

**A. R. KENDRICK**

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

RECEIVED

June 18, 1990

'90 JUN 19 AM 8 33

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

Re: Application for Non-Standard Location  
Evergreen Operating Corporation  
Rosa Unit #306  
985' FSL 1085' FEL Sec. 22-T31N-R4W  
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 Rosa Unit #306 well to be located 985' FSL 1085' FEL of Section 22, Township 31 North, Range 4 West, Basin Fruitland Coal Gas Pool, Rio Arriba County, New Mexico.

The reason for the "off pattern" location is due to topographical conditions and at the request of the U.S. Forest Service to avoid further damage to the environment and wildlife habitat.

This is the only usable location within the east half of Section 22.

We believe that directional drilling should not be required because:

1. We may have to use a beam pump and rods to lift water from the wellbore,
2. We are spotting the wells as nearly "on pattern" as we can, limited by the topography, archaeological concentrations, animal habitat and tree concentrations in the forest.
3. The distances between wells is within the footage parameters required by Order R-8759.

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

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.

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

If further information is needed, please contact me.

Yours very truly,

  
A. R. Kendrick

Enclosures

## **Exhibits for Application for Non-Standard Location**

**Evergreen Operating Corporation  
Rosa Unit #306  
985' FSL 1085' FEL, Sec 22-T31N-R4W  
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**    Enlarged copy of Topographic Map showing the location to be on top of a bench of a steep ridge. (Notice that the Contour Interval is 40 feet.) There is no other usable location within the east half of the section. Access to the northeast quarter of Section 22 is very restricted by many Indian artifacts and the steep terrain.
- 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 with the #306 well spotted in its approximate location.
- 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.

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 83240

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 Rosa Unit		Well No. 306
Unit Letter P	Section 22	Township 31 North	Range 4 West	County Rio Arriba	
Actual Footage Location of Well: 985 feet from the South line and 1085 feet from the East line					
Ground level Elev. 7391	Producing Formation Fruitland Coal		Pool Basin Fruitland Coal	Dedicated Acreage: 320 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.

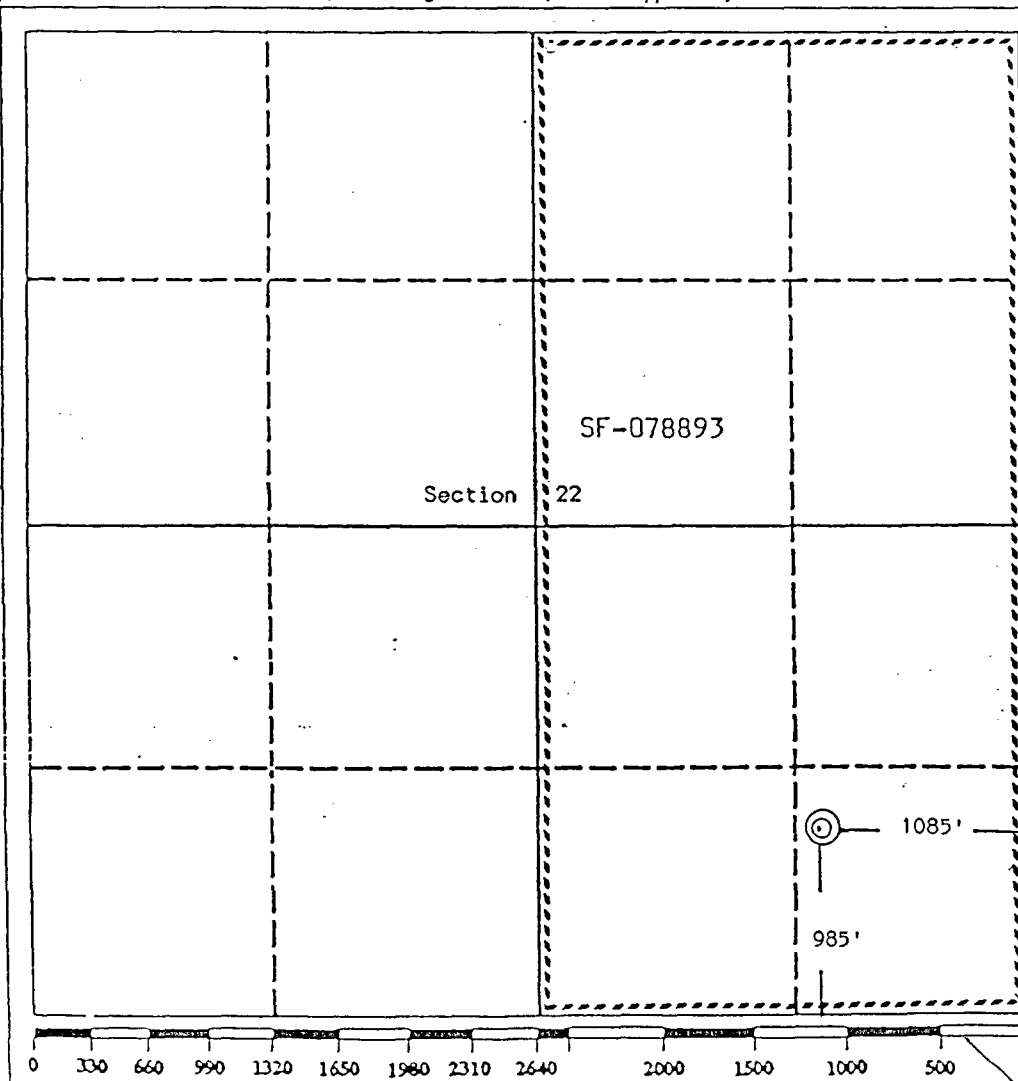
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the 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, force-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  
June 11, 1990

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.

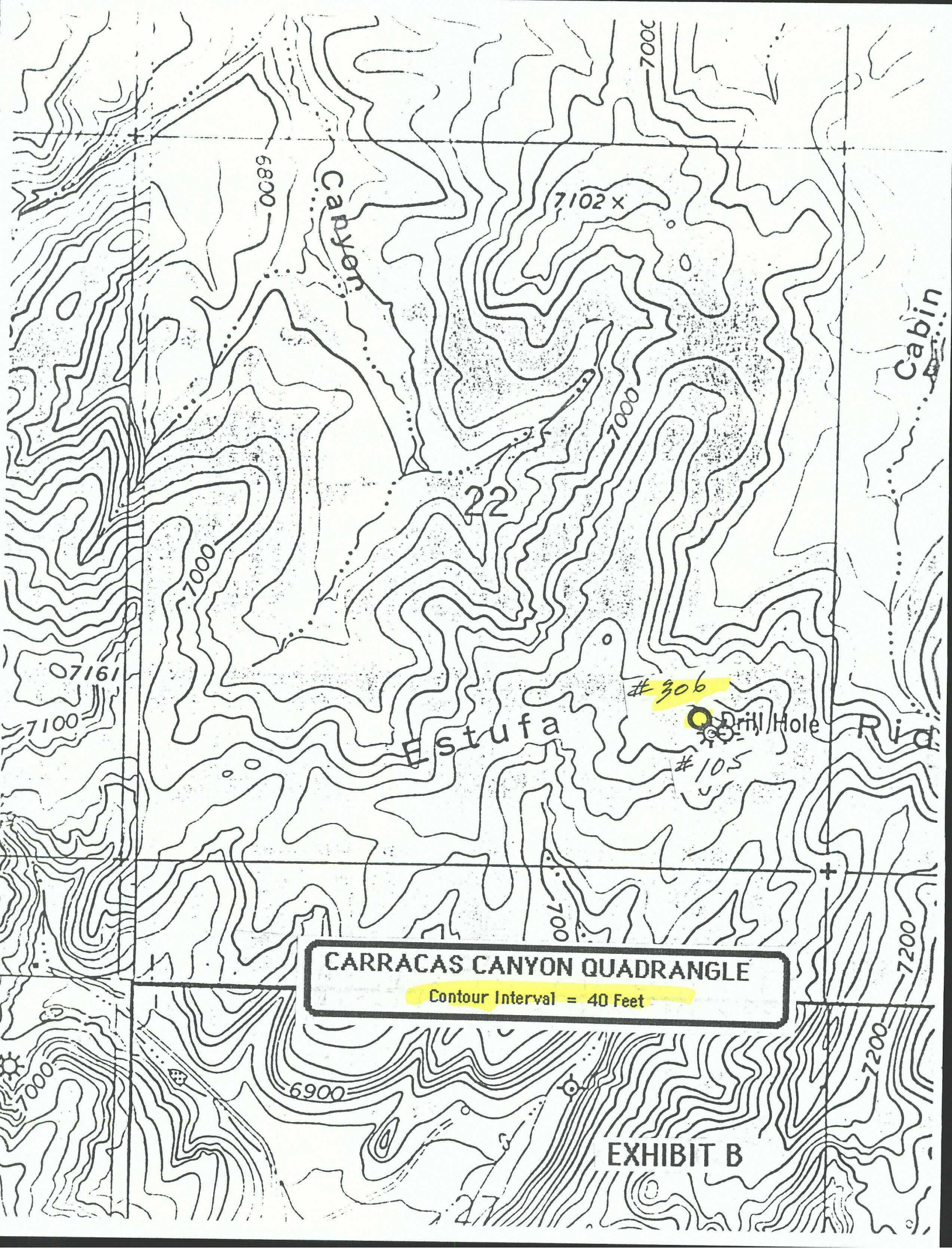
Date Surveyed  
May 8, 1990

Signature & Seal of  
Professional Surveyor  
*Edgar L. Risenhoover*  
Certificate No. 1979  
Edgar L. Risenhoover  
REGISTERED LAND SURVEYOR  
NEW MEXICO

