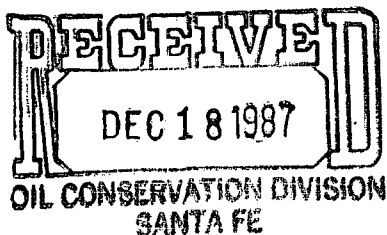


Release Date:
January 6, 1988

By DRC

Cole Production Co.



(505) 325-1415
P.O. Box 191
3001 Northridge Dr.
Farmington, New Mexico 87499

December 17, 1987

*NSL-245960
RULE-104 F(I)
Counselors Gallup Dakota Pool
160 Acres ded
NE 1/4 Section 5*

David Catanach
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Ref: Exception to Rule #104
Non-standard Location

Dear Mr. Catanach:

Approval is requested for a non-standard location in the Counselors Gallup Dakota Pool in Rio Arriba County, New Mexico.

It was not feasible to stake location to meet the Counselors Gallup-Dakota requirements due to the terrain and archaeological sites.

The well APD was submitted and approved for a Lybrook Gallup with Federal minerals and Fee surface.

For your information the following Exhibits are attached.

- A. Operator and Lease Name
- B. C-102 Dedicating Acreage
- C. Off-Setting Operators
- D. Topo Map

It you should desire any additional documentation, please contact me at your earliest convenience.

Respectfully,

Dewayne Blancett

Dewayne Blancett
Production Superintendent
Cole Production Co.

*Waiver from
Dixie endment.
Verbal ok from
Steve Benn (Merrin)
1-12-87
ok to release*

DB:njs

Attachments

Cole Production Co.

(505) 325-1415
P.O. Box 191
3001 Northridge Dr.
Farmington, New Mexico 87499

EXHIBIT A

Operator

Jack A. Cole
P. O. Box 191
Farmington, New Mexico 87499

Lease Name

Marcus A No. 12
860' FNL, 2270' FEL
Sec. 5-T23N-R6W
Rio Arriba County, New Mexico
Lease No. SF-078362

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENTP. O. BOX 2088
SANTA FE, NEW MEXICO 87501Form C-102
Revised 10-1-78

All distances must be from the outer boundaries of the Section.

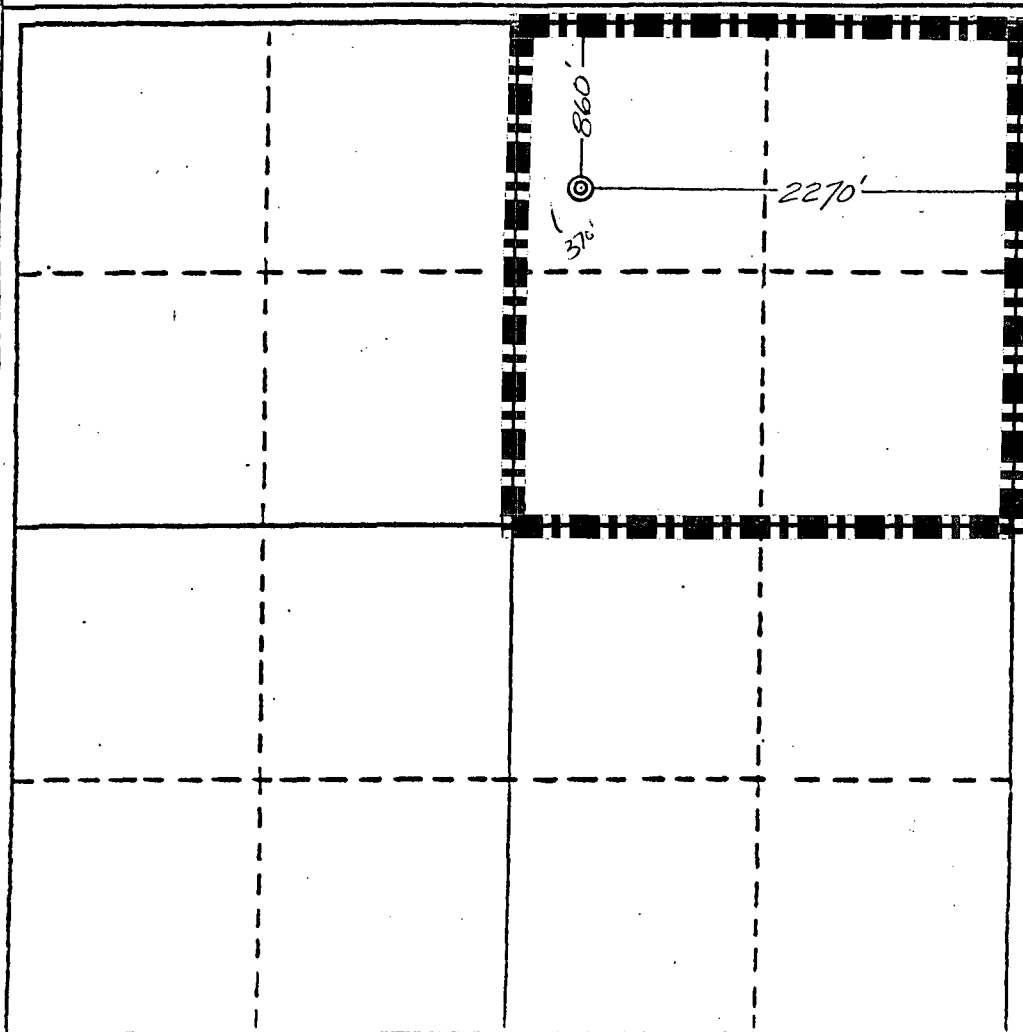
Operator JACK A. COLE			Lease MARCUS A		Well No. # 12
Unit Letter B	Section 5	Township 23 NORTH	Range 6 WEST	County RIO ARRIBA	
Actual Footage Location of Well: 860 feet from the NORTH line and 2270 feet from the EAST line					
Ground Level Elev. 6847	Producing Formation Gallup		Pool Counselors Gallup Dakota	Dedicated Acreage 160 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests 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 interests, has been approved by the Division.



