

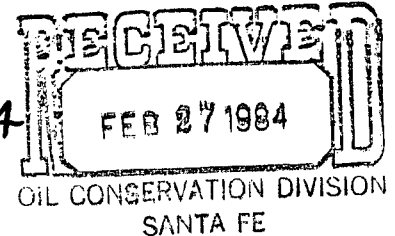
RICHARD T.C. TULLY, P.A.
LAW OFFICE
3001 NORTHRIDGE DRIVE / SUITE A
POST OFFICE BOX 268
FARMINGTON, NEW MEXICO 87499-0268

RICHARD T.C. TULLY

505-327-3388

February 21, 1984

NSL-
RULE 104 FI
RELEASE APRIL 3, 1984



Joe D. Ramey
Division Director
NEW MEXICO OIL CONSERVATION DIVISION
Box 2088
Santa Fe, New Mexico 87501

RE: Application for Administrative Approval of Unorthodox
Location of the Bolack "E" #4-R Well
Rio Arriba County, New Mexico

Dear Mr. Ramey:

Enclosed are the following items regarding the Application for Administrative Approval of the Unorthodox Location of the Bolack "E" #4-R Well which will be located in the SE/4, Section 1, Township 23 North, Range 6 West, NMPM, Rio Arriba County, New Mexico:

1. Three copies of the Application for Administrative Approval of the Unorthodox Location for the above-captioned Well
2. Three copies of a plat showing the ownership of all leases off-setting the SE/4 of Section 1, Township 23 North, Range 6 West, NMPM. This plat also shows all of the wells completed on these leases.
3. Three copies of a Certificate of Mailing stating that all operators of leases offsetting the dedicated acreage for this well, the Supervisor of the District III Office of the New Mexico Oil Conservation Division, and the U. S. Minerals Management Service have been notified of the Application by certified mail.

If you need further information or assistance, please advise.

Sincerely,


Richard T. C. Tully

Attorney for Applicant BOLACK MINERALS COMPANY

RTCT:sak
Encls.

Joe D. Ramey, Division Director
NEW MEXICO OIL CONSERVATION DIVISION
February 21, 1984
Page Two

cc w/encl.: Frank Chavez, Supervisor ✓
District III Office
NEW MEXICO OIL CONSERVATION DIVISION
1000 Rio Brazos Road
Aztec, New Mexico 87410

MINERALS MANAGEMENT SERVICE ✓
Drawer 600
Farmington, New Mexico 87401

Exxon Company, USA
Land Department
P. O. Box 120
Denver, CO 80201

D. N. Canfield, Attorney-in-Fact ✓
El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas 79978

Robert L. Bayless ✓
P. O. Box 1541
Farmington, New Mexico 87499

Conoco, Inc.
Land Department
P. O. Box 460
Hobbs, New Mexico 88241

Dugan Production Corp. ✓
Attn: Thomas A. Dugan, President
P. O. Box 208
Farmington, New Mexico 87499

Tom and Tommy Bolack, General Partners
Bolack Minerals Company
3901 Bloomfield Highway
Farmington, New Mexico 87401

William R. Speer
Box 255
Farmington, New Mexico 87499

WAIVER OF OBJECTION AND
CONSENT TO THE UNORTHODOX
LOCATION OF THE BOLACK "E" #4-R WELL

The undersigned, as an operator of a lease offsetting the SE/4 of Section 1, Township 23 North, Range 6 West, NMPM, Rio Arriba County, New Mexico, does hereby acknowledge receipt of the Application for Administrative Approval of Unorthodox Location for the Bolack "E" #4-R Well.

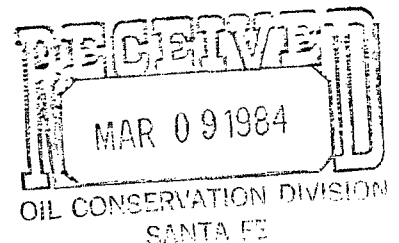
The undersigned states that it waives any objection that it may have to this unorthodox location, and voluntarily consents to the location of the Bolack "E" #4-R Well as stated in the above-mentioned Application.

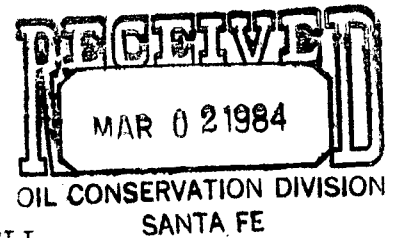
Dated this 6 day of March, 1984.

