

OIL CONSERVATION DIVISION
RECEIVED

'90 AUG 28 AM 9 50

D. J. SIMMONS CO.

P.O. BOX 1469

FARMINGTON, NEW MEXICO 87499

August 24, 1990

NEW MEXICO GAS & OIL CONSERVATION
P.O. BOX 2088
SANTA FE, NEW MEXICO 87504-2088

ATTN: MICHAEL STOGNER

As was stated in a memo to your attention dated July 26, 1990, it is intended to locate (D. J. Simmons Cap Com 7 #1 at 1450' FSL 790' FWL, Section 7, T28N, R10W), San Juan County, New Mexico.

The attached map confirms matters discussed in a telephone conversation between yourself and Mike Flaniken (BLM-FARMINGTON OFFICE). I understand he related to you that the terrain East of the existing location is very rough, this is shown on attached topographic map. Also both the existing Amoco well (Day Gas Com #1E - 790' FSL & 790' FWL) and Union Texas Petroleum well (Angel Peak #22 - 1105' FSL & 790' FWL) are located as close to the West line as possible for this same reason.

Thank you very much for your attention to this matter and feel free to contact me at (505 632-9791) should you have any questions.

Sincerely yours,

D. J. SIMMONS CO.

Jesse D. Evans

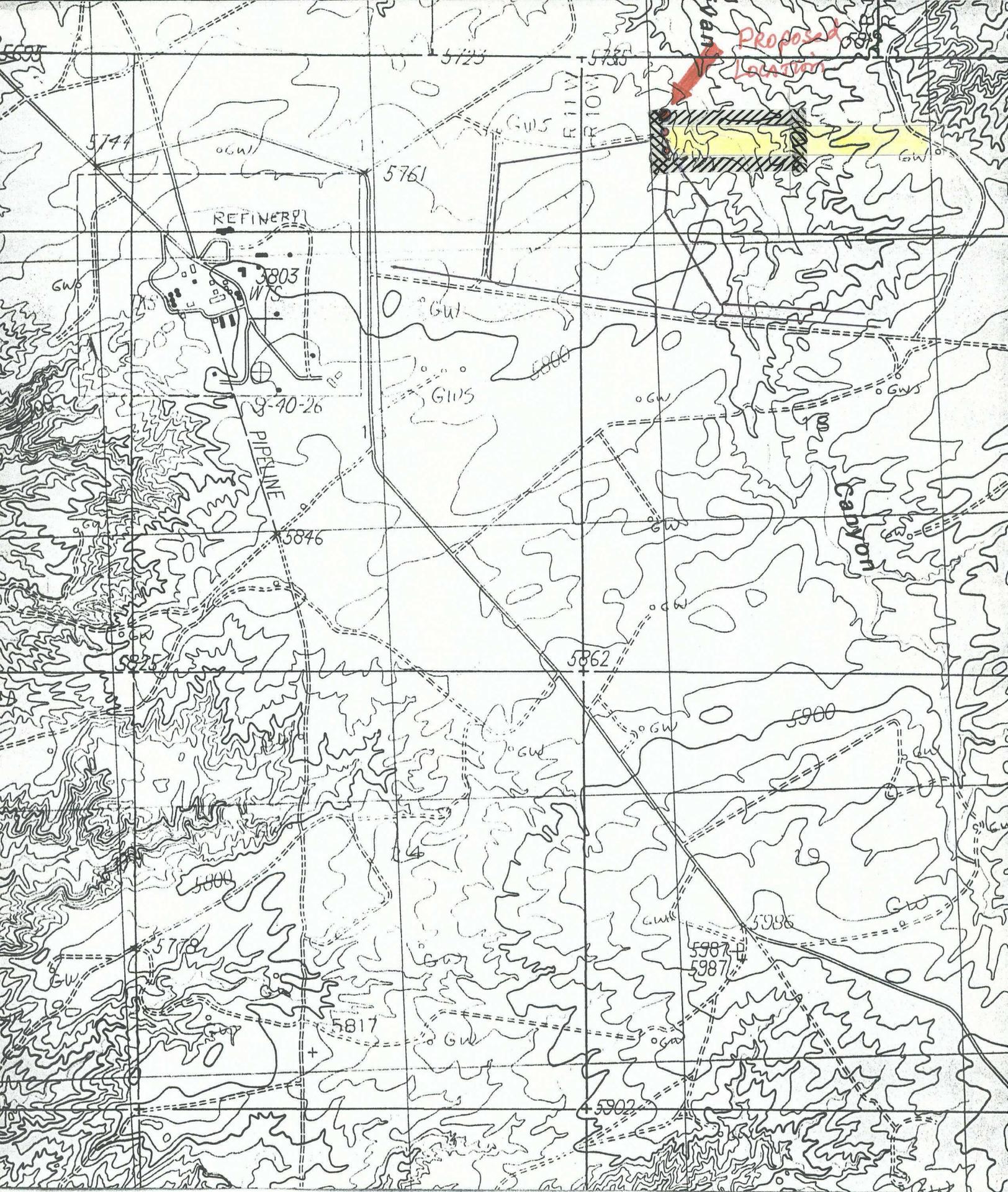
Jesse D. Evans
Registered Petroleum Engineer

