

MAIN OFFICE  
Petro-Atlas, Inc.  
A SUBSIDIARY OF ATLAS CORPORATION  
2000 NATIONAL BANK OF TULSA BUILDING  
TULSA 3, OKLAHOMA  
DEC 12 1958

REGISTERED -  
RETURN RECEIPT REQUESTED

December 12, 1958

New Mexico Oil Conservation Commission  
P. O. Box 871  
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr.

Re: Application for Exception to Rule 104-C  
for an Unorthodox Well Location  
HORSESHOE CANYON "B" #2  
Horseshoe Gallup Pool  
San Juan County, New Mexico

Gentlemen:

Petro-Atlas, Inc. respectfully submits its application for administrative approval of an unorthodox well location for its Horseshoe Canyon "B" #2, and offers the following in support:

1. Through a surveying error the HORSESHOE CANYON "B" #2 was staked 1746' FNL & 1122' FEL of Section 9, Township 30 North, Range 16 West, San Juan County, New Mexico. This well was completed as an oil well from the Gallup formation on December 3, 1958.
2. The location of the subject well was surveyed and staked August 2, 1958, and at that time it was believed that this well was located 1567' FNL & 953' FEL of Section 9, Township 30 North, Range 16 West.
3. The planned location of Horseshoe Canyon "B" #2 would have been in excess of 660' from the nearest well, and also, 2367' from the closest lease line. Therefore, the planned location would have conformed with the tolerances set out in Rule 104-C.
4. Neither geological or topographic advantages were gained by drilling the well at the location staked in error, rather than at the planned location. Additional expense was incurred in grading the location that was staked in error. In addition, geological evidence indicates that better sand conditions probably would have been encountered at the planned location.
5. A plat showing the location of the subject well, Horseshoe Canyon "B" #2, plus the lease ownership and well locations near or adjacent to this well is attached.
6. Petro-Atlas, Inc. is the owner of the lease, comprising the E/2 NE/4 Section 9-30N-16W, San Juan County, New Mexico, on which Horseshoe Canyon "B" #2 is located. Further, all operators owning interests in the acreage offsetting Horseshoe Canyon "B" #2 are notified by registered mail of this request.

Therefore, Petro-Atlas, Inc. requests that the Secretary of the Commission grant exception to Rule 104-C without notice and hearing and grant administrative approval.

NSL-177  
Com waiting papers  
due Jan 8, 1959  
1567  
1122  
247

for the subject unorthodox location.

Respectfully submitted,  
PETRO-ATLAS, INC.

BY Norman B. Gove  
Norman B. Gove-Engineer

NBG:jp  
encl.

A copy of this application is being sent by registered mail,  
return receipt requested, to the attached list of owners.

STATE OF OKLAHOMA,     )  
                              ) ss.  
COUNTY OF TULSA,     )

NORMAN B. GOVE, being first duly sworn, hereby states that he is an Engineer for Petro-Atlas, Inc., the Applicant in the foregoing application; that he has executed said application on behalf of Petro-Atlas, Inc; that he has read said application and to the best of his knowledge, information and belief, all statements of fact therein contained are true and correct; that a copy of this application was duly deposited on December 16th, 1958, in the United States post office as registered mail, with all charges prepaid, addressed to the parties shown on the attached sheet of this application.

Norman B. Gove  
NORMAN B. GOVE

SUBSCRIBED AND SWORN to before me by the said NORMAN B. GOVE this 16th day of December, 1958, to certify which witness my hand and seal of office.