CERTIFICATION

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

Dewayne Blancett

Name

Dewayne Blancett

Position

Production Superintendent

Company

Cole Production Co.

Date

December 17, 1987

I hereby certify that the 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

October 31, 1987

Registered Professional Engineer
and/or Land Surveyor

Gary D. Vann

Certificate No.

7016

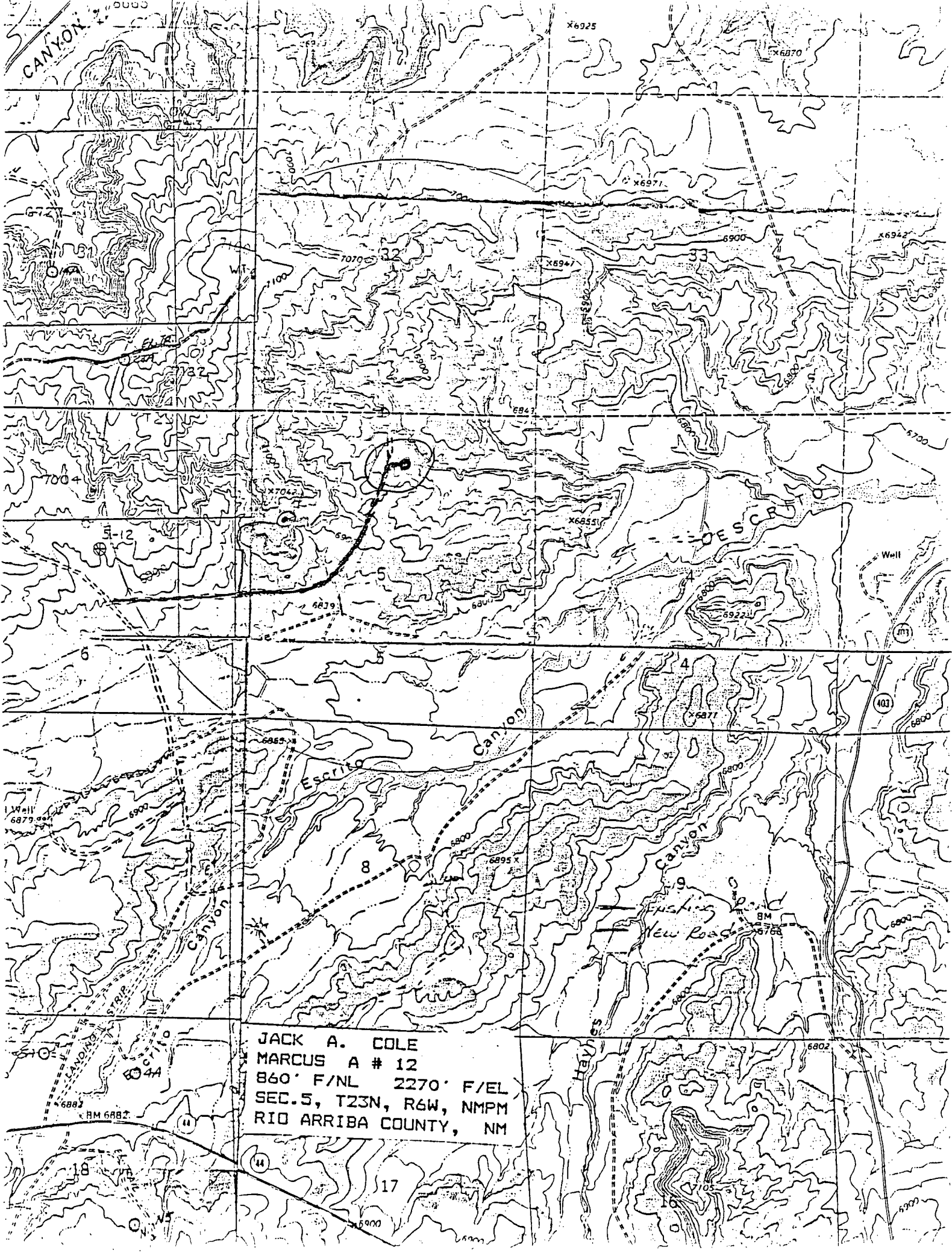
0 330 660 990 1320 1650 1980 2310 2640 2970 3300 3630 3960 4290 4620 4950 5280 5610 5940 6270 6600

