

A. R. KENDRICK

BOX 516 • AZTEC, NEW MEXICO 87410 • (505) 334-2555

April 23, 1990

OIL CONSERVATION DIVISION
RECEIVED

'90 APR 24 AM 8 40

Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Re: Application for Non-Standard Location
Evergreen Operating Corporation
Rosa Unit #280
2000' FSL 1890' FWL 1-T31N-R4W
Basin Fruitland Coal Gas Pool
Rio Arriba County, New Mexico

Gentlemen:

We, on behalf of Evergreen Operating Corporation, hereby make application for approval of the location of a well to be located 2000' FWL 1890' FWL of Section 1, Township 31 North, Range 4 West, Basin Fruitland Coal Gas Pool, Rio Arriba County, New Mexico.

The reason for the non-standard location is due to topography.

The attached exhibits show the situation at the location and surrounding area.

All offset operators and lease owners are being notified by certified mail at this mailing. The Return Receipt Cards will be provided when they are returned.

It is my belief that the information contained in this application is true and correct according to the information available to me.

If further information is needed, please contact me.

Yours very truly,



A. R. Kendrick

Enclosures

Application for Non-Standard Location

Evergreen Operating Corporation
Rosa Unit #280
2000' FSL 1890' FWL, Section 1-T31N-R4W
Basin Fruitland Coal Gas Pool
Rio Arriba County, New Mexico

The following exhibits are enclosed :

- EXHIBIT A** Form C-102, Well Location and Acreage Dedication Plat:
shows the location of the well with respect to the section lines, the dedicated acreage, and the proration unit.
- EXHIBIT B** Enlarged copy of Topographic Map:
shows the location to be on a nose of a steep hillside. (Notice that the Contour Interval is 40 feet.) The location is adjacent to the existing roadway to avoid road construction. The location is located to avoid excessive cutting into the hillside. The terrain falls off rapidly to the south and west from the location which prevents moving further west.
- EXHIBIT C** Ownership and Offset Well Location Plat:
shows the location of the Rosa Unit #280 relative to the locations of the #281 in the northeast quarter of Section 1 and the #283 in the northeast quarter of Section 2. The distance between wells in Section 1, 2709 feet, are well within the tolerances of standard well spacings as set out in the pool rules by Order R-8768 and shown on Exhibit E.
- The ownership and offset wells are also shown on this exhibit.
- This information is believed to be current and accurate.
- EXHIBIT D** Location Windows Plat showing distances between points:
shows the distances between wells in standard spacing situations with 1601.25 feet being the minimum and 5232.59 feet maximum for wells on adjacent drill tracts.
- EXHIBIT E** Location Windows Plat with wells spotted:
shows the "windows" for standard locations as provided by Order R-8768 with the #280 and #281 wells spotted in their approximate positions.
- EXHIBIT F** Copy of Application for Permit to Drill:
shows the Application for Permit to Drill.

Submit to Appropriate District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