EL PASO NATURAL GAS COMPANY

By: Donald R. Read
Title: Regional Manager of Production
Address: Farmington, N.M.

Send one executed copy to Joe D. Ramey, Division Director, New Mexico Oil Conservation Division, P. O. Box 2088, Santa Fe, New Mexico 87501, and return one executed copy to the Applicant. The remaining copy is for your files.





WAIVER OF OBJECTION AND
CONSENT TO THE UNORTHODOX
LOCATION OF THE BOLACK "E" #4-R WELL

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The undersigned states that it waives any objection that it may have to this unorthodox location, and voluntarily consents to the location of the Bolack "E" #4-R Well as stated in the above-mentioned Application.

Dated this 29th day of February, 1984.

DUGAN PRODUCTION CORP.

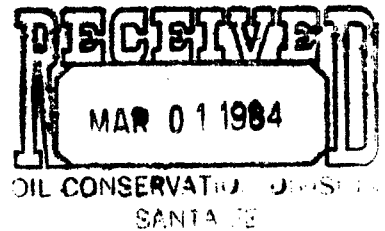
By: 

Title: President

Address: Box 208

Farmington, NM 87499

Send one executed copy to Joe D. Ramey, Division Director, New Mexico Oil Conservation Division, P. O. Box 2088, Santa Fe, New Mexico 87501, and return one executed copy to the Applicant. The remaining copy is for your files.

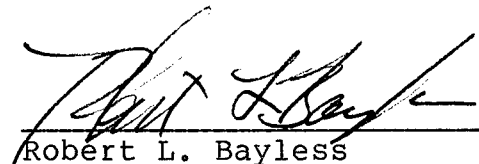


WAIVER OF OBJECTION AND
CONSENT TO THE UNORTHODOX
LOCATION OF THE BOLACK "E" #4-R WELL

The undersigned, as an operator of a lease offsetting the SE/4 of Section 1, Township 23 North, Range 6 West, NMPM, Rio Arriba County, New Mexico, does hereby acknowledge receipt of the Application for Administrative Approval of Unorthodox Location for the Bolack "E" #4-R Well.

The undersigned states that it waives any objection that it may have to this unorthodox location, and voluntarily consents to the location of the Bolack "E" #4-R Well as stated in the above-mentioned Application.

Dated this 28th day of February, 1984.


Robert L. Bayless

Address: P.O. Box 154

Farmington, NM 87499

Send one executed copy to Joe D. Ramey, Division Director, New Mexico Oil Conservation Division, P. O. Box 2088, Santa Fe, New Mexico 87501, and return one executed copy to the Applicant. The remaining copy is for your files.

3y 21PP

APPLICATION FOR ADMINISTRATIVE APPROVAL
OF UNORTHODOX LOCATION

NSL-1811

RULE 104 FI

RELEASE IMMEDIATE

Applicant:

Bolack Minerals Company (Operator)
3901 Bloomfield Highway
Farmington, New Mexico 87401

Lease:

NM-067612

FEDERAL LEASE

Lands Described in Lease
Dedicated to the Well:

Township 23 North, Range 6 West, NMPM
Section 1: SE/4
Containing 160 acres, more or less
Rio Arriba County, New Mexico

Name of Well:

Bolack "E" #4-R Well

Proposed Unorthodox Location:

Township 23 North, Range 6 West, NMPM
Section 1: 2040' FSL, 810' FEL
(See attached copy of Well Location
Plat and Topographic Map)

Reason for Unorthodox Location: See attached explanation entitled
"Request for Unorthodox Location..."

SALLARD PICTURE CLIFFS POOL

REQUEST FOR UNORTHODOX LOCATION FOR BOLACK
MINERALS COMPANY - BOLACK "E" #4-R PICTURED CLIFFS WELL
SE/4 SEC. 1, T23N, R6W, RIO ARRIBA COUNTY, NEW MEXICO

1. The New Mexico Oil Conservation Division spacing regulations for a standard location for A pictured cliffs gas well in the San Juan Basin (which the proposed Bolack "E" #4-R Well is) requires a location within a 200 foot square in the SE/4 (the preferred geological location) which is 790 ft. to 990 feet from the south and east lines of the section.