7-27-90 - Map shows  
standard 640,

EXHIBIT A





**CARRACAS CANYON QUADRANGLE**

Contour Interval = 40 Feet

**EXHIBIT B**

**Non-Standard Location for Rosa Unit #306**  
**985' FSL 1085' FEL Sec 22-T31N-R4W**  
**Basin Fruitland Coal Gas Pool**

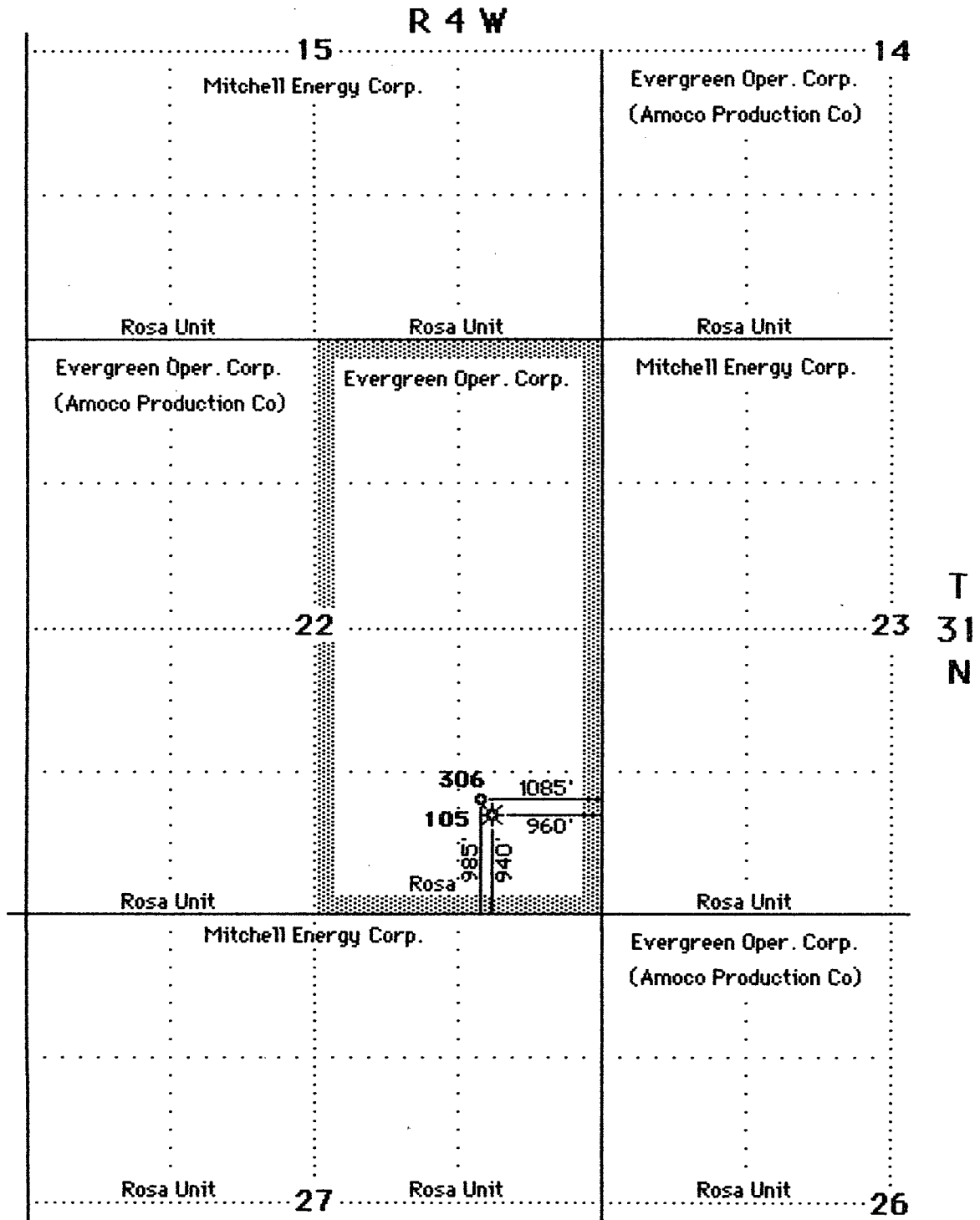
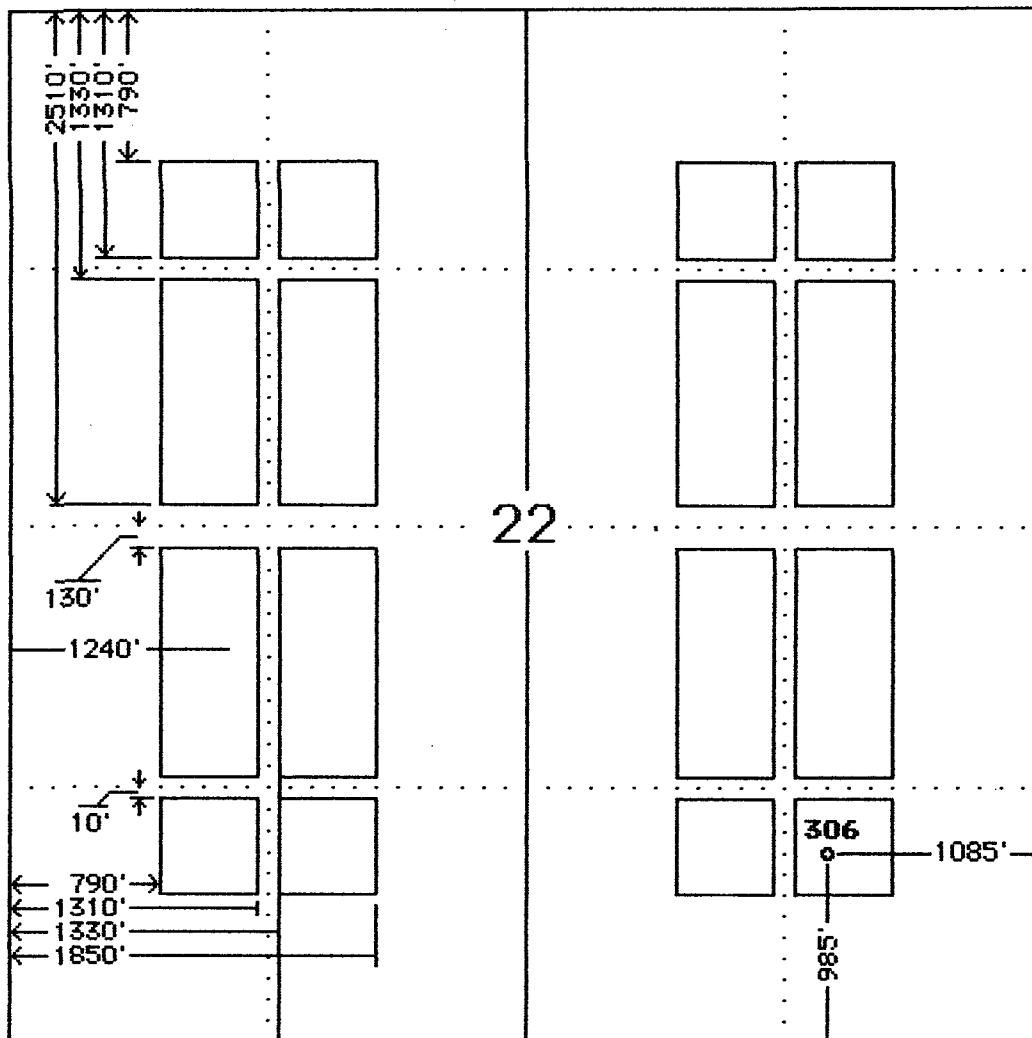


EXHIBIT C

**Non-Standard Location for Rosa Unit #306**  
**985' FSL 1085' FEL Sec 22-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;"><b>DRILL</b></p>		5. Lease Number <p style="text-align: center;"><b>SF-078893</b></p>	
1b Type of Well <p style="text-align: center;"><b>GAS</b></p>		6. If Indian, Name of Tribe or Allottee	
2. Operator <p style="text-align: center;"><b>Evergreen Operating Corporation</b></p>		7. Unit Agreement Name <p style="text-align: center;"><b>ROSA UNIT</b></p>	
3. Address & Phone No. of Operator <p style="text-align: center;"><b>XA. R. KENDRICK BOX 516, AZTEC, NM 87410 (505) 334-2555</b></p>		8. Farm or Lease Name <p style="text-align: center;"><b>ROSA UNIT</b></p>	
4. Location of Well <p style="text-align: center;"><b>(Unit P ) 985' FSL 1085' FEL</b></p>		9. Well Number <p style="text-align: center;"><b>306</b></p>	
14. Distance in Miles from Nearest Town <p style="text-align: center;"><b>14 MILES WEST OF DULCE, NM</b></p>		10. Field, Pool, or Wildcat <p style="text-align: center;"><b>BASIN-FRUITLAND COAL GAS POOL</b></p>	
15. Distance from Proposed Location To Nearest Property Line or Lease Line. <p style="text-align: center;"><b>985'</b></p>		11. Section, Township, & Range, Meridian, or Block <p style="text-align: center;"><b>22-31N-4W</b></p>	
16. Acres in Lease <p style="text-align: center;"><b>1920 Acres</b></p>		12. County <p style="text-align: center;"><b>RIO ARRIBA</b></p>	
17. Acres Assigned to Well <p style="text-align: center;"><b>E-320 Acres</b></p>		13. State <p style="text-align: center;"><b>NEW MEXICO</b></p>	
18. Distance From Proposed Location To Nearest Well Dr, Compl., Or Applied For On Lease. <p style="text-align: center;"><b>133'</b></p>		19. Proposed Depth <p style="text-align: center;"><b>4465'</b></p>	
20. Rotary or Cable Tools <p style="text-align: center;"><b>ROTARY</b></p>		21. Elevations (DF, RT, GR, Etc.) <p style="text-align: center;"><b>7391' GR</b></p>	
22. Approximate Date Work Will Start. <p style="text-align: center;"><b>As soon as Possible.</b></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 **June 13, 1990**

Permit No. \_\_\_\_\_ Approval Date \_\_\_\_\_

Approved By \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

NOTE: THIS FORMAT IS ISSUED IN LIEU OF U.S. BLM FORM 3160-3.

