

August 1, 1991

William J. LeMay, Director
State of New Mexico
Oil & Gas Conservation Division
State Land Office Building
Santa Fe, New Mexico 87504

re: Feasibility of Directional Drilling
Rosa Unit #319
Rio Arriba County, New Mexico



Dear Sir:

It is the judgement of Mitchell Energy Corporation (MEC) that it is not economically feasible to drill the subject well directionally. At the present time MEC would bypass drilling any well on a directional basis. If future prices were to increase dramatically, MEC would consider the possibility of directional drilling.

Your careful consideration in this matter is appreciated.

Sincerely,

MITCHELL ENERGY CORPORATION

James C. Anderson
District Production Manager

JCA/ss

OIL CONSERVATION DIVISION
RECEIVED

August 1, 1991

'91 AUG 2 AM 10 04



Mike Stogner
State of New Mexico
Oil Conservation Division
State Land Office Building
Santa Fe, NM 87504

**RE: Unorthodox Locations
Basin Fruitland Coal Wells - Rosa Unit
Mitchell Energy Corporation**

Dear Mr. Stogner:

As per our conversation this week, enclosed are several applications for unorthodox locations for Mitchell Energy Corporation in the Rosa Unit operated by Meridian Oil Gathering, Inc. A project map is also included so that you can see the relationship of the wells to each other and to the surrounding topography.

I have also sent a copy of each application to Ernie Bush of the Aztec office, so you will be able to discuss the project with him.

We are expecting Offset Operator approval on these locations within a week. As Mitchell would like to begin drilling at the end of August, time is of the essence and we would like to start the 20-day clock going on Friday, August 2.

I would appreciate a call to confirm receipt of this package so that we may keep our client informed of the time frame we are working with.

Please don't hesitate to call if you have any questions or require further information.

Sincerely,

TRIGON ENGINEERING, INC.

Cristi Cline
Cristi Cline
Senior Right-of-Way Agent

cc: Ernie Bush, NMOCD



OIL CONSERVATION DIVISION
RECEIVED

'91 AUG 12 AM 9 33

August 9, 1991

Mike Stogner
State of New Mexico
Oil Conservation Division
State Land Office Building
Santa Fe, NM 87504

RE: **Unorthodox Location**
~~Rosa Unit No. 352~~
Mitchell Energy Corporation

Dear Mr. Stogner:

Enclosed is an application for the above unorthodox location for Mitchell Energy Corporation in the Rosa Unit operated by Meridian Oil Gathering, Inc. A topo map is was sent to you last week showing the entire project.

I have also sent a copy of this application to Ernie Busch of the Aztec office, so you will be able to discuss the project with him.

We are expecting Offset Operator approval on this location within a week.

I would appreciate a call to confirm receipt of this package so that we may keep our client informed of the time frame we are working with.

Please don't hesitate to call if you have any questions or require further information.

Sincerely,

TRIGON ENGINEERING, INC.

Cristi Cline
Senior Right-of-Way Agent

cc: Ernie Busch, NMOCD

4100 EAST MAIN STREET FARMINGTON NM 87402



August 8, 1991

FILE COPY

William J. LeMay, Director
 State of New Mexico
 Energy, Minerals and Natural Resources Department
 Oil Conservation Division
 Post Office Box 2088
 State Land Office Building
 Santa Fe, New Mexico 87504

**Re: Unorthodox Location Waiver
 Mitchell Energy Corporation Rosa Unit #352
 Nassau Resources - Carracas Unit Operator**

Dear Mr. LeMay:

We are submitting an Unorthodox Location Application for the Mitchell Energy Corp. Rosa Unit Well No. 352. Meridian Oil Gathering, Inc., as Operator of the Rosa Unit wells, and Nassau Resources, Operator of the Carracas Unit, will receive copies of the application for approval of the location. The factors determining the location of the site are detailed in the attached package.

If there are no objections to the location, the waiver below will be signed by a representative of Nassau Resources.

Thank you for your cooperation.

Sincerely,

TRIGON ENGINEERING, INC.

Cristi Cline

Cristi Cline
 Senior Right-of-Way Agent

Attachment

WAIVER

_____ hereby waives objection to Mitchell Energy Corporation's application for an unorthodox location for Rosa Unit Well No. 352.

