



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

Aztec

TONEY ANAYA
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

April 4, 1984

Bolack Minerals Co.
3901 Bloomfield Highway
Farmington, NM 87401

Attention: Richard T. C. Tully

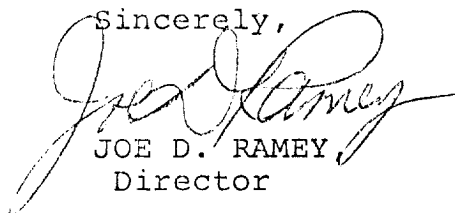
Administrative Order NSL-1811

Gentlemen:

Reference is made to your application for a non-standard location for your Bolack "E" Well No. 4-R to be located 2040 feet from the South line and 810 feet from the East line of Section 1, Township 23 North, Range 6 West, Ballard Pictured Cliffs Pool, Rio Arriba County, New Mexico.

By authority granted me under the provisions of Rule 104 FI of the Division Rules and Regulations, the above-described unorthodox location is hereby approved.

Sincerely,


JOE D. RAMEY
Director

JDR/RLS/dp

cc: Oil Conservation Division - Aztec
Oil & Gas Engineering Committee - Hobbs
Bureau of Land Management - Aztec

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DIST. 3



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

OIL CONSERVATION DIVISION
BOX 2088
SANTA FE, NEW MEXICO 87501

DATE 5-6-84

RE: Proposed MC _____
Proposed DHC _____
Proposed NSL X _____
Proposed SWD _____
Proposed WFX _____
Proposed PMX _____

Gentlemen:

I have examined the application dated 2-21-1984
for the Bolack Minerals Co. Bolack "E" #4-R I-1-23N-6W
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

Disapproval based on geological reasons,
docket for hearing.

Yours truly,

E. Busch

RICHARD T.C. TULLY, P.A.
LAW OFFICE
3001 NORTHRIDGE DRIVE / SUITE A
POST OFFICE BOX 268
FARMINGTON, NEW MEXICO 87499-0268

RICHARD T.C. TULLY

505-327-3388

February 21, 1984

Joe D. Ramey
Division Director
NEW MEXICO OIL CONSERVATION DIVISION
Box 2088
Santa Fe, New Mexico 87501

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RE: Application for Administrative Approval of Unorthodox
Location of the Bolack "E" #4-R Well
Rio Arriba County, New Mexico

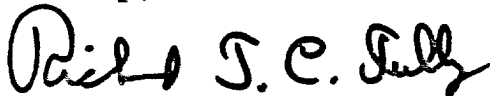
Dear Mr. Ramey:

Enclosed are the following items regarding the Application for Administrative Approval of the Unorthodox Location of the Bolack "E" #4-R Well which will be located in the SE/4, Section 1, Township 23 North, Range 6 West, NMPM, Rio Arriba County, New Mexico:

1. Three copies of the Application for Administrative Approval of the Unorthodox Location for the above-captioned Well
2. Three copies of a plat showing the ownership of all leases off-setting the SE/4 of Section 1, Township 23 North, Range 6 West, NMPM. This plat also shows all of the wells completed on these leases.
3. Three copies of a Certificate of Mailing stating that all operators of leases offsetting the dedicated acreage for this well, the Supervisor of the District III Office of the New Mexico Oil Conservation Division, and the U. S. Minerals Management Service have been notified of the Application by certified mail.

If you need further information or assistance, please advise.

Sincerely,



Richard T. C. Tully

Attorney for Applicant BOLACK MINERALS COMPANY

RTCT:sak
Encls.

Joe D. Ramey, Division Director
NEW MEXICO OIL CONSERVATION DIVISION
February 21, 1984
Page Two

cc w/encl.: Frank Chavez, Supervisor
District III Office
✓ NEW MEXICO OIL CONSERVATION DIVISION
1000 Rio Brazos Road
Aztec, New Mexico 87410

MINERALS MANAGEMENT SERVICE
Drawer 600
Farmington, New Mexico 87401

Exxon Company, USA
Land Department
P. O. Box 120
Denver, CO 80201

D. N. Canfield, Attorney-in-Fact
El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas 79978

Robert L. Bayless
P. O. Box 1541
Farmington, New Mexico 87499

Conoco, Inc.
Land Department
P. O. Box 460
Hobbs, New Mexico 88241

Dugan Production Corp.
Attn: Thomas A. Dugan, President
P. O. Box 208
Farmington, New Mexico 87499