**EXHIBIT E**

# ON-SITE FIELD INSPECTION

Evergreen Operating Corporation  
Rosa Unit #306  
985' FSL 1085' FEL, Sec 22-T31N-R4W  
Basin Fruitland Coal Gas Pool  
Rio Arriba County, New Mexico

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

- ◇ The location is within the Carson National Forest.
- ◇ The location was staked according to the instructions we had received earlier from the U.S. Forest Service with respect to avoid unnecessary road construction, excessive cuts and fills, excessive timber removal, and other ecological damage.
- ◇ The location utilizes the same access road and is adjacent to the location of the existing Rosa Unit #105 well to avoid creating additional aesthetic and environmental damage.
- ◇ The location does not crowd any drill tract inside or outside of Section 22.
- ◇ Archaeological sites prevent access to the northeast quarter of Section 22 below the mesa tops.
- ◇ A well pad at any standard location in the northeast or southwest quarter of Section 12 on top of the mesa would be in a timbered portion of the forest.



## **NAMES AND ADDRESSES OF OFFSET OWNERS AND INTERESTED PARTIES**

Application for Non-Standard Location  
Evergreen Operating Corporation  
Rosa Unit #306  
985' FSL 1085' FEL Sec 22-T31N-R4W  
Basin Fruitland Coal Gas Pool  
Rio Arriba County, New Mexico

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

Mitchell Energy Corporation •  
Suite 3500  
555 17th Street  
Denver, Colorado 80202

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.



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

August 7, 1990

Kellahin, Kellahin & Aubrey  
P.O. Box 2265  
Santa Fe, NM 87504-2265

Attention: W. Thomas Kellahin  
General Counsel for Meridian Oil, Inc.

*RE: Unorthodox coal gas well location request dated July 31, 1990. Rosa Unit Well No. 306 to be drilled 965' FSL - 990' FEL (Unit P) of Section 22, Township 31 North, Range 4 West, NMPM, Basin-Fruitland Coal Gas Pool, Rio Arriba County, New Mexico.*

Dear Mr. Kellahin:

By Division Administrative Order NSL-2836, dated July 30, 1990, authorization was given Evergreen Operating Corporation to drill its Rosa Unit Well No. 306 at an unorthodox coal gas well location 985' FSL - 1085' FEL (Unit P) of Section 22, Township 31 North, Range 4 West, NMPM, Basin-Fruitland Coal Gas Pool, Rio Arriba County, New Mexico, whereby the E/2 of said Section 22 would be dedicated to said well forming a standard 320-acre gas spacing and proration unit for said pool. It is my understanding that Meridian has taken over operations from Evergreen in said unit.

It appears, after reviewing your application for a case to be set for the August 22, 1990 examiner hearing is nothing more than an amendment to the previously issued administrative order.

Also, since this amendment is "due to Carson National Forest considerations", such authorization can be accomplished administratively and as such does not require a hearing. I am therefore returning the subject request to you since it is deemed unnecessary at this time.

Please submit the required information for administrative review pursuant to the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool, as promulgated by Division Order No. R-8768, and pursuant to Memorandum 1-90, attached.

*Kellahin, Kellahin & Aubrey*  
*Attn: W. Thomas Kellahin*  
*August 7, 1990*  
*Page 2*

Should you have any questions concerning this matter, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner", with a long horizontal line extending to the right.

Michael E. Stogner  
Chief Hearing Officer/Engineer

MES/ag

cc: Oil Conservation Division - Aztec  
William J. LeMay, Director  
US Bureau of Land Management - Farmington  
US Forest Service - Blanco  
Meridian Oil, Inc. - Farmington



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.



**RECEIVED**

JUL 31 1990

OIL CONSERVATION DIV.  
SANTA FE

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

IN THE MATTER OF THE APPLICATION  
OF MERIDIAN OIL INC, FOR APPROVAL  
OF AN UNORTHODOX LOCATION, BASIN  
FRUITLAND COAL GAS POOL, RIO ARRIBA  
COUNTY, NEW MEXICO

Case No. \_\_\_\_\_

A P P L I C A T I O N

COMES NOW Meridian Oil Inc., by and through its attorneys, KELLAHIN, KELLAHIN & AUBREY, and applies to the New Mexico Oil Conservation Division for approval of an unorthodox Basin Fruitland Coal gas well location for its Rosa Unit No. 306 well, 965 feet FSL and 990 feet FEL (SW/4 SW/4) of Section 22, T31N, R4W, Rio Arriba County, New Mexico.

1. Meridian is the operator of the above-described proration and spacing unit which is part of the Rosa Unit.
2. Applicant proposes to form a standard proration and spacing unit consisting of the E/2 of Section 22, in accordance with the rules governing the Basin Fruitland Coal Pool.

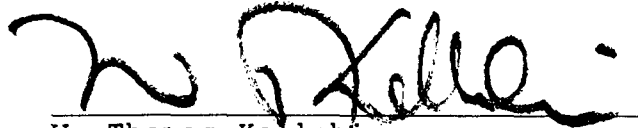
3. Due to Carson National Forest considerations, Applicant proposes to drill its Rosa Unit No. 306 well at an unorthodox gas well location 965 feet FSL and 900 feet FEL (SE/4 SE/4) of Section 22, T31N, R4W, Rio Arriba County, New Mexico.

4. Attached as Exhibit A is a plat showing the described acreage and the proposed well location.

5. Pursuant to Division rules, a copy of this application was mailed by certified mail, return-receipt requested, to all parties listed on Exhibit "B" notifying them of the hearing set for August 22, 1990.

WHEREFORE, Applicant requests that after notice and hearing, the application be granted.

KELLAHIN, KELLAHIN & AUBREY

A handwritten signature in dark ink, appearing to read 'W. Thomas Kellahin', is written over a horizontal line.

W. Thomas Kellahin  
Post Office Box 2265  
Santa Fe, New Mexico 87504  
(505) 982-4285

Attorneys for Meridian Oil Inc.



G  
D-PA'85

16

15

14

Rosa Un.


AMOCO

Rosa Un.

AMOCO

Rosa Un.

AMOCO

T.D. 3861'  7  
84  
T.D. 8656'

21

22

23

105  33  
G T.D. 4317'

Rosa Un.

(AMOCO)  
NWP

30.23

35.43




Rosa Un.

AMOCO

Rosa Un.

AMOCO

28

 87  
G  
2 37.72  
3 23.98  
4 31.66  
5 37.97  
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T.D. 4011'  41

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AMOCO


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H.E.S. 282

Fee

Rosa Un.

RESOURCES INV.

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T.D. 6525'

Rio-Federal

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106508-00

SCHALK DEVL.  
H.B.P.