Exhibit "C"

Off-Setting Operators

Jack A. Cole
Marcus "A" No. 12
860' FNL, 2270' FEL
Sec. 5-T23N-R6W

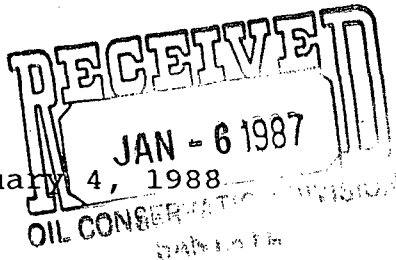
31 Cole	32 Unleased	33 Unleased
6 Cole	<div>⊙ A12</div> <div>Cole</div> <div>5</div> <div>Merrion</div>	4 Dugan
7	8	9



JACK A. COLE
MARCUS A # 12
860' F/NL 2270' F/EL
SEC.5, T23N, R6W, NMPM
RIO ARRIBA COUNTY, NM

dp

dugan production corp.



COPY

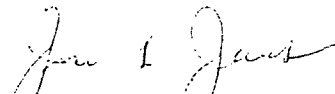
Cole Production Co.
Attn: Dewayne Blancett
P.O. Box 191
Farmington, NM 87499

Re: Exception to Rule #104, Non-Standard Location
Jack A. Cole's Marcus A No. 12
860' FNL - 2270' FEL
Sec. 5, T23N, R6W
Rio Arriba County, NM
Lease #SF-078362

Dear Mr. Blancett:

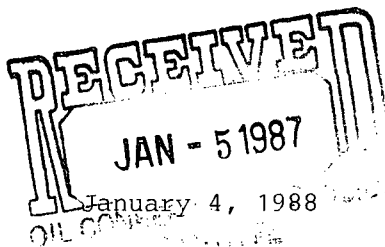
In response to your letter of December 22, 1987, please be advised that Dugan Production Corp. waives objection to the referenced non-standard location.

Sincerely,


Jim L. Jacobs

cg

✓cc: Mr. David Catanach
New Mexico Oil Conservation Division



MERRION OIL & GAS CORPORATION

610 REILLY AVE. • P. O. Box 840
FARMINGTON, NEW MEXICO 87499

Mr. David Catanach
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Marcus A No. 12
Sec. 5, T23N, R6W
Rio Arriba County, New Mexico

Gentlemen:

This letter is to notify you Merrion Oil & Gas Corporation has no objection to the proposed non-standard location requested by Jack Cole for the subject well.

Yours truly,

A handwritten signature in black ink, appearing to read "Steven S. Dunn".

Steven S. Dunn
Operations Manager

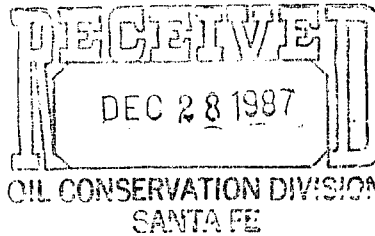
cc: Dewayne Blancett



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

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

OIL CONSERVATION DIVISION
BOX 2088
SANTA FE, NEW MEXICO 87501



DATE 12-22-87

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

2460

Gentlemen:

I have examined the application dated 12-18-87
for the Cole Production Co. MARCUS A' #12 B-5-23N-6W
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

Approve

Yours truly,

E. L. Bunch