My commission expires:

August 24, 1961

Wileen Jeanne Parks  
NOTARY PUBLIC

A copy of the foregoing application for the HORSESHOE CANYON "B" #2 was forwarded by registered mail, return receipt requested, to each of the following listed parties:

*W. A. P.*

El Paso Natural Gas Products Company  
P. O. Box 1565  
Farmington, New Mexico

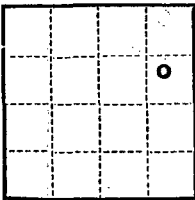
*W. A. P.*

Mr. Tom Bolack  
1010 North Dustin Street  
Farmington, New Mexico

Arizona Explorations, Inc.  
418 Meadows Building  
Dallas 6, Texas

Mr. J. R. Abraham  
c/o Oscar Abraham  
First Nat'l Bank Bldg.  
Albuquerque, New Mexico

Form 9-331a  
(Feb. 1951)



(SUBMIT IN TRIPLICATE)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

Land Office \_\_\_\_\_  
Lease No. **SF 081226-C**  
Unit **HORSESHOE CANYON "B"**

**SUNDRY NOTICES AND REPORTS ON WELLS**

* NOTICE OF INTENTION TO DRILL <b>(Corrected)</b>	<input checked="" type="checkbox"/>	SUBSEQUENT REPORT OF WATER SHUT-OFF	
NOTICE OF INTENTION TO CHANGE PLANS		SUBSEQUENT REPORT OF SHOOTING OR ACIDIZING	
NOTICE OF INTENTION TO TEST WATER SHUT-OFF		SUBSEQUENT REPORT OF ALTERING CASING	
NOTICE OF INTENTION TO RE-DRILL OR REPAIR WELL		SUBSEQUENT REPORT OF RE-DRILLING OR REPAIR	
NOTICE OF INTENTION TO SHOOT OR ACIDIZE		SUBSEQUENT REPORT OF ABANDONMENT	
NOTICE OF INTENTION TO PULL OR ALTER CASING		SUPPLEMENTARY WELL HISTORY	
NOTICE OF INTENTION TO ABANDON WELL			

(INDICATE ABOVE BY CHECK MARK NATURE OF REPORT, NOTICE, OR OTHER DATA)

\* **CORRECTED WELL LOCATION**

December 11, 19 58

Well No. **2** is located **1746** ft. from **[N]** line and **1122** ft. from **[E]** line of sec. **9**  
~~S~~ ~~W~~  
**NE/4 Section 9** **30N** **16W** **NMPM**  
(1/4 Sec. and Sec. No.) (Twp.) (Range) (Meridian)  
**HORSESHOE GALLUP** **SAN JUAN** **NEW MEXICO**  
(Field) (County or Subdivision) (State or Territory)

The elevation of the derrick floor above sea level is **5474** ft.

**DETAILS OF WORK**

(State names of and expected depths to objective sands; show sizes, weights, and lengths of proposed casings; indicate mudding jobs, cementing points, and all other important proposed work)

Objective Horizon: **Lower Gallup @ approx. 1550'.**  
Surface Casing: **8-5/8" 24# @ approx. 100' w/100 sx.**  
Production Casing: **5-1/2" 15.5# J-55 @ TD w/100 sx.**  
Mud Program: **Wgt. 9.5#/gal, Vis. 40-50 & Wtr Loss 8 cc; to commence @ 100'**  
Cementing Program: **0' to 100' & 700' to TD**  
Coring: **None anticipated**

I understand that this plan of work must receive approval in writing by the Geological Survey before operations may be commenced.

