

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

b. TYPE OF WELL

OIL
WELL ☐

GAS
WELL ☒

OTHER

SINGLE
ZONE ☐

MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

Taurus Exploration, U.S.A., Inc. 162928

3. ADDRESS AND TELEPHONE NO.

2198 Bloomfield Highway; Farmington, NM 87401

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)
At surface

1561' FNL, 946' FWL

At proposed prod. zone

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

Seven (7) miles NE of Gobernador, New Mexico

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any) 946'

16. NO. OF ACRES IN LEASE

1819.52

17. NO. OF ACRES ASSIGNED

TO THIS WELL 219.52

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,

OR APPLIED FOR, ON THIS LEASE, FT. 3000'

19. PROPOSED DEPTH

8840

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

7372' G.L.

This action is subject to technical and
procedural review pursuant to 43 CFR 3165.3
and appeal pursuant to 43 CFR 3165.4.

DRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO COMPLIANCE WITH ATTACHED
"GENERAL REQUIREMENTS"

23. PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | GRADE SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|----------------------|-----------------|---------------|------------------------------------|
| 15 | 10 3/4 | 32.75# | 200 | 236 cu. ft. circulated |
| 9 7/8 | 7 5/8 | 26.4# | 4590 | 1891 cu. ft. circulated - 2 stages |
| 6 3/4 | 5 1/2 | 17# | 8840 | 538 cu. ft. to intermediate |

An application with the NMOCDC is being submitted to dual complete selectively perforated sand water fracture the Mesaverde and Dakota formations. This gas is dedicated.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, 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

Production Superintendent

DATE

5/14/98

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

Application approval 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.

CONDITIONS OF APPROVAL, IF ANY:

NSP-1791(L)C

/s/ Duane W. Spencer

APPROVED BY

TITLE

DATE

JUL 28 1998

*See Instructions On Reverse Side

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.

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised October 18, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies
98 JUN -1 PM 1:47 ☐ AMENDED REPORT

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | |
|----------------------------|--|--------------------------|--|
| APN Number 30-039-25914 | | Pool Code 72379/71599 | Pool Name Blanco Mesaverde/Basin Dakota |
| Property Code 21185 | Property Name CARSON UNIT | | Well Number 4 |
| OGRIID No. 162928 | Operator Name TAURUS EXPLORATION U.S.A., INC. | | Elevation 7372 |

10 Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|------------|
| F | 19 | 30N | 4W | | 1561 | NORTH | 946 | WEST | RIO ARRIBA |

11 Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|-------------------------------|---------|-----------------------|-------|--------------------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |
| Dedicated Acres 219.52/219 | | Joint or Infill 52 | | Consolidation Code | | Order No. | | | |

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

| | |
|---|--|
| <p>WEST 4448.40</p> <p>1561'</p> <p>946'</p> <p>LOT 1</p> <p>LOT 2</p> <p>LOT 3</p> <p>LOT 4</p> <p>NORTH 5285.94</p> <p>R.5 W.</p> <p>R.4 W.</p> <p>WEST 4453.68</p> | <p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p></p> <p>Signature Gary M. Brink Printed Name Production Superintendent Title 5/14/98 Date</p> |
| | <p>18 SURVEYOR CERTIFICATION</p> <p>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 belief.</p> <p>4-27-98</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyer:</p> <p></p> <p>Certificate Number</p> |

TAURUS EXPLORATION

CARSON UNIT #4

SE/4 NW/4 SEC.19, T.30 N., R.4 W., N.M.P.M.,
RIO ARriba COUNTY, NEW MEXICO.





NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

June 30, 1998

Taurus Exploration U.S.A., Inc.
2198 Bloomfield Highway
Farmington, New Mexico 87401
Attention: Richard P. Corcoran

RECEIVED
JUL 6 1998

OIL CON. DIV.
Administrative Order NSP-1791(L)
D-1791

Dear Mr. Corcoran:

Reference is made to your applications dated June 4, 1998 for the formation of a non-standard 219.52-acre gas spacing and proration unit consisting of the following acreage in both the Blanco-Mesaverde and Basin-Dakota Pools:

RIO ARriba COUNTY, NEW MEXICO
TOWNSHIP 30 NORTH, RANGE 4 WEST, NMPM
Irregular Section 19: Lots 1 through 4 and the E/2 W2.

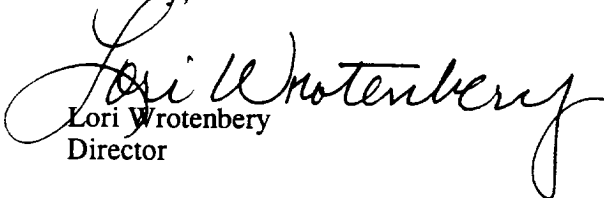
Gas production from both pools is to be dedicated to Taurus Exploration U.S.A., Inc.'s proposed:
(i) Carson Unit Well No. 4 to be drilled at a standard gas well location 1561 feet from the North line and 946 feet from the West line (Unit F) of Section 19; and, (ii) Carson Unit Well No. 4-M to be drilled at an unorthodox infill gas well location 794 feet from the South line and 1551 feet from the West line (Unit N) of Section 19.

The application has been duly filed under the provisions of Rules 104.F, 104.D(2), and 605.B of the Rules and Regulations of the New Mexico Oil Conservation Division ("Division").

By the authority granted me under the provisions of Division Rules 104.F(2) and 104.D(2)(b), the above-described unorthodox Basin-Dakota/Blanco-Mesaverde "infill" gas well location for the Carson Unit Well No. 4-M and 219.52-acre non-standard gas spacing and proration unit in both the Blanco-Mesaverde and Basin-Dakota Pools are hereby approved.

Further, both of the aforementioned Carson Unit Well Nos. 4 and 4-M and both spacing units will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico.

Sincerely,


Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec /
U. S. Bureau of Land Management - Farmington

TAURUS

TAURUS EXPLORATION USA, INC.
2198 Bloomfield Highway
Farmington, New Mexico 87401
Telephone (505) 325-6800

June 4, 1998

Mr. Michael E. Stogner
New Mexico Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

RE: Administrative Approval of Non-Standard Proration Unit
Carson 4M Well
1551' FNL, 794' FWL
Sec.19-T30N-R4W
Rio Arriba County, New Mexico
Mesa Verde/Dakota Dual

RECEIVED
JUN 9 1998
OIL CON. DIV.
DIST. 3

Dear Mr. Stogner:

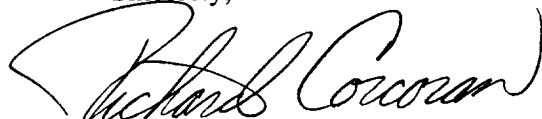
Taurus Exploration U.S.A., Inc. requests administrative approval of a non-standard spacing unit for its Carson #4M well to be located 1551' FNL and 794' FWL of Sec. 19-T30N-R4W, Rio Arriba County, New Mexico.

The W/2 of said section 19 is an irregular section containing 219.52 acres, caused by a variation in the legal subdivision of the U.S. Public Land Survey. This results in the spacing unit being 68.6% of a standard gas proration unit for the Blanco Mesa Verde and Basin Dakota pools. For the foregoing reason, Taurus Exploration U.S.A., Inc. respectfully requests administrative approval of a Non-Standard Proration Unit for the subject well.

A copy of this application is being submitted to all offset operators by certified mail with a request that they furnish your office in Santa Fe with a Waiver of Objection.

Attached is a well location plat showing acreage, a topographic plat of the area, and a map showing all offsetting operators.

