

A. R. KENDRICK

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

May 24, 1990

OIL AND GAS DIVISION
RECEIVED
MAY 30 AM 8 23 '90

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

*No Other Wells in
Section*

Re: Application for Non-Standard Location
Evergreen Operating Corporation
Rosa Unit #281
2280' FSL 1140' FEL Sec. 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 the Rosa Unit #281 well to be located 2280' FSL 1140' FEL 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 and to protect wildlife habitat.

We attempted to place the location at 2100' FNL 1725' FEL, but that was in dense forest. We then attempted to place the location at 2320' FNL 910' FEL, but found that there are too many artifacts.

There is no usable location within the northeast quarter of Section 1.

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

Exhibits for Application for Non-Standard Location

Evergreen Operating Corporation
Rosa Unit #281
2280' FSL 1140' FEL 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 bench of a steep hillside. (Notice that the Contour Interval is 40 feet.)

Attempts were made to place the well at 2100' FNL 1725' FEL and at 2320' FNL and 910' FEL, but both of those locations were not acceptable.

EXHIBIT C Ownership and Offset Well Location Plat: shows the location of the Rosa Unit #281 relative to the locations of the #280 in the southwest quarter of Section 1.

The distance between wells within Section 1, 2267 feet, is 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.

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 #281 and #280 wells spotted in their approximate positions.

EXHIBIT F Copy of Application for Permit to Drill: shows the Application for Permit to Drill.

EXHIBIT G List of names and addresses of offset owners and interested parties.

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

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

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

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

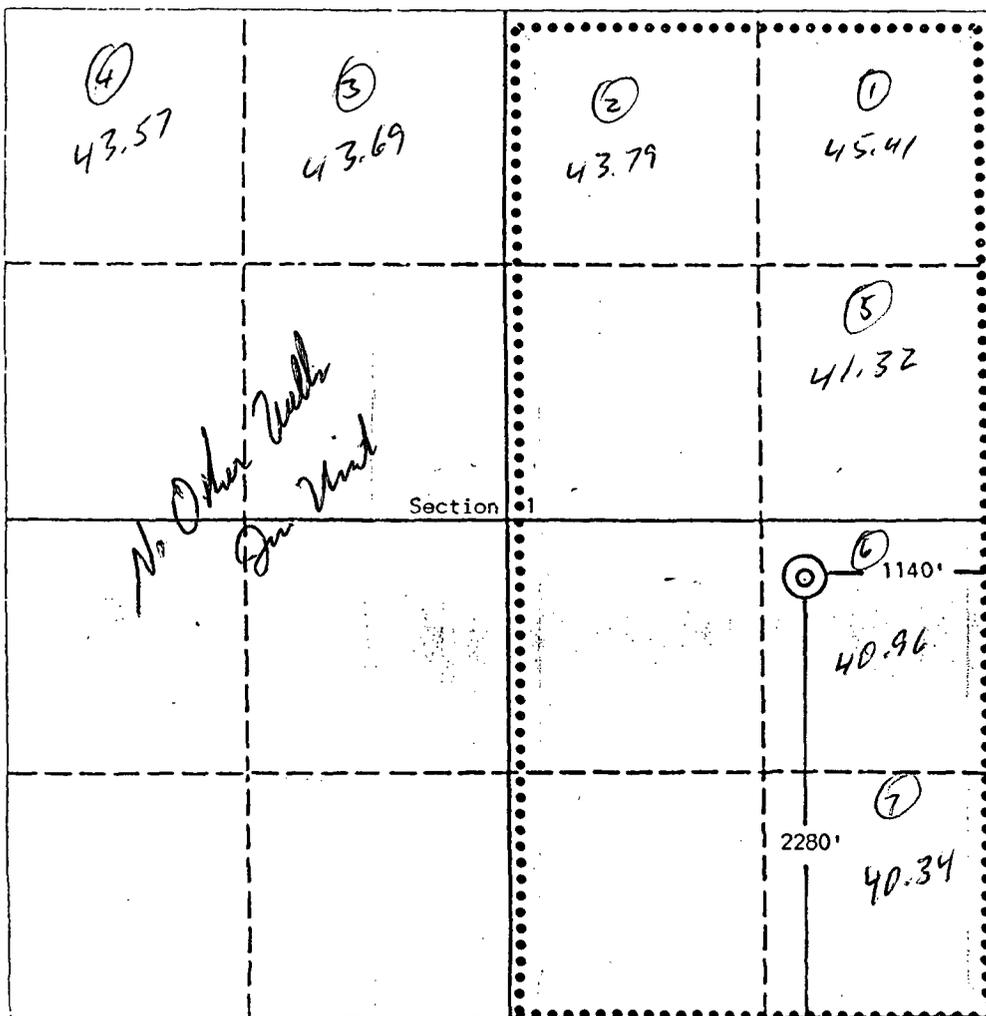
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

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. 291
Unit Letter J	Section 1	Township 31 North	Range 4 West	County NMPM	Rio Arriba
Actual Footage Location of Well: 2240 feet from the South line and 1140 feet from the East line					
Ground level Elev. 6935	Producing Formation Fruitland Coal		Pool Basin Fruitland Coal		Dedicated Acreage: 331.82 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.