BY: _____
 TITLE: _____
 Nassau Resources
 Operator, Carracas Unit

DATE _____

**UNORTHODOX LOCATION APPLICATION
MITCHELL ENERGY CORPORATION
ROSA UNIT WELL NO. 352
Basin Fruitland Coal**

SITE LOCATION:

Township 31 North, Range 4 West
Section 5: NWNE
1345' FNL, 1935' FEL

FACTORS DETERMINING UNORTHODOX LOCATION:

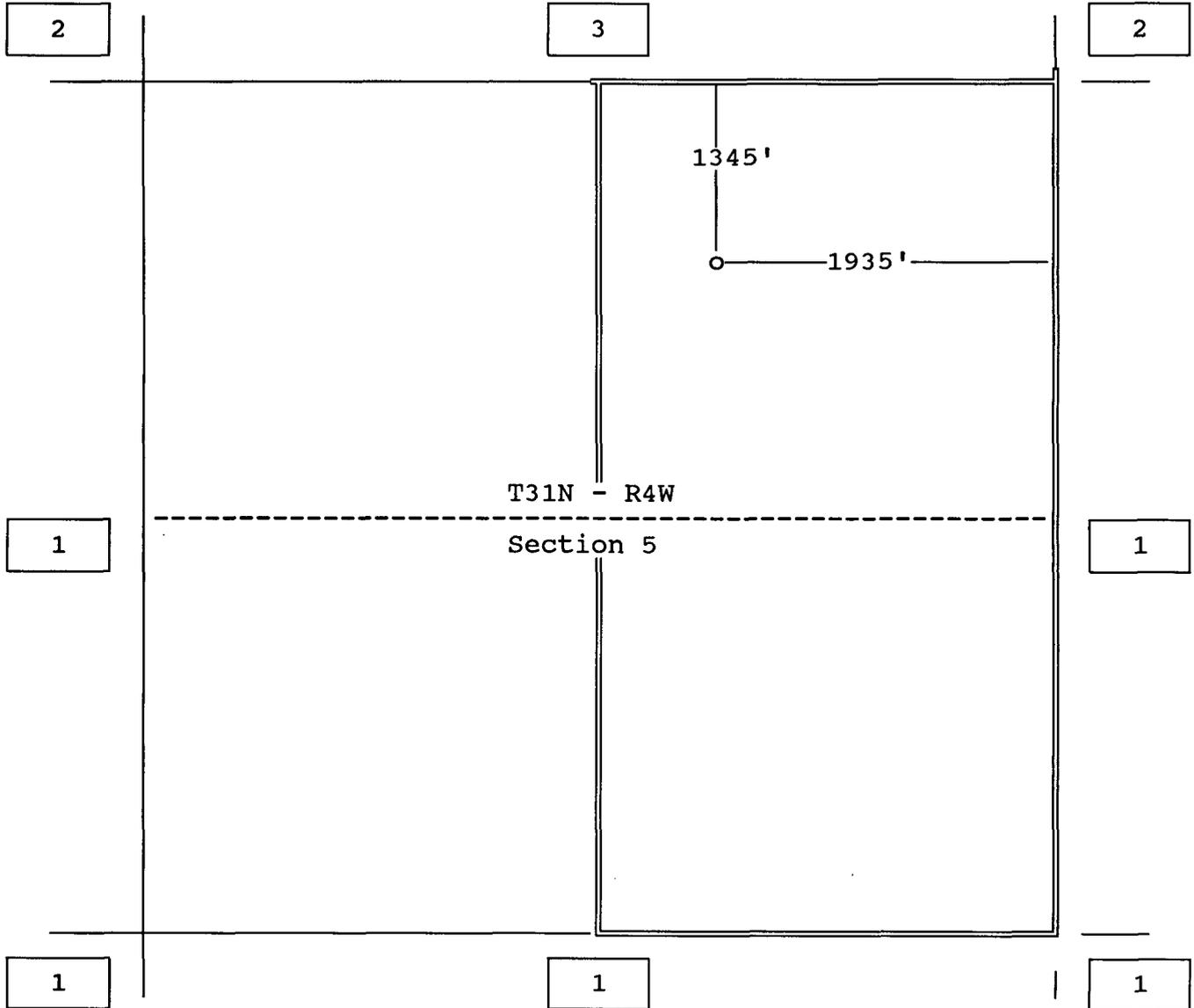
The site for the Mitchell Energy Corporation Rosa Unit Well No. 352 has been chosen in a slightly unorthodox location due to rocky/mountainous topography and the presence of several archaeological sites in the area.