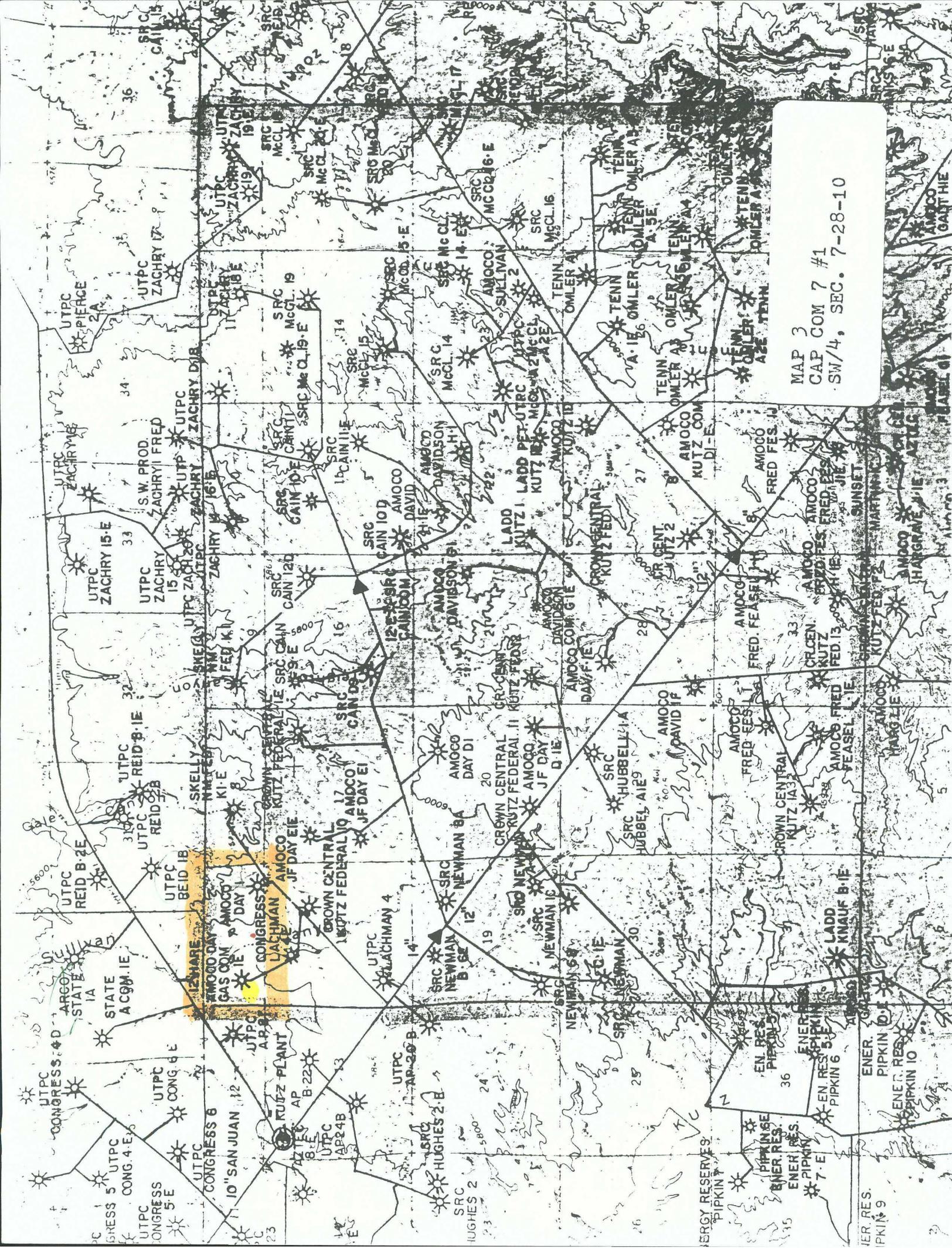
cc: Ernie Bush, N.M.O.C.D.

