 5 Navajo Tract 138

| | | | |
|--------------------|--|----------------------------------|-----------------|
| ELEV: 5923 DF | DSTS. & CORES: | SPUD: 9-22-62 | COMPL: 10-20-62 |
| TOPS: Log-Samples | Crd 5022-64, rec 5 sh; | ID: 5640 | PB: |
| Cutler 2280 | 7 ls; 6 1/2 ls, vuggy poro, | CSG: 13-3/8" @ 43 w/46; 9-5/8" @ | 1102 w/438. |
| Hermosa 4028 | bleeding oil; 4 ls; 5 1/2 ls, | PERF: | |
| Paradox A 4600 | good vuggy poro, bleed- | PROD. ZONE: | |
| Paradox B 4727 | ing oil; 14 ls. DST 5019: | INIT. PROD: D & A. | |
| Paradox C 4740 | 64. 8 hrs 5 mins, gas in | | |
| Paradox D 4790 | 10 mins, est 2500 MCF- | | |
| Paradox E 4805 | GPD, rec 870 GC black | | |
| Molas 5378 | sulfur wtr, FP 130-42#, | | |
| Mississippian 5440 | SIP (30 min) 1470#, HIP | | |
| | 2440#. Crd 5490-5550, | | |
| | rec 11 ls, fract; 2 sh; 7 | | |
| | ls, fract. DST 5445- | | |
| | 5550, failed. DST 5473 | | |
| | 5550; 1 hr 30 mins, rec | | |
| | 40 slt GCM, FP 55#, SIP | | |
| | (30 mins) 85-70#, HIP 2735#. | | |
| | Crd 5550-72, rec 2 ls; 1 1/2 dolo. | | |
| | poro, bleeding oil; 9 1/2 ls, fract; 1 1/2 dolo, fract. bleeding oil; 1 1/2 ls; 2 dolo, poor poro, bleeding oil; | | |
| | 4 ls. Crd 5588-92, rec 1 dolo; 1 ls; 2 dolo, fract. Crd 5572-88, rec 16 to 14 ls, 2 dolo, fract. DST | | |
| | 5561-97, 1 hr, rec 15 mud, FP 30-60#, SIP (30 mins) 60#, FP 2730#. DST 5592-5640, 2 hrs, rec 180 | | |
| | mud, 3280 O&GC brackish wtr, FP 265-960#, SIP 1075#, HIP 2780#. | | |
| | Contr: Moran | | Ariz-3-266011 |

Cuttings: Box

| | |
|---|--------------------|
| 1 | 60 - 1300 |
| 2 | 1300 - 2400 |
| 3 | 2400 - 3600 |
| 4 | 3600 - 4800 |
| 5 | 4800 - 5640 (T.D.) |

Core chips:

| | |
|---|-------------|
| 5 | 5022 - 5037 |
| 6 | 5037 - 5502 |
| 7 | 5502 - 5592 |

RECORD OF OGCC MATERIAL TAKEN FROM OFFICE TO BE RETURNED

Description of Material:

Navajo Tract 138 #5
Sample Set #684
Box #4, 5

I, (print) _____, representing _____

_____, whose address is _____

_____, and whose phone number is _____

am in receipt of the above described material this _____ day of _____

19____, and will return same to the OGCC office on the _____ day of _____

19____.

(Signature)

Authorized by:

OIL & GAS CONSERVATION COMMISSION
STATE OF ARIZONA
5150 N. 16th ST., B141
PHOENIX, ARIZONA 85016

OIL & GAS CONSERVATION COMMISSION

SAMPLE POLICY

OIL & GAS CONSERVATION COMMISSION
STATE OF ARIZONA
5150 N. 16th ST., B141
PHOENIX, ARIZONA 85016

The Oil and Gas Commission hereby adopts the following as its policy regarding samples and cores. In the declaration of policy "samples" is meant to include rotary and cable tool cuttings and chips and cores, core slabs and core chips.