During a preliminary archaeological clearance of the area surrounding the proposed well location, the area to the immediate east and southeast were avoided due to indications of archaeological sites.

If moved to the east, the location would be extremely close to the edge of the mesa which would be ecologically unfeasible due to the possibility of overflow spillage into the wash. The Forest Service also recommends that the well pad not be located near the edge of the Mesa because of its high visibility to the canyon and to the adjacent mesa.

ROSA UNIT OWNERSHIP PLAT

Mitchell Energy Corporation
Rosa Unit Well No. 352



1. Offset Owner - Meridian Oil Gathering, Inc.
Operator of the Rosa Unit
2. Offset Owner - Nassau Resources
Operator of the Carracas Unit
3. Federal Land - Unleased Minerals

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

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

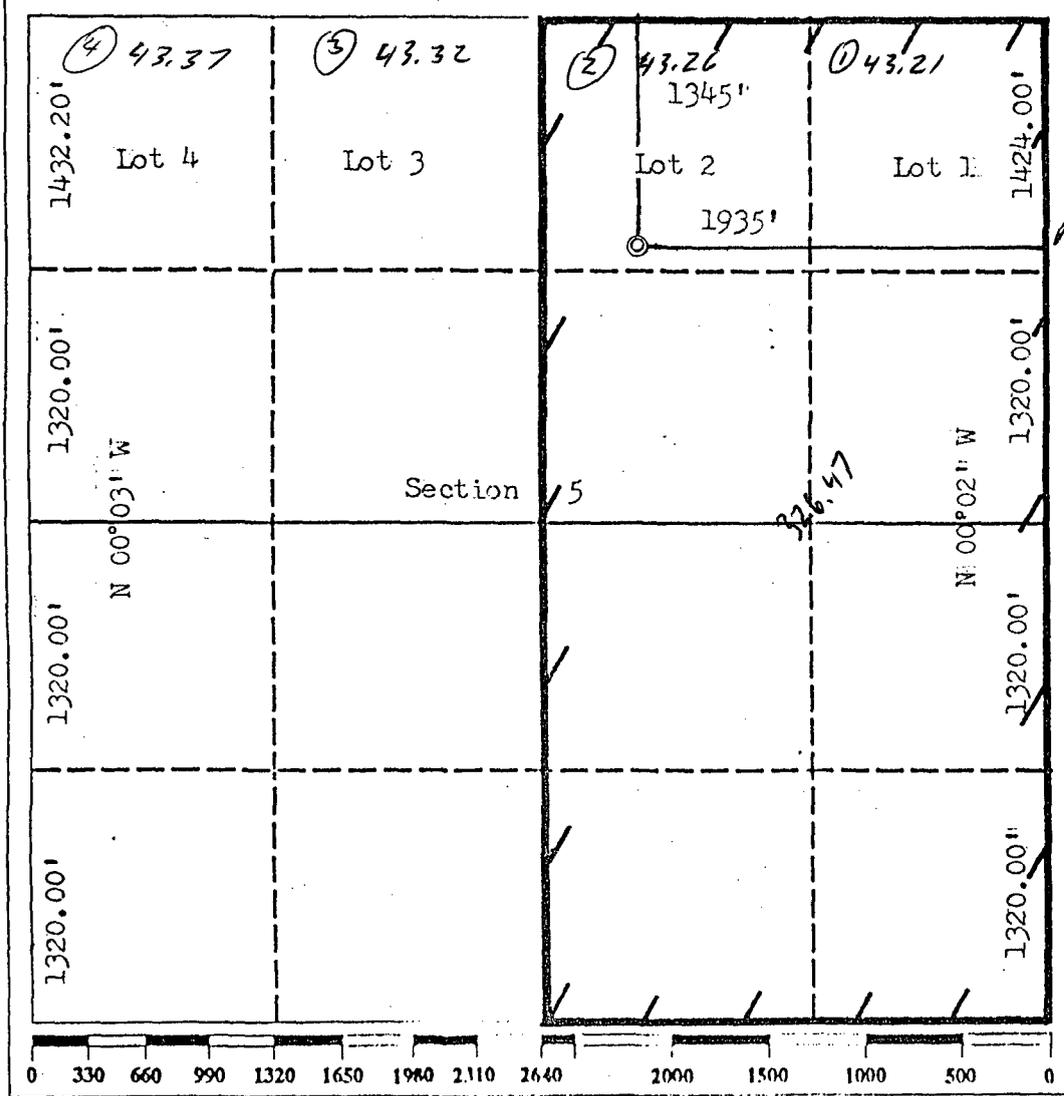
WELL LOCATION AND ACREAGE DEDICATION PLAT
 All Distances must be from the outer boundaries of the section

