



**STATE OF UTAH
NATURAL RESOURCES
Water Rights**

Scott M. Matheson, Governor
Temple A. Reynolds, Executive Director
Dee C. Hansen, State Engineer

1636 West North Temple • Salt Lake City, UT 84116 • 801-533 6071

September 28, 1984

RECEIVED

OCT 01 1984

c/o 3F Company Chuska Energy Company
P.O. Box #190
Washington, NM 87499

**DIVISION OF OIL
GAS & MINING**

Dear Applicant:

RE: TEMPORARY APPLICATION
NUMBER 19-1363 (TCL 10)

Enclosed is a copy of the above numbered approved Temporary Application. This is your authority to construct your works and to divert the water for the uses described.

While this approved application does give you our permission to divert and use water, it does not grant easements through public or private lands in order to gain access to the source nor to convey the water to the place of use, nor does this approval eliminate the need for such other permits as may be required by this Division or any other agency in implementing your diversion.

This application will expire February 1, 1985, and it is expected that no diversion or use of the water will be done after that date unless another proposal has been made and approved.

Your contact with this office, should you need it is with the Area Engineer, Mark Page. The telephone number is (801)637-1303.

Yours truly,

Dee C. Hansen, E. E.
State Engineer

TEMPORARY

DCH:slm

Enclosure

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a TYPE OF WORK
 DRILL DEEPEN PLUG BACK

b TYPE OF WELL
 OIL WELL OAR WELL OTHER SINGLE ZONE MULTIPLE ZONE

2 NAME OF OPERATOR
 Chuska Energy Company

3 ADDRESS OF OPERATOR
 P. O. Box 2118, Farmington, New Mexico 87499

4 LOCATION OF WELL (Report location clearly and in accordance with any State requirements*)
 At surface 540' FNL and 1880' FEL
 Section 16, T41S-R25E
 At proposed prod zone Same

14 DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

15 DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT (Also to nearest drig unit line, if any)

16 NO OF ACRES IN LEASE
 5120

17 NO OF ACRES ASSIGNED TO THIS WELL

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

19 PROPOSED DEPTH
 5950

20 ROTARY OR CABLE TOOLS
 Rotary

21 ELEVATIONS (Show whether DF, RT, GR, etc)
 4536' G.L.

22 APPROX DATE WORK WILL START*
 October 15, 1984

23 PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/2	8-5/8	24	500	
7-7/8	5 1/2	15.5	5950	See attached cement information

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SEP 18 1984

DIVISION OF OIL
GAS & MINING

See attached

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS AND MINING
DATE: 10/11/84
BY: *John K. Dase*

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: *[Signature]* TITLE: *Supervisor* DATE: *09/14/84*
 (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

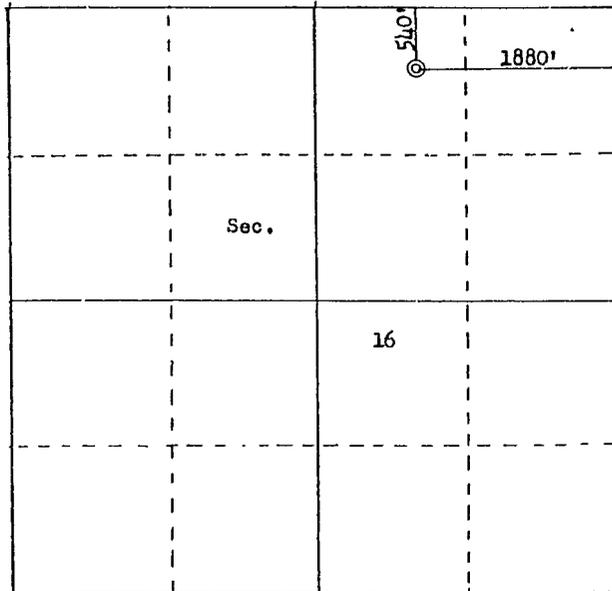
COMPANY CHUSKA ENERGY COMPANY

LEASE NAVAJO TRIBAL WELL NO. 31-16

SEC 16, T. 41S, R. 25E
San Juan County, Utah

LOCATION 540' ENL 1880' FEL

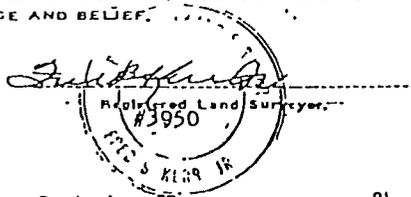
ELEVATION 4534 ungraded ground



SCALE—1 INCHES EQUALS 1 MILE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTE OF ACTUAL SURVEYS MADE BY ME UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