(Signature)

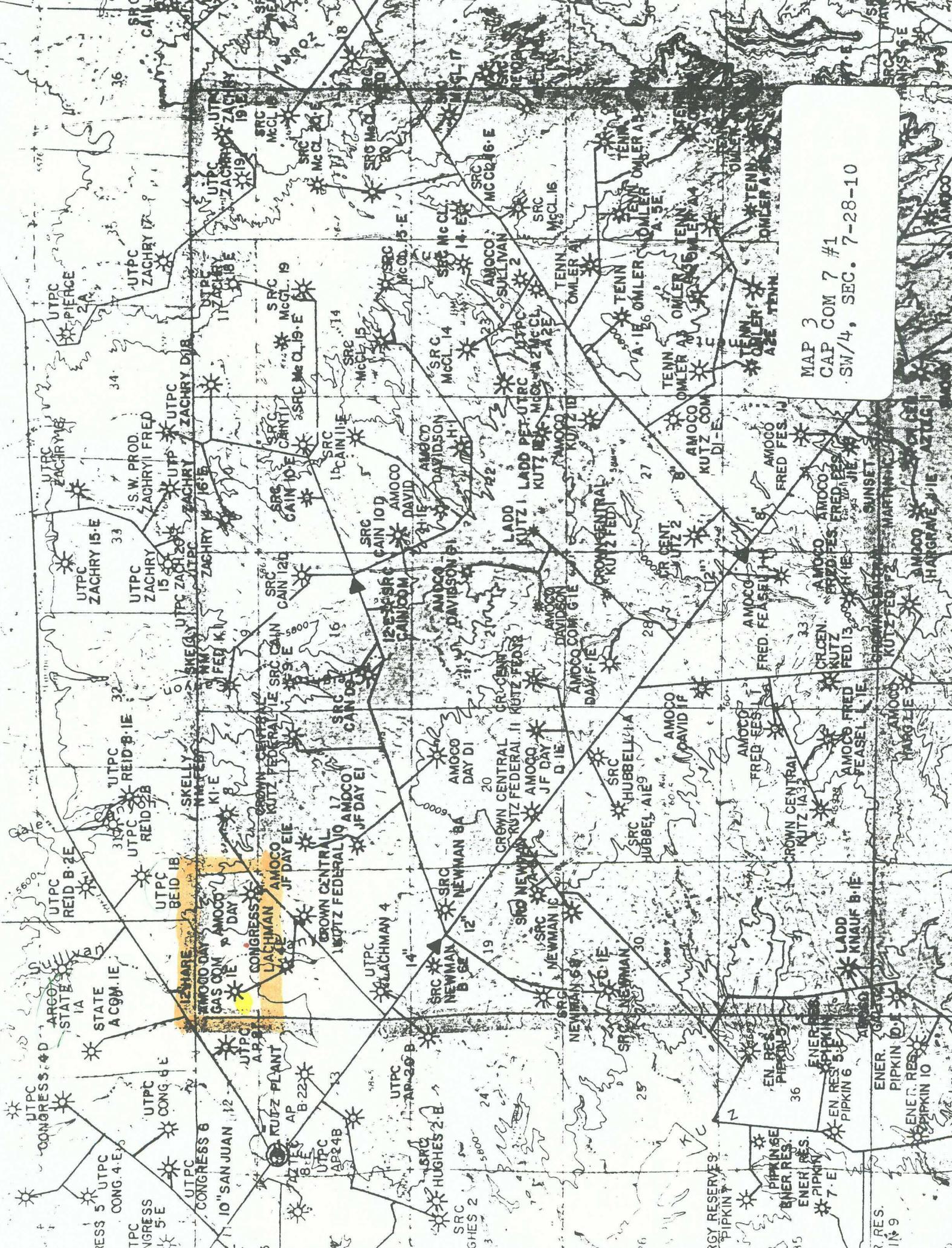
cc - Michael

Michael
E. Bush OK'd
9/14/90





MAP 3
CAP COM 7 #1
SW/4, SEC. 7-28-10



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JUL 23 1990
PROD. OPERATIONS

OIL CONSERVATION DIVISION
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D. J. SIMMONS CO.
P.O. BOX 1469
FARMINGTON, N. M. 87499

'90 AUG 27 AM 9 16

July 20, 1990

Columbus Energy Corp.
1860 Lincoln St., Suite 1100
Denver, Colo. 80295

It is intended to locate the D. J. Simmons Comany's CAP Com
7 #1 at 1450' FSL & 790' FWL, Section 7, T28N, R10W, San Juan
County, New Mexico. This well will be drilled and completed
in the Fruitland Coal formation. The existence of existing
wells and pipelines make it impractical to build an orthodox
location.

After reviewing the accompanying topographic map designating
the orthodox window and the proposed well location, please
sign and return this document within 20 days to Michale
Stogner at the New Mexico Oil Conservation Commission in
Santa Fe, New Mexico.

Should you have any questions please feel free to contact me
at (505) 326-3753. I thank you in advance for your attention
to this matter.

Sincerely yours,

D. J. SIMMONS CO.



Roderick Pinkett
Registered Petroleum Engineer

I hereby agree to the placement of the CAP COM 7 #1 in the