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: May 24, 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: May 19, 1990
 Signature: *Ed Hoover*
 Printed Name: EDGAR HOOPER
 License No.: 5979
 State: NEW MEXICO
 Commission Expires: 5/31/95

EXHIBIT A

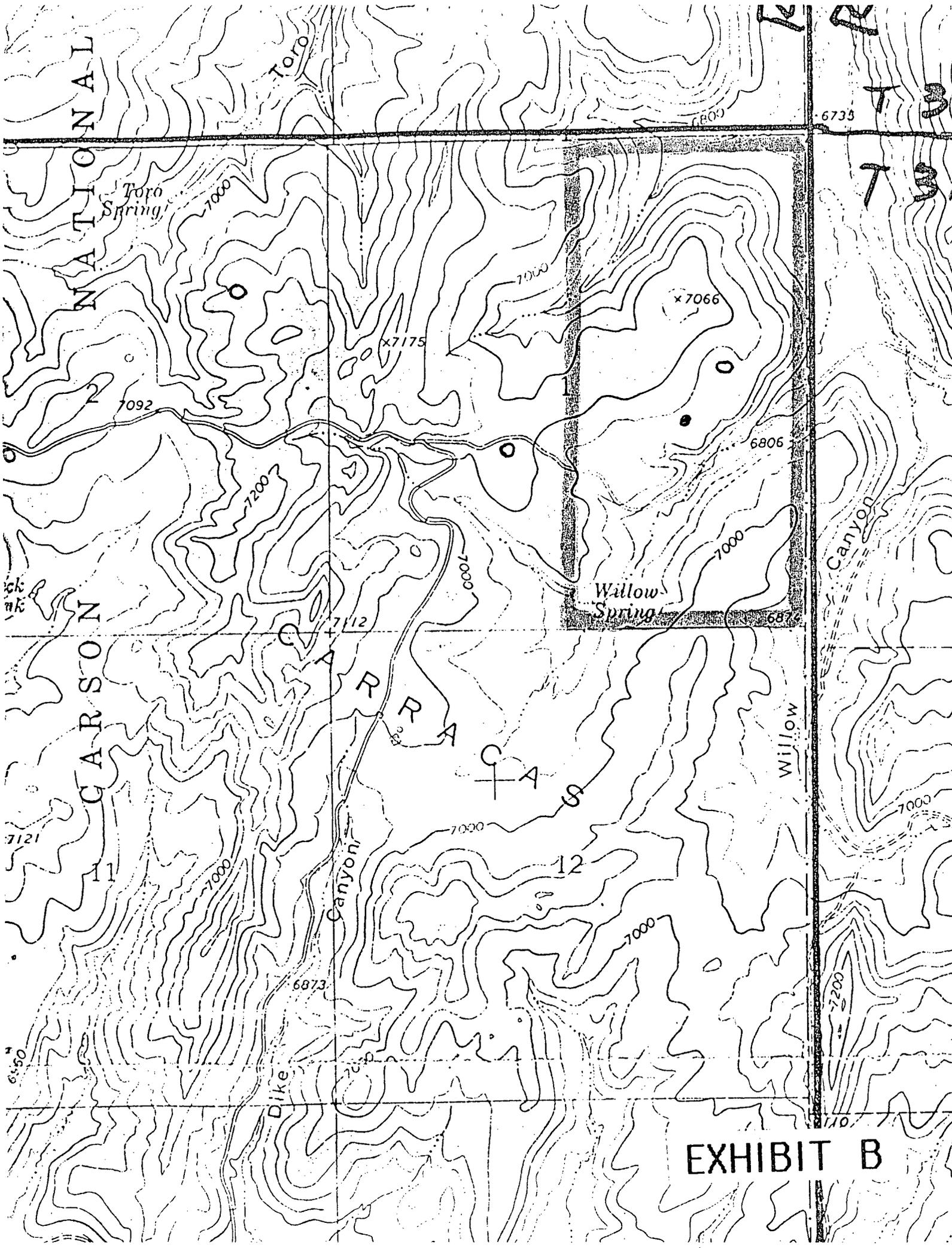
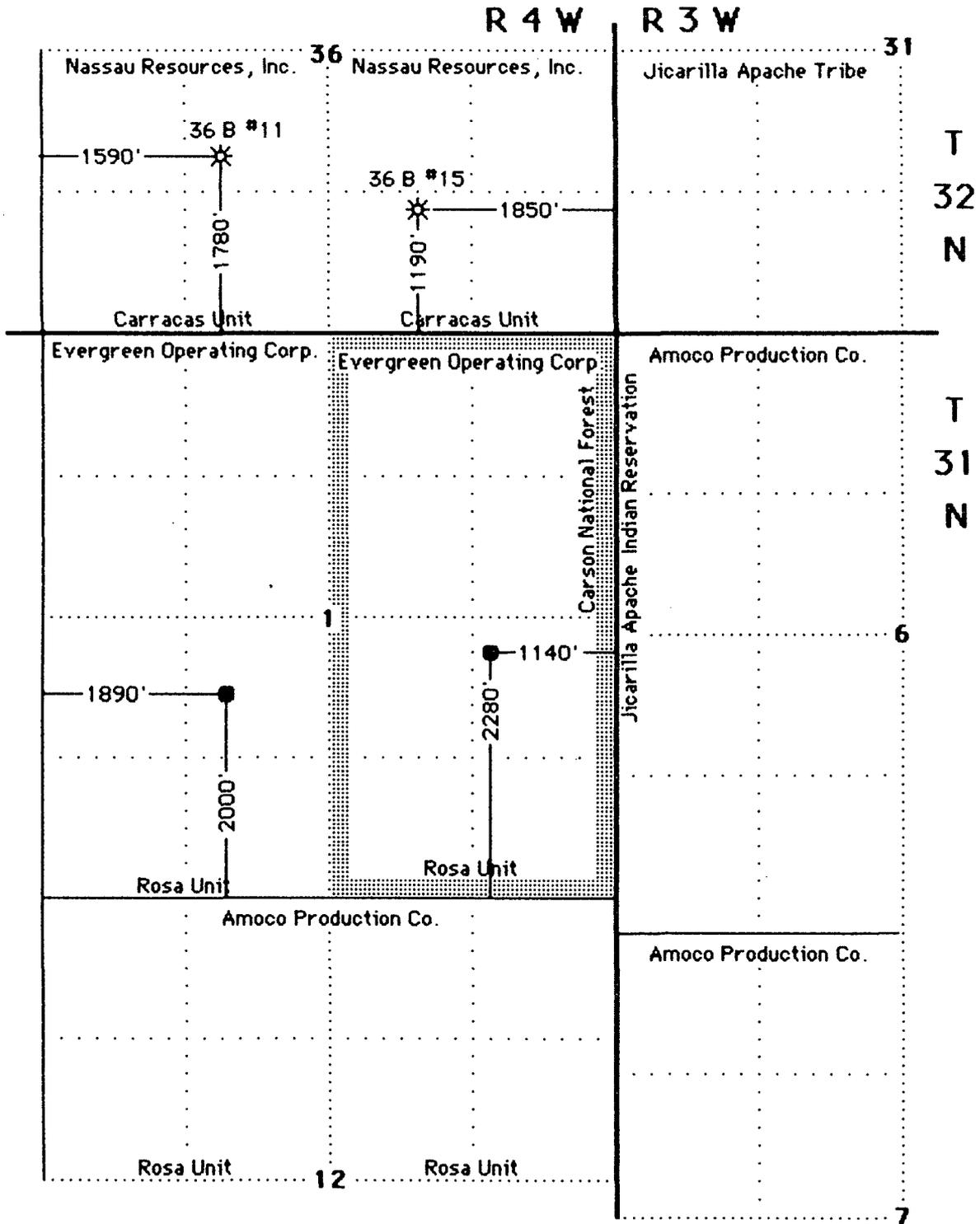
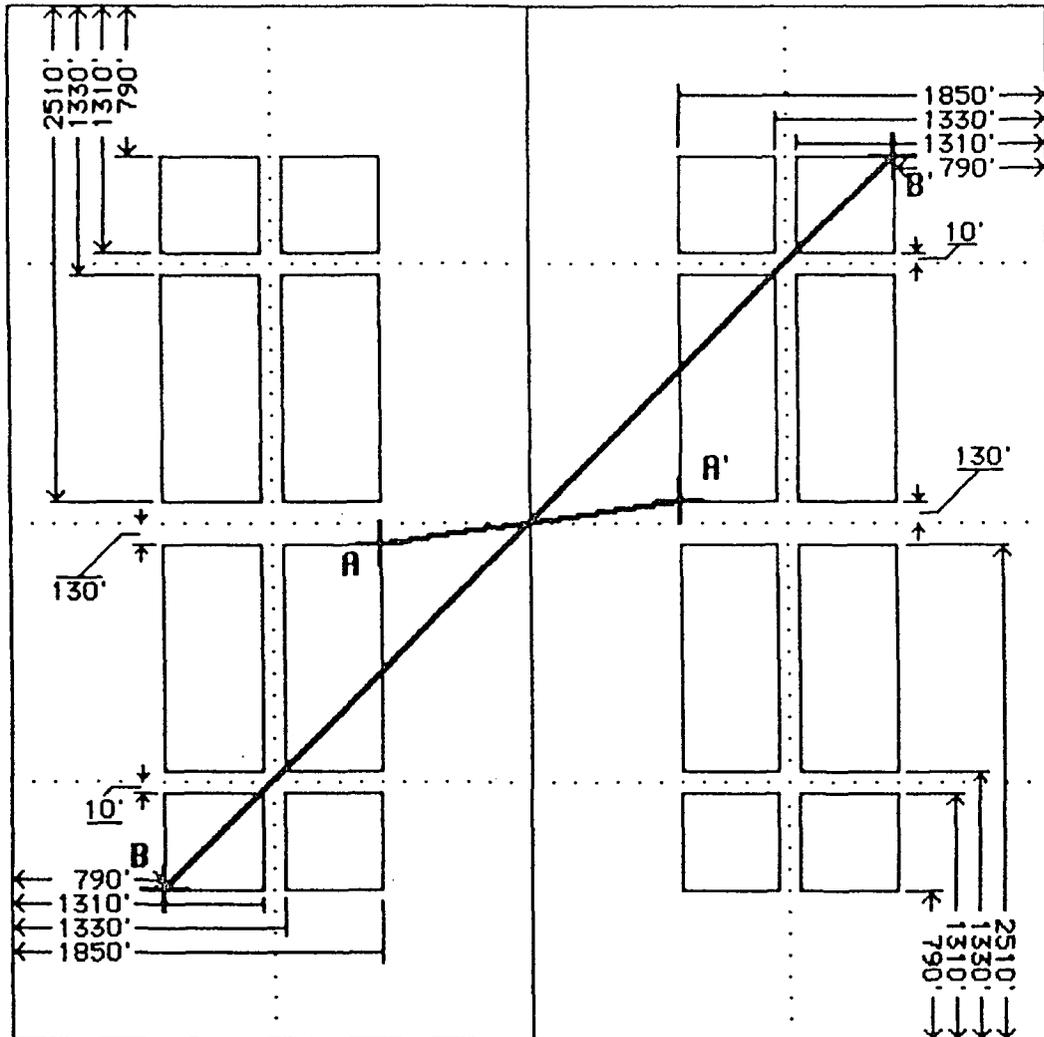