No Other Wells in Section

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

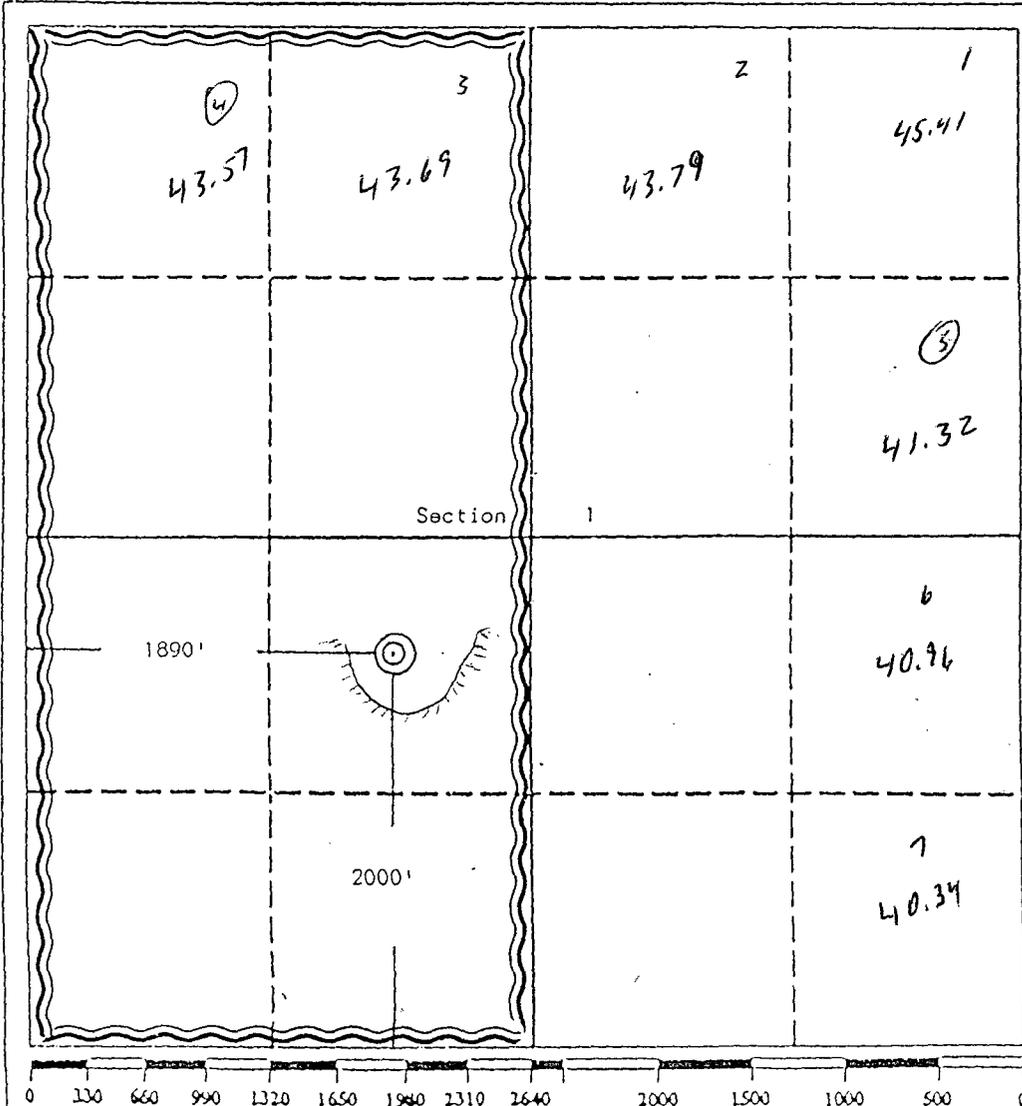
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT
All Distances must be from the outer boundaries of the section

Operator Evergreen Operating Corporation			Lease Rosa Unit		Well No. 280
Unit Letter K	Section 1	Township 31 North	Range 4 West	County Rio Arriba	
Actual Footage Location of Well: 2000 feet from the South line and 1890 feet from the West line					