Sincerely,


Richard P. Corcoran
District Landman

RPC/df
Enclosures

cc: OCD-Aztec office, BLM-Farmington office, Offset Operators

TAURUS

June 4, 1998

TAURUS EXPLORATION USA, INC.
2198 Bloomfield Highway
Farmington, New Mexico 87401
Telephone (505) 325-6800

Scott Prather
Phillips Petroleum Company
5525 Highway 64
Farmington, New Mexico 87401

RE: Administrative Approval of Non-standard Proration Unit
Carson 4M Well
1551' FWL, 794' FSL
Sec. 19-T30N-R4W
Rio Arriba County, New Mexico
Mesa Verde/Dakota Dual

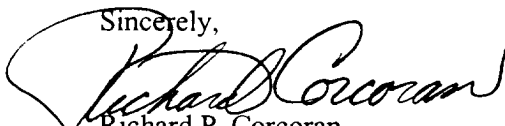
Dear Mr. Prather:

Taurus Exploration U.S.A., Inc. has filed with the New Mexico Oil Conservation Division (NMOCD), an application for the administrative approval of a Non-standard Proration Unit, for its Carson #4M Well. A copy of the application has been attached for your review.

If you have no objection to this Non-standard Proration Unit, please sign three copies of the attached waiver, return one executed copy to the NMOCD in Santa Fe, New Mexico, one copy to our office, and retain one copy for your files. Self addressed envelopes are enclosed. If you have any objections to this proposal, please notify the NMOCD at 2040 South Pacheco, Santa Fe, New Mexico 87505 within 20 days of the date of this letter.

Your assistance and cooperation in this matter are appreciated.

Sincerely,



Richard P. Corcoran
District Landman

RPC/df

WAIVER

_____ hereby waives obtain to the above referenced Application for
Administrative Approval of a Non-standard Proration Unit.

Date: _____ By: _____

cc: OCD-Aztec office, BLM-Farmington

Operators

District I
PO Box 1980, Hobbs, NM 88241-1980

District II
811 South First, Artesia, NM 88210

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

District IV
2040 South Pacheco, Santa Fe, NM 87505

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2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised October 18, 1994

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|----------------------------------|---|---|
| ¹ AIT Number | ² Pool Code 72324/71599 | ³ Pool Name Blanco Mesaverde/Basin Dakota |
| ⁴ Property Code | ⁵ Property Name CARSON | ⁶ Well Number 4M |
| ⁷ OGRID No. 162928 | ⁸ Operator Name TAURUS EXPLORATION U.S.A., INC. | ⁹ Elevation 7394 |