EXHIBIT B

**Non-Standard Location for Rosa Unit #281
 2280' FSL 1140' FEL Section 1-T31N-R4W
 Basin Fruitland Coal Gas Pool**



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

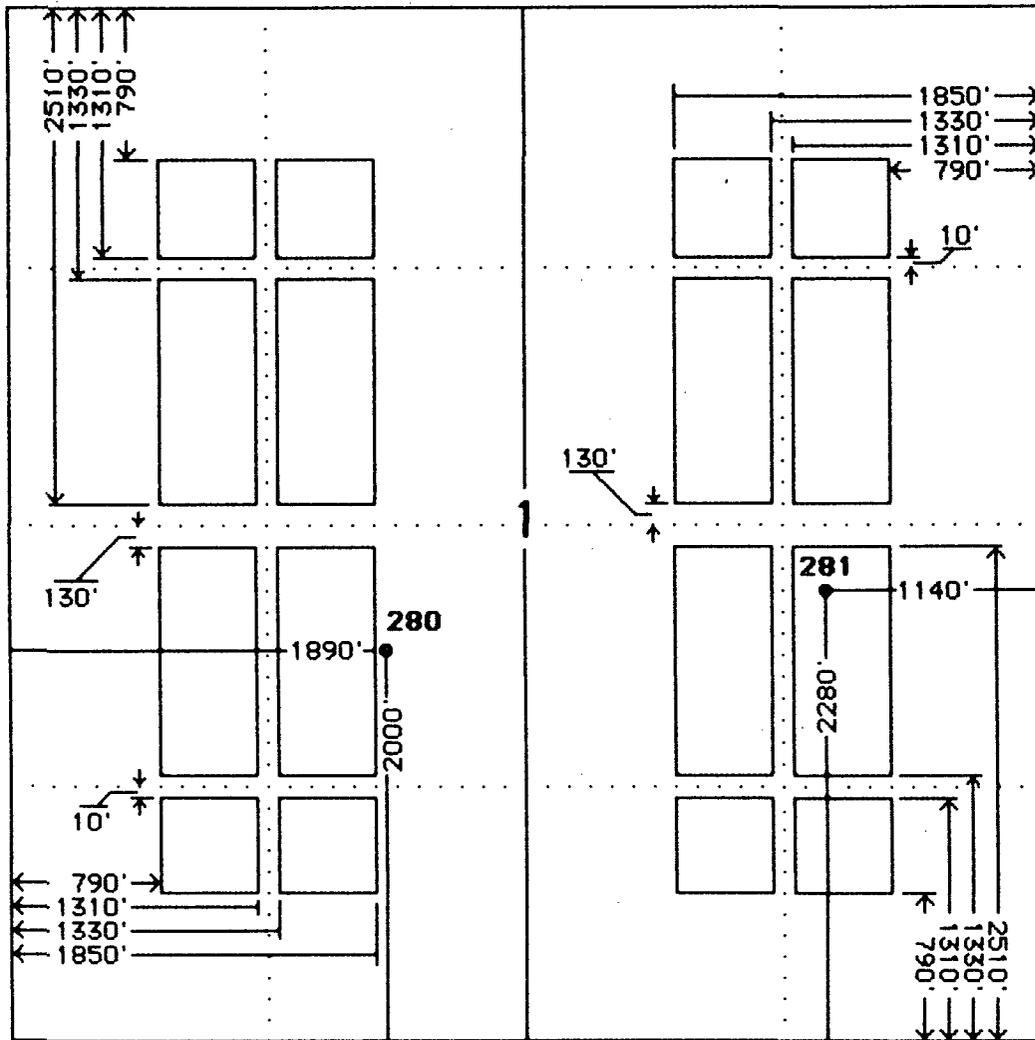


DISTANCES BETWEEN POINTS:

Minimum: $A - A' = 1601.25'$

Maximum: $B - B' = 5232.59'$

Non-Standard Location for Rosa Unit #281
2280' FSL 1140' FEL 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;">SA. R. KENDRICK BOX 516, AZTEC, NM 87410 (505) 334-2555</p>	8. Farm or Lease Name <p style="text-align: center;">ROSA UNIT</p>	
4. Location of Well <p style="text-align: center;">(Unit H) 2320' FNL 910' FEL</p>	9. Well Number <p style="text-align: center;">281</p>	
14. Distance in Miles from Nearest Town <p style="text-align: center;">12 MILES WEST OF DULCE, NM</p>	10. Field, Pool, or Wildcat <p style="text-align: center;">BASIN-FRUITLAND COAL GAS POOL</p>	11. Section, Township, & Range, Meridian, or Block <p style="text-align: center;">1-31N-4W</p>
15. Distance from Proposed Location To Nearest Property Line or Lease Line. <p style="text-align: right;">910'</p>	16. Acres in Lease <p style="text-align: center;">1965.72 Acres</p>	17. Acres Assigned to Well <p style="text-align: center;">E-331.82 Acres</p>
18. Distance From Proposed Location To Nearest Well Dr., Compl., Or Applied For On Lease. <p style="text-align: right;">2660'</p>	19. Proposed Depth <p style="text-align: center;">4125'</p>	20. Rotary or Cable Tools <p style="text-align: center;">ROTARY</p>
21. Elevations (DF, RT, GR, Etc.) <p style="text-align: center;">6920' GR</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 *AR Kendrick* Title Agent Date April 16, 1990

Permit No. _____ Approval Date _____

Approved By _____ Title _____ Date _____

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

EXHIBIT F

NAMES AND ADDRESSES OF OFFSET OWNERS AND INTERESTED PARTIES

Application for Non-Standard Location
Evergreen Operating Corporation
Rosa Unit #281
2280' FSL 1140' FEL Section 1-T31N-R4W
Basin Fruitland Coal Gas Pool
Rio Arriba County, New Mexico

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

Bureau fo Indian Affairs ●
Jicarilla Apache Agency
P. O. Box 167
Dulce, New Mexico 87528

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.

EXHIBIT G