Ground level Elev. 7020	Producing Formation Fruitland Coal		Pool Basin Fruitland Coal		Dedicated Acreage: 327.26 Acres

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

327.26



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

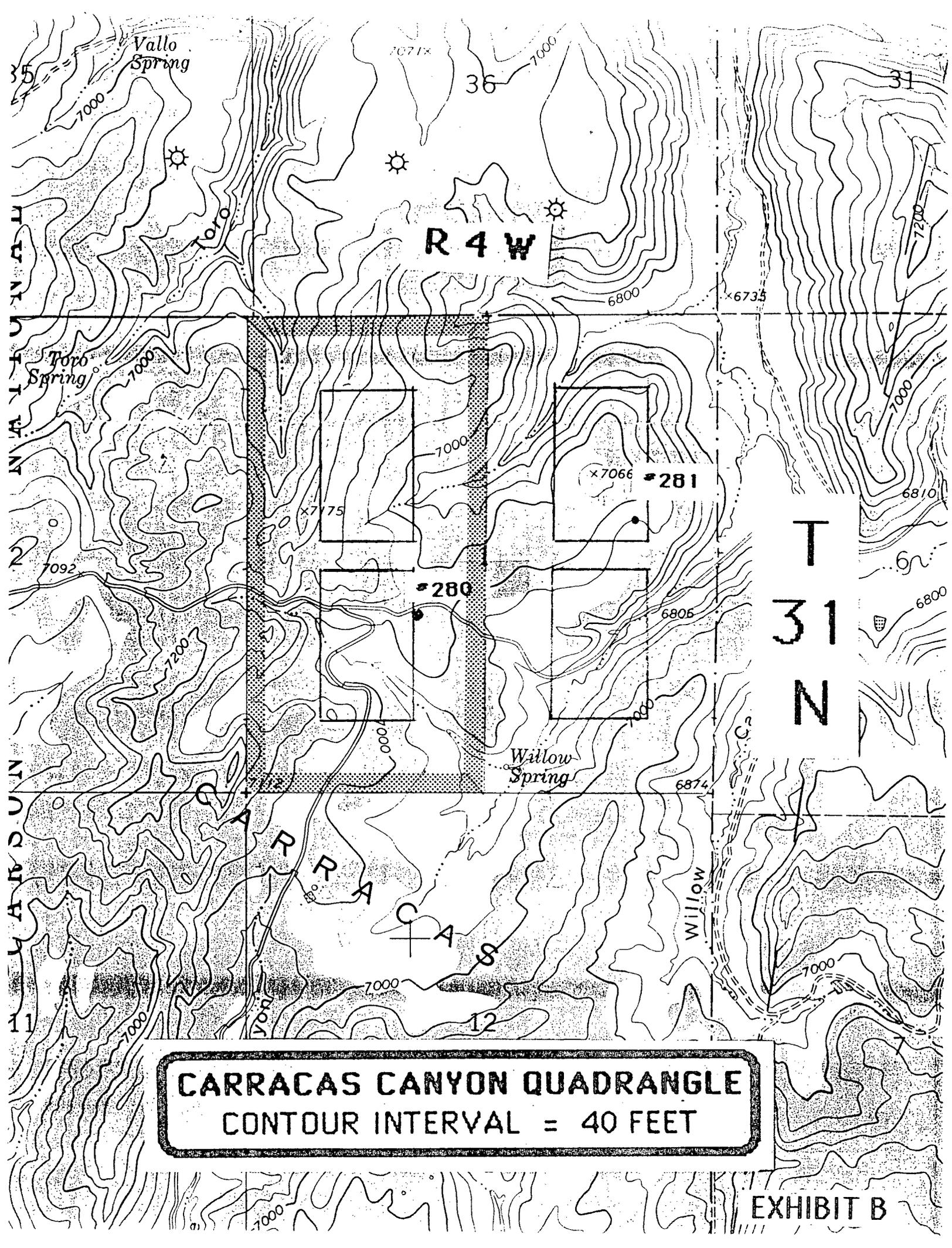
Signature: *A. R. Kendrick*
Printed Name: **A. R. Kendrick**
Position: **Agent**
Company: **Evergreen Operating Corp**
Date: **March 23, 1990**

