

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

March 22, 1990

Hixon Development Co.
P.O. Box 2810
Farmington, NM 87499

Attention: John C. Corbett

RECEIVED
MAR 29 1990
OIL CON. DIV
DIST. 3

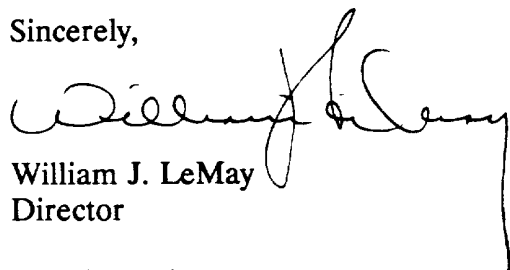
Administrative Order NSL-2770

Dear Mr. Corbett:

Reference is made to your application of March 8, 1990 for a non-standard coal gas well location for your Carson Unit "14" Well No. 324 to be located 705 feet from the South line and 2080 feet from the West line (Unit N) of Section 14, Township 25 North, Range 12 West, NMPM, Basin Fruitland Coal (Gas) Pool, San Juan County, New Mexico. The S/2 of said Section 14 shall be dedicated to the well forming a standard 320-acre gas spacing and proration unit for said pool.

By the authority granted me under the provisions of Rule 8 of the Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool as promulgated by Division Order No. R-8768, the above-described unorthodox coal gas well location is hereby approved.

Sincerely,


William J. LeMay
Director

WJL/MES/ag

cc: Oil Conservation Division - Aztec
US Bureau of Land Management - Farmington



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

GARREY CARRUTHERS
GOVERNOR

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

Date: 3-13-90

Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504-2088

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

Gentlemen:

I have examined the application dated 3-9-90
for the Hixon Development Co. CARSON 14 # 324
Operator Lease & Well No.

N-14-25N-14W and my recommendations are as follows:
Unit, S-T-R

Approve

Yours truly,

Emilio B. [Signature]

Hixon Development Company

March 8, 1990

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MAR 09 1990

**OIL CON. DIV.,
DIST. 3**

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

ATTENTION: Mr. Bill LeMay

REFERENCE: Request for Administrative Approval of
Non-Standard Basin Fruitland Coal
Gas Well Location
Carson Unit Well No. 324-14

Dear Mr. LeMay:

Hixon Development Company requests administrative approval of the referenced non-standard Basin Fruitland Coal gas well. The proposed Carson Unit No. 324-14 is staked at 705' FSL and 2080' FWL, Section 14, T25N, R12W, NMPM.

The reason for this non-standard location request is topographical. As can be seen in the attached C-102 plat and topographic map reproduction, the Basin Fruitland Coal drilling window in the SW/4 of Section 14 is dissected by an abrupt change in surface relief. This feature represents a severe drop-off from a relatively flat sagebrush area into a deep and irregular "badland" topography.

The proposed non-standard location is situated on an existing location which was constructed for the Carson Unit No. 24-14 well (660' FSL, 1984' FWL). This Bisti Lower Gallup well was plugged and abandoned in 1978. The well pad is graded and stable. The non-standard location also moves the proposed well pad away from sand dunes along the edge of the badlands drop-off and onto sagebrush flats, thereby minimizing surface disturbance.

This lease and the proposed location are located within the boundaries of the Carson Unit (see attached map) and are surrounded entirely by leases owned and operated by Hixon Development Company. As a result of this leasehold situation, no offset operators have been notified of this non-standard location request. Hixon's 100% working interest in the Carson Unit eliminates any problems related to draining another operator's Fruitland Coal Seam methane gas reservoir as a result of the non-standard location.

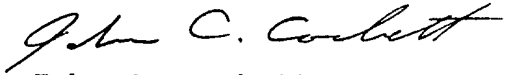
Post Office Box 2810
Farmington, New Mexico 87499
505/326-3325

New Mexico Oil Conservation Division
Page 2

In conclusion, Hixon Development Company requests your approval for this non-standard Basin Fruitland Coal gas well location. If I can be of assistance in your evaluation of this matter, please contact me at the letterhead address or by telephone at (505) 326-3325. Your resolution of this matter is appreciated.

Sincerely,

HIXON DEVELOPMENT COMPANY



John C. Corbett
Vice President - Exploration

CEH:dh

Attachments

cc: Mr. Ernie Busch
Well File

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

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

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Hixon Development Company			Lease Carson Unit		Well No. 324-14
Unit Letter N	Section 14	Township 25 North	Range 12 West	County San Juan	
Actual Footage Location of Well: 705 feet from the South line and 2080 feet from the West line					
Ground level Elev. 6414	Producing Formation Fruitland		Pool Basin Fruitland Coal	Dedicated Acreage: 320 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure 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 interest 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 interest, has been approved by the Division.