OPEN

33

34

Exhibit A

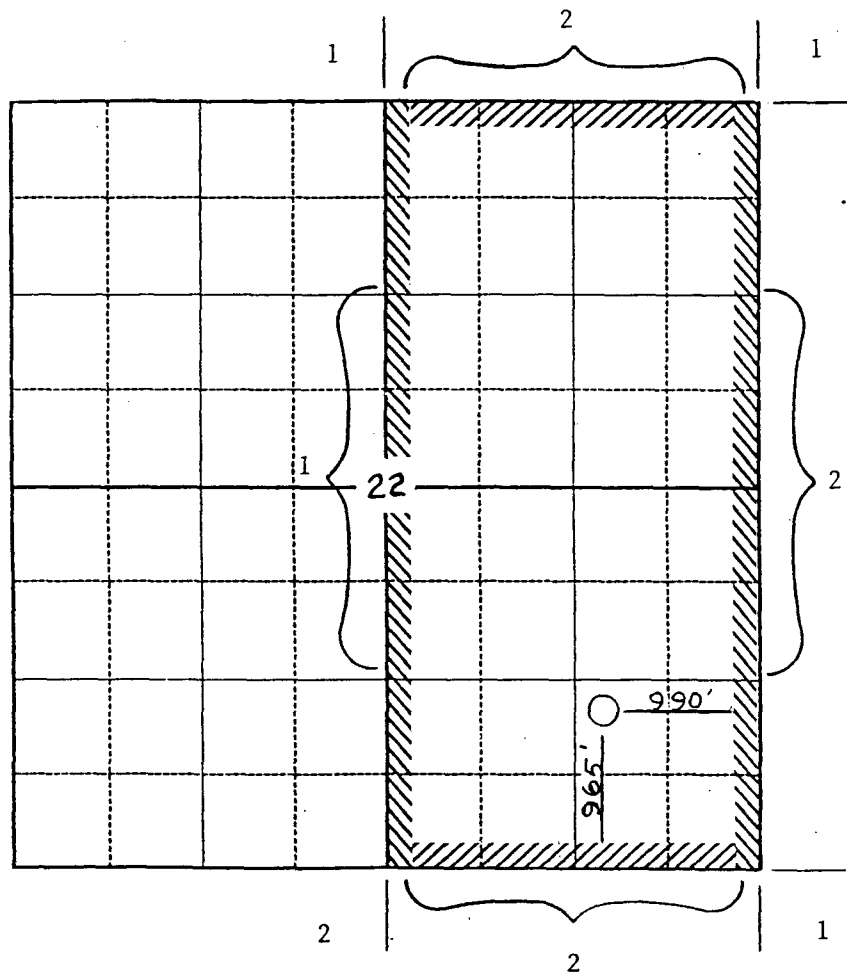
MERIDIAN OIL INC

Well Name Rosa Unit #306

Footage 965' FSL; 990' FEL

APPLICATION FOR NON-STANDARD LOCATION

County Rio Arriba State New Mexico Section 22 Township 31N Range 4W



Remarks 1) Meridian Oil Inc  
2) Mitchell Energy Corp  
PO Box 4000  
The Woodlands, TX 77387-4000

Exhibit B

# MERIDIAN OIL

August 16, 1990

Mr. William LeMay  
New Mexico Oil Conservation Division  
Post Office Box 2088  
Santa Fe, New Mexico 87501

RECEIVED

AUG 23 1990

OIL CONSERVATION DIVISION

Re: Request for Administrative Amendment of  
NSL-2836, dated July 30, 1990  
Meridian Oil Inc. Rosa Unit #305 (306)  
965'FSL, 990'FEL, Section 22, T-31-N, R-4-W  
Rio Arriba County, New Mexico

Dear Mr. LeMay:

Meridian Oil Inc. is applying for administrative approval of a non-standard location for the above location. This is an application for revision to NSL-2836 due to the relocation of the wellsite at the referenced footages, and the renaming of the well to the Rosa Unit #305.

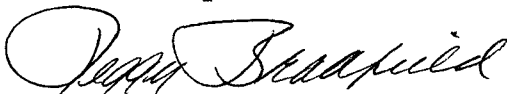
This well was originally staked and permitted by Evergreen Operating Corp. at 985'S, 1085'E, Section 22, T-31-N, R-4-W, as the Rosa Unit #306. The well was resurveyed and moved by Meridian Oil Inc. to 965'S, 990'E, Section 22, T-31-N, R-4-W after assuming operatorship in July, 1990. This application for the referenced location is due to Carson National Forest considerations.

The following attachments are amendments to Evergreen's application for non-standard location and are for your review:

1. Application for Permit to Drill - submitted by Evergreen Operating Corp. at 985'S, 1085'E, Sec. 22, T-31-N, R-4-W, as the Rosa Unit #306.
2. Completed C-102 at referenced footages, along with sundry notice for moved location and well name change.
3. Offset operators/owners plat, with topography and orthodox windows for the southeast quarter shown, along with certification of notification of offset operators/owners.
4. 7.5 minute topographic map with referenced location.
5. Copy of NSL-2836.

Please let me know if you require any other information.

Sincerely,



Peggy Bradford

xc: Bureau of Land Management, Farmington  
New Mexico Oil Conservation Division, Aztec District

Meridian Oil Inc., 3535 East 30th St., P.O. Box 4289, Farmington, New Mexico 87499-4289, Telephone 505-327-0251

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work <b>DRILL</b>		5. Lease Number <b>SF-078893</b>	
1b Type of Well <b>GAS</b>		6. If Indian, Name of Tribe or Allottee	
2. Operator <b>Evergreen Operating Corporation</b>		7. Unit Agreement Name <b>ROSA UNIT</b>	
3. Address & Phone No. of Operator <b>8A. R. KENDRICK BOX 516, AZTEC, NM 87410 (505) 334-2555</b>		8. Farm or Lease Name <b>ROSA UNIT</b>	
4. Location of Well  <b>(Unit P ) 985' FSL 1085' FEL</b>		9. Well Number <b>306</b>	
		10. Field, Pool, or Wildcat <b>BASIN-FRUITLAND COAL GAS POOL</b>	
		11. Section, Township, & Range, Meridian, or Block <b>22-31N-4W</b>	
14. Distance in Miles from Nearest Town <b>14 MILES WEST OF DULCE, NM</b>		12. County <b>RIO ARRIBA</b>	13. State <b>NEW MEXICO</b>
15. Distance from Proposed Location To Nearest Property Line or Lease Line. <b>985'</b>	16. Acres in Lease <b>1920 Acres</b>	17. Acres Assigned to Well <b>E-320 Acres</b>	
18. Distance From Proposed Location To Nearest Well Dr, Compl., Or Applied For On Lease. <b>133'</b>	19. Proposed Depth <b>4465'</b>	20. Rotary or Cable Tools <b>ROTARY</b>	
21. Elevations (DF, RT, OR, Etc.) <b>7391' OR</b>		22. Approximate Date Work Will Start. <b>As soon as Possible.</b>	

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 **June 13, 1990**

Permit No. \_\_\_\_\_ Approval Date \_\_\_\_\_

Approved By \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

NOTE: THIS FORMAT IS ISSUED IN LIEU OF U.S. BLM FORM 3160-3.



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

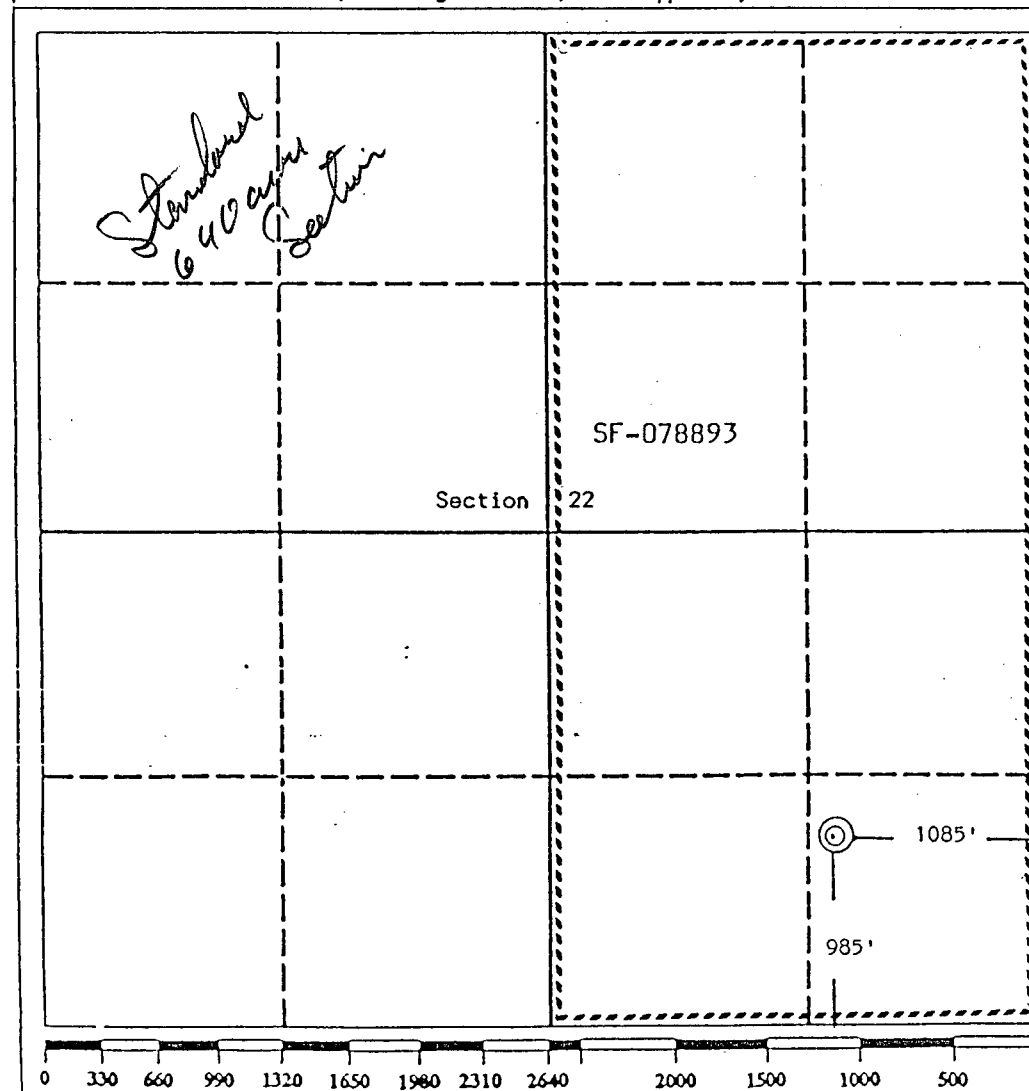
DISTRICT III

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 Evergreen Operating Corporation			Lease Rosa Unit		Well No. 305
Unit Letter P	Section 22	Township 31 North	Range 4 West	County Rio Arriba	
Actual Footage Location of Well: 985 feet from the South line and 1085 feet from the East line					
Ground level Elev. 7391	Producing Formation Fruitland Coal		Pool Basin Fruitland Coal		Dedicated Acreage: 320 Acres
<p>1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.</p> <p>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).</p> <p>3. 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.? <input type="checkbox"/> Yes <input type="checkbox"/> No If answer is "yes" type of consolidation _____</p> <p>If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____</p> <p>No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, force-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.</p>					