Operator Mitchell Energy Corporation			Lease Rosa Unit		Well No. 352
Unit Letter B	Section 5	Township 31 North	Range 4 West	County Rio Arriba	
NMPM					

Actual Footage Location of Well:
 1345 feet from the North line and 1935 feet from the East line

Ground level Elev. 7125	Producing Formation Fruitland	Pool Basin Fruitland Coal	Dedicated Acreage: 320 Acres
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- 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: *James C. Anderson*
 Printed Name: James C. Anderson
 Position: Dist. Prod. Mgr.
 Company: Mitchell Energy Corp.
 Date: 7/10/91

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. May 31, 1991

Date Surveyed: *Frederick H. Reed*
 Signature & Seal of Professional Surveyor: *Frederick H. Reed*
 Certificate No.: NM 3795

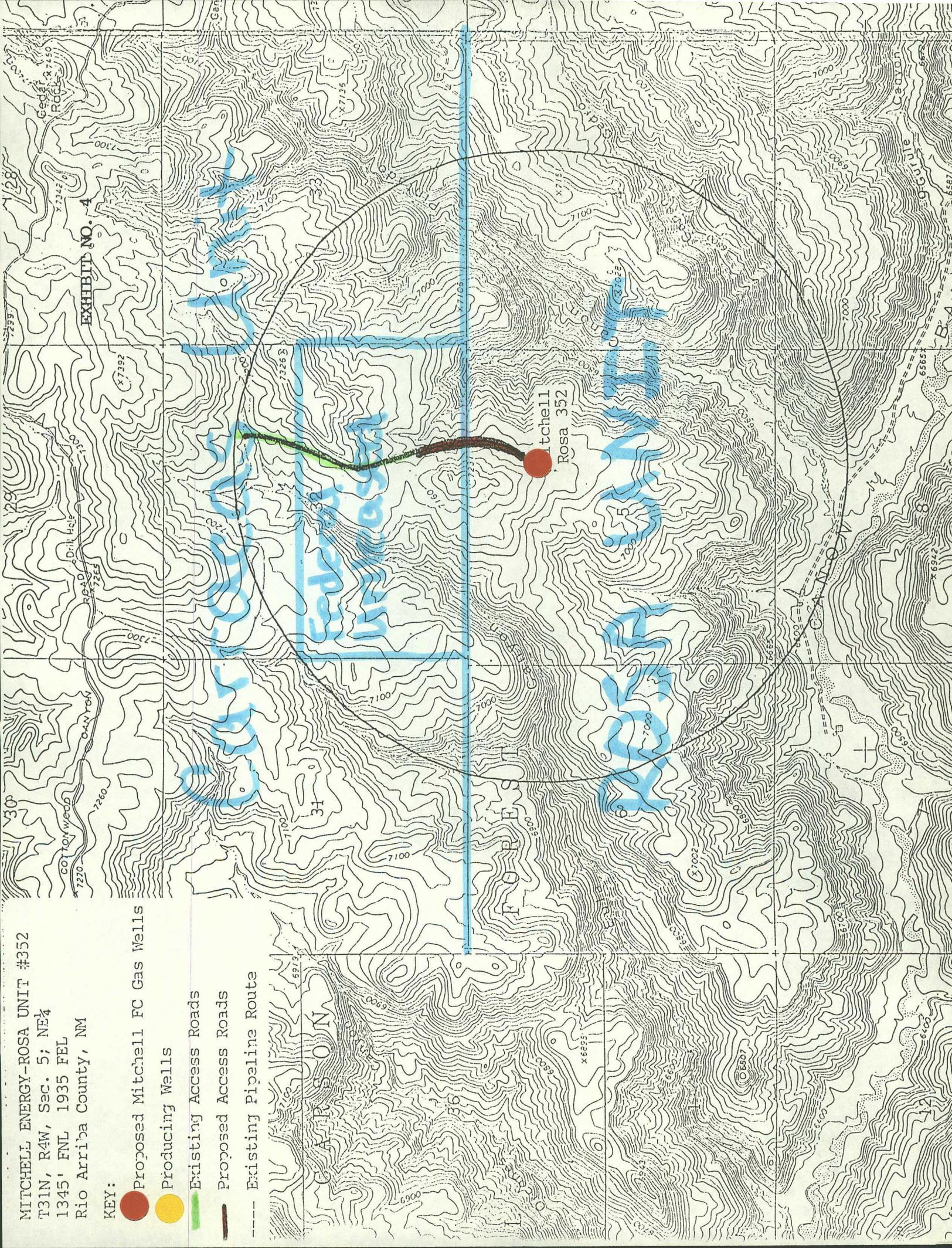
Frederick H. Reed

MITCHELL ENERGY-ROSA UNIT #352
 T31N, R4W, Sec. 5; NE¼
 1345' FNL 1935 FEL
 Rio Arriba County, NM

KEY:

- Proposed Mitchell FC Gas Wells
- Producing Wells
- Existing Access Roads
- Proposed Access Roads
- Existing Pipeline Route