2. On December 16, 1983, W. R. Speer, a consulting geologist, and F. B. Kerr, a registered professional engineer and land surveyor, attempted to stake a location for the Bolack "E" #4-R Well at a location 1890' from the south line and 790' from the east line. However, upon running it, it was found that the stake fell on a solid sandstone ledge in the bottom of a major drainage arroyo. The arroyo dropped off of a mesa into the canyon with vertical cliffs of some 100 ft. height only about 200 yards east of the stake. It would be virtually impossible to build a location large enough to accomodate even a small rig due to the terrain and given the environmental considerations.

3. Accordingly, two alternate locations were staked, both of which meet Federal spacing requirements, but are unorthodox by NMOCD standards. The first was placed at the base of the canyon cliffs in a position giving enough room to building the appropriate drill pad. It fell 1890 feet from the south line, but only 410 feet from the east line, some 380' too close to the eastern boundary of the section by NMOCD requirements. In addition, the eastern boundary is also the Jicarilla Apache Indian Reservation boundary. This boundary is fenced and would require cutting and installation of a cattleguard to reach the location. Also, to gain access to this location would require construction of approximately 1500 feet of road on the Reservation, and the well hookup would also require an additional 1000 ft. of pipeline right-of-way to be located on the Reservation. Because of the difficulties in obtaining Jicarilla Apache Indian approval for this construction, and the likelihood the Tribe would oppose the unorthodox location, another location on the top of the mesa was staked.

4. The second alternate location located 2040 feet from the south line and 810 feet from the east line was staked as the most reasonable location to remain as close to the legal requirements as possible, while coping with the topographic and terrain problems. In addition, this location was located to give ready access to the existing pipeline and pipeline road which run to the abandoned Bolack "E" #4 Well only 250 feet west of the proposed location.

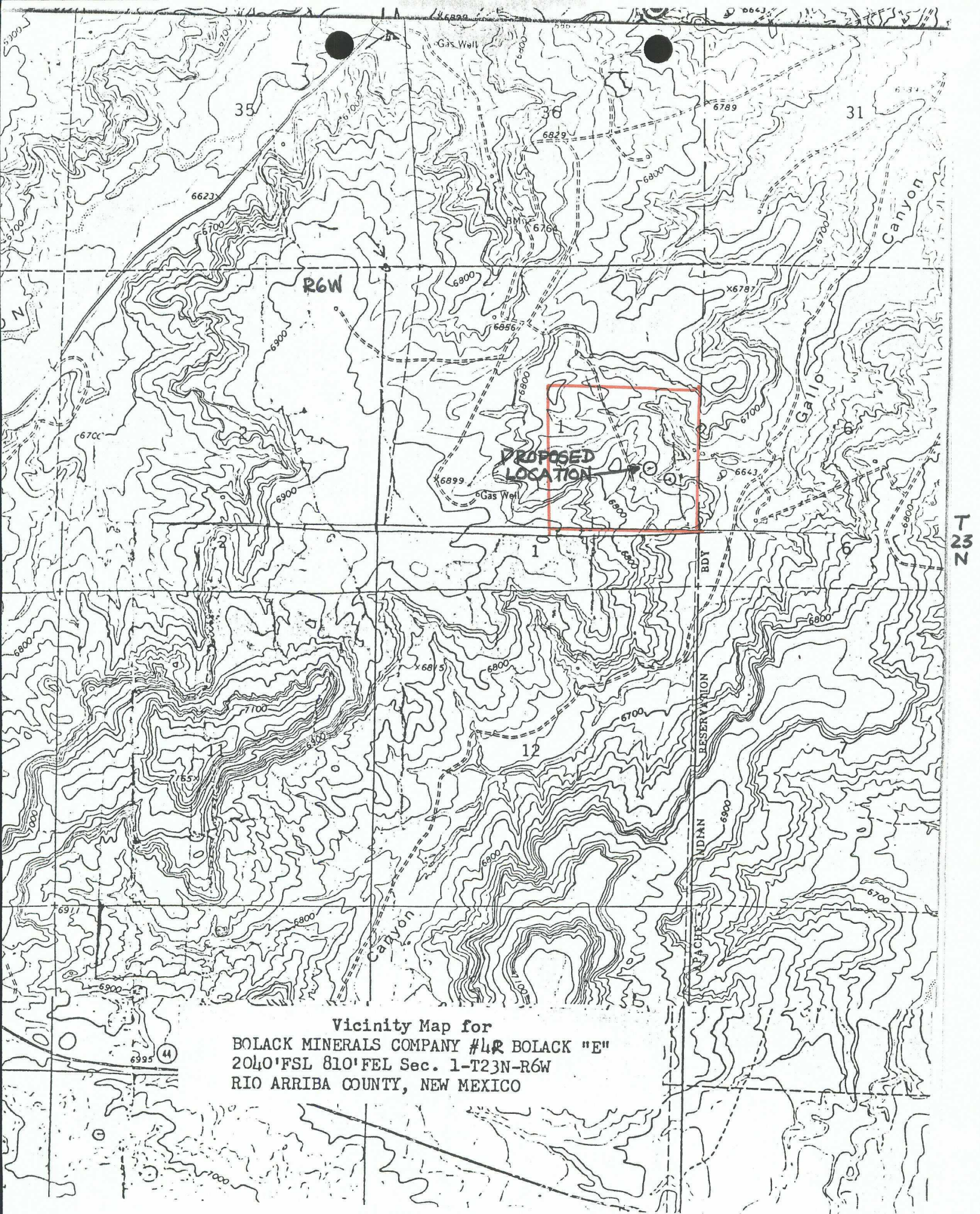
5. It is requested that the New Mexico Oil Conservation Division administratively approve this unorthodox well location for the topographic reasons detailed above.