SURVEYOR CERTIFICATION
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 knowledge and belief.

Date Surveyed: **March 19, 1990**

Signature & Seal of Professional Surveyor: *Edgar L. Risenhoover*
Certificate No. **5929**
Edgar L. Risenhoover

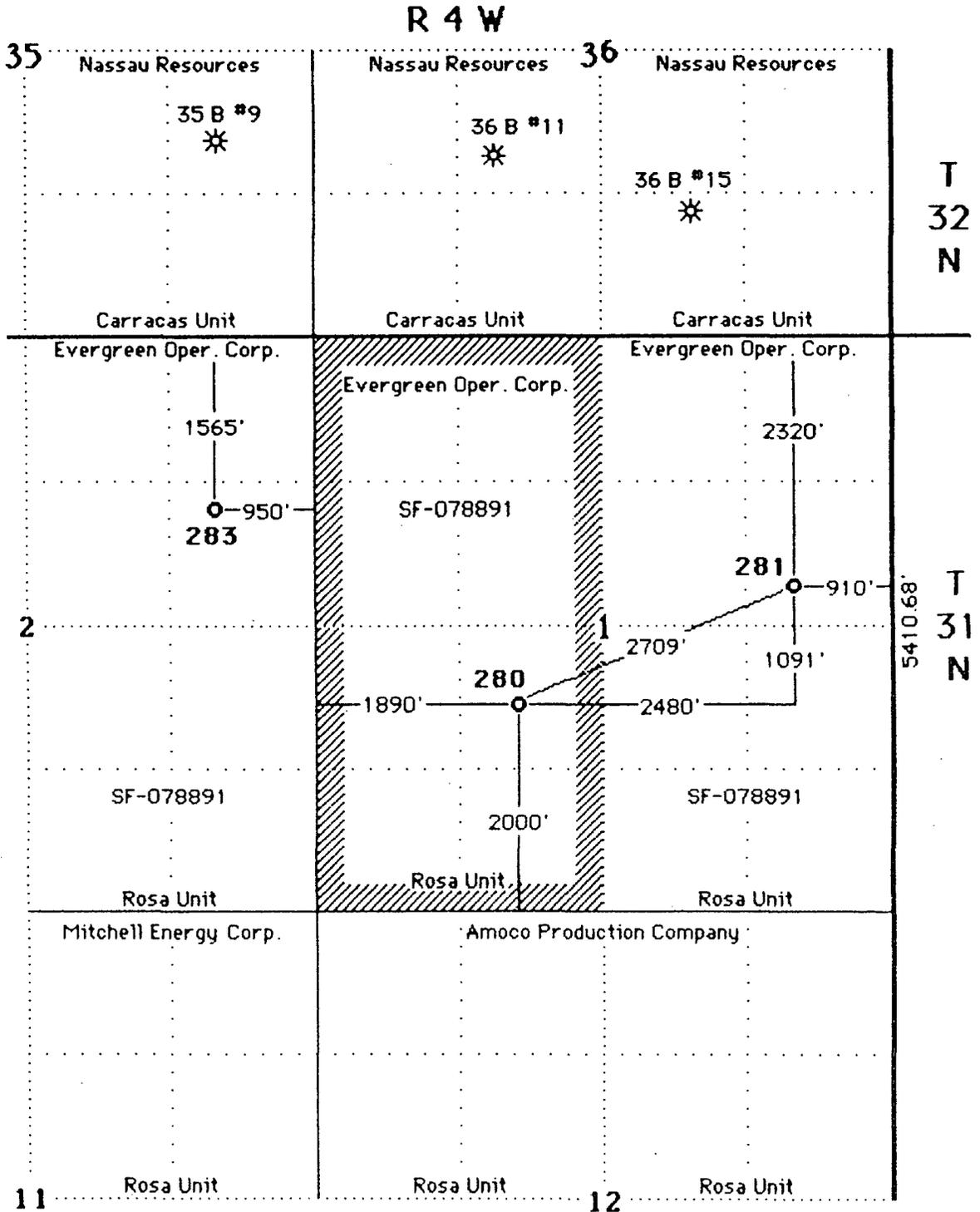
EXHIBIT A



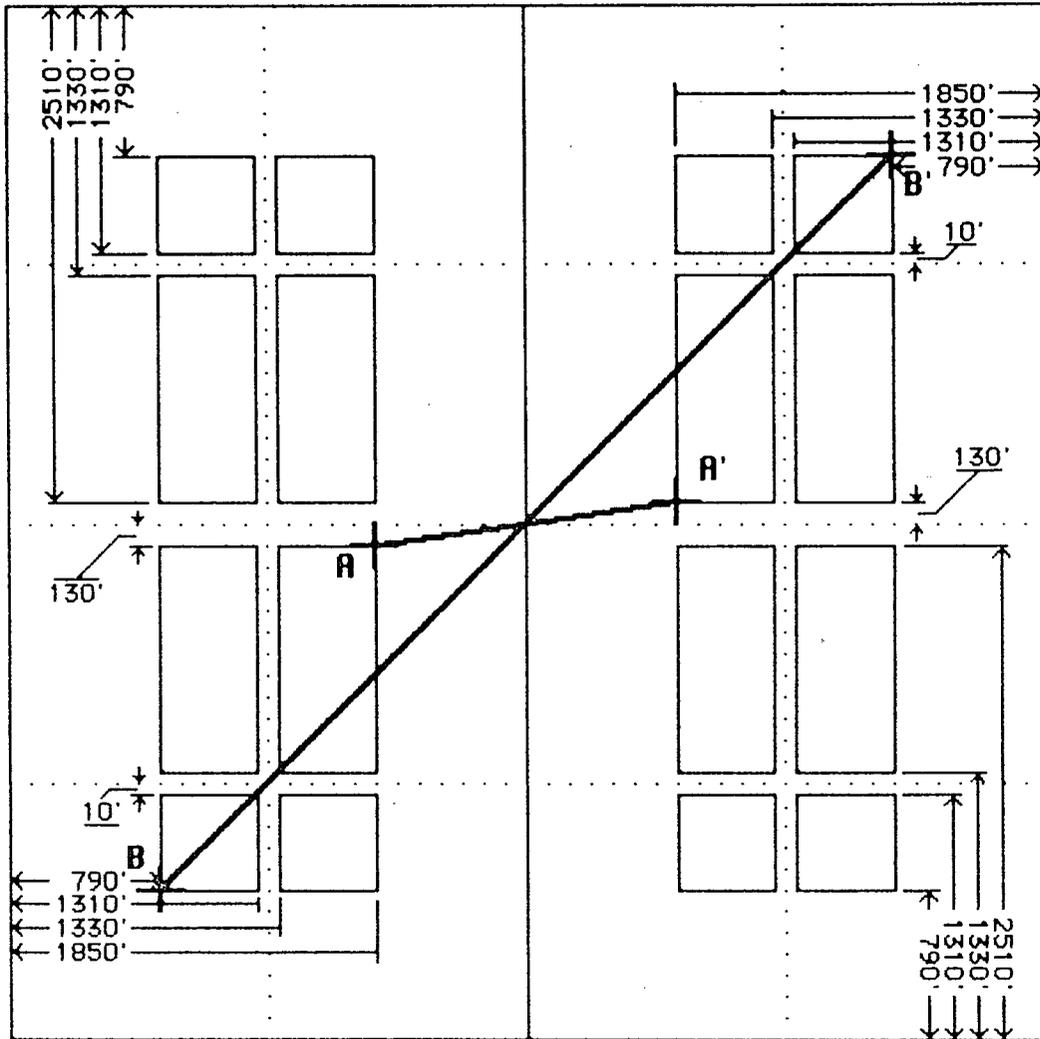
CARRACAS CANYON QUADRANGLE
CONTOUR INTERVAL = 40 FEET

EXHIBIT B