<b>OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
Signature	<i>A. R. Kendrick</i>
Printed Name	A. R. Kendrick
Position	Agent
Company	Evergreen Operating Corp.
Date	June 11, 1990
<b>SURVEYOR CERTIFICATION</b> 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	May 8, 1990
Signature & Seal of Professional Surveyor	<i>Edgar L. Risenhoover</i> Edgar L. Risenhoover
Certificate No.	1979



Evergreen Operating Corp.  
 Rosa Unit #306  
 985' FSL 1085' FEL, Sec. 22-T31N-R4W  
 Elev. 7391' GR  
 Lease No. SF-078893

1. THE GEOLOGICAL SURFACE FORMATION IS: Nacimiento.
2. THE ESTIMATED TOPS OF IMPORTANT GEOLOGICAL MARKERS:

Ojo Alamo	3661'
Kirtland	3791'
Fruitland	4081'
Fruitland Coal	4136'
Pictured Cliffs	4211'
Total Depth	4461'

3. ESTIMATED DEPTHS OF ANTICIPATED WATER, OIL, GAS OR MINERALS:

<u>SUBSTANCE</u>	<u>FORMATION</u>	<u>ANTICIPATED DEPTH</u>
GAS	Fruitland Coal	4136'

4. THE PROPOSED CASING PROGRAM WILL BE AS FOLLOWS:

<u>DEPTH</u>	<u>HOLE SIZE</u>	<u>O.D.</u>	<u>WEIGHT</u>	<u>GRADE</u>	<u>TYPE</u>	<u>NEW/USED</u>
0-350'	12-1/4"	9-5/8"	36	K-55	ST&C	NEW
0-TD	7-7/8"	5-1/2"	15.5	K-55	ST&C	NEW

THE PROPOSED CEMENT PROGRAM WILL BE AS FOLLOWS:

Surface: 190 Sx Class B w/1/4# Flocele/Sx plus 2% CaCl.

Production: 500 Sx Class B w/2% Calcium Chloride and 0.5 cubic feet per sack perlite followed by 222 Sx Class B 50/50 poz w/2% gel, 0.4% NaCl and 1/4 pound/sack Flocele, possibly in two stages with the stage collar 200 to 300 feet above the coal.

Note: Sufficient cement volume to cover casing bottom to top to be determined after logging.

5. OPERATOR'S MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL:

Exhibit E is a schematic of the blowout preventer used by a local contractor for other wells in the area. The BOPs are to be test-operated before drilling out from under the surface casing, and operation checks will be made daily thereafter and recorded in the Daily Drilling Report. Accessories to BOP will include floor safety valve and choke manifold with pressure rating equivalent to the BOP stack.

Evergreen Operating Corp.  
Rosa Unit #306  
985' FSL 1085' FEL, Sec. 22-T31N-R4W  
Elev. 7391' GR  
Lease No. SF-078893

6. THE TYPE AND CHARACTERISTICS OF THE PROPOSED CIRCULATING MUDS:

SURFACE CASING: Spun flocculating bentonite with lime.

PRODUCTION CASING: Low solids non-disbursing system.

<u>INTERVAL</u>	<u>MUD WEIGHT</u>	<u>VISCOSITY</u>	<u>FLUID LOSS</u>	<u>pH</u>	<u>ADDITIVES</u>
0-350'	9.0	45	- - -	9	Gel, Lime
350-TD	8.6 to 9.2	30-50	<15 cc	9	Chemicals as needed

7. AUXILIARY EQUIPMENT TO BE USED IS AS FOLLOWS:

- a. Float valve above bit.
- b. Monitoring of mud system will be visual.
- c. A safety valve and subs to fit all drill strings will be used.

8. TESTING, LOGGING, AND CORING WILL BE AS FOLLOWS:

- a. Cores: none.
- b. Drill stem tests: none anticipated.
- c. Logging: IEC from 0' to TD. Micro Log and CNL/FDC over potential pay zones.  
A mud logging unit will be utilized.

9. ANTICIPATED ABNORMAL PRESSURES AND TEMPERATURES:

No abnormal pressures, temperatures or Hydrogen Sulfide gases are anticipated during the drilling of this well. The maximum bottom hole pressure is expected to be less than 1500 psi.

10. ANTICIPATED STARTING DATE AND DURATION OF OPERATIONS:

The anticipated starting date is set for as soon as possible after the approval of the Application for Permit to Drill is approved. The operations should be completed within 15 days after spud date.

**Evergreen Operating Corporation  
Rosa Unit #306**

985' FSL 1085' FEL Sec. 22-T 31 N-R 4 W  
Rio Arriba County, New Mexico  
Lease No. SF-078893

1. EXISTING ROADS:

- a. See Exhibit A for well site and elevation plat, Form C-102.
- b. Directions: turn north off U.S. 64 one quarter mile west of the east boundary of the Forest onto FR 310, follow FR 310 approximately 15 miles to FR 310-C. Turn left onto FR 310-C for approximately 1.5 miles to the location.
- c. Access road will be the existing roadway to the Rosa Unit #105.
- d. All existing roads are shown on Exhibit B
- e. This is a development well.
- f. All existing and constructed roads will be maintained in the same or better condition.

2. PLANNED ACCESS ROAD:

- a. There will be no new access road.
- b. The grade will be 10% or less.
- c. No turnouts are planned.
- d. Any necessary water bars will be installed.
- e. Culverts will be installed as necessary. No major cuts and fills are planned.
- f. Only native materials will be used.
- g. Gates or cattleguards will be installed only where necessary.
- h. New access roads and existing roads will be flat bladed and upgraded as deemed necessary by the dirt contractor.

3. LOCATION OF EXISTING WELLS WITHIN ONE MILE: See EXHIBIT B.

- a. Water wells: none.
- b. Abandoned wells: one.
- c. Temporarily abandoned wells: none.
- d. Disposal wells: none.
- e. Drilling wells: none.
- f. Producing wells: none
- g. Shut-in wells: one.
- h. Injection wells: none.
- i. Monitoring wells: none.

**Evergreen Operating Corporation**  
**Rosa Unit #306**  
985' FSL 1085' FEL Sec. 22-T 31 N-R 4 W  
Rio Arriba County, New Mexico  
Lease No. SF-078893

4. LOCATION OF PRODUCING FACILITIES:

- a. There are no production facilities owned or controlled by Operator within one mile of the proposed well. However, additional wells are proposed at this time.
- b. New facilities contemplated in the event of production are shown on Exhibit I.
  1. A tank battery will be required.
  2. All flow lines from the well site to battery will be buried below frost line depth.
  3. Dimensions of the facility will be approximately 165' by 225'.
  4. Native materials will be used except for gravel.
  5. An earthen dike will be built around the tank battery.  
All production facilities will be fenced to keep domestic and wild animals out.
  6. The reserve pit will be fenced and allowed to dry. Rehabilitation whether the well is dry or productive will be made on all unused areas in accordance with BLM and Forest Service stipulations.

5. LOCATION AND TYPE OF WATER SUPPLY:

- a. Water will be hauled from the nearest water source, probably produced water.
- b. Water will be trucked to the location.
- c. No water well is anticipated at this time.

6. SOURCE OF CONSTRUCTION MATERIAL:

- a. Only native soils will be utilized.
- b. No construction materials will be removed from Federal or Indian lands.
- c. Surface and subsoil materials in the immediate area will be utilized. Any gravel will be purchased from a commercial source.
- d. All major access roads are shown on Exhibit B.

7. METHOD FOR HANDLING WASTE DISPOSAL:

- a. Drill cuttings are to be contained and buried in the reserve pit.
- b. Drilling fluids are to be contained in the reserve pit.
- c. The produced fluids will be stored in a production tank. Flammable waste is to be contained in the trash bin. Any spills of oil, gas, water or other production fluids will be cleaned up and removed.



**Evergreen Operating Corporation**  
**Rosa Unit #306**  
985' FSL 1085' FEL Sec. 22-T 31 N-R 4 W  
Rio Arriba County, New Mexico  
Lease No. **SF-078893**

- d. Chemical facilities will be provided for human waste.
  - e. Garbage and non-flammable waste are to be contained in the trash bin and hauled away in the trash bin. Flammable waste is to be contained in the trash bin. The reserve pit will be fenced on three sides during drilling operations and the fourth side fenced when the drill rig is removed off location.
  - f. All trash, garbage, etc. is to be contained and hauled away or buried at the end of drilling operations. Reserve and mud pits will be allowed to dry after drilling and completion operations are completed and then adequately filled and levelled. All garbage and sewage pits will be filled as soon as the completion rig leaves the location.
8. ANCILLARY FACILITIES: none required.
9. WELL SITE LAYOUT:
- a. Location profile plat is Exhibit F.
  - b. Drilling rig layout shown as Exhibit G.
  - c. Completion rig layout show as Exhibit H.
10. SURFACE RESTORATION PLAN:
- a. Restoration of the well site and access road will begin as soon as all pits have dried. Waste disposal and spoil materials will be buried or hauled away immediately after drilling is completed. If production is obtained, the unused area will be restored as soon as feasible.
  - b. Should the well be abandoned, the drilling site will be reshaped as closely to the original contour as possible. The access road will be plowed and shaped. Both road and location will have topsoil replaced and reseeded when germination can occur. The portion of the location needed for daily operations and access road will be kept in good repair and clean.
  - c. In either case, cleanup of the well site will include removal of all waste, fencing of all pits, removal of all oil accumulated on pits, and filling of pits.