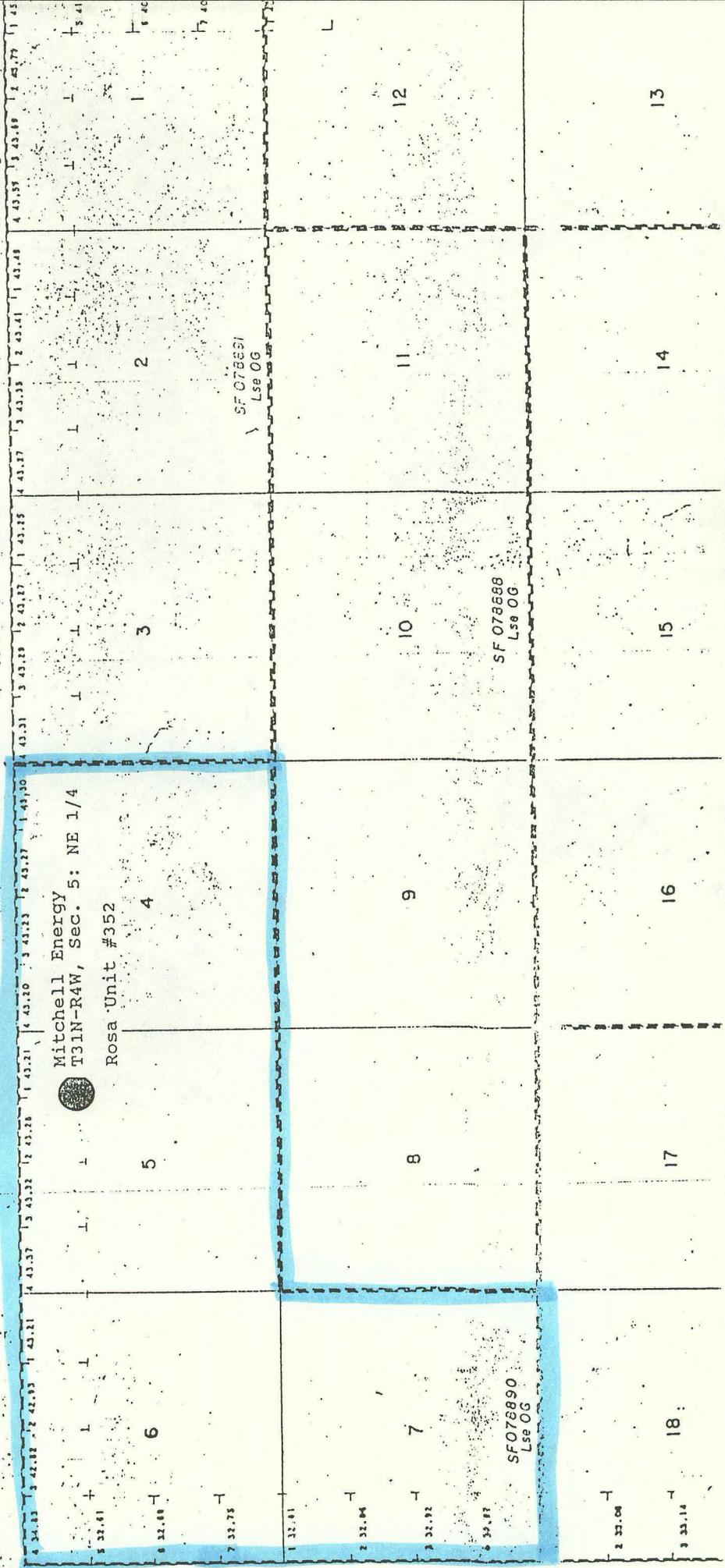
EXHIBIT NO. 4



TOWNSHIP 31 NORTH, RANGE 4 WEST, OF THE NEW MEXICO PRIN. ME.

RIO ARRIBA COUNTY — 039

NM — 1



Mitchell Energy
T31N-R4W, Sec. 5: NE 1/4
Rosa Unit #352



SF078890
Lse OG

SF 078688
Lse OG

SF 078691
Lse OG

1	2	3	4	5	6	7	8	9	10	11	12	13
18	17	16	15	14	13	12	11	10	9	8	7	6

**FILE COPY**

August 9, 1991

Kent Craig
Nassau Resources
650 South Cherry Street
Denver, CO 80222

**RE: Unorthodox Location
Rosa Unit No. 352
Mitchell Energy Corporation**

Dear Mr. Craig:

Enclosed is an application for the above unorthodox location for Mitchell Energy Corporation in the Rosa Unit operated by Meridian Oil Gathering, Inc. As we discussed last week, although this location is slightly unorthodox, the location does not infringe on the Carracas Unit.

If Nassau has no objection to the location, please sign the Waiver on the attached application and send it to Mike Stogner at the NMOCD in Santa Fe.

Your earliest response to this request would be greatly appreciated as Mitchell would like to begin drilling by the first week of September.

Please don't hesitate to call if you have any questions or require further information. Thank you for your cooperation.

Sincerely,

TRIGON ENGINEERING, INC.

Cristi Cline
Senior Right-of-Way Agent

cc: Ernie Busch, NMOCD
Mike Stogner, NMOCD

**FILE COPY**

August 9, 1991

Alan Alexander
Meridian Oil Gathering, Inc.
P.O. Box 4289
Farmington, NM 87401

**RE: Unorthodox Location
Rosa Unit No. 352
Mitchell Energy Corporation**

Dear Mr. Alexander:

Enclosed is an application for the above unorthodox location for Mitchell Energy Corporation in the Rosa Unit operated by Meridian Oil Gathering, Inc. This location is shown on the overall project map submitted to you last week with the other unorthodox location applications.

