



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87500
(505) 827-5800

No. 1-90

MEMORANDUM

TO: All Operators

FROM: William J. LeMay, Director *WJL*

SUBJECT: Administrative Applications for Unorthodox Locations

DATE: March 21, 1990

Division Memorandum No. 3-89, dated March 24, 1989, advised the industry that the OCD would no longer automatically approve unopposed unorthodox location applications. Unorthodox locations can be approved administratively in accordance with the Rules and Regulations or applicable special pool rules if surface conditions truly prevent the use of a legal location and if directional drilling to a legal location is not feasible.

Topographic conditions which will be considered to justify an unorthodox location include such traditional factors as terrain features (steep slopes, arroyos, etc.) which make drilling impractical. In addition, approval may be given to avoid archeological sites which may not be disturbed without substantial mitigation, incompatible surface uses such as buildings, recreation areas, etc. Applications should fully document the reason an unorthodox location is required.

The attached guidelines state the minimum information which should be submitted with applications for administrative approval of unorthodox locations. Failure to provide the necessary information will probably result in processing delays.

If the surface of the proration unit or proposed drill site is controlled by a Federal Surface Management Agency, a copy of the application must be sent to the appropriate agency office.

If there are legal locations within the proration unit which are drillable, but the operator chooses not to drill those locations for geological reasons the application cannot be approved administratively and a hearing will be required.

20 day wait

NEW MEXICO OIL CONSERVATION DIVISION

SUBMITTAL GUIDELINES FOR ADMINISTRATIVE APPROVAL OF NON-STANDARD LOCATION APPLICATIONS

- I. If the well is located on Federal or Indian Lands, the Federal Surface Management Agency must be notified and an on-site inspection conducted prior to filing the application. If an Application for Permit to drill or a Notice of Staking has been prepared, a copy must be submitted.
- II. *X Need list of offsets referred to in letter; Copy to Surf. Mgmt Agency*
Completed C-102 showing the well location, proration unit, leases within the unit and other required information.
- III. *X* Land plat showing offset operators and working interest owners and any offsetting wells producing from the same pool or formation.
— who is operator or lessor in Sec 2?
 - A. This information may be shown on the topo map if it does not impair the readability of the map.
 - B. The operator should certify that the information is current and correct.
- IV. *X* Original or clear copy of topographic map, preferably 7.5 minute quad, showing contours and other mapped features impacting the location, with the following information marked thereon (In order to be able to adequately show all of the necessary surface conditions it may be necessary to enlarge the relevant portion of the topo map to provide room for detail):
 - A. The proposed well location and proration unit;
 - B. An outline of the orthodox drilling windows as provided in the applicable rules for the subject application;
 - C. The location of any wells to any formation within the area of the proration unit and a statement as to whether an existing pad can be used to drill the proposed well;
- V. An enlargement of the topo map showing the subject area with the applicable additional information:
 - A. Terrain features not shown on the map which make an orthodox location unusable;
 - B. Proposed access roads and pipelines if they affect the location selection;
 - C. The location of any surface uses which prevent use of a legal location;

- D. The location of any archeological sites identified in the archeological survey;
 - E. The location and nature of any other surface conditions which prevent the use of an orthodox location.
- VI. If archeological sites are a reason for the unorthodox location request, a copy of the archeological survey, or a summary, identifying sites which cannot be disturbed or which must have any disturbance mitigated. In addition, the location of such areas should be marked on the enlarged topo so they can be clearly identified.
- VII. A narrative report of any on-site inspection of the potential locations. If such on-site has resulted in elimination of legal locations due to surface conditions, such information should also be noted on the enlarged topo.
- VIII. A statement of why directional drilling to reach a legal bottom-hole location is not feasible.
- IX. An affidavit that notice has been sent to all parties entitled thereto, under the Divisions Rules and Regulations with return receipt cards showing date of receipt of notice.

OIL CONSERVATION DIVISION
RECEIVED

'90 AUG 14 AM 8 35

TO: Mr. William J. LeMay
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87504-2088

RE: Application for Administrative Approval of
Unorthodox Location for Dugan Production Corp.
Blazer #2, 1190' FSL and 1500' FEL, Sec. 11-T30N-R14W, NMPM
San Juan County, New Mexico - Basin Fruitland Field

WAIVER

B. & O'CONNELL HEREBY WAIVES ANY
(Company)

OBJECTION TO THE GRANTING OF THE ABOVE REQUESTED UNORTHODOX
LOCATION.

BY:

[Signature]

DATE:

8-10-90

OIL CONSERVATION DIVISION
RECEIVED

'90 AUG 20 AM 8 58

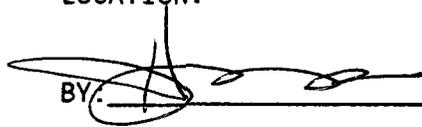
TO: Mr. William J. LeMay
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87504-2088

RE: Application for Administrative Approval of
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Blazer #2, 1190' FSL and 1500' FEL, Sec. 11-T30N-R14W, NMPM
San Juan County, New Mexico - Basin Fruitland Field

WAIVER

CRESO PETROLEUM _____ HEREBY WAIVES ANY
(Company)

OBJECTION TO THE GRANTING OF THE ABOVE REQUESTED UNORTHODOX
LOCATION.