1. Samples received by the Commission under Rule 12-7-21 shall be preserved and maintained in good order.
2. A record or file shall be kept indicating the location of samples from each well.
3. Samples are to be maintained for use as a public library.
4. Samples may be examined on the premises by any person requested to do so. Reasonable notice for retrieval of the samples may be required.
5. Samples may be loaned for use off-premises to any responsible person at the discretion of the Commission.
6. Users of samples shall take reasonable and customary measures to maintain the integrity and volume of each individual sample and shall not mix samples together.
 - a. Users may use ordinary tests for mineralogical determination. Acid must not be placed in the bulk sample, rather one or two individual grains may be removed to a separate container for acid tests.
 - b. Solvents must not be placed in the bulk sample, rather one or two individual grains may be removed to a separate container for solvent tests.
 - c. In no case shall bulk solvent extraction, pyrolysis or other destructive tests be run on any samples without prior permission of the Commission.
7. Users shall return all individual samples to their original containers. If the container is damaged beyond use, a new container shall be provided.
8. Users shall replace all samples in order from top of the hole down in the original sample box.
9. Users shall provide the Commission, within 30 days of their completion, copies of all logs, paleontological and other reports, maturation studies, source rock analysis and any other study or analysis made possible by use of samples from the Commission's library. The Commission will grant a 6-month confidentiality period if so requested by the owner of the report and may grant one six-month extension of the period of confidentiality if so requested.

OND

'KNOW ALL MEN BY THESE PRESENTS

BOND SERIAL NO. 400AM 2104

That we: THE PURE OIL COMPANY

of the County of: DENVER in the State of: COLORADO

as principal, and ST. PAUL FIRE AND MARINE INSURANCE COMPANY

of ST. PAUL, MINNESOTA
AUTHORIZED TO DO BUSINESS WITHIN the State of Arizona.

as surety, are held and firmly bound unto the State of Arizona in the penal sum as indicated, lawful money of the United States, for which payment, well and truly to be made, we bind ourselves, and each of us, and each of our heirs, executors, administrators or successors, and assigns jointly and severally, firmly by these presents.

The conditions of this obligation is that whereas the above bounden principal proposes to drill a well or wells for oil, gas or stratigraphic purposes in and upon the following described land situated within the State, to wit:

CENTER SW¹/₄ SW¹/₄ SEC. 1, TWP. 40 N, RANGE 28E, G&SR MERIDIAN, APACHE COUNTY,
(May be used as blanket bond or for single well)
ARIZONA

CANCELLED

DATE 8-21-63

NOW, THEREFORE, if the above bounden principal shall comply with all of the provisions of the laws of this State and the rules, regulations and orders of the Oil and Gas Conservation Commission, especially with reference to the requirements of A.R.S. 27-516, providing for the proper drilling, casing and plugging of said well or wells, and filing with the Oil & Gas Conservation Commission all notices and records required by said Commission, in the event said well or wells do not produce oil or gas in commercial quantities, or cease to produce oil or gas in commercial quantities, then this obligation is void; otherwise, the same shall be and remain in full force and effect.

Penal sum of TWO THOUSAND FIVE HUNDRED AND NO/100 - - - - - DOLLARS

Witness our hands and seals, this 13TH day of SEPTEMBER 1962

THE PURE OIL COMPANY
JAMES L. MORRIS, AGENT
& ATTORNEY-IN-FACT
Principal

Witness our hands and seals, this 13TH day of SEPTEMBER 1962

ST. PAUL FIRE AND MARINE INSURANCE COMPANY
By D. Newland
D. NEWLAND, ATTORNEY IN FACT
Surety

(If the principal is a corporation, the bond should be executed by its duly authorized officers, with the seal of the corporation affixed. When principal or surety executes this bond by agent, power of attorney or other evidence of authority must accompany the bond.)

Approved 9-21-62
Date

STATE OF ARIZONA
OIL AND GAS CONSERVATION COMMISSION

Class 1

(A Capital Stock Company)

CERTIFIED COPY OF POWER OF ATTORNEY
Original on File at Home Office of Company. See Certification.