BEAL:



SURVEYED September 11, 1984

FORMATION INFORMATION AND
DRILLING PRACTICES

CHUSKA ENERGY COMPANY
Navajo Tribal 31-16
540' FNL and 1880' FEL
Sec 16, T41S, R25E
San Juan County, Utah

1. Surface Formation: Bluff Sandstone

2. Estimated Formation Tops:

Dechelly	2890'
Organ Rock	2980'
Hermosa	4740'
Upper Ismay	5645'
Lower Ismay	5745'
Desert Creek	5830'
T.D.	5950'

3. Estimated Depth of Anticipated Oil, Gas, Water or Minerals:

Oil	5745
Oil	5830

4. Proposed Casing Program:

- 0 - 500' 8-5/8", 24 lb/ft, ST & C, K-55 new casing; cement with 300 cubic feet Class "B" + 2% CaCl₂. Cement will be brought to surface.
- 0-5950' T.D. 5-1/2", 15.5 lb/ft, ST & C, K-55 new casing; cement with 450 cubic feet 50-50 poz mix + 2% CaCl₂ + 10% salt + 0.8% fluid loss additive. Cement top at 4000'.

5. Pressure Control Equipment - Blow Out Preventor:

The attached schematic shows the type of blowout preventor to be used while drilling. The unit will be tested to 800 psi prior to drilling from under surface pipe.

6. Drilling Fluids:

DEPTH	TYPE	VIS.	WEIGHT	FLUID LOSS
500-4000'	Gel-chem	35-45	9.5	15 cc
4000-5950'	Low solids	45-50	10.0	9 cc

7. Anxiliary Equipment:

- Bit float
- Stabbing valve to be used in drill pipe when kelly is not connected.

8. Logging - Coring - Testing Program:

Logging - Open Hole: IES, CNL, FDC
Mud : 4000' to T.D.

Testing : Possible in lower ls may and Desert Creek

Coring : None planned

9. Abnormal Temperatures, Pressures or Potential Hazards:

None Expected

10. Starting Date:

Anticipated starting date is October 15, 1984. Approximately 5 days will be required to build roads and location. Drilling will take about 15 days. Completion should be accomplished in 6 days.

SURFACE USE PLAN

CHUSKA ENERGY COMPANY
Navajo Tribal 31-16
540' FNL and 1880' FEL
Sec 16, T41S, R25E
San Juan County, Utah

1. Existing Roads (shown in green)

The attached topographic map shows all existing roads within one mile of the proposed location. The access road will join an existing trail.

2. Planned Access Road (shown in red)

The new access road will run Southeast from an existing dirt road approximately 1000' to the well site. Maximum grade will be 10%. Water bars will be used to prevent erosion.

3. Location of Existing Wells

All existing oil, gas, water, drilling and disposal wells are shown on the attached topographic map.

4. Location of Tank Batteries, Prod. Facilities & Prod. Gathering & Service Lines

All production facilities are to be contained within the proposed location site. The operation has no other facilities in the area.

5. Location and Type of Water Supply

Water will be trucked from the San Juan River, 8 miles South of the location.

6. Source of Construction Materials

Any gravel or other construction material that can not be obtained from the excess accumulated from building the location will be purchase. from the Navajo Tribe.

7. Methods of Handling Waste Disposal

All trash will be carried to a land fill or burned. All nonburnable materials (drilling fluids, cuttings, chemicals) will be stored in the reserve pit and then buried when they have dried. Any oil produced while drilling will be trucked from the location prior to leaving pit to dry out. Pits will be completely fenced during drying time, then backfilled with dirt prior to preparing the location for production or abandonment.

8. A portable chemical toilet will be supplied for human waste.

9. Ancillary Facilities - No ancillary facilities are planned.

10. Well Site Layout - The attached layout shows the drilling rig with all associated facilities. Cut and fill required is also indicated.

