

A. R. KENDRICK

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

SEP. 4 1992

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

Re: Application for Non-Standard Location
Evergreen Operating Corporation
Chicosa 34 #2
215' FNL 780' FWL Sec. 34 - T 31 N - R 4 W
Lease No. NM-86071
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 Chicosa 34 #2 well to be located 215' FNL 780' FWL of Section 34 Township 31 North, Range 4 West, Basin Fruitland Coal Gas Pool, Rio Arriba County, New Mexico.

The reason for the non-standard location is because of topography and lease restrictions set by the U.S. Forest Service to avoid further damage to the environment and wildlife habitat.

We believe that directional drilling should not be required because a beam pump and rods may be required to lift water from the wellbore to sustain production.

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

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

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.

If further information is needed, please contact us.

Yours very truly,


A. R. Kendrick

Enclosures

xc: Offset owners and interested parties as listed on Exhibit G

Exhibits for Application for Non-Standard Location

Evergreen Operating Corporation
Chicosa 34 #2
215' FNL 780' FWL Sec. 34 - T 31 N - R 4 W
Lease No. NM-86071
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, showing the location of the well with respect to the section lines, the dedicated acreage, and the proration unit.
- EXHIBIT B Copy of Topographic Map showing the location.
- EXHIBIT C Ownership and Offset Well Location Plat showing the location and ownership and offset wells.
- EXHIBIT D Location Windows Plat showing the "windows" for standard locations as provided by Order R-8768.
- EXHIBIT E Copy of Application for Permit to Drill.
- EXHIBIT F On-Site Inspection report showing the findings of the On-Site Inspection.
- EXHIBIT G List of names and addresses of offset owners and other interested parties.
- EXHIBIT H A plat showing construction restrictions on the lease set by the US Forest Service. There are no roads on top of Chicosa Ridge, and the Forest Service desires that we not build any.

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-101
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

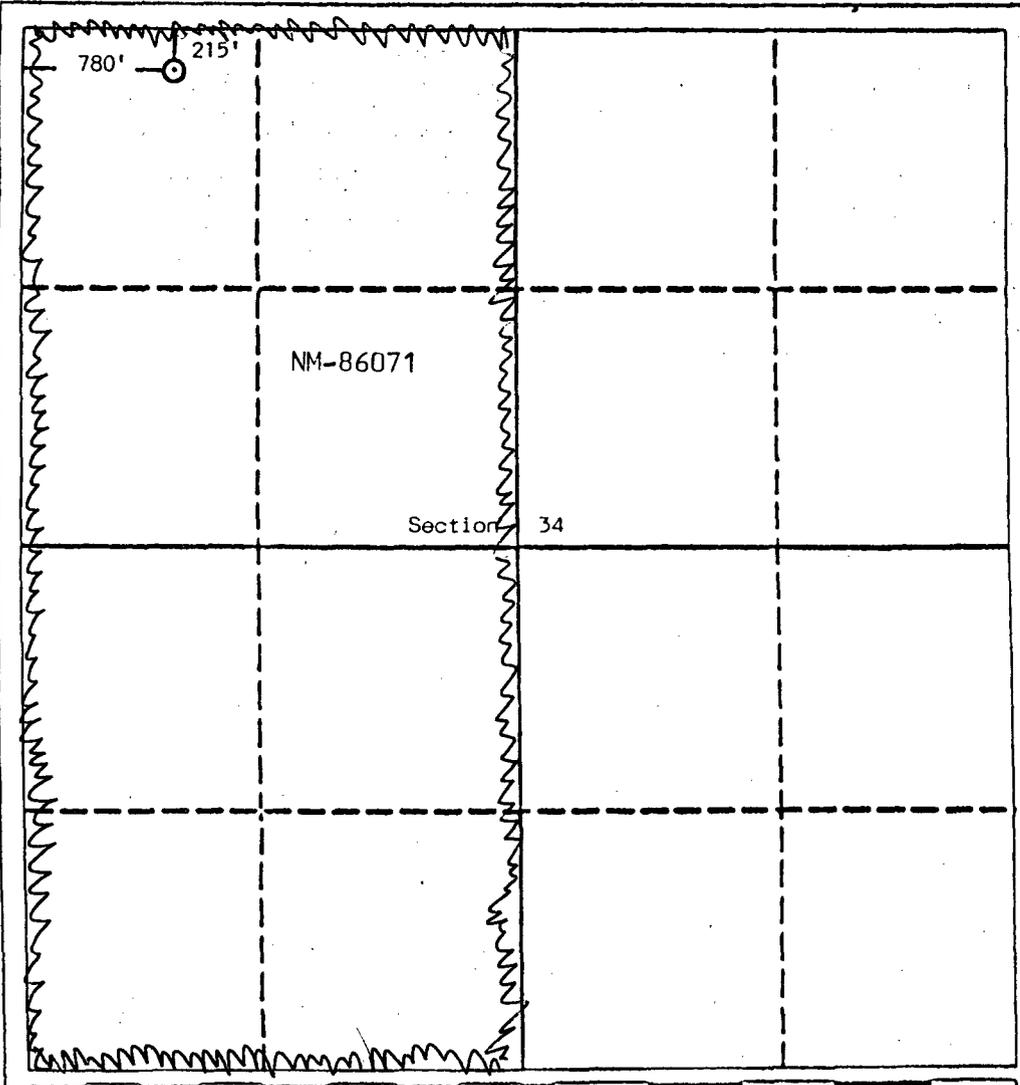
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Evergreen Operating Corporation		Lease Chicosa 34		Well No. 2
Unit Lease D	Section 34	Township 31 North	Range 4 West	County NMNM Rio Arriba
Actual Footage Location of Well: 215 feet from the North line and 780 feet from the West line				
Ground level Elev. 6775 Est.	Producing Formation Fruitland Coal	Pool Basin Fruitland Coal	Dedicated Acreage: 320 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: September 4, 1992