Evergreen Operating Corporation  
Rosa Unit #306  
985' FSL 1085' FEL Sec. 22-T 31 N-R 4 W  
Rio Arriba County, New Mexico  
Lease No. SF-078893

## 11. OTHER INFORMATION:

- a. General topography is shown on Exhibit B.
- b. All known archaeological or cultural sites near the proposed roadway or location have been identified and will be left intact.
- c. Animal life: mule deer, elk, rodents, and scavengers.
- d. Dwellings: none.
- e. Surface jurisdiction: Carson National Forest, Jicarilla Ranger District.
- f. Restrictions: As specified by BLM and Forest Service.
- g. Drilling is planned for summer, 1990. Completion time: approximately 15 days.

## 12. OPERATOR REPRESENTATIVES:

(Paperwork)  
A. R. Kendrick  
Box 516  
Aztec, NM 87410  
(505) 334-2555

(Office)  
Richard George  
1000 Write Square  
1512 Larimer Street  
Denver, CO 80202  
(303) 534-0400

## 13. CERTIFICATION:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by the operator, his contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

DATE:

June 12, 1990A. R. Kendrick, Agent

# "2M" BLOWOUT PREVENTER SYSTEM

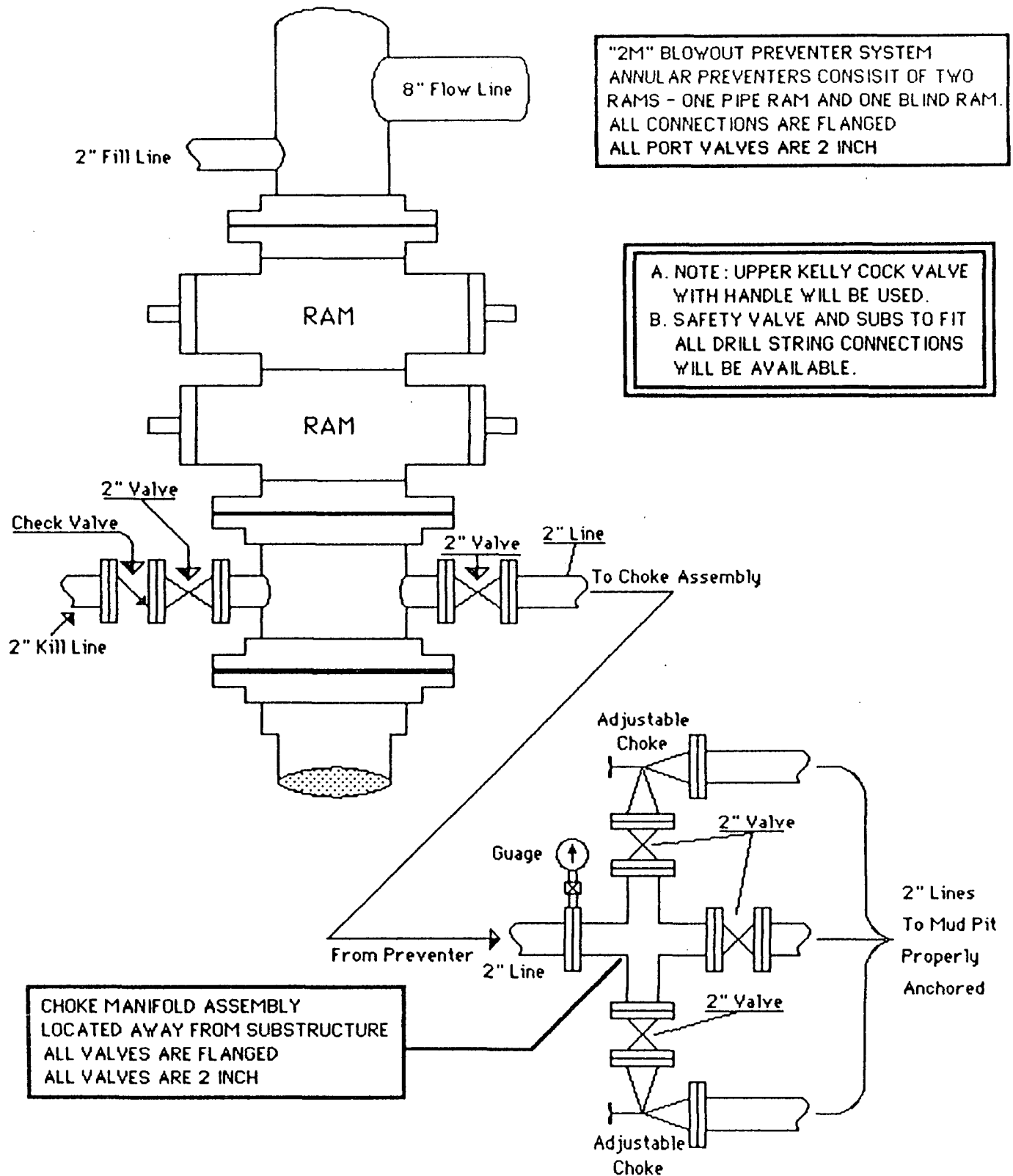
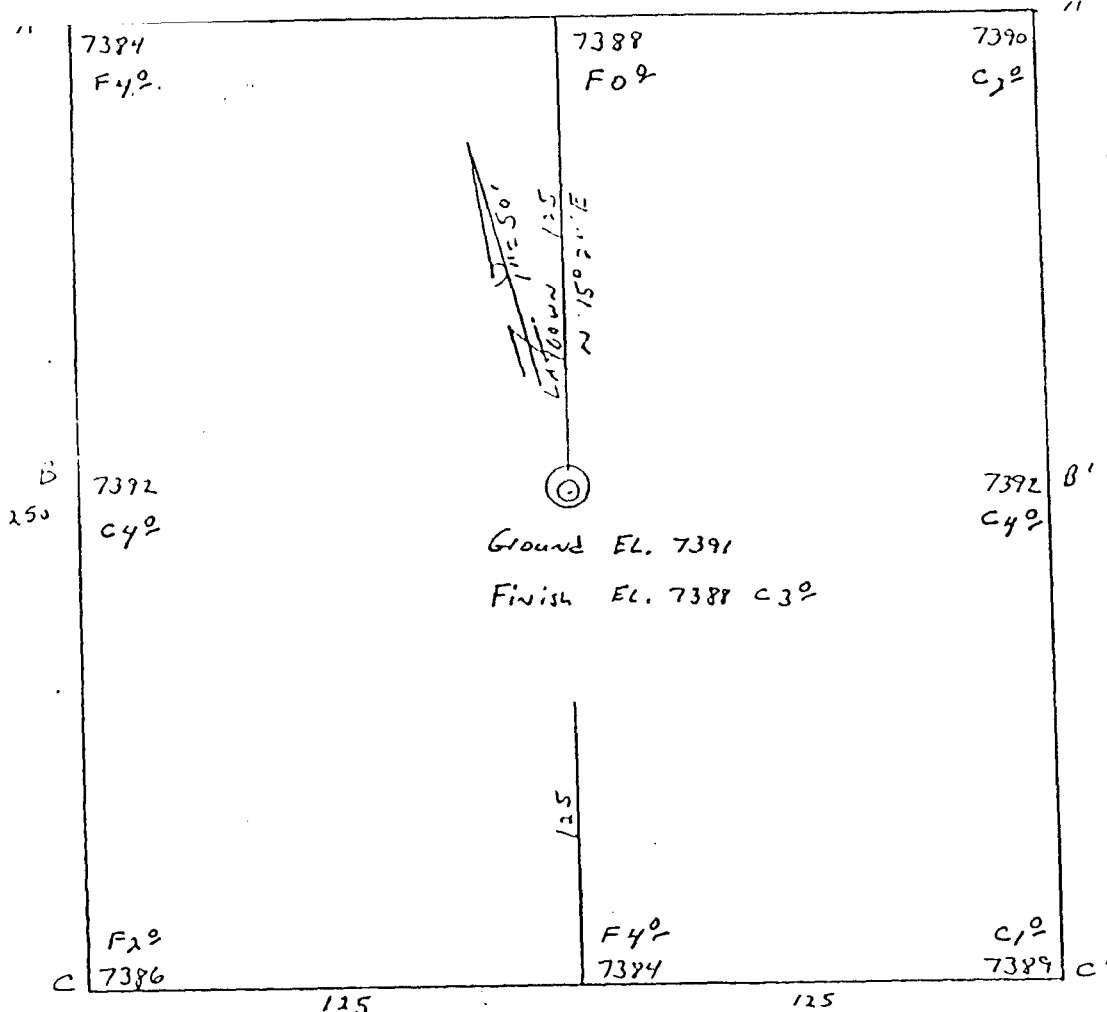


EXHIBIT E



Evergreen Operating Corp.  
OPERATOR

Rosa Unit #306  
WELL NAME and NUMBER

985' F/SL 1085' F/EL  
FOOTAGES

22 31N 4W  
SEC. TWP. RGE.

