

BOLIN OIL COMPANY

Oil and Gas Building — WICHITA FALLS, TEXAS 76301 — (817) 723-0733

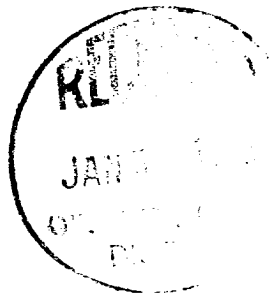
December 17, 1975

United States Department of the Interior
Geological Survey
Oil and Gas Operation
P. O. Box 1809
Durango, Colorado 81301

Gentlemen:

Bolin Oil Company is filing an application to drill a development gas well, Candado Lease #16, in the NE/4 of Section 25-26N-7W, Rio Arriba County, New Mexico. The following measures are proposed to comply with the 12-point development program for surface use.

- 1) The accompanying USGS topographic map (2 inches = 1 mile), includes two locatable reference points and the main access road. All existing within a 3 mile radius of the proposed location are indicated on the map.
- 2) The location is in very near proximity to the existing access road. Therefore, additional road construction will not be needed.
- 3) All existing wells within a 1 mile radius are shown.
- 4) Lateral roads to all well locations within a half mile radius of the proposed location have been indicated.
- 5) The proposed test is to prove gas producing formations. Consequently, tank batteries are not anticipated nor indicated on the map. The location of the planned flow line to the existing gathering line is shown in blue.
- 6) Fresh water for drilling will be hauled by tank truck from Largo Canyon.



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- 7) The drilling reserve pit will be filled and leveled immediately upon completion of drilling if possible or fenced and left to dry before filling. All waste and cuttings will be buried in the reserve pit.
- 8) No camps or permanent structures will be erected.
- 9) No airstrips are to be constructed.
- 10) See attached Exhibit #3.
- 11) Successful well - All trash will be picked up. Reserve pit will be fenced until it can be pushed in and leveled. Location will be dressed with dozer or blade.

Dry hole - Trash will be picked up. Reserve pit will be fenced until it can be pushed in and regraded. Location will be disked if necessary and all ruts filled; then seeding requirements will be followed.

- 12) The impact on the environment caused by the drilling of this test should be slight. The location is on a rocky ledge with negligible soil covering. The hill mass East of the location is covered by pinion, juniper and sage but the location itself is clear. Since the location of this test is on the edge of the existing well pad of the #10 Candado, a relatively small amount of additional surface damage will result from this test.

Yours very truly,

BOLIN OIL COMPANY

H. R. Hauptman

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Enc.