aforementioned location.


Signature
Representative of
Columbus Energy Corp

B.6

OIL CONSERVATION DIVISION
RECEIVED
'90 AUG 7 AM 10 07

D. J. SIMMONS CO.
P.O. BOX 1469
FARMINGTON, N. M. 87499

July 20, 1990



Meridian Oil Inc.
Attn: Land Department
3535 E. 30th Street
P.O. Box 4289
Farmington, NM 87499

It is intended to locate the D. J. Simmons Comany's CAP Com 7 #1 at 1450' FSL & 790' FWL, Section 7, T28N, R10W, San Juan County, New Mexico. This well will be drilled and completed in the Fruitland Coal formation. The existence of existing wells and pipelines make it impractical to build an orthodox location.

After reviewing the accompanying topographic map designating the orthodox window and the proposed well location, please sign and return this document within 20 days to Michale Stogner at the New Mexico Oil Conservation Commission in Santa Fe, New Mexico.

Should you have any questions please feel free to contact me at (505) 326-3753. I thank you in advance for your attention to this matter.

Sincerely yours,

D. J. SIMMONS CO.

Roderick Pinkett
Registered Petroleum Engineer

I hereby agree to the placement of the CAP COM 7 #1 in the aforementioned location.

S.W. Nance
Meridian Oil Inc. on behalf of
El Paso Production Company and
Meridian Oil Production Inc.
(Successor to Unicon Production Co.)