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OIL CON. DIV.
DIST. 3

Section 14

2080'

705'

SF-078067

OPERATOR CERTIFICATION

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

Signature

John C. Corbett

Printed Name

John C. Corbett

Position

Vice President-Exploration
Company

Hixon Development Company

Date

February 26, 1990

SURVEYOR CERTIFICATION

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.

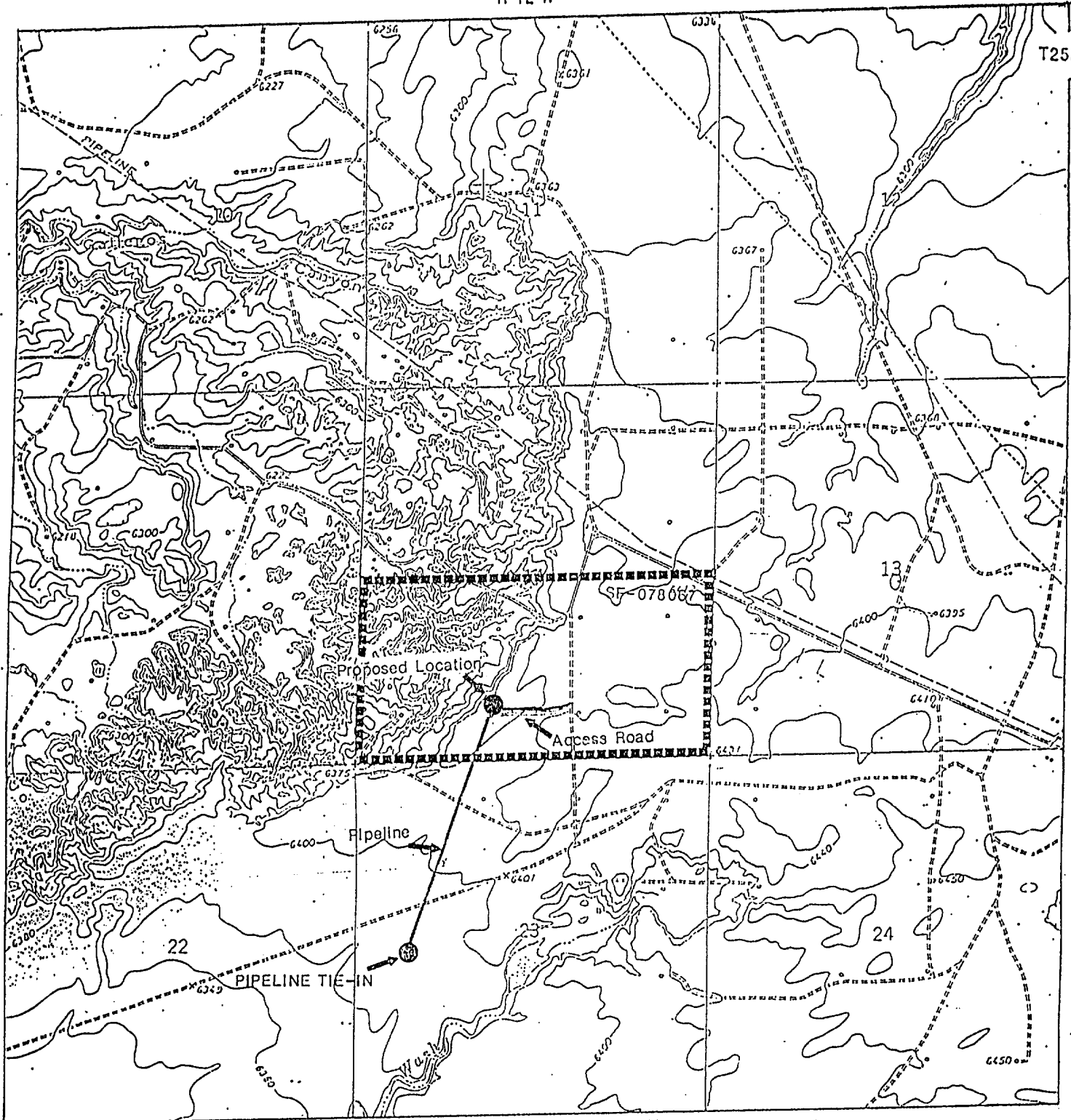
Date Surveyed

February 13, 1990

Signature & Seal of
Professional Surveyor

Edgar L. Risenhoover
Edgar L. Risenhoover
5079
5079
Edgar L. Risenhoover
REGISTERED LAND SURVEYOR
NEW MEXICO