Tom and Tommy Bolack, General Partners
Bolack Minerals Company
3901 Bloomfield Highway
Farmington, New Mexico 87401

William R. Speer
Box 255
Farmington, New Mexico 87499

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APPLICATION FOR ADMINISTRATIVE APPROVAL
OF UNORTHODOX LOCATION

Applicant: Bolack Minerals Company (Operator)
3901 Bloomfield Highway
Farmington, New Mexico 87401

Lease: NM-067612

Lands Described in Lease
Dedicated to the Well: Township 23 North, Range 6 West, NMPM
Section 1: SE/4
Containing 160 acres, more or less
Rio Arriba County, New Mexico

Name of Well: Bolack "E" #4-R Well

Proposed Unorthodox Location: Township 23 North, Range 6 West, NMPM
Section 1: 2040' FSL, 810' FEL
(See attached copy of Well Location
Plat and Topographic Map)

Reason for Unorthodox Location: See attached explanation entitled
"Request for Unorthodox Location..."

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OIL
D. H. H.

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REQUEST FOR UNORTHODOX LOCATION FOR BOLACK
MINERALS COMPANY - BOLACK "E" #4-R PICTURED CLIFFS WELL
SE/4 SEC. 1, T23N, R6W, RIO ARRIBA COUNTY, NEW MEXICO

The New Mexico Oil Conservation Division spacing regulations for a standard location for A pictured cliffs gas well in the San Juan Basin (which the proposed Bolack "E" #4-R well is) requires a location within a 200 foot square in the SE/4 (the preferred geological location) which is 790 ft. to 990 feet from the south and east lines of the section.

2. On December 16, 1983, W. R. Speer, a consulting geologist, and F. B. Kerr, a registered professional engineer and land surveyor, attempted to stake a location for the Bolack "E" #4-R Well at a location 1890' from the south line and 790' from the east line. However, upon running it, it was found that the stake fell on a solid sandstone ledge in the bottom of a major drainage arroyo. The arroyo dropped off of a mesa into the canyon with vertical cliffs of some 100 ft. height only about 200 yards east of the stake. It would be virtually impossible to build a location large enough to accomodate even a small rig due to the terrain and given the environmental considerations.

3. Accordingly, two alternate locations were staked, both of which meet Federal spacing requirements, but are unorthodox by NMOCD standards. The first was placed at the base of the canyon cliffs in a position giving enough room to building the appropriate drill pad. It fell 1890 feet from the south line, but only 410 feet from the east line, some 380' too close to the eastern boundary of the section by NMOCD requirements. In addition, the eastern boundary is also the Jicarilla Apache Indian Reservation boundary. This boundary is fenced and would require cutting and installation of a cattleguard to reach the location. Also, to gain access to this location would require construction of approximately 1500 feet of road on the Reservation, and the well hookup would also require an additional 1000 ft. of pipeline right-of-way to be located on the Reservation. Because of the difficulties in obtaining Jicarilla Apache Indian approval for this construction, and the likelihood the Tribe would oppose the unorthodox location, another location on the top of the mesa was staked.

4. The second alternate location located 2040 feet from the south line and 810 feet from the east line was staked as the most reasonable location to remain as close to the legal requirements as possible, while coping with the topographic and terrain problems. In addition, this location was located to give ready access to the existing pipeline and pipeline road which run to the abandoned Bolack "E" #4 Well only 250 feet west of the proposed location.

5. It is requested that the New Mexico Oil Conservation Division administratively approve this unorthodox well location for the topographic reasons detailed above.