New Mexico Oil Conservation
Division Rule Authorizing Application: Rule 104(D)(II)(F)

Offsetting Leases and Operators:

(See attached Plat for location of leases and wells completed)

- A. El Paso Natural Gas Company
Township 23 North, Range 6 West, NMPM
Section 1: NE/4, W/2
Rio Arriba County, New Mexico
- B. Dugan Production Corp.
Township 23 North, Range 6 West, NMPM
Section 12: N/2
Rio Arriba County, New Mexico
- C. Robert L. Bayless
Township 23 North, Range 5 West, NMPM
Section 6: NW/4
Rio Arriba County, New Mexico
- D. Conoco, Inc.
Township 23 North, Range 5 West, NMPM
Section 6: SW/4
Rio Arriba County, New Mexico
- E. Exxon Company, USA
Township 23 North, Range 5 West, NMPM
Section 7: NW/4
Rio Arriba County, New Mexico



Vicinity Map for
BOLACK MINERALS COMPANY #42 BOLACK "E"
2040' FSL 810' FEL Sec. 1-T23N-R6W
RIO ARRIBA COUNTY, NEW MEXICO

CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

Form C-107

Revised 10-1-78

STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

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

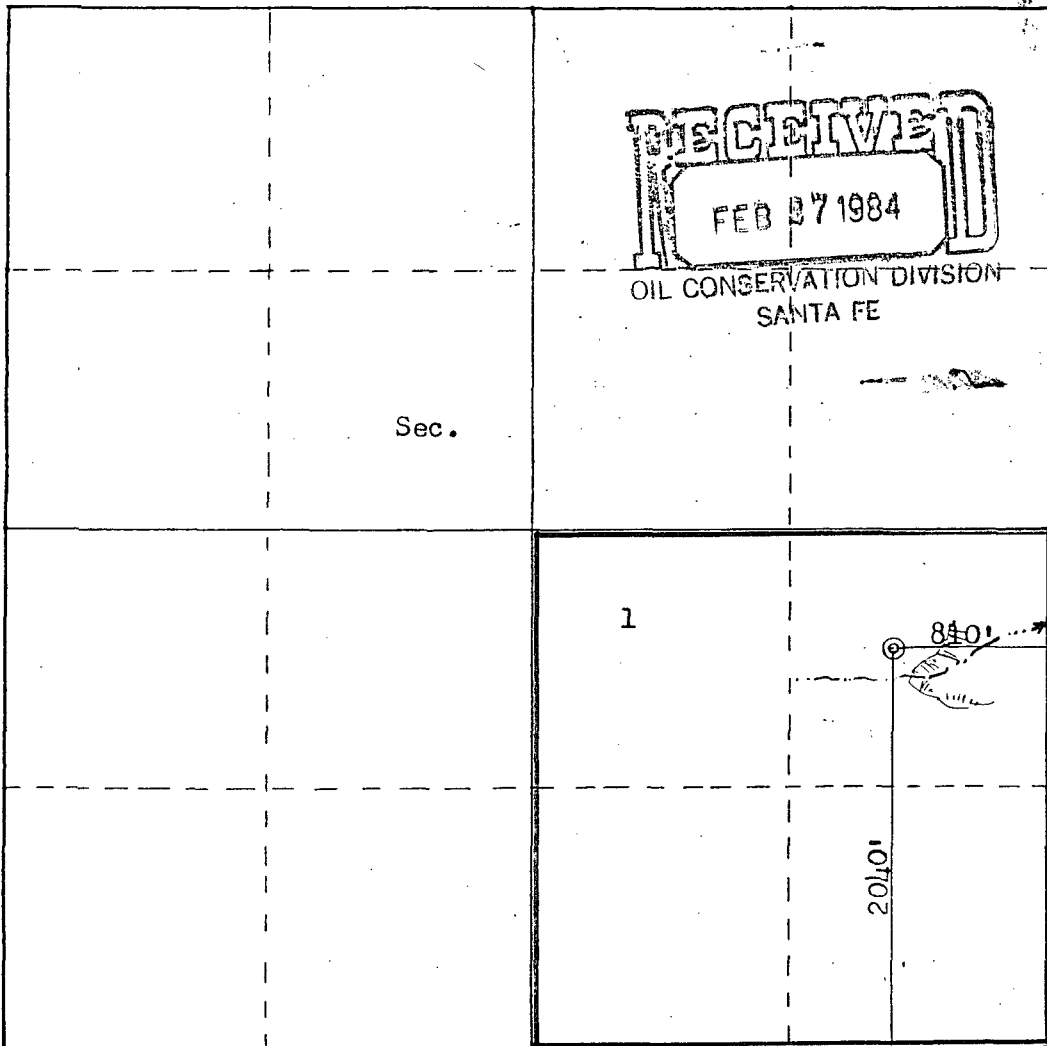
Operator BOLACK MINERALS COMPANY			Lease BOLACK "E"		Well No. 4-R
Unit Letter I	Section 1	Township 23N	Range 6W	County Rio Arriba	
Actual Footage Location of Well: 2040 feet from the South line and 810 feet from the East line					
Ground Level Elev. 6747	Producing Formation Pictured Cliffs		Pool		Dedicated Acreage: Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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 _____

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 Commission.