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: August 27, 1992

Signature & Seal of Professional Surveyor: *E. J. ...*

Professional Seal: EDGAR HIGENHOFER, NEW MEXICO, 6979

EC

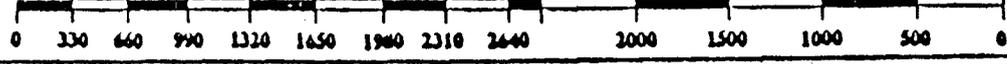


EXHIBIT A

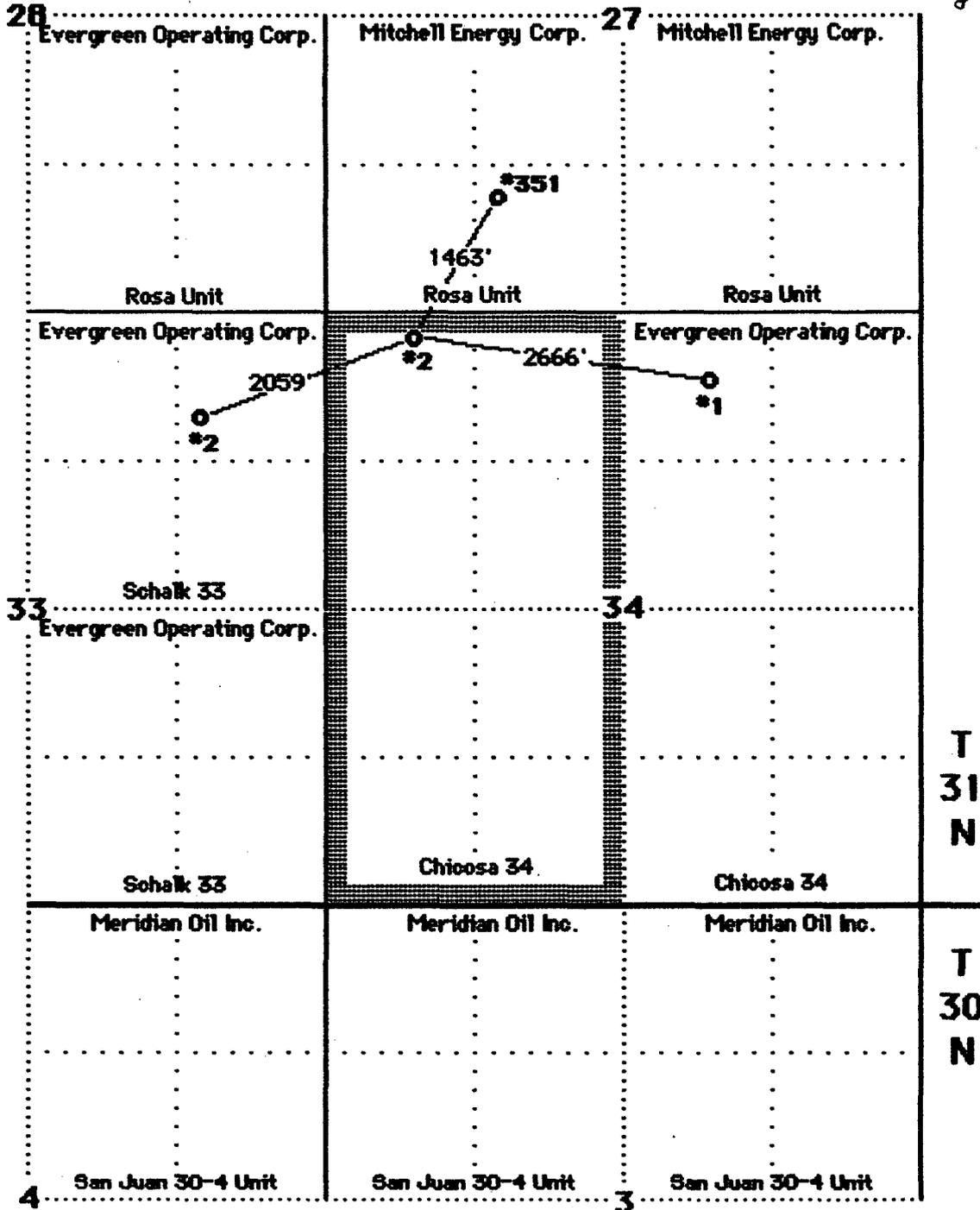


Ee B

**Offset Owners and Fruitland Coal Wells
 Non-Standard Location, Chicosa 34 #2
 215' FNL 780' FWL, D-34-T31N-R4W
 Basin Fruitland Coal Gas Pool**