11. Plans for Restoration of Surface

Restoration of the wellsite and access road will begin within 90 days of well completion, weather permitting, and if required by private land owner. Should well be abandoned, the drilling site will be reshaped to its approximate former contour. The access road will be plowed up and leveled. Both drillsite and road will have topsoil replaced and will be reseeded when germination of seeds can take place. In either case, cleanup of the site will include burning of any safely burnable material, filling of all pits, carrying away of all nonburnable material and any chemicals that cannot be safely buried, and the hauling off of any oil that may have accumulated on the pits while drilling. A burn permit will be acquired if necessary.

12. This location is 3 miles southeast of Hovenweep Monument. The area is flat and covered with Native weeds and grasses. No artifacts were found at the site. There are no residences in the area.

13. Larry Smith
Chuska Energy Company
P. O. Box 2118
Farmington, New Mexico 87499
Phone: 505-326-5595

14. 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 the 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 Chuska Energy Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.


LARRY D. SMITH
September 12, 1984

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OCT 09 1974

DIVISION OF OIL
GAS & MINING

Chuska Energy Co

Box 2118

Farmington N. Mex.

Larry Smith

Utah Natural Resources

Gay Lynn Larson

Re: Blowout Preventer Hookup:

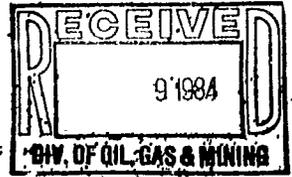
Ma Larson

Here two copies of the blowout
preventer Hookup for wells N.T. 2434

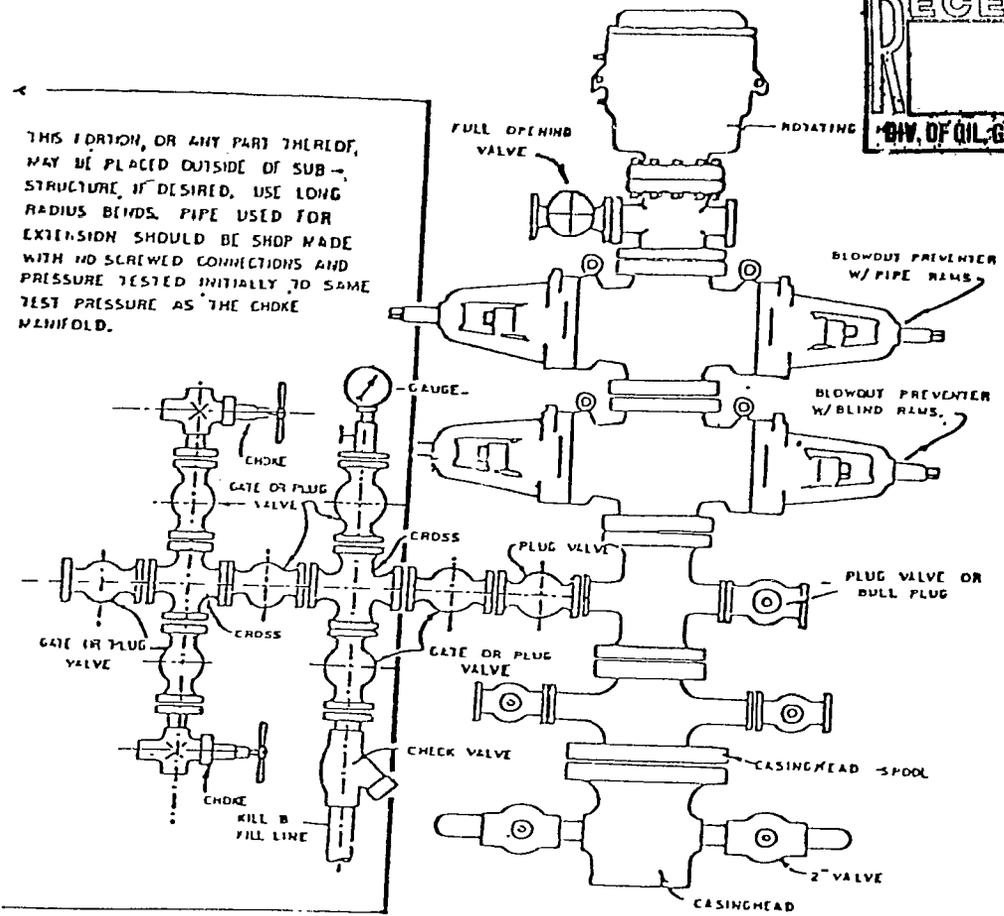
N.T. 31-16

Sincerely

Larry Smith

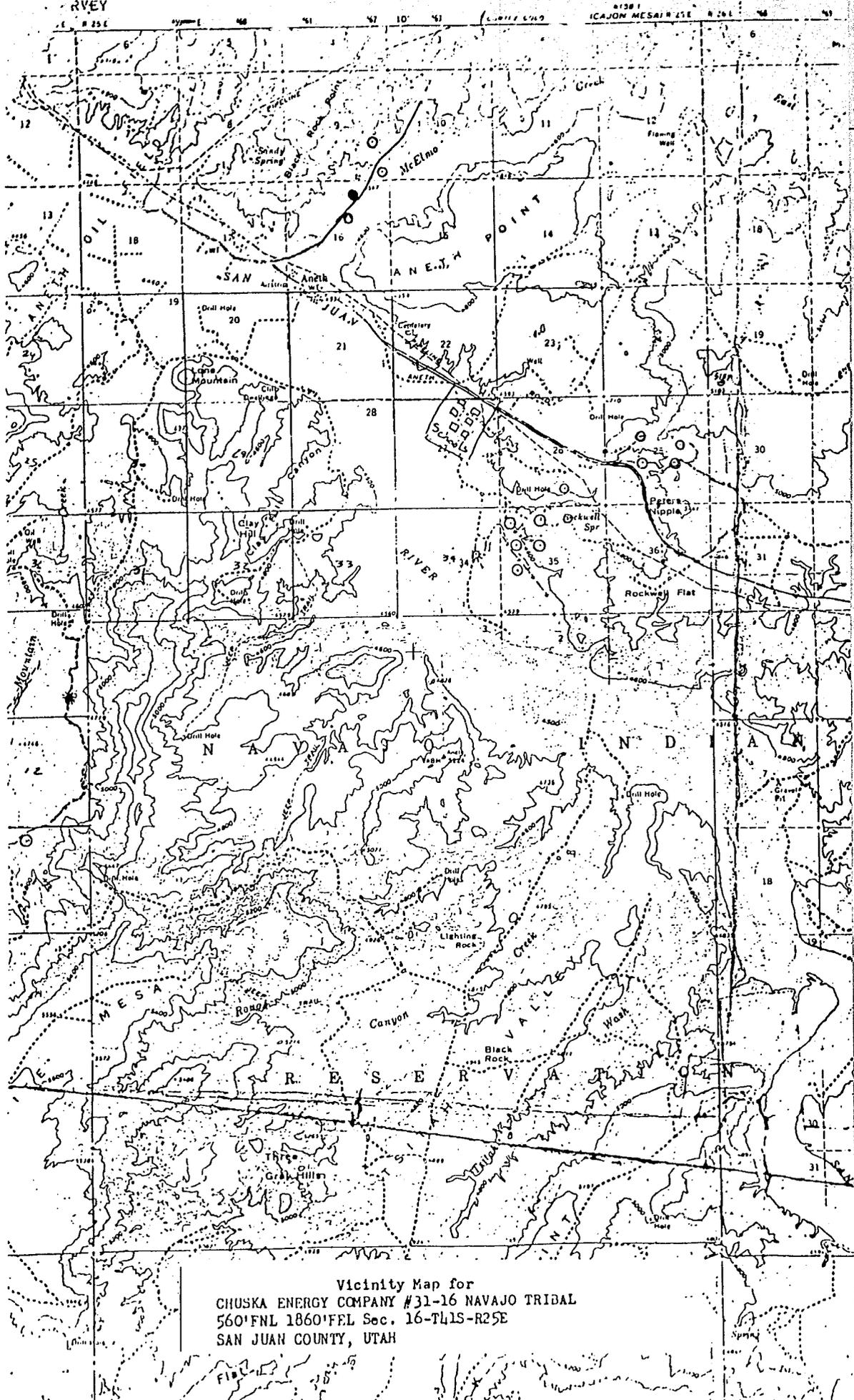


THIS PORTION, OR ANY PART THEREOF, MAY BE PLACED OUTSIDE OF SUB-STRUCTURE, IF DESIRED. USE LONG RADIUS BENDS. PIPE USED FOR EXTENSION SHOULD BE SHOP MADE WITH NO SCREWED CONNECTIONS AND PRESSURE TESTED INITIALLY TO SAME TEST PRESSURE AS THE CHOKE MANIFOLD.



BLOWOUT PREVENTER HOOKUP

NT-31-16.