BY:  _____ WRB DATE: 8/14/90
President

OIL CONSERVATION DIVISION
RECEIVED

'90 AUG 20 AM 8 47

TO: Mr. William J. LeMay
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87504-2088

RE: Application for Administrative Approval of
Unorthodox Location for Dugan Production Corp.
Blazer #2, 1190' FSL and 1500' FEL, Sec. 11-T30N-R14W, NMPM
San Juan County, New Mexico - Basin Fruitland Field

WAIVER

Jerome P. McHugh & Assc. HEREBY WAIVES ANY
(Company)

OBJECTION TO THE GRANTING OF THE ABOVE REQUESTED UNORTHODOX
LOCATION.

BY:



DATE: Aug. 16, 1990

Kent C. Craig, Vice-Pres.

OIL CONSERVATION DIVISION
RECEIVED

'90 AUG 6 AM 9 13

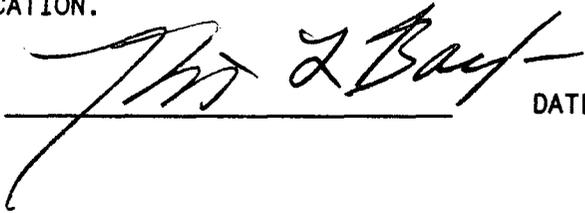
TO: Mr. William J. LeMay
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87504-2088

RE: Application for Administrative Approval of
Unorthodox Location for Dugan Production Corp.
Blazer #2, 1190' FSL and 1500' FEL, Sec. 11-T30N-R14W, NMPM
San Juan County, New Mexico - Basin Fruitland Field

WAIVER

Robert L. Bayless _____ HEREBY WAIVES ANY
(Company)

OBJECTION TO THE GRANTING OF THE ABOVE REQUESTED UNORTHODOX
LOCATION.

BY:  DATE: 8-2-90

OIL CONSERVATION DIVISION
RECEIVED

'90 AUG 9 AM 8 40

TO: Mr. William J. LeMay
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87504-2088

RE: Application for Administrative Approval of
Unorthodox Location for Dugan Production Corp.
Blazer #2, 1190' FSL and 1500' FEL, Sec. 11-T30N-R14W, NMPM
San Juan County, New Mexico - Basin Fruitland Field

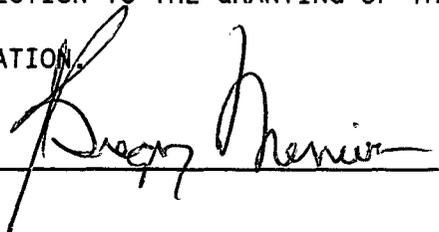
WAIVER

Merrion Oil & Gas Corporation
(Company)

HEREBY WAIVES ANY

OBJECTION TO THE GRANTING OF THE ABOVE REQUESTED UNORTHODOX
LOCATION

BY:



DATE:

8.7.90

OIL CONSERVATION DIVISION
RECEIVED

'90 AUG 28 AM 9 46

TO: Mr. William J. LeMay
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87504-2088

NSL-2851

RE: Application for Administrative Approval of
Unorthodox Location for Dugan Production Corp.
Blazer #2, 1190' FSL and 1500' FEL, Sec. 11-T30N-R14W, NMPM
San Juan County, New Mexico - Basin Fruitland Field

WAIVER

Robert L. Hamilton
(Company)

HEREBY WAIVES ANY

OBJECTION TO THE GRANTING OF THE ABOVE REQUESTED UNORTHODOX
LOCATION.

BY: R. L. Hamilton

DATE: Aug. 28, '90

OIL CONSERVATION DIVISION
RECEIVED

'90 AUG 27 AM 9 42

TO: Mr. William J. LeMay
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87504-2088

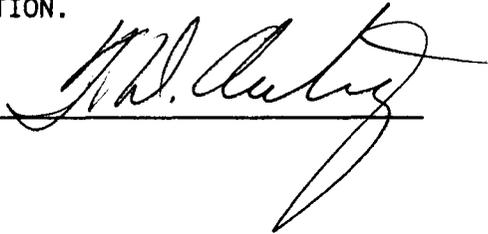
RE: Application for Administrative Approval of
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Blazer #2, 1190' FSL and 1500' FEL, Sec. 11-T30N-R14W, NMPM
San Juan County, New Mexico - Basin Fruitland Field

WAIVER

Amoco Production Company HEREBY WAIVES ANY
(Company)

OBJECTION TO THE GRANTING OF THE ABOVE REQUESTED UNORTHODOX
LOCATION.

BY:



DATE: 8-21-90

OIL CONSERVATION DIVISION
RECEIVED

'90 AUG 27 AM 9 14

TO: Mr. William J. LeMay
New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504-2088

RE: Application for Administrative Approval of
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San Juan County, New Mexico - Basin Fruitland Field

WAIVER

MERIDIAN OIL INC, ON BEHALF OF EL PASO PRODUCTION CO. AND SOUTHLAND ROYALTY
CO., HEREBY WAIVES ANY OBJECTION TO THE GRANTING OF THE ABOVE REQUESTED
UNORTHODOX LOCATION.

BY:

Tom F. Hawkins
Senior Landman

DATE:

8/21/90

cc: Dugan Production Co.
Attn: Mr. Rick Corcoran
P.O. Box 420
Farmington, NM 87499-0420