If Meridian has no objection to the location, please sign the Waiver on the attached application and send it to Mike Stogner at the NMOCD in Santa Fe.

Your earliest response to this request would be greatly appreciated as Mitchell would like to begin drilling by the first week of September.

Please don't hesitate to call if you have any questions or require further information. Thank you for your cooperation.

Sincerely,

TRIGON ENGINEERING, INC.

Cristi Cline
Senior Right-of-Way Agent

cc: Ernie Busch, NMOCD
Mike Stogner, NMOCD

OIL CONSERVATION DIVISION
RECEIVED

'91 AUG 15 AM 8 44



4100 EAST MAIN STREET FARMINGTON NM 87402

August 12, 1991

Mike Stogner
State of New Mexico
Oil Conservation Division
State Land Office Building
Santa Fe, NM 87504

**RE: Unorthodox Location
Rosa Unit No. 359
Mitchell Energy Corporation**

Dear Mr. Stogner:

Enclosed is an application for the above unorthodox location for Mitchell Energy Corporation in the Rosa Unit operated by Meridian Oil Gathering, Inc. A topo map is was sent to you last week showing the entire project.

I have also sent a copy of this application to Ernie Busch of the Aztec office, so you will be able to discuss the project with him.

We are expecting Offset Operator approval on this location within a week.

I would appreciate a call to confirm receipt of this package so that we may keep our client informed of the time frame we are working with.

Please don't hesitate to call if you have any questions or require further information.

Sincerely,

TRIGON ENGINEERING, INC.

Cristi Cline
Senior Right-of-Way Agent

cc: Ernie Busch, NMOCD