Vicinity Map for
 CHUSKA ENERGY COMPANY #31-16 NAVAJO TRIBAL
 560'FNL 1860'FEL Sec. 16-T41S-R25E
 SAN JUAN COUNTY, UTAH

RECEIVED

TEMPORARY

Application No. 760 396

SEP 10 1984

APPLICATION TO APPROPRIATE WATER STATE OF UTAH

09-1383

NOTE - The information given in the following blanks should be free from explanatory matter but when necessary a complete supplementary statement should be made on the following page under the heading "Explanatory"

For the purpose of acquiring the right to use a portion of the unappropriated water of the State of Utah, for uses indicated by (X) in the proper box or boxes, application is hereby made to the State Engineer, based upon the following showing of facts, submitted in accordance with the requirements of the Laws of Utah

1. Irrigation Domestic Stockwatering Municipal Power Mining Other Uses

2. The name of the applicant is Chuska Energy Co.

3. The Post Office address of the applicant is c/o 3E Co POB 190, Farmington, N M 87499

4. The quantity of water to be appropriated second-feet and/or 4.61 acre-feet

5. The water is to be used for drilling oil well from Oct 1 to Feb 1 (Major Purpose) (Month) (Day) (Month) (Day)

other use period from to (Minor Purpose) (Month) (Day) (Month) (Day)

and stored each year (if stored) from to (Month) (Day) (Month) (Day)

6. The drainage area to which the direct source of supply belongs is San Juan River (Leave Blank)

7. The direct source of supply is San Juan River (Name of stream or other source)

which is tributary to , tributary to

Note - Where water is to be diverted from a well, a tunnel, or drain, the source should be designated as "Underground Water" in the first space and the remaining spaces should be left blank. If the source is a stream, a spring, a spring area, or a drain, so indicate in the first space giving its name in natural and in the remaining spaces designate the stream, canal, etc. to which it is tributary, even though the water may sink, evaporate, or be diverted before reaching said channels. If water from a spring flows in a natural surface channel before being diverted, the direct source should be designated as a stream and not a spring.

8. The point of diversion from the source is in San Juan County, situated at a point on T. 1500 N., R. 32 E., S. 40 S., T. 40 S., R. 24 E.

Note - The point of diversion must be located definitely by course and distance or by giving the distances north or south and east or west with reference to a United States land survey corner or United States mineral monument, at within a distance of six miles of either, or if at a greater distance to some prominent and permanent natural object. No application will be received for filing in which the point of diversion is not defined definitely.

9. The diverting and carrying works will consist of trucks.

10. If water is to be stored, give capacity of reservoir in acre feet, height of dam, area inundated in acres, legal subdivision of area inundated.

11. If application is for irrigation purposes, the legal subdivisions of the area irrigated are as follows:

Total Acres

12. Is the land owned by the applicant? Yes No X If 'No,' explain on page 2

13. Is this water to be used supplementally with other water rights? Yes No X If 'yes,' identify other water rights on page 2

14. If application is for power purposes, describe type of plant, size and rated capacity.

15. If application is for mining, the water will be used in Mining District at the mine, where the following sites are mined:

16. If application is for stockwatering purposes, number and kind of stock watered.

17. If application is for domestic purposes, number of persons, or families.

18. If application is for municipal purposes, name of municipality.

19. If application is for other uses, include general description of proposed uses, circulating medium to drill an oil well.

20. Give place or use by legal subdivision of the United States Land Survey for all uses described in paragraphs 14 to 19 incl. S 16-T. 41 S -R 25 E, and S 34-T. 40 S -R 25 E, Sah Juan Co., Utah.

21. The use of water as set forth in this application will consume 4.61 second feet and/or acre feet will be returned to the natural stream or source at a point described as follows: XXXXXXXXXXXXXXXX

FEES FOR APPLICATIONS TO APPROPRIATE WATER IN UTAH

Flow rate — c.f.s.	Cost	
0.0 to 0.1	15 00	
over 0.1 to 0.5	30 00	
over 0.5 to 1.0	45 00	
over 1.0 to 15.0	45 00	plus \$7.50 for each cfs above the first cubic foot per second
over 15.0	150 00	
Storage — acre-feet		
0 to 20	22 50	
over 20 to 500	45 00	
over 500 to 7500	45 00	plus \$7.50 for each 500 a.f. above the first 500 acre feet
over 7500	150 00	