New Mexico Oil Conservation

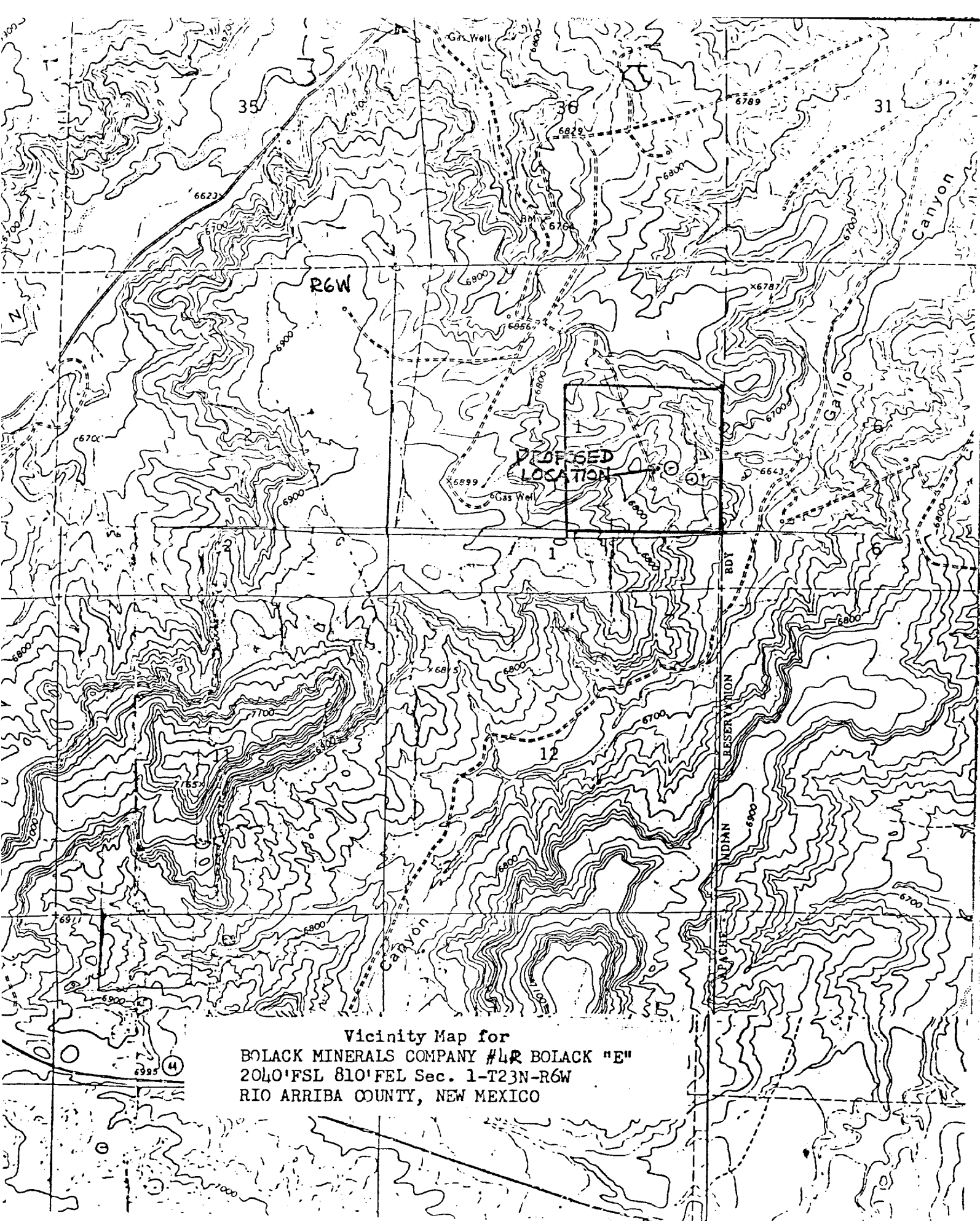
Division Rule Authorizing Application: Rule 104(D) (II) (F)

Offsetting Leases and Operators:

(See attached Plat for location of leases and wells completed)

- A. El Paso Natural Gas Company
Township 23 North, Range 6 West, NMPM
Section 1: NE/4, W/2
Rio Arriba County, New Mexico
- B. Dugan Production Corp.
Township 23 North, Range 6 West, NMPM
Section 12: N/2
Rio Arriba County, New Mexico
- C. Robert L. Bayless
Township 23 North, Range 5 West, NMPM
Section 6: NW/4
Rio Arriba County, New Mexico
- D. Conoco, Inc.
Township 23 North, Range 5 West, NMPM
Section 6: SW/4
Rio Arriba County, New Mexico
- E. Exxon Company, USA
Township 23 North, Range 5 West, NMPM
Section 7: NW/4
Rio Arriba County, New Mexico