¹⁰ Surface Location

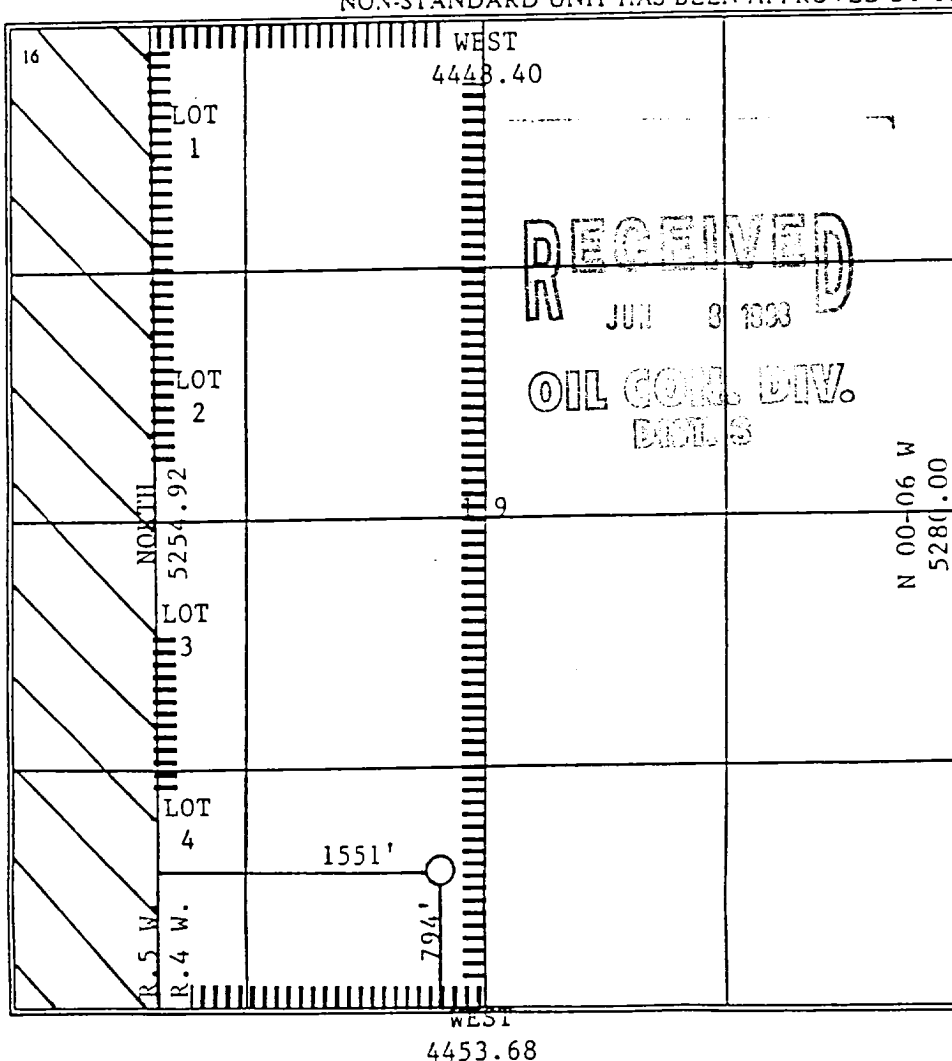
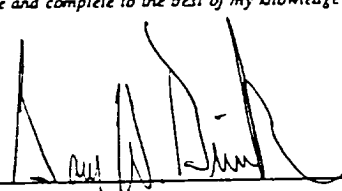
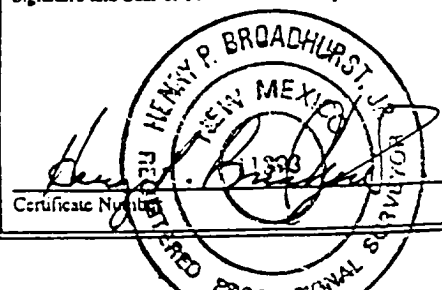
| | | | | | | | | | |
|--------------------|---------------|-----------------|-------------|---------|----------------------|---------------------------|-----------------------|------------------------|----------------------|
| UL or lot no. N | Section 19 | Township 30N | Range 4W | Lot Idn | Feet from the 794 | North/South line SOUTH | Feet from the 1551 | East/West line WEST | County RIO ARriba |
|--------------------|---------------|-----------------|-------------|---------|----------------------|---------------------------|-----------------------|------------------------|----------------------|

¹¹ Bottom Hole Location If Different From Surface

| | | | | | | | | | |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|

| | | | |
|--|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres 219.52/219.52 | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ Order No. |
|--|-------------------------------|----------------------------------|-------------------------|