Company **PETRO-ATLAS, INC.**

Address **729 E. Main St.**

**Farmington, New Mexico**

By **N. B. Gove**  
**N. B. GOVE**

Title **ENGINEER**

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

FORM C-128  
Revised 5/1/57

SEE INSTRUCTIONS FOR COMPLETING THIS FORM ON THE REVERSE SIDE

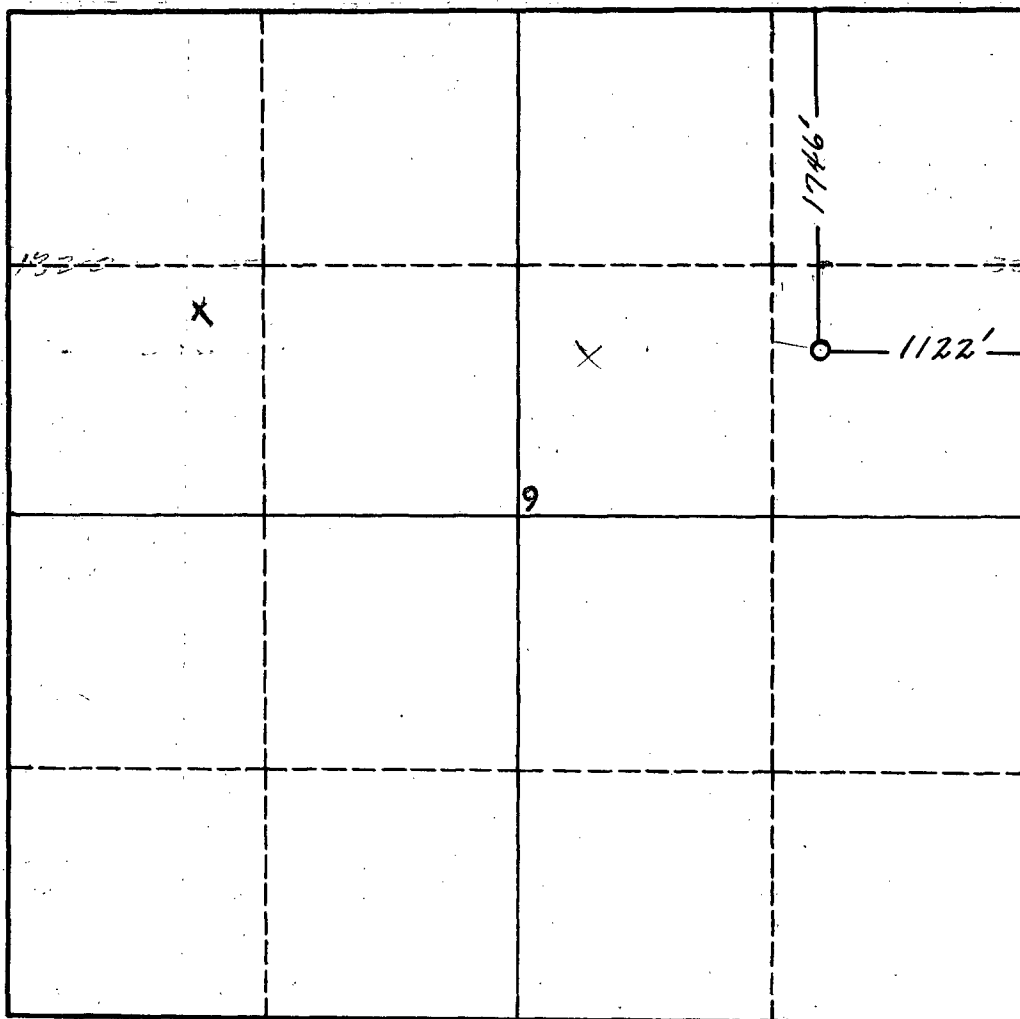
SECTION A

Operator <b>PETRO-ATLAS, INC.</b>		Lease <b>UTE HORSESHOE CANYON "B"</b>		Well No. <b>2</b>
Unit Letter <b>H</b>	Section <b>9</b>	Township <b>30 NORTH</b>	Range <b>16 WEST</b>	County <b>SAN JUAN</b>
Actual Footage Location of Well: <b>1746</b> feet from the <b>North</b> line and <b>1122</b> feet from the <b>East</b> line				
Ground Level Elev. <b>5462.0</b>	Producing Formation <b>GALLUP</b>	Pool <b>HORSESHOE GALLUP</b>	Dedicated Acreage: <b>40</b> Acres	

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES ☒ NO ☐ ("Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (65-3-29 (e) NMSA 1935 Comp.)
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES ☐ NO ☐ . If answer is "yes," Type of Consolidation \_\_\_\_\_
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner	Land Description

SECTION B



CERTIFICATION

I hereby certify that the information in SECTION A above is true and complete to the best of my knowledge and belief. ORIGINAL SIGNED BY

Name	<b>N. B. Gove</b>
Position	<b>Engineer</b>
Company	<b>PETRO-ATLAS, INC.</b>
Date	<b>December 12, 1958</b>

I hereby certify that the well location shown on the plat in SECTION B 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  
**9 December 1958**  
Registered Professional Engineer  
and/or Land Surveyor  
**James P. Leese**

Certificate No.  
**1463**

MAIN OFFICE  
**EL PASO NATURAL GAS PRODUCTS COMPANY**

1958 DEC 18 PM 1:25 EL PASO, TEXAS

December 18, 1958

*Walter*

ADDRESS REPLY TO.  
POST OFFICE BOX 1565  
FARMINGTON, NEW MEXICO

New Mexico Oil Conservation Commission  
P. O. Box 871  
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr.