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

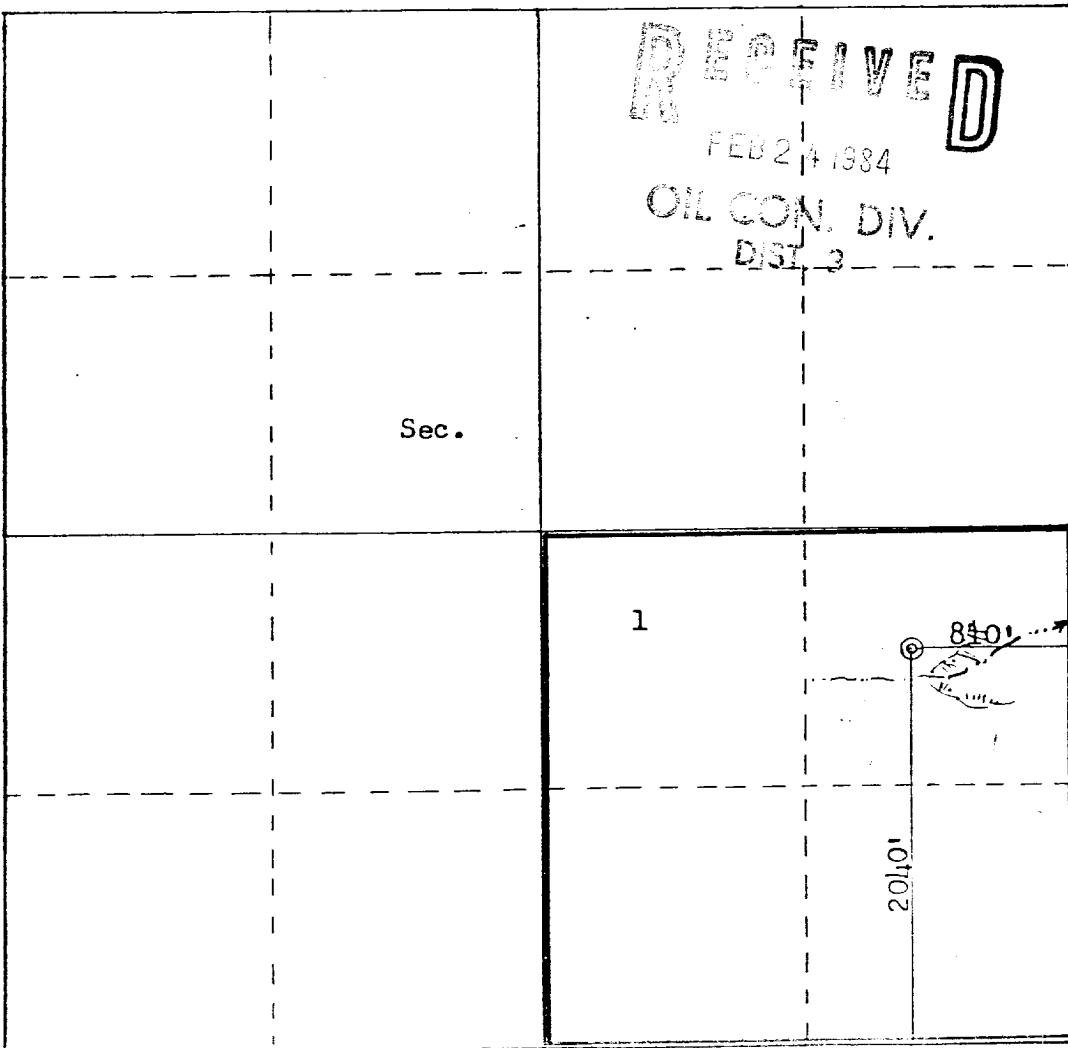
Operator BOLACK MINERALS COMPANY		Lease BOLACK "E"		Well No. 4-R
Unit Letter I	Section 1	Township 23N	Range 6W	County Rio Arriba
Actual Footage Location of Well: 2040 feet from the South line and 810 feet from the East line				
Ground Level Elev. 6747	Producing Formation Pictured Cliffs	Pool	Dedicated Acreage: Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



Scale: 1"=1000'

CERTIFICATION

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

Name

Position

Company

Date

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

December 14, 1983

Registered Professional Engineer and Land Surveyor

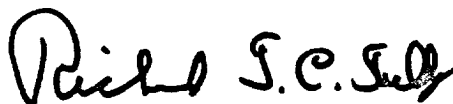
Fred B. Kerr Jr.
Fred B. Kerr Jr.

Certificate No.

3950

CERTIFICATE OF MAILING

I certify that I mailed a copy of the Application for Unorthodox Location on the Bolack "E" #4-R Well by certified mail to all operators of leases offsetting the dedicated acreage for the Bolack "E" #4-R Well, to the Supervisor of the District III Office of the New Mexico Oil Conservation Division, and to the U. S. Minerals Management Service, on this 22nd day of February, 1984.



Richard T. C. Tully, Esq.

Attorney for Applicant
BOLACK MINERALS COMPANY

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