Rio Arriba, NM

COUNTY

May 8, 1990  
DATE

A	7390				7388
	7380				

Horz 1" =

Vert 1" = 30'

B	7390				7388
	7380				

C	7390				7388
	7380				

EXHIBIT F

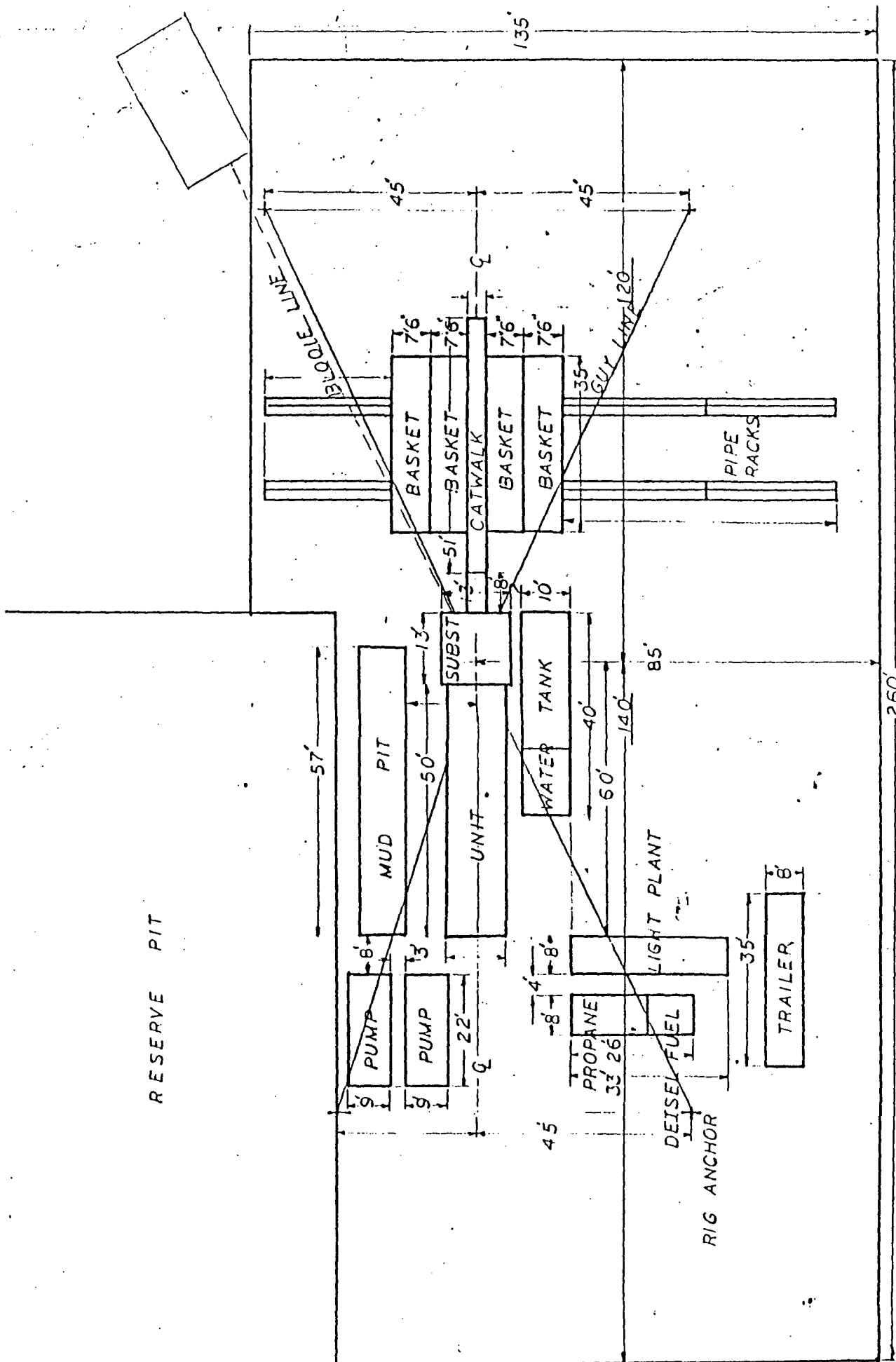
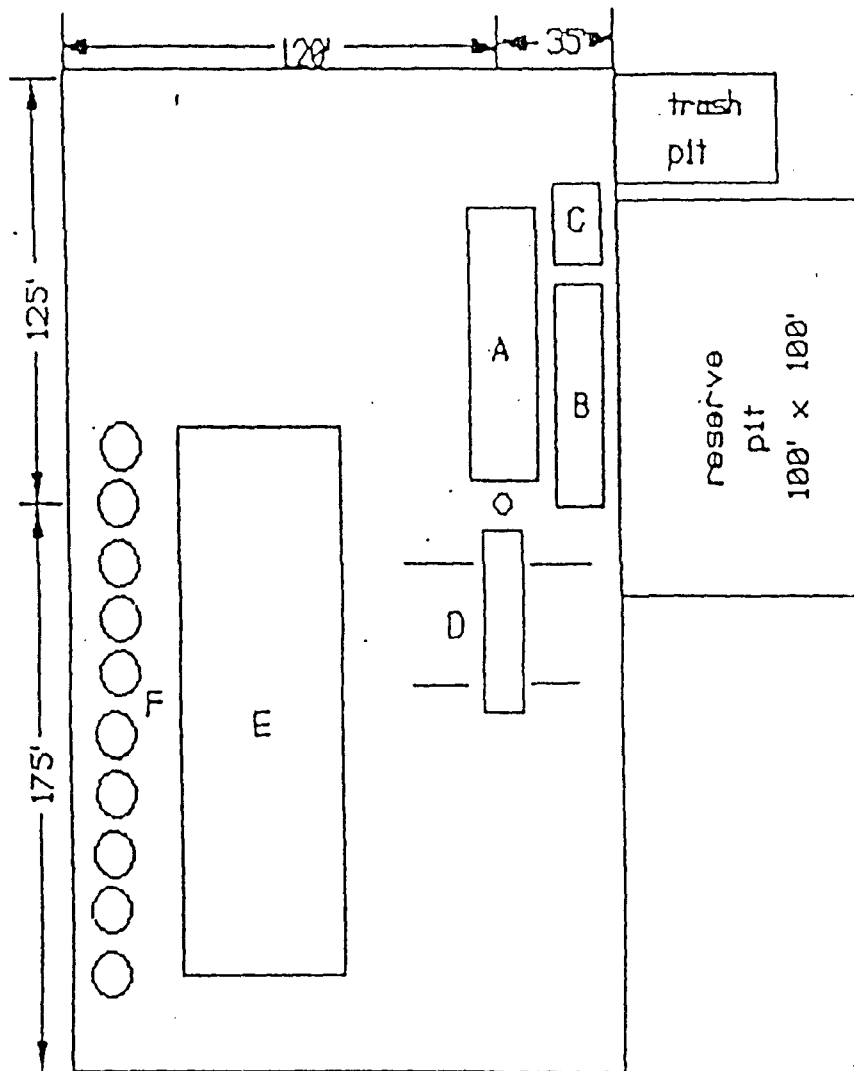
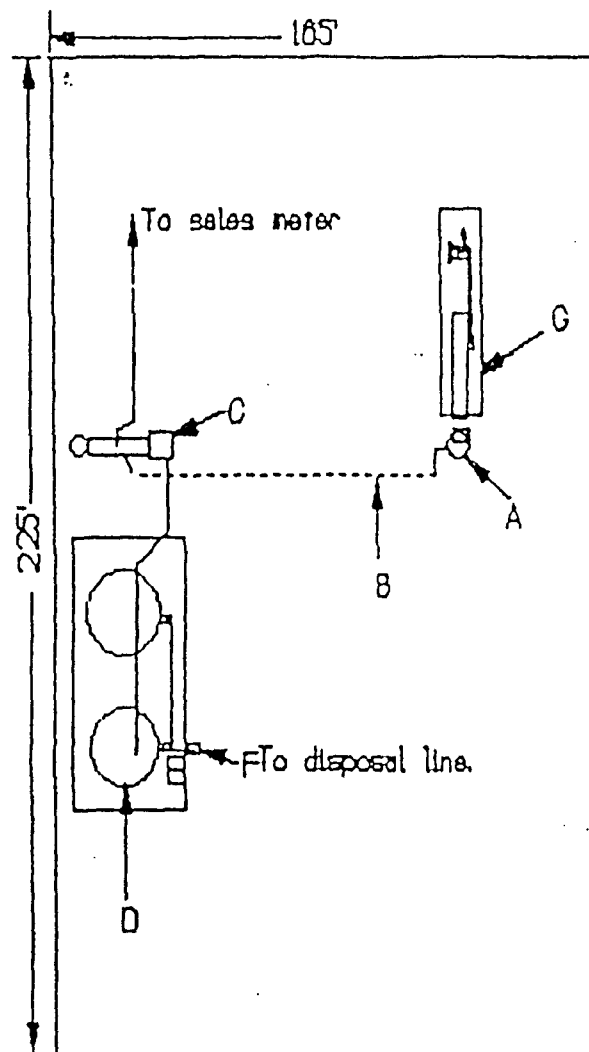


EXHIBIT G



- A. COMPLETION RIG
- B. CIRCULATING PIT
- C. PUMP
- D. PIPE RACKS
- E. FRAC EQUIPMENT AREA
- F. FRAC TANKS





- A WELLHEAD
- B FLOWLINE (BURIED)
- C SEPERATOR
- D PRODUCTION TANK(S)
- E LOAD LINE(S)
- F VALVE - TO DISPOSAL LINE
- G PUMP JACK (if necessary)

# EXHIBIT I

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

1. TYPE OF WELL GAS		5. LEASE NUMBER SF-078893	
2. OPERATOR MERIDIAN OIL INC.		6. IF INDIAN, ALL. OR TRIBE NAME	
3. ADDRESS & PHONE NO. OF OPERATOR P O BOX 4289 FARMINGTON, NM 87499		7. UNIT AGREEMENT NAME ROSA UNIT	
4. LOCATION OF WELL 965' FSL 990' FEL		8. FARM OR LEASE NAME ROSA UNIT	
		9. WELL NO. 305	
		10. FIELD, POOL, OR WILDCAT BASIN FRUITLAND COAL	
		11. SEC. T. R. M OR BLK. SEC. 22 T31N R04W NMPM	
14. PERMIT NO.	15. ELEVATIONS 7210' GL	12. COUNTY RIO ARRIBA	13. STATE NM
16. OTHER: Revision			
17. Describe proposed or completed operations			

Meridian Oil Incorporated will operate the Rosa Unit #305 previously submitted by Evergreen Operating Corporation as the Rosa Unit #306.

