



TONEY ANAYA
GOVERNOR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

May 5, 1986

50 YEARS



1935 - 1985

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SANTA FE, NEW MEXICO 87501
(505) 827-5800

Gila Exploration
839 Paseo de Peralta
Suite J
Santa Fe, New Mexico 87501

Attention: Jacek J. Gawron


Administrative Order NSL-2263

Gentlemen:

Reference is made to your application for a non-standard location for your Hogan State No. 2 well to be located 699 feet from the North line and 1568 feet from the East line of Section 16, Township 18 North, Range 12 West, NMMPM, Wildcat Gallup Pool, McKinley County, New Mexico. The NW/4 NE/4 of said Section 16 shall be dedicated to the well.

By authority granted me under the provisions of Rule 104 F(I), the above-described unorthodox location is hereby approved.

Sincerely,


R. L. STAMETS,
Director

cc: Oil Conservation Division - Aztec
Bureau of Land Management - Farmington

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OIL CON. DIV.
DIST. 3



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

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

OIL CONSERVATION DIVISION
BOX 2088
SANTA FE, NEW MEXICO 87501

DATE 4-28-86

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

Gentlemen:

I have examined the application dated 4-28-86
for the Ciba Exploration Hogan State #2 B-14-18N-12W
Operator Lease and Well No. Unit, _____

and my recommendations are as follows:

Approved - if and when they plug back the
Hogan State #1

Yours truly,

[Signature]

NSL-2267



April 24, 1986

Mr. Ernie Bush
Aztec District Office
Energy & Minerals Department
Oil Conservation Division
1000 Rio Brazos Rd.
Aztec, NM 87410

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APR 28 1986
OIL CON. DIV./
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RE: Non-Standard Location For Topographic Reasons:
Gila #2 Hogan State, Sec. 16, T18N, R12W, McKinley County, NM

Dear Ernie:

Per our telephone conversation this day, I submit the enclosed documentation of our request for a non-standard location for topographic reasons for the referenced well:

1. A portion of U.S.G.S. Topographic Quadrangle, Becenti Lake, showing the well location, marked Exhibit "A".
2. A reproduction of an aerial photograph (scale 1 : 24,000) showing the drainage for which the location was moved, marked Exhibit "B".
3. Copies of NMOCD C-101 and 102, approved by your office, marked Exhibits "C" and "D".
4. Copy of letter from Petroleum Development Corporation, offsetting operator, stating no objection to the non-standard location, marked Exhibit "E".

When operations commenced to prepare a location at the intended location (700 FNL, 1650 FEL), the ground was found to be marshy as the intended drill-site fell at the low point of a shallow wash, clearly visible in Exhibit "B". It was therefore decided to move the location due East 82' (uphill) to a geologically acceptable location, but where the disturbance of a natural watercourse and the resultant construction costs would be avoided.

Thank you for your favorable consideration of our request. If you require any further information, please call me.

P.S. also enclosed is a land map marked exhibit "F".

Yours sincerely,

Jacek J. Gawron

Copy to: Mr. David Catanach

OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

Form C-102

Revised 10-1-78

STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

All distances must be from the outer boundaries of the Section.