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|  | <p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p></p> <p>Signature Garv W. Brink Printed Name Production Superintendent Title 5/14/98 Date</p> |
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| | |
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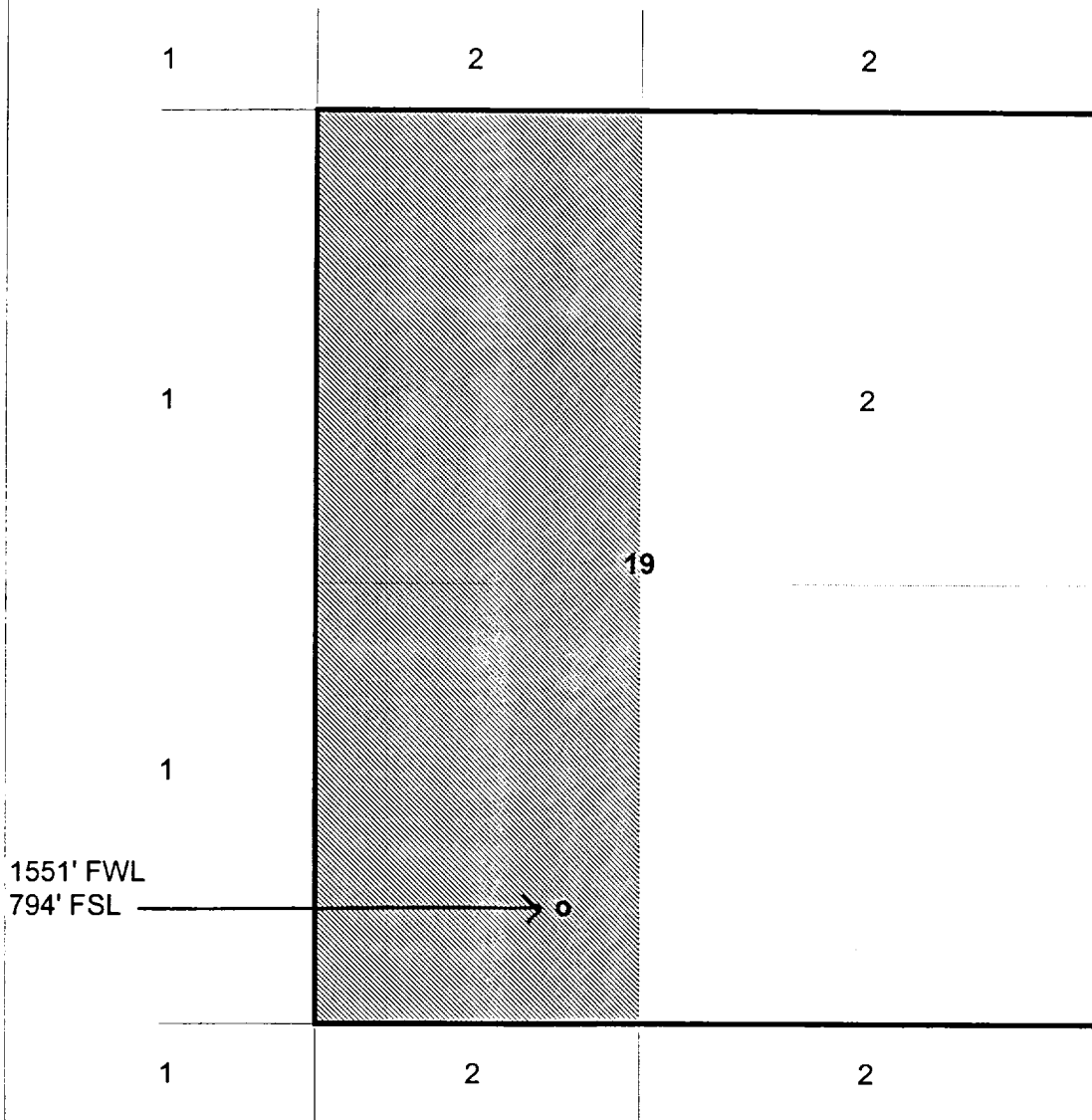
Taurus Exploration U. S. A., Inc.