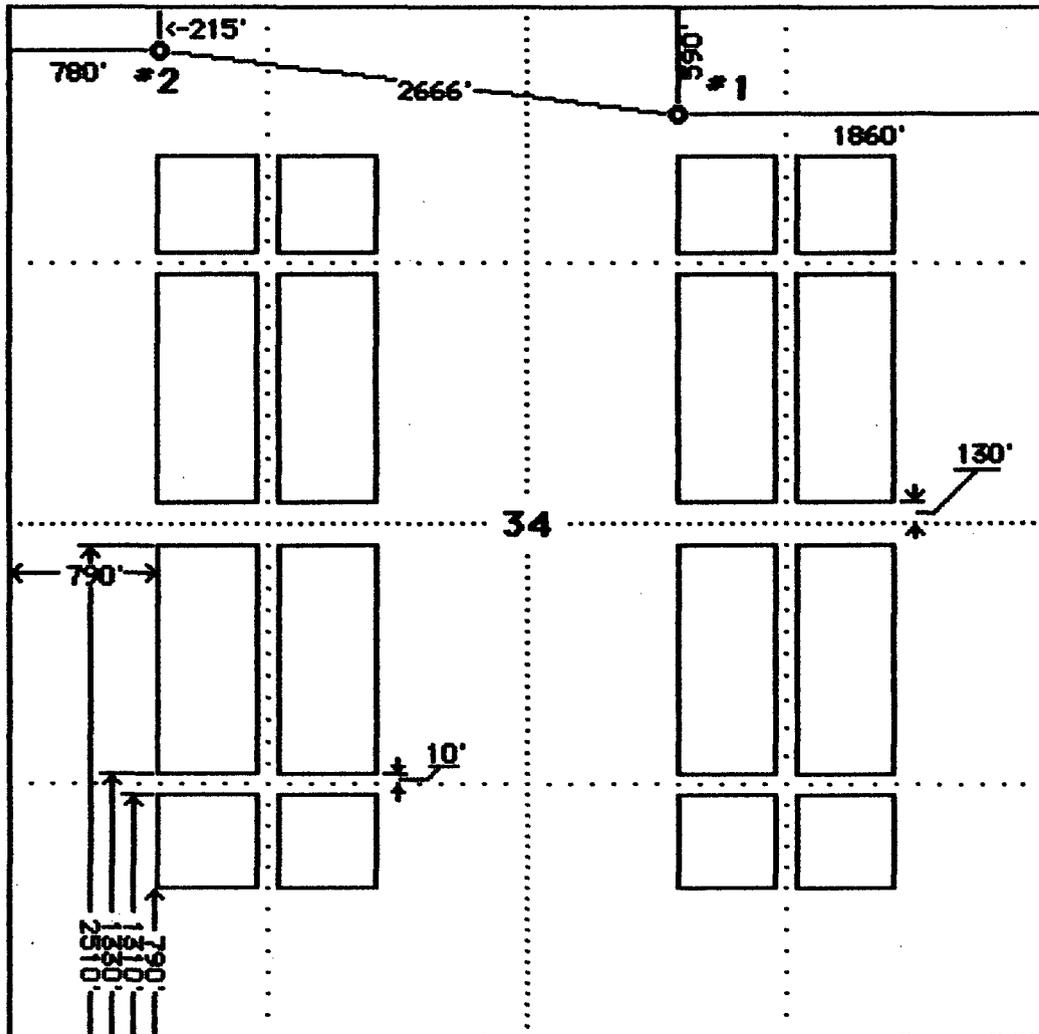
*Standard
 640 acre
 Section*

R 4 W



WINDOWS PLAT

Non-Standard Location, Chicosa 34 #2
215' FNL 780' FWL, D-34-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;">NM-86071</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	
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;">CHICOSA 34</p>	
4. Location of Well <p style="text-align: center;">215' FNL 780' FWL</p>		9. Well Number <p style="text-align: center;">2</p>	
14. Distance in Miles from Nearest Town <p style="text-align: center;">12 Airline miles north Gobernador, 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;">D - 34 - 31N - 4W</p>
15. Distance from Proposed Location To Nearest Property Line or Lease Line. <p style="text-align: center;">215'</p>		12. County <p style="text-align: center;">RIO ARRIBA</p>	13. State <p style="text-align: center;">NEW MEXICO</p>
16. Acres in Lease <p style="text-align: center;">640 ACRES</p>		17. Acres Assigned to Well <p style="text-align: center;">W-320</p>	
18. Distance From Proposed Location To Nearest Well Dr., Compl., Or Applied For On Lease. <p style="text-align: center;">2666'</p>		19. Proposed Depth <p style="text-align: center;">3825'</p>	20. Rotary or Cable Tools <p style="text-align: center;">ROTARY</p>