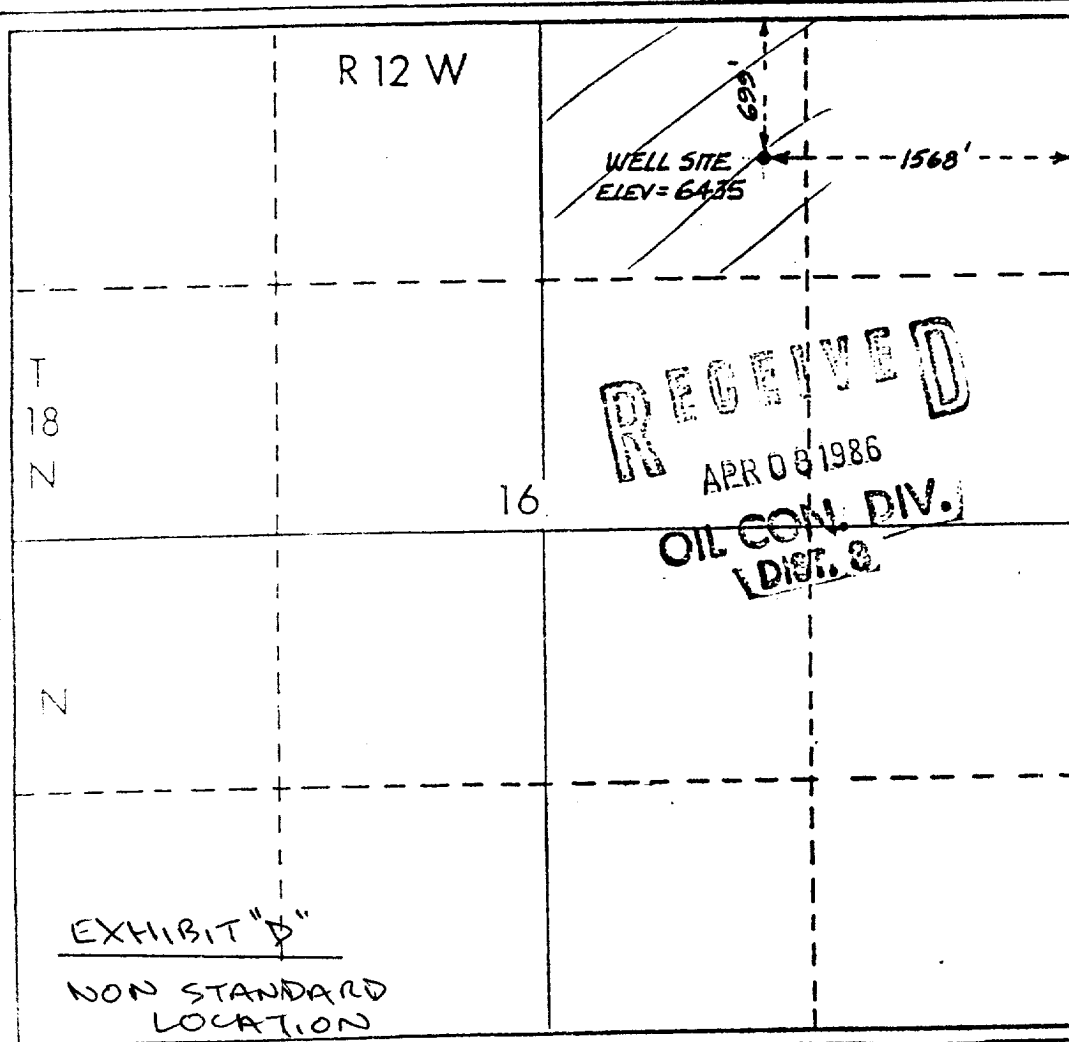
Operator Gila Exploration, Inc.		Lease Hogan State		Well No. 2
Unit Letter B	Section 16	Township 18N	Range 12W	County McKinley
Actual Footage Location of Well:				
699 feet from the north line and		1568 feet from the east line		
Ground Level Elev. 6436	Producing Formation Gallup	Pool Wildcat	Dedicated Acreage: 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation N/A

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 interests, has been approved by the Division.



CERTIFICATION

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

Name

Jacek J. Gawron

Position

Vice-President

Company

Gila Exploration, Inc.