Non-Standard Location for Rosa Unit #280
2000' FSL 1890' FWL Section 1-T31N-R4W
Basin Fruitland Coal Gas Pool



STANDARD LOCATION WINDOWS FRUITLAND COAL WELL (320-ACRE DRILL TRACT)

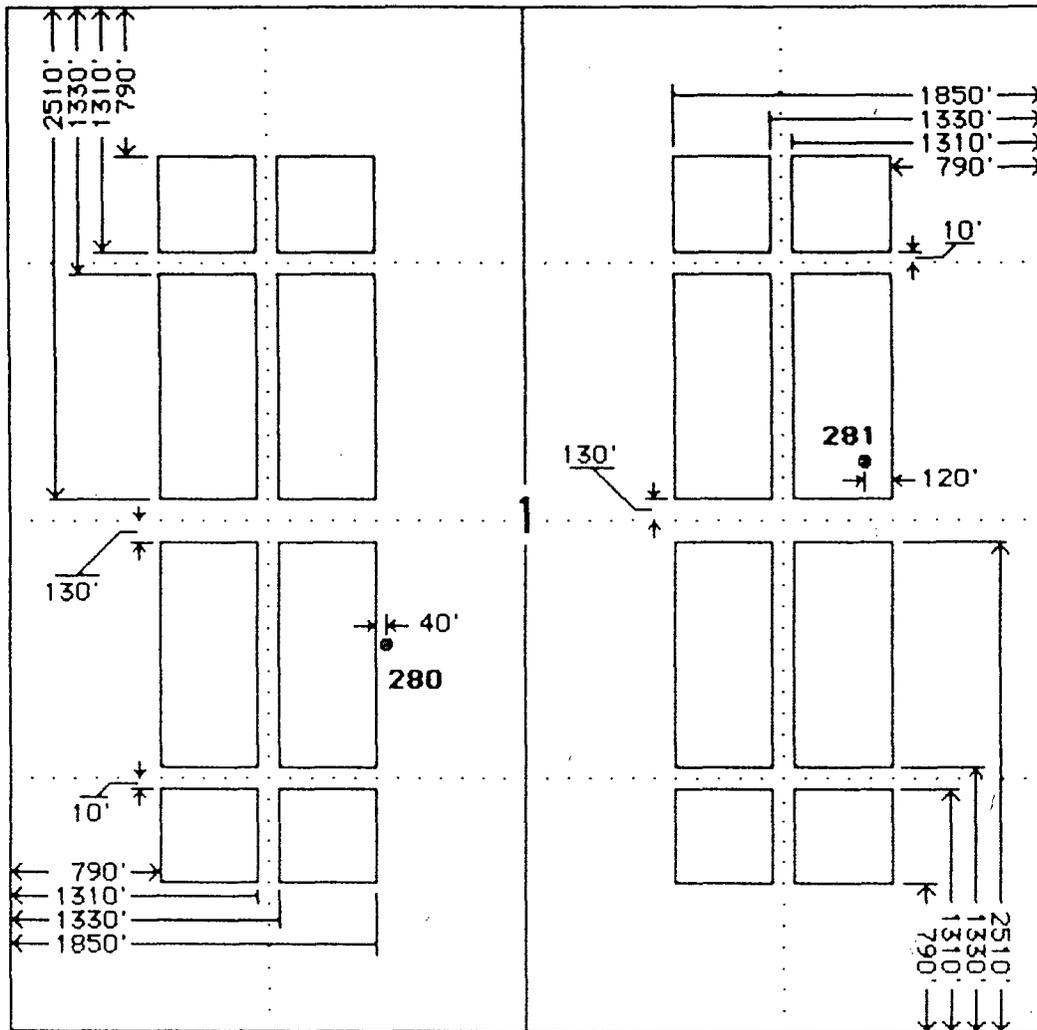


DISTANCES BETWEEN POINTS:

Minimum: $A - A' = 1601.25'$

Maximum: $B - B' = 5232.59'$

Non-Standard Location for Rosa Unit #280
2000' FSL 1890' FWL Section I-T31N-R4W
Basin Fruitland Coal Gas Pool