(This section is not to be filled in by applicant)

STATE ENGINEER'S ENDORSEMENTS

- 1 *9/10/84* Application received by mail in State Engineer's office by *CO*
over counter
- 2 Priority of Application brought down to, on account of
- 3 *9-11-84* Application fee, \$100.00, received by *J.P.* Rec No. *164201*
- 4 Application microfilmed by Roll No.
- 5 *9-12-84* Indexed by *an* Platted by
- 6 Application examined by
- 7 Application returned, or corrected by office
- 8 Corrected Application resubmitted by mail to State Engineer's office
over counter
- 9 Application approved for advertisement by
- 10 Notice to water users prepared by
- 11 Publication began, was completed
- Notice published in
- 12 Proof slips checked by
- 13 Application protested by
- 14 Publisher paid by M.E.V. No
- 15 Hearing held by
- 16 Field examination by
- 17 *9/21/84* Application designated for approval *SG*
~~rejection~~
- 18 *9/28/84* Application copied or photostated by *slm* proofread by
- 19 *9/28/84* Application approved
~~xxxxxx~~
- 20 Conditions

This Application is approved subject to priorities as follows

- a Actual construction work shall be diligently prosecuted to completion
- b Proof of Appropriation shall be submitted to the State Engineer's office by NPR
- c **TEMPORARY APPROVAL -- EXPIRES February 1, 1985.**

Dec C. Hansen
Dec C. Hansen, P.E., State Engineer

- 21 Time for making Proof of Appropriation extended to
- 22 Proof of Appropriation submitted
- 23 Certificate of Appropriation No. issued

WATER RIGHTS DATA BASE
ENTERED - DATE 9/11/84
VERIFIED - DATE 9/12/84

TEMPORARY *60390*

OPERATOR Alaska Energy DATE 9-25-84
WELL NAME Navajo Tribal # 31-16
SEC NWSE 16 T 41S R 25E COUNTY San Juan

43-037-3085
API NUMBER

Indian
TYPE OF LEASE

POSTING CHECK OFF:

<input type="checkbox"/>	INDEX	<input type="checkbox"/>	HL	<input type="checkbox"/>
<input type="checkbox"/>	NID	<input type="checkbox"/>	PI	<input type="checkbox"/>
<input type="checkbox"/>	MAP	<input type="checkbox"/>		<input type="checkbox"/>

PROCESSING COMMENTS:

No other wells within 1000
Need water permit - Rec'd 10/01/84 # 09-1383 (T 60290)

APPROVAL LETTER:

SPACING: A-3 _____ UNIT c-3-a _____ CAUSE NO. & DATE
 c-3-b c-3-c

SPECIAL LANGUAGE:

1- water
1- BOP - 3000 psi - 8 5/8" casing

RECONCILE WELL NAME AND LOCATION ON APD AGAINST SAME DATA ON PLAT MAP.

AUTHENTICATE LEASE AND OPERATOR INFORMATION

VERIFY ADEQUATE AND PROPER BONDING

AUTHENTICATE IF SITE IS IN A NAMED FIELD, ETC.

APPLY SPACING CONSIDERATION

ORDER _____

UNIT _____

c-3-b

c-3-c

CHECK DISTANCE TO NEAREST WELL.

CHECK OUTSTANDING OR OVERDUE REPORTS FOR OPERATOR'S OTHER WELLS.

IF POTASH DESIGNATED AREA, SPECIAL LANGUAGE ON APPROVAL LETTER

IF IN OIL SHALE DESIGNATED AREA, SPECIAL APPROVAL LANGUAGE.



October 11, 1984

Chuska Energy Company
P. O. Box 2118
Farmington, New Mexico 87499

Gentlemen:

Re: Well No. Navajo Tribal #31-16 - NW SE Sec. 16, T. 41S, R. 25E
540' FNL, 1880' FIL - San Juan County, Utah

Approval to drill the above referenced oil well is hereby granted in accordance with Rule C-3 (b), General Rules and Regulations and Rules of Practice and Procedure, subject to the following stipulations:

1. Blowout prevention equipment with a minimum of 3000 psi working pressure should be used after drilling out of 8 5/8" casing.