Scale: 1"=1000'

CERTIFICATION

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

Name

Position

Company

Date

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

December 14, 1983

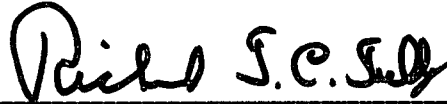
Registered Professional Engineer and Land Surveyor

Fred B. Kerr Jr.
Fred B. Kerr Jr.

Certificate No. **3950**

CERTIFICATE OF MAILING

I certify that I mailed a copy of the Application for Unorthodox Location on the Bolack "E" #4-R Well by certified mail to all operators of leases offsetting the dedicated acreage for the Bolack "E" #4-R Well, to the Supervisor of the District III Office of the New Mexico Oil Conservation Division, and to the U. S. Minerals Management Service, on this 22nd day of February, 1984.



Richard T. C. Tully, Esq.

Attorney for Applicant
BOLACK MINERALS COMPANY



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

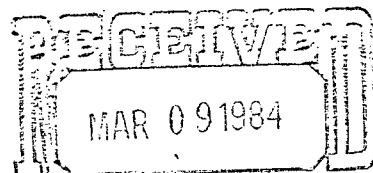
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

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

OIL CONSERVATION DIVISION
BOX 2088
SANTA FE, NEW MEXICO 87501

DATE 5-6-84

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



OIL CONSERVATION DIVISION
SANTA FE.

Gentlemen:

I have examined the application dated 2-21-1984
for the Bolack Minerals Co. Bolack "E" #4-R I-1-23N-6W
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

Disapproval based on geological reasons,
docket for hearing.

Yours truly,

E. Busch

4/3/84

I will approve based on
the fact the NSC is for
a topographical reason.

Talked with district.

They agreed!

ESP.