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work <p style="text-align: center;">DRILL</p>	5. Lease Number <p style="text-align: center;">SF-078891</p>	
1b. Type of Well <p style="text-align: center;">GAS</p>	6. If Indian, Name of Tribe or Allottee 	
2. Operator <p style="text-align: center;">Evergreen Operating Corporation</p>	7. Unit Agreement Name <p style="text-align: center;">ROSA UNIT</p>	
3. Address & Phone No. of Operator <p style="text-align: center;">W. A. R. KENDRICK BOX 516, AZTEC, NM 87410 (505) 334-2555</p>	8. Farm or Lease Name <p style="text-align: center;">ROSA UNIT</p>	9. Well Number <p style="text-align: center;">280</p>
4. Location of Well <p style="text-align: center;">(Unit K) 2000' FSL 1890' FWL</p>	10. Field, Pool, or Wildcat <p style="text-align: center;">BASIN-FRUITLAND COAL GAS POOL</p>	
14. Distance in Miles from Nearest Town <p style="text-align: center;">12 MILES WEST OF DULCE, NM</p>	11. Section, Township, & Range, Meridian, or Block <p style="text-align: center;">1-31N-4W</p>	12. County <p style="text-align: center;">RIO ARRIBA</p>
15. Distance from Proposed Location To Nearest Property Line or Lease Line. <p style="text-align: right;">1800'</p>	16. Acres in Lease <p style="text-align: center;">1965.72 Acres</p>	13. State <p style="text-align: center;">NEW MEXICO</p>
18. Distance From Proposed Location To Nearest Well Dr., Compl., Or Applied For On Lease. <p style="text-align: right;">2233'</p>	17. Acres Assigned to Well <p style="text-align: center;">W-327.26 Acres</p>	19. Proposed Depth <p style="text-align: center;">4215'</p>
20. Rotary or Cable Tools <p style="text-align: center;">ROTARY</p>	21. Elevations (DR, RT, GR, Etc.) <p style="text-align: center;">7020'</p>	
22. Approximate Date Work Will Start. <p style="text-align: center;">As soon as Possible.</p>		23. Proposed Casing and Cementing Program

Exhibits attached as follows:

- | | |
|--------------------------------------|-----------------------------------|
| "A" Location and Elevation Plat | "F" Drill Rig Layout |
| "B" Ten-Point Compliance Program | "G" Completion Rig Layout |
| "C" Blowout Preventer Schematic | "H" Location Profile |
| "D" Multi-Point Requirements for APD | "I" Production Facility Schematic |
| "E" Vicinity Map - Access Roads | |

24. Signed *W. A. Kendrick* Title Agent Date 4-6-90

Permit No. _____ Approval Date _____

Approved By _____ Title _____ Date _____

NOTE: THIS FORMAT IS ISSUED IN LIEU OF U.S. BLM FORM 3160-3.

EXHIBIT F

"ON-SITE" FIELD INSPECTION

The location is within the Carson National Forest.

Mr. Jim Tensfield, the Forest Service energy representative, will be on duty elsewhere until May 10, 1990; therefore, a supervised "On-site" Inspection cannot be performed prior to May 14, 1990.

During our unsupervised On-site Inspection, we found the following to exist:

The location was staked according to the instructions we received from the Forest Service with respect to avoiding unnecessary road construction, excessive cuts and fills, excessive timber removal, and other ecological damage that can be avoided.

The location cannot be moved to the west without encountering excessive construction costs and creating additional environmental damage.

The location does not crowd any drill tract outside of Section 1, and it does not crowd the proposed well location of well #281 within Section 1 as much as the minimum distance between wells on standard locations as shown on Exhibits C and D.

The west half dedication is necessary due to the location of the #281 well which is located at a standard location in the northeast quarter of Section 1.

A well pad at any standard location in the west half of Section 1 cannot avoid excessive ecological damage.

**NAMES AND ADDRESSES OF OFFSET OWNERS
AND INTERESTED PARTIES**

Application for Non-Standard Location
Evergreen Operating Corporation
Rosa Unit #280
2000' FSL 1890' FWL 1-T31N-R4W
Basin Fruitland Coal Gas Pool
Rio Arriba County, New Mexico

Amoco Production Company •
P. O. Box 800
Denver, Colorado 80201

Mitchell Energy Corporation •
Suite 3500
555 17th Street
Denver, Colorado 80202

Nassau Resources, Inc. •
P. O. Box 809
Farmington, New Mexico 87499-0809

U. S. Forest Service •
Jicarilla Ranger District
Gobernador Route
Blanco, New Mexico 87412

Bureau of Land Management
1235 La Plata Highway
Farmington, New Mexico 87401

Oil Conservation Division
1000 Rio Brazos Road
Aztec, New Mexico 87410

• Notified by certified mail Return Receipt.