In addition, the following actions are necessary to fully comply with this approval:

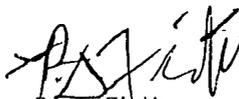
1. Spudding notification to the Division within 24 hours after drilling operations commence.
2. Submittal to the Division of completed Form OGC-8-X, Report of Water Encountered During Drilling.
3. Prompt notification to the Division should you determine that it is necessary to plug and abandon this well. Notify John R. Baza, Petroleum Engineer, (Office) (801) 533-5771, (Home) 298-7695 or R. J. Firth, Associate Director, (Home) 571-6068.
4. Compliance with the requirements and regulations of Rule C-27, Associated Gas Flaring, General Rules and Regulations, Oil and Gas Conservation.

Page 2
Chuska Energy Company
Well No. Navajo Tribal #31-16
October 11, 1984

5. This approval shall expire one (1) year after date of issuance unless substantial and continuous operation is underway or an application for an extension is made prior to the approval expiration date.

The API number assigned to this well is 43-037-31085.

Sincerely,



R. J. Firth
Associate Director, Oil & Gas

as

Enclosures

cc: Branch of Fluid Minerals
Bureau of Indian Affairs



6/21/85

8/1/83

from the desk of
Jim Lovato

3100 (016)
NOG-8300-1033

rice 4104
Mexico 87499

Pam,

The Application to Drill
the Navajo Tribal 44-6
was returned 12/4/84
due to deficiencies which
were not corrected. A
copy of our letter to
Chuska Energy Co is
Attached

RECEIVED

JUN 24 1985

DEC 04 1984

DIVISION OF OIL
GAS & MINING

Jim Lovato

for Permit to Drill (APDS) for the
sec. 16, T. 41 S., R. 25 E., San Juan

~~2/1/85~~ No. 44-6 have to drill, 6/1/85/2 sec. 6, T. 41 S., R. 24 E., San Juan
County, Utah, lease NOG-8300-1033.

The subject APDS are hereby returned pursuant to 43 CFR 3160 Section III, Part
12 of Onshore Order no. 1, which states "If the deficiencies are not corrected
and/or the additional required information is not submitted within 45 days of
the date of any oral or written notice the application shall be returned to
the proponent".

Sincerely yours,

JIM LOVATO

Enclosures

cc:
A, O (015)
cell files (2 per file)
file (04-1)

6-116:01000 05/13/04/14

8/11/83

3100 (016)
MCG-8300-1033

Caller Service 4104
Farmington, New Mexico 87490

RECEIVED

JUN 24 1985

JUN 24 1985

DIVISION OF OIL
GAS & MINING

Chuska Energy Company
P. O. Box 7112
Farmington, NM 87490

Gentlemen:

Reference is made to your Applications for Permit to Drill (APDs) for the following wells:

- 1. W/No. 21-16 Navajo Tribal, NW/4SE/4 sec. 16, T. 41 S., R. 25 E., San Juan County, Utah, Lease MCG-8300-1033.
- 2. W/No. 44-1 Navajo Tribal, SE/4SE/4 sec. 6, T. 41 S., R. 24 E., San Juan County, Utah, Lease MCG-8300-1033.

The subject APDs are hereby returned pursuant to 13 CFR 3160 Section III, Part 72 of Onshore Order No. 1, which states "If the deficiencies are not corrected and/or the additional required information is not submitted within 45 days of the date of any oral or written notice the application shall be returned to the proponent."

Sincerely yours,

Eric H. Hunter

Enclosure

cc:
A. O. (015)
Bill Miller (2 per) ✓
Steve (04-1) ✓
MCG-8300-1033/01/14



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Norman H. Bangertter Governor
Dee C. Hansen Executive Director
Dianne R. Nielson Ph.D. Division Director

355 W. North Temple • 3 Triad Center Suite 350 Salt Lake City UT 84180-1203 801-538-5340

March 28, 1986

Chuska Energy Company
P. O. Box 2118
Farmington, New Mexico 87499

Gentlemen:

RE: Well No. Navajo Tribal 31-16, Sec.16, T.41S, 25E,
San Juan County, Utah, API NO. 43-037-31085

In concert with action taken by the U.S. Bureau of Land Management, approval to drill the above referenced well is hereby rescinded. A new Application for Permit to Drill must be filed with this office for approval, prior to future drilling of the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division of Oil, Gas and Mining immediately.

Sincerely,

A handwritten signature in dark ink, appearing to read "John R. Baza".

John R. Baza
Petroleum Engineer

cc: BLM-Farmington
J. R. Nielson
R. J. Firth
Well file
0278T-8