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

GARREY CARRUTHERS
GOVERNOR

August 9, 1990

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

D. J. Simmons Company
P. O. Box 1469
Farmington, New Mexico 87499

Dear Sir:

At this time there is insufficient information and justification for approval of the unorthodox locations of both your NOE Com 27 Well No. 1 and ~~CAP Com 7~~ Well No. 1. Please submit the required data pursuant to Division Memorandum 1-90, see attached.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner", written over a horizontal line.

MICHAEL E. STOGNER
Chief Hearing Officer/Engineer

MES/fd

enc.

cc: OCD Aztec



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

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(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.

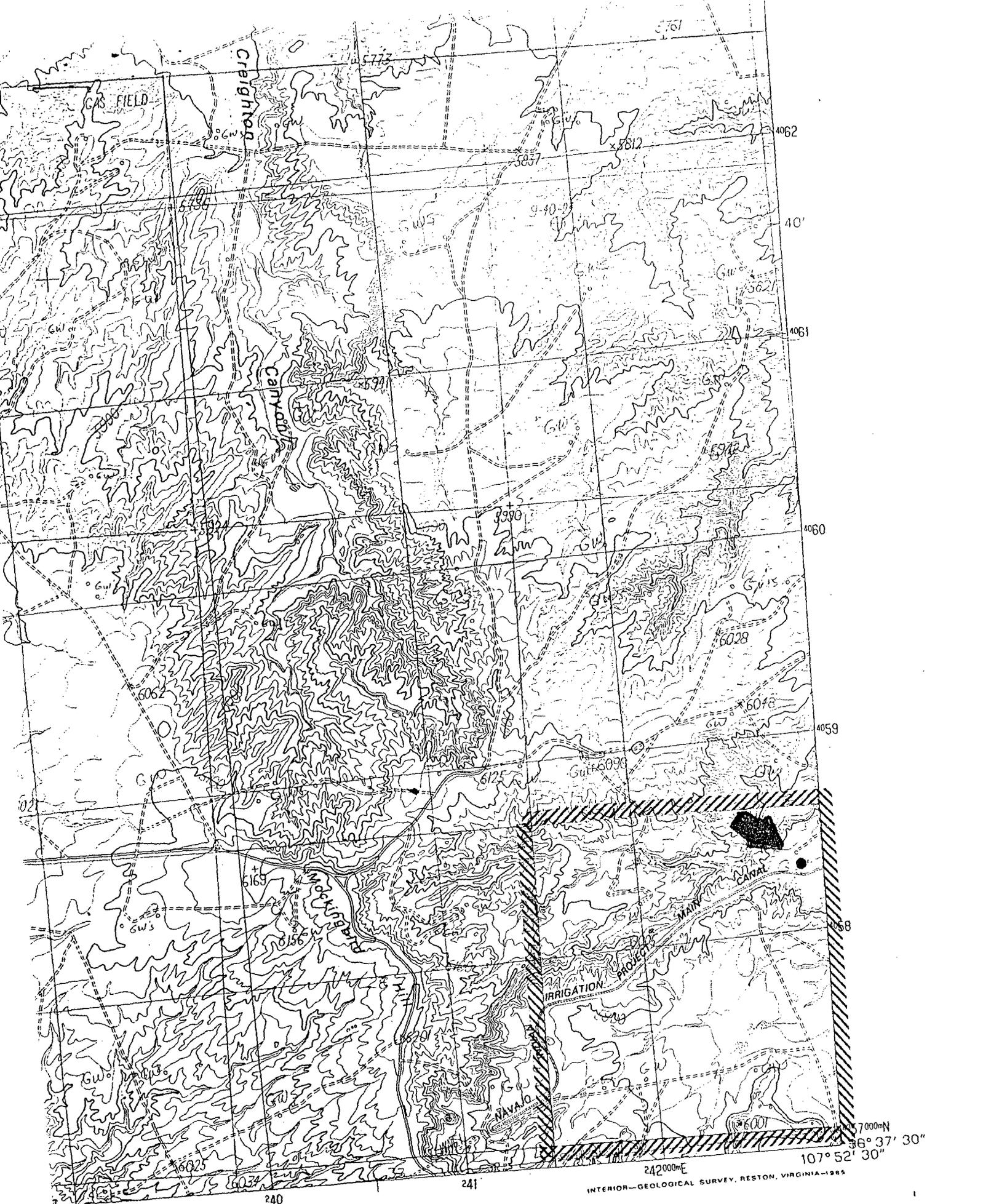
If there are legal locations within the proration unit which are drillable, but the operator chooses not to drill those locations for geological reasons the application cannot be approved administratively and a hearing will be required.