Carson #4M

OFFSET OPERATOR \ OWNER PLAT

Mesa Verde \Dakota Dual

Township 30 North - Range 4 West

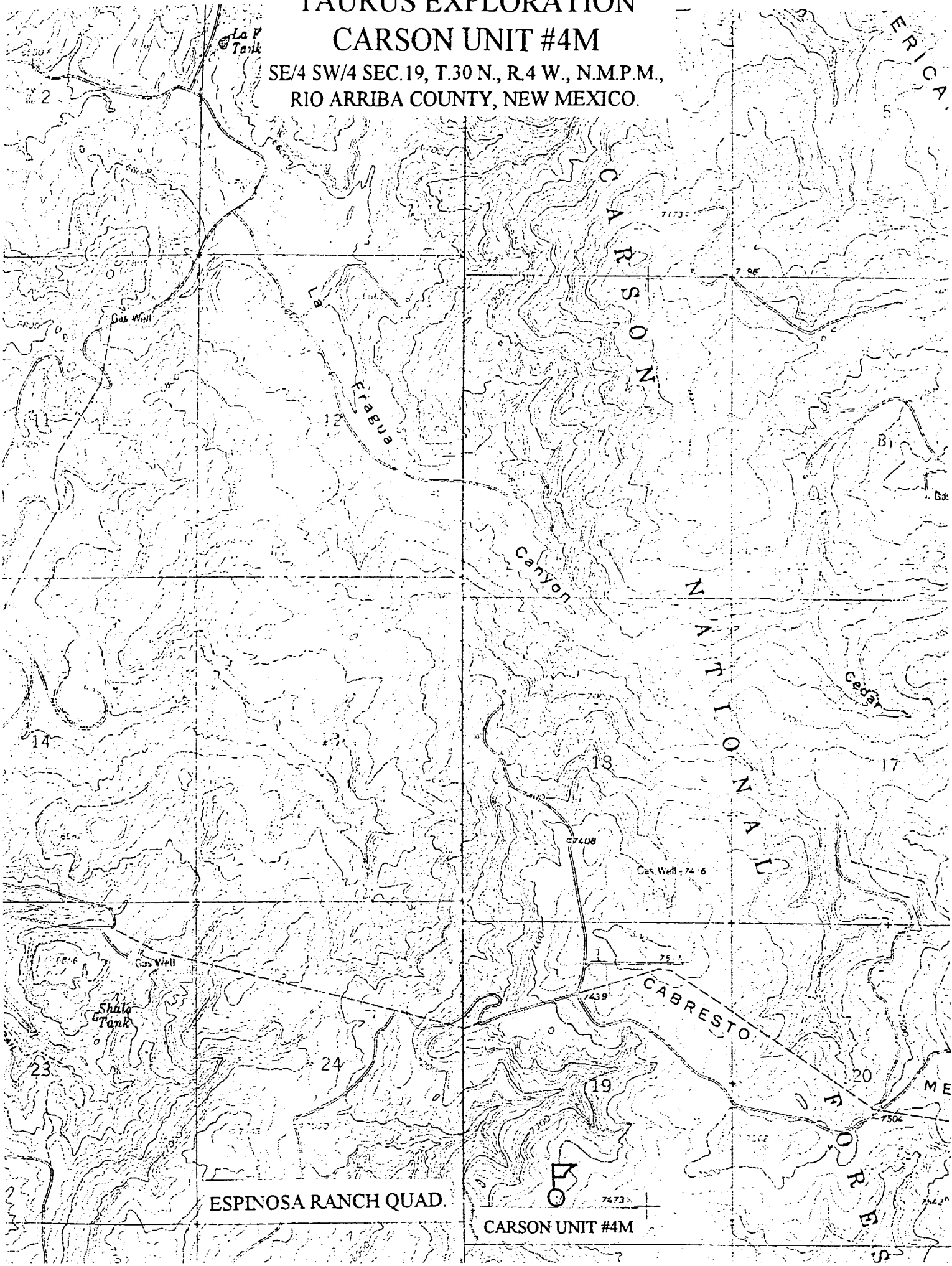


1. Phillips Petroleum Company
2. Taurus Exploratiion U S A Inc.

TAURUS EXPLORATION

CARSON UNIT #4M

SE/4 SW/4 SEC. 19, T. 30 N., R. 4 W., N.M.P.M.,
RIO ARriba COUNTY, NEW MEXICO.