21. Elevations (DF, RT, GR, Etc.) <p style="text-align: center;">6775' GR est</p>		22. Approximate Date Work Will Start. <p style="text-align: center;">Fall, 1992</p>	

23. Proposed Casing and Cementing Program:

Exhibits attached as follows:

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

24. Signed *AR Kendrick* Title Agent Date SEP. 4 1992

Permit No. _____ Approval Date _____

Approved By _____ Title _____ Date _____

EXHIBIT E

ON-SITE FIELD INSPECTION

Evergreen Operating Corporation

Chicosa 34 #2

215' FNL 780' FWL Sec. 34 - T 31 N - R 4 W

Lease No. NM-86071

Basin Fruitland Coal Gas Pool

Rio Arriba County, New Mexico

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

- The terrain in the area is severe.
- The location is within the Carson National Forest.
- The location was staked according to the instructions we received earlier from the US Forest Service with respect to avoiding unnecessary road construction, excessive cuts and fills, excessive timber removal, and other ecological damage.
- The location was restricted by limitations in the lease set by the US Forest Service.
- The location is satisfactory to the Forest Service.

EXHIBIT F

**LIST OF OFFSET OWNERS AND
OTHER INTERESTED PARTIES**

Evergreen Operating Corp.
Chicosa 34 #2
215' FNL 780' FWL Sec. 34 - T 31 N - R 4 W
Lease No. NM-86071
Basin Fruitland Coal Gas Pool
Rio Arriba County, New Mexico