A. R. KENDRICK

BOX 516 • AZTEC, NEW MEXICO 87410 • (505) 334-2555

April 27, 1990

OIL CONSERVATION DIVISION
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Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Re: **Supplement to:**
Application for Non-Standard Location
Evergreen Operating Corporation
Rosa Unit #280
2000' FSL 1890' FWL 1-T31N-R4W
Basin Fruitland Coal Gas Pool
Rio Arriba County, New Mexico

Gentlemen:

Enclosed are the original Return Cards representing the receipt of the subject applications.

If further information is needed, please contact me.

Yours very truly,



A. R. Kendrick

Enclosures



STATE OF NEW MEXICO
 ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
 OIL CONSERVATION DIVISION

GARREY CARRUTHERS
 GOVERNOR

May 29, 1990

POST OFFICE BOX 2088
 STATE LAND OFFICE BUILDING
 SANTA FE, NEW MEXICO 87504
 (505) 827-5800

Evergreen Operating Corp.
 c/o A.R. Kendrick
 Box 516
 Aztec, NM 87410-0516

RE: Application for non-standard location: Rosa Unit Well No. 280; 2000' FSL - 1890' FWL (Unit K), 1-T31N-R4W, Basin-Fruitland Coal Gas Pool, Rio Arriba County, New Mexico.

Dear Mr. Kendrick:

We may not process the subject application for a non-standard location until the required information or plat(s) checked below is submitted.

- A plat must be submitted clearly showing the ownership of the offsetting leases.
 - A statement must be submitted that offset operators have been notified of the application by certified mail.
 - A plat must be submitted fully identifying the topography necessitating the non-standard location.
 - Other: What were the results of the official on-site inspection. Submit any field notes or written correspondence concerning this matter.
-

Sincerely,

Michael E. Stogner
 Chief Hearing Officer/Engineer

cc: US Forest Service - Blanco, NM
 US Bureau of Land Management - Farmington

RECEIVED MAY 31 1990

A. R. KENDRICK

BOX 516 • AZTEC, NEW MEXICO 87410 • (505) 334-2555

June 1, 1990

Mr. Michael Stogner
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Re: Supplemental Information, Application for NSL
Evergreen Operating Corporation
Rosa Unit #280
K-1-T31N-R4W

Dear Mike:

The official on-site inspection was performed on May 16, 1990, by Jim Tensfield of the U.S. Forest Service with Richard George and A. R. Kendrick representing the Evergreen Operating Corporation.

We did not get and do not expect any written information regarding any on-site inspection. However, the location was approved as filed with minor adjustments to the perimeter of the location to avoid the cutting of some mature pine trees. Oral agreement was reached before we left the location.

If further information is desired, please contact us.

Yours very truly,


A. R. Kendrick



United States
Department of
Agriculture

Forest
Service
OIL CONSERVATION DIVISION
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Jicarilla
Ranger District

Gobernador Route
Blanco, NM 87412

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Reply to: 2820

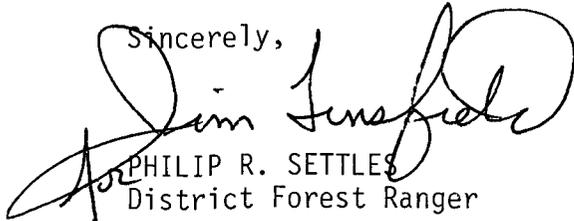
Date: June 1, 1990

Oil Conservation Division
P.O. Box 2088
State Lands Office Building
Santa Fe, New Mexico 87504
Attn: Mr. Michael E. Stogner

Dear Mr. Stogner:

In regards to Evergreen Operating Corporation's Rosa Unit well #280; 2000' FSL - 1890' FWL Township 31 North, Range 4 West, Section 1, this well was moved to it's present location - 2000' FSL - 1890' FWL to avoid steep undisturbed terrain and archeological resources. At the present footage the location is in an already disturbed area and will cause minimal resource damage and no archeological damage.

Sincerely,


PHILIP R. SETTLES
District Forest Ranger

cc: Evergreen Operating Corp.