ESPINOSA RANCH QUAD.

CARSON UNIT #4M

TAURUS

TAURUS EXPLORATION USA, INC.
2198 Bloomfield Highway
Farmington, New Mexico 87401
Telephone (505) 325-6800

June 4, 1998

Mr. Michael E. Stogner
New Mexico Oil Conservation Division
2040 South Pacheco Street
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1561' FNL, 946' FWL
Sec.19-T30N-R4W
Rio Arriba County, New Mexico
Mesa Verde/Dakota Dual

RECEIVED
JUN 8 1998
OIL CON. DIV.
DML: S

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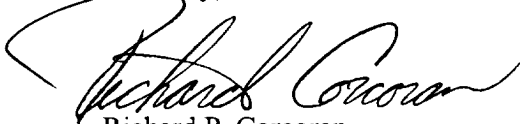
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The W/2 of said section 19 is an irregular section containing 219.52 acres, caused by a variation in the legal subdivision of the U.S. Public Land Survey. This results in the spacing unit being 68.6% of a standard gas proration unit for the Blanco Mesa Verde and Basin Dakota pools. For the foregoing reason, Taurus Exploration U.S.A., Inc. respectfully requests administrative approval of a Non-Standard Proration Unit for the subject well.

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Attached is a well location plat showing acreage, a topographic plat of the area, and a map showing all offsetting operators.

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Richard P. Corcoran
District Landman

RPC/df
Enclosures

cc: OCD-Aztec office, BLM-Farmington office, Offset Operators

TAURUS

June 4, 1998

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If you have no objection to this Non-standard Proration Unit, please sign three copies of the attached waiver, return one executed copy to the NMOCD in Santa Fe, New Mexico, one copy to our office, and retain one copy for your files. Self addressed envelopes are enclosed. If you have any objections to this proposal, please notify the NMOCD at 2040 South Pacheco, Santa Fe, New Mexico 87505 within 20 days of the date of this letter.

Your assistance and cooperation in this matter are appreciated.

Sincerely,



Richard P. Corcoran
District Landman

RPC/df

WAIVER

_____ hereby waives obtain to the above referenced Application for
Administrative Approval of a Non-standard Proration Unit.

Date: _____ By: _____

cc: OCD-Aztec office, BLM-Farmington office, Offset Operators

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Santa Fe, NM 87505

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|----------------------------------|---|---|
| ¹ A11 Number | ² Pool Code 72329/71599 | ³ Pool Name Blanco Mesaverde/Basin Dakota |
| ⁴ Property Code | ⁵ Property Name CARSON UNIT | ⁶ Well Number 4 |
| ⁷ OGRID No. 162928 | ⁸ Operator Name TAURUS EXPLORATION U.S.A., INC. | ⁹ Elevation 7372' |

¹⁰ Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|------------|
| F | 19 | 30N | 4W | | 1561 | NORTH | 946 | WEST | RIO ARriba |

¹¹ Bottom Hole Location If Different From Surface

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|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
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| | | | |
|--|-------------------------------|----------------------------------|-------------------------|
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WEST
4453.68