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

Meridian Oil, Inc. ●
P.O. Box 4289
Farmington, New Mexico 87499-4289

Mitchell Energy Corporation ●
2001 Timberlock Place
The Woodlands, Texas 77380

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

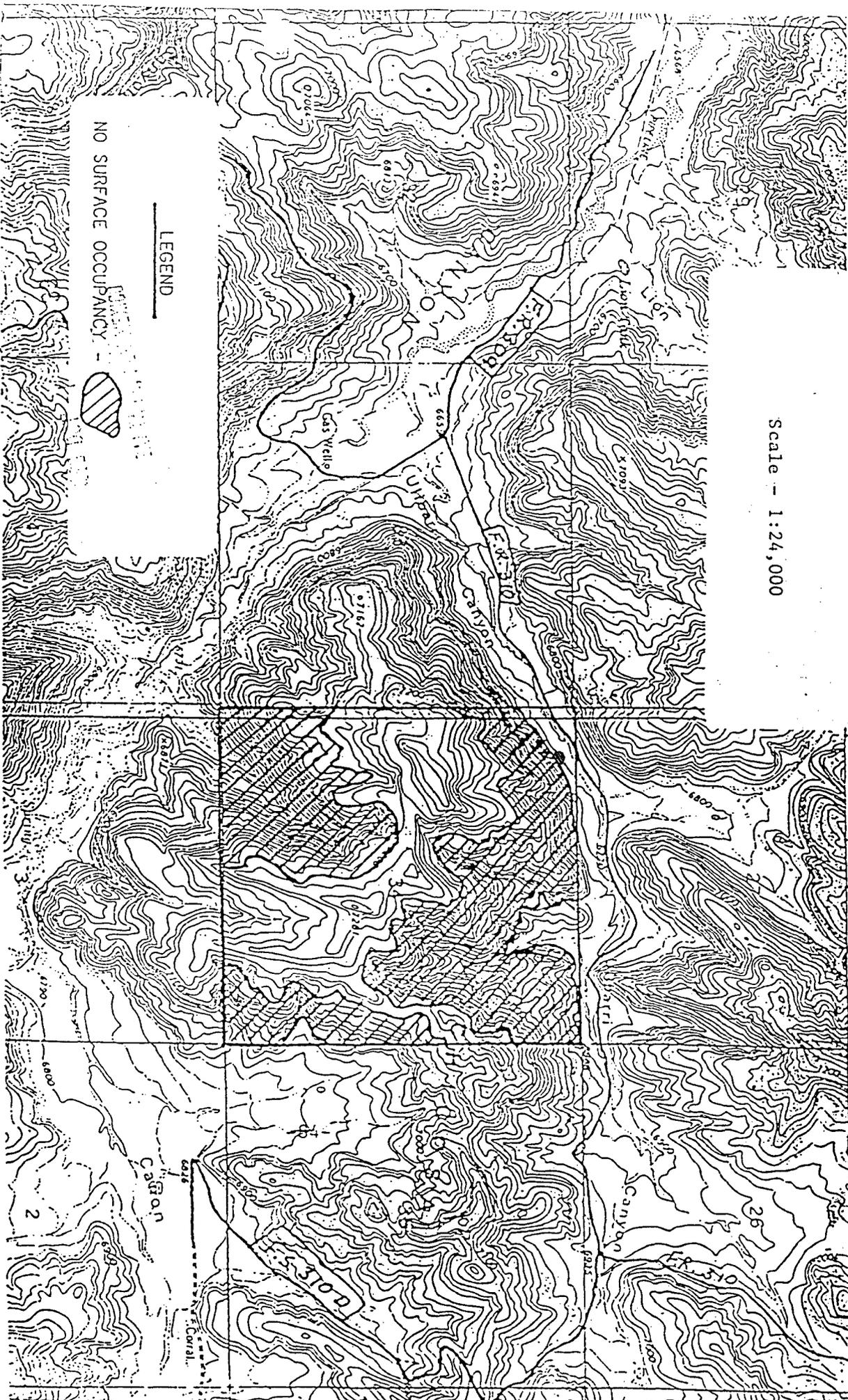
Bureau of Land Management
1235 La Plata Highway
Farmington, New Mexico 87401

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

● Notified by certified mail Return Receipt.

EXHIBIT G

Scale - 1:24,000



OIL CONSERVATION DIVISION
RECEIVED

'92 SEP 24 PM 8 43

MERIDIAN OIL, INC.

P. O. Box 4289
Farmington, New Mexico 87499-4289

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

Re: Waiver of Objection
Application for Non-Standard Location
Evergreen Operating Corporation
Chicosa 34 *2
215' FNL 780' FWL of section 34, T31N, R4W

Gentlemen:

We, the Meridian Oil, Inc., as an offset owner hereby waive objection to the subject application.

Yours very truly,

MERIDIAN OIL, INC.

By 
Date 9/22/92