T25N



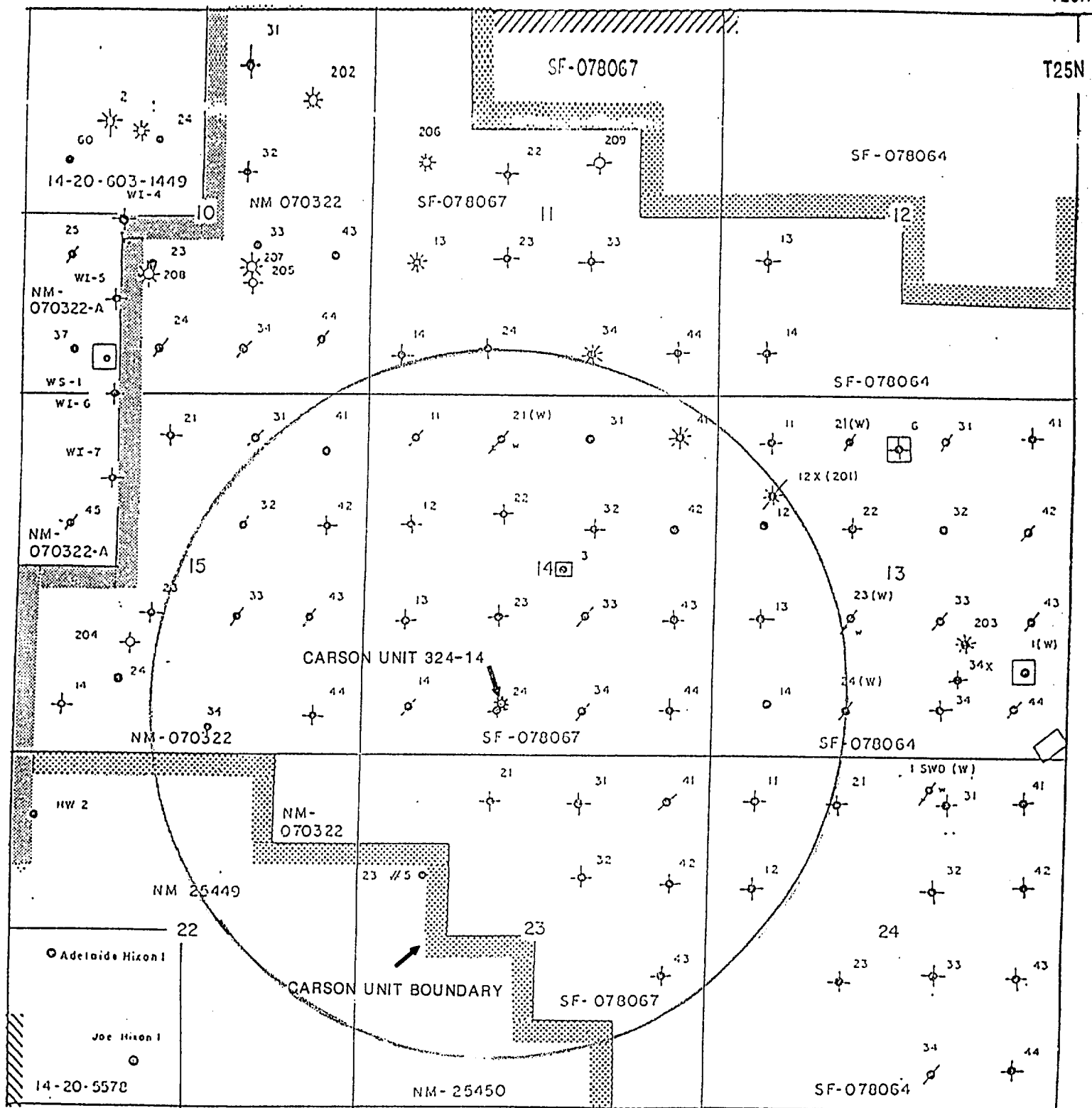
HIXON DEVELOPMENT COMPANY

CARSON UNIT 324-14

705' FSL 2080' FWL

Section 14, T25N, R12W

SAN JUAN COUNTY, NEW MEXICO



HIXON DEVELOPMENT COMPANY

CARSON UNIT 324-14

705' FSL 2080' FWL

Section 14, T25N, R12W

SAN JUAN COUNTY, NEW MEXICO

All properties shown herein are operated in their entirety by Hixon Development Company.