Re: Application for Exception to Rule 104-(c)  
for Unorthodox Well Location,  
Horseshoe-Gallup Oil Pool,  
San Juan County, New Mexico

Gentlemen:

By application dated December 12, 1958, Petro-Atlas, Inc., has requested administrative approval on its application for unorthodox well location on its Horseshoe Canyon "B" #2 Well which is located in the SE/4 NE/4 of Section 9, Township 30 North, Range 16 West, San Juan County, New Mexico.

El Paso Natural Gas Products Company, as an offset operator, was notified of this request by registered mail, and this is to advise that we have no objections to said request.

Very truly yours,

EL PASO NATURAL GAS PRODUCTS COMPANY

By *James C. Vandiver*  
James C. Vandiver, Division Landman

JCV:jh

cc: Petro-Atlas, Inc., Attn: Mr. Norman B. Gove  
2000 National Bank of Tulsa Building  
Tulsa 3, Oklahoma

**TOM BOLACK**

**LEASES - ROYALTIES**

**MAIN OFFICE** 1010 NORTH DUSTIN • PHONE 241  
**FARMINGTON, NEW MEXICO**

1959 JAN 6 AM 11:39  
January 5, 1959

*Wanted*

New Mexico Oil Conservation Commission  
P.O. Box 871  
Santa Fe, New Mexico

Re: Petro-Atlas Horseshoe Canyon  
"B" #2, 1746' FNL, 1122' FEL,  
Sec. 9, Twp. 30N, Rge. 16W,  
San Juan County, New Mexico

Gentlemen:

In regard to Petro-Atlas Horseshoe Canyon "B" #2, which was drilled on an unorthodox location due to a survey error, this letter is to clarify my position of having no objection to the present location. I have moved my No. 14 some 100' to the west of the original location in an effort to maintain a more equitable drainage pattern, following Petro-Atlas' error.

Yours very truly,

*Tom Bolack*  
1

Tom Bolack

cc: Petro-Atlas, Inc.  
2000 National Bank of Tulsa Building  
Tulsa 3, Oklahoma

TB:nej

New Mexico Oil Conservation Commission  
1000 RIO BRAZOS ROAD  
AZTEC, NEW MEXICO

January 30, 1959

Mr. Lennie Kramer  
Petro-Atlas, Incorporated  
729 East Main  
Farmington, New Mexico

Re: Petro-Atlas, Inc., #2  
Horseshoe Canyon "B"  
H. 9, 30N, 16W.

Dear Mr. Kramer:

Certificate of compliance and authorization to transport oil, form C-110, for subject well was cancelled by this office by letter dated December 15, 1958.

Administrative Order NSL-177 dated January 8, 1959 causes subject well to be in compliance with all requirements as of that date.

Therefore, form C-110 is hereby re-instated for subject well as of January 8, 1959.

Yours very truly,

A. R. Kendrick  
Engineer, District #3

ARK/jp

cc: Transporter - El Paso Nat. Gas Prod. Co.  
Oil Conservation Commission - Santa Fe ✓



1-28-59

New Mexico Oil Conservation Commission  
P.O. Box-871  
Santa Fe, New Mexico

Mr. A.L. Porter, Jr

Dear Sir:

We have no objection to unorthodox location of Petro-Atlas, Inc. In Horseshoe Canyon, B No. 2, well. In section 9, 30N-16W, In survey error, this well was located 1746' FNL and 1122' FEL, in section 9, 30N-16W, San Juan County, New Mexico.

Yours very truly,

*J.R. Abraham*

J.R. Abraham