FIDELITY AND SURETY
DEPARTMENT

**ST. PAUL
FIRE and MARINE
Insurance Company**
HOME OFFICE: ST. PAUL, MINNESOTA

KNOW ALL MEN BY THESE PRESENTS: That the St. Paul Fire and Marine Insurance Company, a corporation organized and existing under the laws of the State of Minnesota, and having its principal office in the City of Saint Paul, Minnesota, does hereby constitute and appoint

D. Newland
Denver, Colorado

its true and lawful attorney(s)-in-fact to execute, seal and deliver for and on its behalf as surety, any and all bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, which are or may be allowed, required or permitted by law, statute, rule, regulation, contract or otherwise, and the execution of such instrument(s) in pursuance of these presents, shall be binding upon the said St. Paul Fire and Marine Insurance Company, as fully and amply, to all intents and purposes, as if the same had been duly executed and acknowledged by its regularly elected officers at its principal office.

This Power of Attorney is executed, and may be certified to and may be revoked, pursuant to and by authority of Article V, -Section 8, of the By-Laws adopted by the Board of Directors of the St. Paul Fire and Marine Insurance Company at a meeting called and held on the 17th day of January, 1952, of which the following is a true transcript of said Section 8:

- "The President or any Vice President, Resident Vice President, Secretary or Resident Secretary, shall have power and authority
- (1) To appoint Attorneys-in-fact, and to authorize them to execute on behalf of the Company, and attach the Seal of the Company thereto, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, and
 - (2) To appoint Special Attorneys-in-fact, who are hereby authorized to certify to copies of any power-of-attorney issued in pursuance of this section and of any of the By-Laws of the Company, and
 - (3) To remove, at any time, any such Attorney-in-fact or Special Attorney-in-fact and revoke the authority given him."

IN TESTIMONY WHEREOF, the St. Paul Fire and Marine Insurance Company has caused this instrument to be signed and its corporate seal to be affixed by its authorized officer, this 14th day of November, A.D. 1960



ST. PAUL FIRE AND MARINE INSURANCE COMPANY

STATE OF MINNESOTA }
County of Ramsey } ss.

W. King
Vice President.

On this 14th day of November, 1960, before me came the individual who executed the preceding instrument, to me personally known, and, being by me duly sworn, said that he is the therein described and authorized officer of the St. Paul Fire and Marine Insurance Company; that the seal affixed to said instrument is the Corporate Seal of said Company; that the said Corporate Seal and his signature were duly affixed by order of the Board of Directors of said Company.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal, at the City of Saint Paul, Minnesota, the day and year first above written.



C. L. Jaeger

C. L. JAEGER
Notary Public, Ramsey County, Minn.
My Commission Expires June 2, 1967.

CERTIFICATION

I, the undersigned, a Special Attorney-in-fact of the St. Paul Fire and Marine Insurance Company, duly appointed pursuant to and by authority of the By-Laws of said Company, do hereby certify that I have compared the foregoing copy of the Power of Attorney and affidavit, and the copy of the Section of the By-Laws of said Company as set forth in said Power of Attorney, with the ORIGINALS ON FILE IN THE HOME OFFICE OF SAID COMPANY, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect.

IN TESTIMONY WHEREOF, I have hereunto set my hand this 13TH day of SEPTEMBER 1962

*Unlimited as to character and amount.
10870 Ed. 1-56

G. J. Eggum
Special Attorney-in-fact.

August 21, 1963

The Pure Oil Company
P. O. Box 1338
Moab, Utah

Attention: Mr. L. K. Coggan, District Office Manager

Re: The Pure Oil Company
#5 Navajo Tr. #138
Sw/4 Sec. 1-T40N-R28E
G.S. & R.M. Survey

Gentlemen:

I inspected this site of this project recently after receiving your procedure in plugging and abandoning it. I find that all is satisfactory in regard to the Commission requirements for bond release.