Caring for the Land and Serving People



Mitchell Energy Corporation

555 17th Street, Suite 3500
Denver, Colorado 80202

'90 MAY 8 AM 8 50

Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Re: **Waiver of Objection**

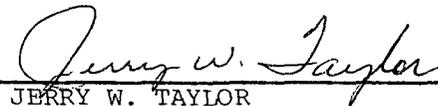
To: Application for Non-Standard Location
Evergreen Operating Corporation
Rosa Unit #280
2000' FSL 1890' FWL
Section 1, Township 31 North, Range 4 West
Basin Fruitland Coal Gas Pool

Gentlemen:

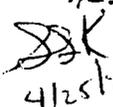
We, Mitchell Energy Corporation, as an offset operator, hereby waive objection to the application for the non-standard location of the Evergreen Operating Corporation Rosa Unit #280 well to be located 2000' FSL 1890' FWL of Section 1, Township 31 North, Range 4 West, Basin Fruitland Coal Gas Pool, Rio Arriba, New Mexico.

Yours very truly,

Mitchell Energy Corporation

By: 

JERRY W. TAYLOR
ATTORNEY-IN-FACT

Date:  4/25/90

MAY 2, 1990

REGISTRATION DIVISION
Amoco Production Company

P. O. Box 800
Denver, Colorado 80201

OIL CONSERVATION DIVISION
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Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Re: **Waiver of Objection**

To: Application for Non-Standard Location
Evergreen Operating Corporation
Rosa Unit #280
2000' FSL 1890' FWL
Section 1, Township 31 North, Range 4 West
Basin Fruitland Coal Gas Pool

Gentlemen:

We, Amoco Production Company, as an offset operator, hereby waive objection to the application for the non-standard location of the Evergreen Operating Corporation Rosa Unit #280 well to be located 2000' FSL 1890' FWL of Section 1, Township 31 North, Range 4 West, Basin Fruitland Coal Gas Pool, Rio Arriba, New Mexico.

Yours very truly,

Amoco Production Company

BY: J. W. Hawkins

Date: 5-7-90



STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

RECEIVED
'90 MAY 7 AM 9 25

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

SARREY CARRUTHERS
GOVERNOR

Date: 5-3-90

Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504-2088

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

Gentlemen:

I have examined the application dated 4-24-90
for the Evergreen Operating Corp. Rosa Unit #280
Operator Lease & Well No.

K-1-310-4w and my recommendations are as follows:
Unit, S-T-R

Approved

Yours truly,

Emilio Busch

SENDER: Complete Items 1 and 2 when additional services are desired, and complete Items 3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. Restricted Delivery
 ↑(Extra charge)↑ ↑(Extra charge)↑

3. Article Addressed to: U.S. Forest Service Jicerilla Ranger District Gobernador Route Blanco, New Mexico 87412	4. Article Number: P 253 059 387
Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail	
Always obtain signature of addressee or agent and DATE DELIVERED.	
5. Signature - Addressee X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X	
7. Date of Delivery	

PS Form 3811, Mar. 1987 * U.S.G.P.O. 1987-178-268 DOMESTIC RETURN RECEIPT

SENDER: Complete Items 1 and 2 when additional services are desired, and complete Items 3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. Restricted Delivery
 ↑(Extra charge)↑ ↑(Extra charge)↑

3. Article Addressed to: Nassau Resources, Inc. P. O. Box 809 Farmington, New Mexico 87499-0809	4. Article Number: P-253 059 386
Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail	
Always obtain signature of addressee or agent and DATE DELIVERED.	
5. Signature - Addressee X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X	
7. Date of Delivery 4-24-90	

PS Form 3811, Mar. 1987 * U.S.G.P.O. 1987-178-268 DOMESTIC RETURN RECEIPT

SENDER: Complete Items 1 and 2 when additional services are desired, and complete Items 3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. Restricted Delivery
 ↑(Extra charge)↑ ↑(Extra charge)↑

3. Article Addressed to: Mitchell Energy Corporation Suite 3500 555 17th Street Denver, Colorado 80202	4. Article Number: P 253 059 385
Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail	
Always obtain signature of addressee or agent and DATE DELIVERED.	
5. Signature - Addressee X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X	
7. Date of Delivery 4-28-90	

PS Form 3811, Mar. 1987 * U.S.G.P.O. 1987-178-268 DOMESTIC RETURN RECEIPT

SENDER: Complete Items 1 and 2 when additional services are desired, and complete Items 3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. Restricted Delivery
 ↑(Extra charge)↑ ↑(Extra charge)↑

3. Article Addressed to: Amoco Production Company P. O. Box 800 Denver, Colorado 80201	4. Article Number: P 253 059 384
Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail	
Always obtain signature of addressee or agent and DATE DELIVERED.	
5. Signature - Addressee X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X	
7. Date of Delivery	

PS Form 3811, Mar. 1987 * U.S.G.P.O. 1987-178-268 DOMESTIC RETURN RECEIPT