Date

4-1-86

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

3/28/86

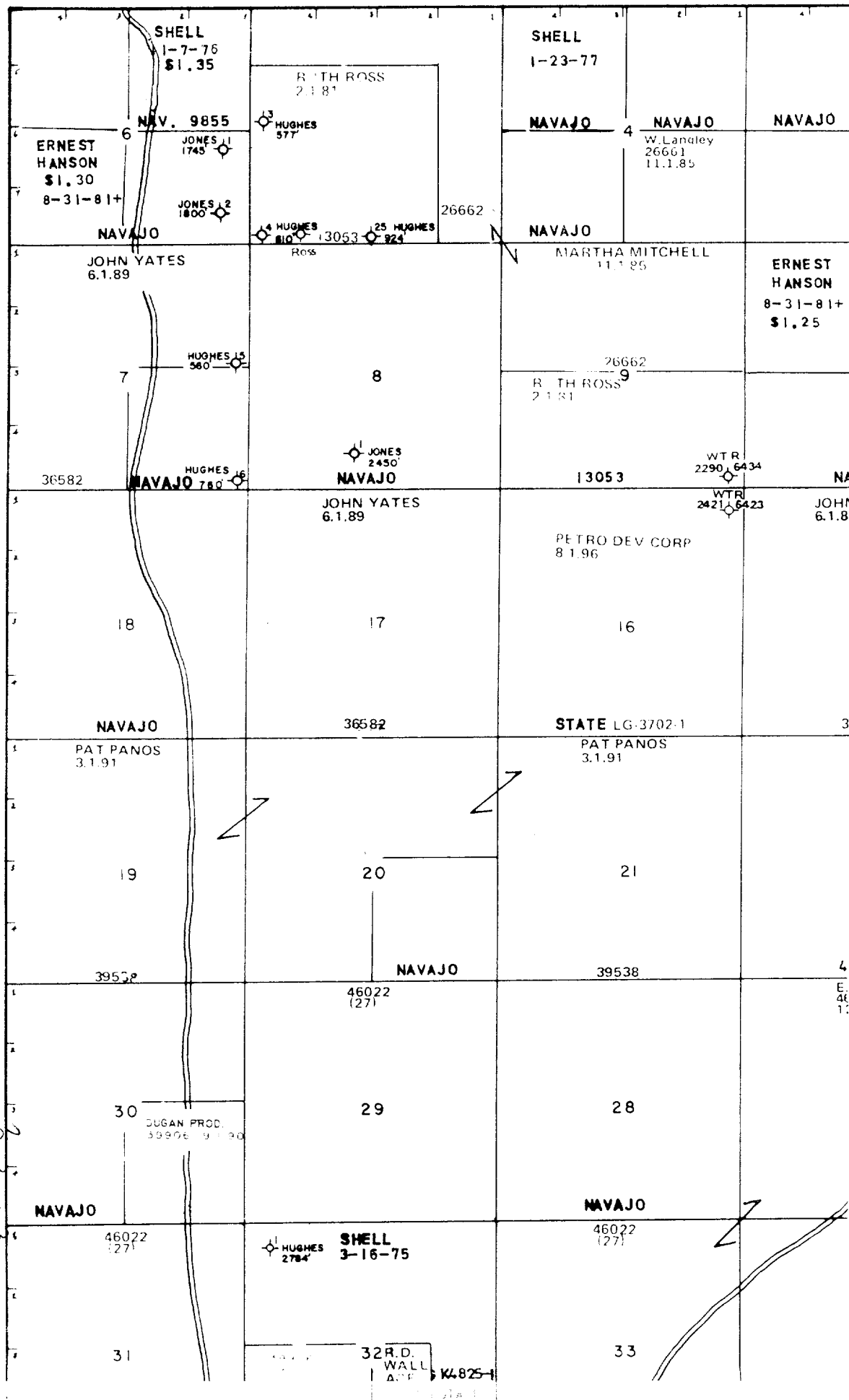
Registered Professional Engineer
and/or Land Surveyor

Certificate No.

7014 N.M.P.L.S.

T.18 N.

GILIA EXPLORATION
HOGAN STATE #2
699FNL 1568FEL
S.16, T.18N, R.12W
EXHIBIT "F"
NON STANDARD
LOCATION





GILA EXPLORATION INC.
HOGAN STATE #2
6993 FNL 1568 FEL
S.16 T.18N. R.12W.

EXHIBIT "B"
NON STANDARD LOCATION

DRAINAGE
FOR WHICH
LOCATION WAS
MOVED

N
↑

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-101
Revised 10-1-79

30-031-20906

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OPERATOR

5A. Indicate Type of Lease
STATE XX FEE ☐
5. State Oil & Gas Lease No.
LG-3702-1

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

Type of Work
Type of Well DRILL ☒ DEEPEN ☐ PLUG BACK ☐
Oil Well ☒ Gas Well ☐ Other ☐
Name of Operator Gila Exploration, Inc.
Name of Lessee Hogan State

Location of Well
Unit Letter B Located 1650 Feet from the East Line
699 100 Feet from the North Line of Sec. 16 Twp. 18N Rge. 12W Smpm.
Name of Operator 839 Paseo de Peralta, Suite J, Santa Fe, N.M.
Name of Lessee Wildcat Gallup

County McKinley
19. Proposed Depth 1160'
19A. Formation Gallup
19. Rotary or C.T. Rotary
21A. Kind & Status Plug. Zone Single well in force
21B. Drilling Contractor Chesney Drilling
22. Approx. Date Work will start As soon as possible

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12 1/4"	9 5/8"	29.30#	80'	30	surface
8 3/4"	6 5/8"	17.00#	1150'	350	surface

Will drill with fresh water mud to $\pm 80'$ and set surface pipe and cement to surface.
Will drill 8 3/4" hole to $\pm 1160'$ to test Gallup.
If nonproducing well, will plug according to NMOCDC regulations.
Adequate B.O.P. equipment will be installed after setting surface casing.

APPROVAL EXPIRES 10-9-86
UNLESS DRILLING IS COMMENCED.
SPUD NOTICE MUST BE SUBMITTED
WITHIN 10 DAYS.

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MAR 27 1986
OIL CON. DIV.
DIST. 3

NOTE: (SPACE DESCRIBE PROPOSED PROGRAM; IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCE.)
(SPACE GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.)

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

By M. Gu Title Engineer Date 3-25-86

(This space for State Use)

APPROVED BY Emile Burch TITLE GEOLOGIST DISTRICT #3 DATE APR 09 1986

(NOTATIONS OF APPROVAL, IF ANY)

EXHIBIT "C"
NON STANDARD LOCATION