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. Completed C-102 showing the well location, proration unit, leases within the unit and other required information.
- III. Land plat showing offset operators and working interest owners and any offsetting wells producing from the same pool or formation.
 - 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. 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.



1 MILE



NEW MEXICO

INTERIOR- GEOLOGICAL SURVEY, RESTON, VIRGINIA-1985

ROAD LEGEND

- Improved Road
- Unimproved Road

P 565 399 432

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

Sent to	AGO OIL & GAS CO.
Street and No.	1816 E. MORGAN
P.O. State and ZIP Code	FARMINGTON, N.M. 87499
Postage	\$.25
Certified Fee	.85
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	.90
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$ 2.00
Postmark Date	JUL 02 1985

PS Form 3800, June 1985
* U.S.G.P.O. 1989-234-555

P 565 399 430

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

Sent to	COLUMBUS ENERGY CORP.
Street and No.	1860 LINCOLN
P.O. State and ZIP Code	DENVER, CO 80295
Postage	\$.25
Certified Fee	.85
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	.90
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$ 2.00
Postmark Date	JUL 02 1985

PS Form 3800, June 1985
* U.S.G.P.O. 1989-234-555

P 565 399 431

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(See Reverse)

Sent to	UNION TEXAS PETROLEUM
Street and No.	P.O. BOX 2120
P.O. State and ZIP Code	HOUSTON, TX 77252
Postage	\$.25
Certified Fee	.85
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	.90
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$ 2.00
Postmark Date	JUL 02 1985

PS Form 3800, June 1985
* U.S.G.P.O. 1989-234-555

P 565 399 429

RECEIPT FOR CERTIFIED MAIL
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(See Reverse)

Sent to	MESA OPERATING LTD.
Street and No.	P.O. BOX 2009
P.O. State and ZIP Code	FARMINGTON, TX 79189-2009
Postage	\$.25
Certified Fee	.85
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	.90
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$ 2.00
Postmark Date	JUL 02 1985

PS Form 3800, June 1985
* U.S.G.P.O. 1989-234-555

P 565 399 433

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

Sent to	SOUTHERN UNICAL EXPR.
Street and No.	P.O. BOX NDU 3001
P.O. State and ZIP Code	FARMINGTON, NM 87401
Postage	\$.25
Certified Fee	.85
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	.90
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$ 2.00
Postmark Date	JUL 02 1985

PS Form 3800, June 1985
* U.S.G.P.O. 1989-234-555

P 565 399 435

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED
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(See Reverse)

Sent to	MESDIAH OIL INC.
Street and No.	5535 E. 30th Street
P.O. State and ZIP Code	FARMINGTON, N.M. 87499
Postage	\$.25
Certified Fee	.85
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	.90
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$ 2.00
Postmark Date	JUL 02 1985

PS Form 3800, June 1985
* U.S.G.P.O. 1989-234-555

June 1985

P 565 379 434

RECEIPT FOR CERTIFIED MAIL

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U.S.G.P.O. 1989-234-555

PS Form 3800 June 1985

Sent to <i>Amoco Prod. Company</i>	
Street and No. <i>P.O. Box 800</i>	
P.O., State and ZIP Code <i>Denver, CO 80201</i>	
Postage	\$ <i>.25</i>
Certified Fee	<i>.85</i>
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	<i>.90</i>
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$ <i>2.00</i>
Postmark Date	