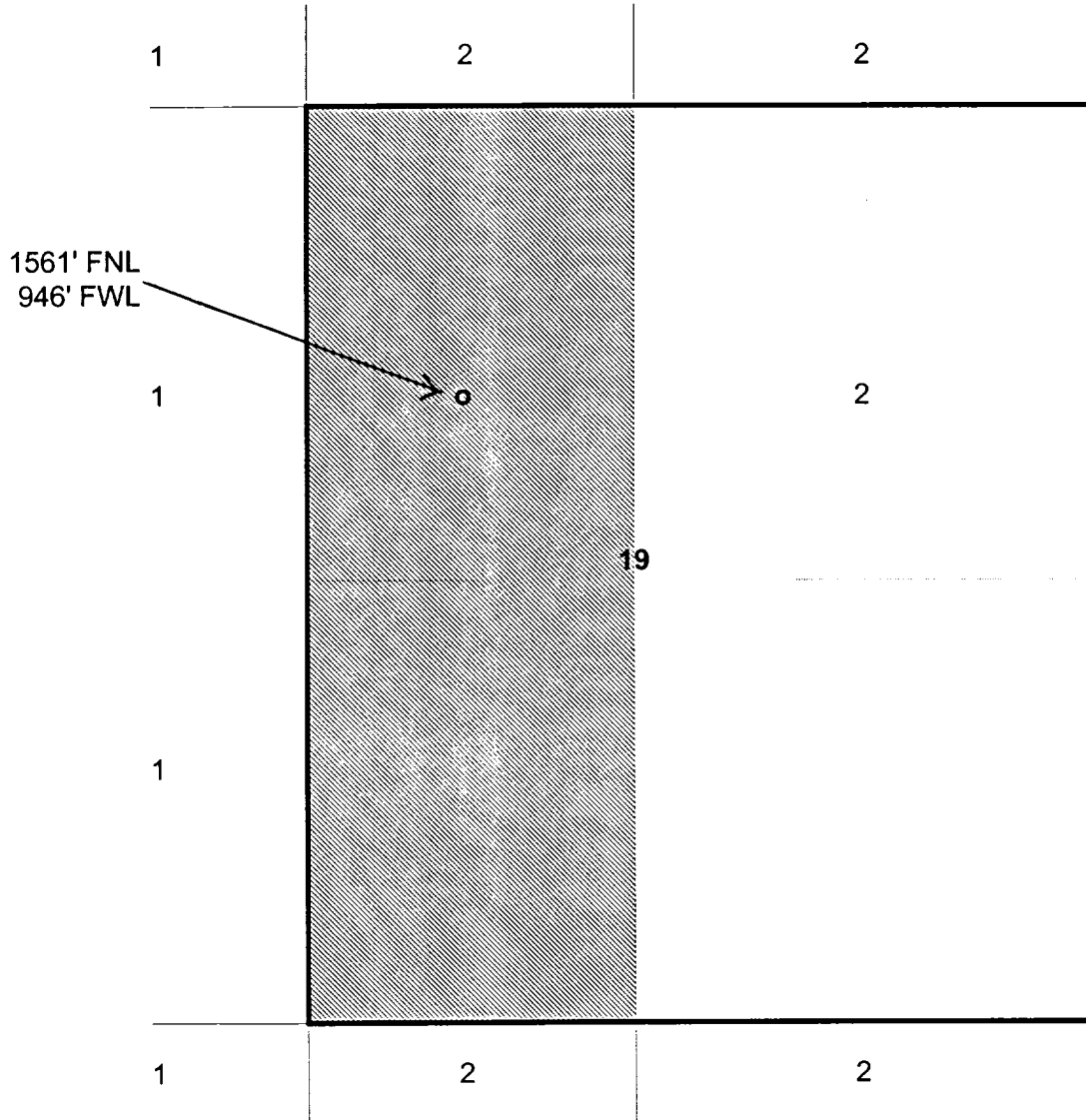
Taurus Exploration U. S. A., Inc.

Carson #4

OFFSET OPERATOR \ OWNER PLAT

Mesa Verde \Dakota Dual

Township 30 North - Range 4 West



-
1. Phillips Petroleum Company
 2. Taurus Exploration U S A Inc.
-

TAURUS EXPLORATION

CARSON UNIT #4

SE/4 NW/4 SEC. 19, T. 30 N., R. 4 W., N.M.P.M.,
RIO ARRIBA COUNTY, NEW MEXICO.