Trusting you will drill some more in Arizona and wishing you the greatest success possible in your ventures here and else where, I am

Yours truly,

John K. Petty
Acting Executive Secretary

November 16, 1962

The Pure Oil Company
P. O. Box 1338
Moab, Utah

Re: The Pure Oil Co. Navajo Tract 138 No. 5
Sec. 1, T40N, R28E, Apache County, Arizona

Attention: Mr. L. K. Coggan, Dist. Office Manager

Gentlemen:

Enclosed is your approved copy of application to
abandon and plug the above described test.

We regret this resulted in a dry hole but wish
you success in your other ventures.

Yours very truly,

John E. Petty
Petroleum Geologist

enc 1

November 2, 1962

The Pure Oil Company
P. O. Box 1338
Moab, Utah

Attention: L. K. Coggan, District Office Manager

Gentlemen:

Thanks for the information sent. All is all right except for the following:

Please fill out the attached forms and return them to us. You are supposed to notify this office of intent to plug and abandon (orally, if you wished), then send in the intent forms with the plugging forms.

Sincerely,

John K. Petty
Petroleum Geologist

encs 15 Application to Abandon and Plug
15 Plugging Record



THE PURE OIL COMPANY

NORTHERN PRODUCING DIVISION • MOAB DISTRICT
P. O. BOX 1338 • MOAB, UTAH • PHONE 253-3581

October 30, 1962

State of Arizona
Oil & Gas Conservation Commission
3500 North Central - Suite 221
Phoenix 12, Arizona

Attention: Mr. John K. Petty
Petroleum Geologist

Dear Mr. Petty:

As you already know, the location which Pure drilled designated as Well #5 on Navajo Tract 138, located in Section 1, T. 40N., R. 28E., Apache County, Arizona, turned out to be a dry hole and was plugged and abandoned October 19, 1962.

We enclose herewith for State of Arizona copy of Sonic Log and Induction Electrical Log on above mentioned well. Also, when U.S.G.S. Form #9-330 "Log Of Oil & Gas Well" is prepared we will forward copies for State of Arizona.

Yours very truly,

THE PURE OIL COMPANY


L. K. Coggan
District Office Manager

Enclosures

*Mr. Coggan's hands for information sent. All is all right except for the
Please fill out the attached forms and ^{return them}
LKC:mp return them to us. You are supposed to notify of this office
of intent to P & A ^{formally if wished} ~~by the~~ them and
in the intent forms with P & A forms.*

September 21, 1962

The Pure Oil Company
P. O. Box 1338
Moab, Utah

Attention: Mr. L. K. Coggan

Gentlemen:

Enclosed is your approved copy of your application for permit to drill the Pure Oil Company - Navajo Tract 138 No. 5 well in Section 1, T40N, R28E, Apache County, Arizona.

Also enclosed is our receipt for your \$25.00 permit fee as well as the duplicate copies of your request to issue voucher signed as you requested.

We certainly wish you the greatest success in this venture and hope you do a great deal of oil and gas drilling in Arizona.

Yours very truly,

John K. Petty
Petroleum Geologist

encs 4



THE PURE OIL COMPANY

NORTHERN PRODUCING DIVISION • Four Corners District
P. O. BOX 265 • MOAB, UTAH • ALPINE 3-3581

September 19, 1962

State of Arizona
Oil & Gas Conservation Commission
3500 North Central - Suite 221
Phoenix 12, Arizona

Attention: Mr. John K. Petty,
Petroleum Geologist

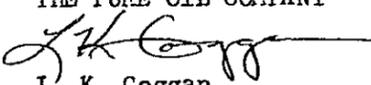
Dear Mr. Petty:

As per our phone conversation, we attach hereto evidence of bond in amount of \$2,500.00 held and bound unto the State of Arizona. This bond is to cover the proposed drilling of our Well #5 on the Navajo Tract 138, located in Section 1, Township 40 North, Range 28 East. We anticipate spud date on this well to be September 21.

We also attach hereto executed copy of State of Arizona Oil & Gas Conservation Commission Organization Report. We hope that we have now complied with all Arizona State Regulations; however, as this is our first drilling in the State, please let us know if there is anything we have overlooked.

Yours very truly,

THE PURE OIL COMPANY


L. K. Coggan

LKC:mc
Attachs. 2