Attached is a copy of the C-102 showing the revised location for this well.

18. AUTHORIZED BY:   
REGULATORY AFFAIRS

8-21-90  
DATE

NOTE: THIS FORMAT IS ISSUED IN LIEU OF US BLM FORM 3160-5.

=====

(This space for Federal or State office use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

CONDITION OF APPROVAL, IF ANY:

Submit to Assessor  
District Office  
State Lease - 4 copies  
Fee Lease - 3 copies

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised 1-1-8

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. Denver OD, Arama, NM 88210

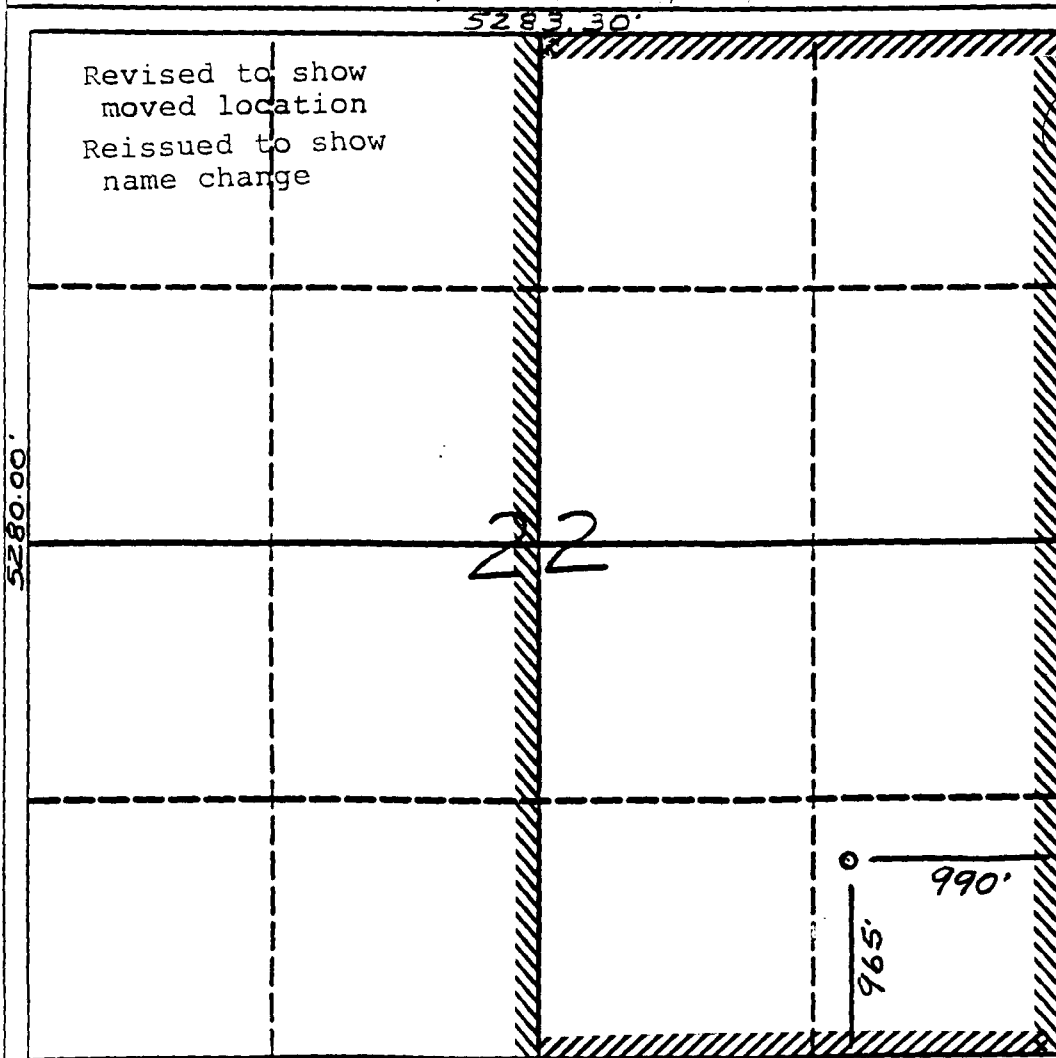
DISTRICT III  
1000 Rio Brisco Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Meridian Oil Inc.		Lease Rosa Unit (SF-078893)		Well No. 305
Unit Letter P	Section 22	Township 31N	Range 4W	County Rio Arriba
Actual Footage Location of Well: 965' feet from the South line and 990' feet from the East line				
Ground level elev. 7210'	Producing Formation Fruitland Coal	Pool Basin	Dedicated Acreage: 320 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or ink 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 interest of all owners been consolidated by communitization, unitization, forced-pooling, etc.?  
☒ Yes ☐ No If answer is "yes" type of consolidation unitization  
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-unitized tract, 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.

*Peggy Bradfield*  
Signature

Peggy Bradfield

Printed Name

Regulatory Affairs

Position

Meridian Oil Inc.

Company

8-21-90

Date

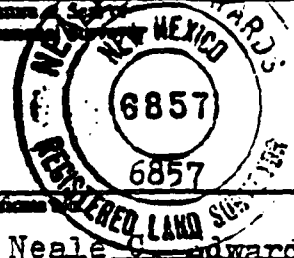
SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes 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.

7-25-90

Date Surveyed

*Neale C. Edwards*  
Signature of Registered Professional Surveyor



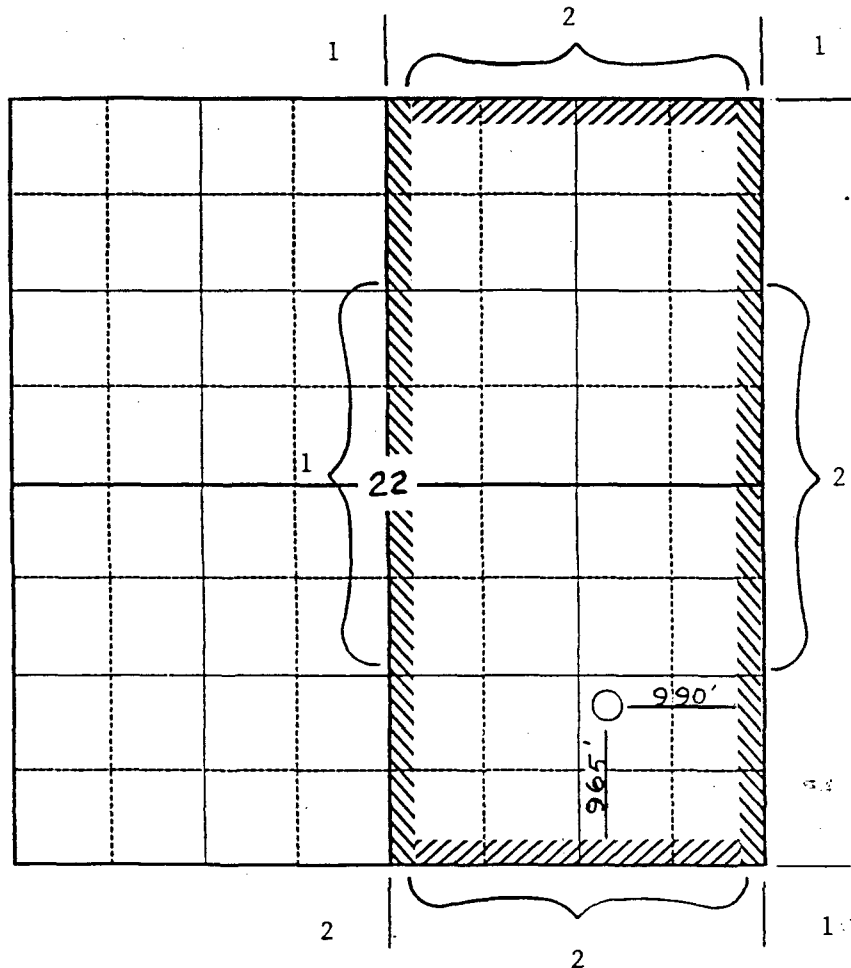
MERIDIAN OIL INC

Well Name Rosa Unit #305

Footage 965' FSL; 990' FEL

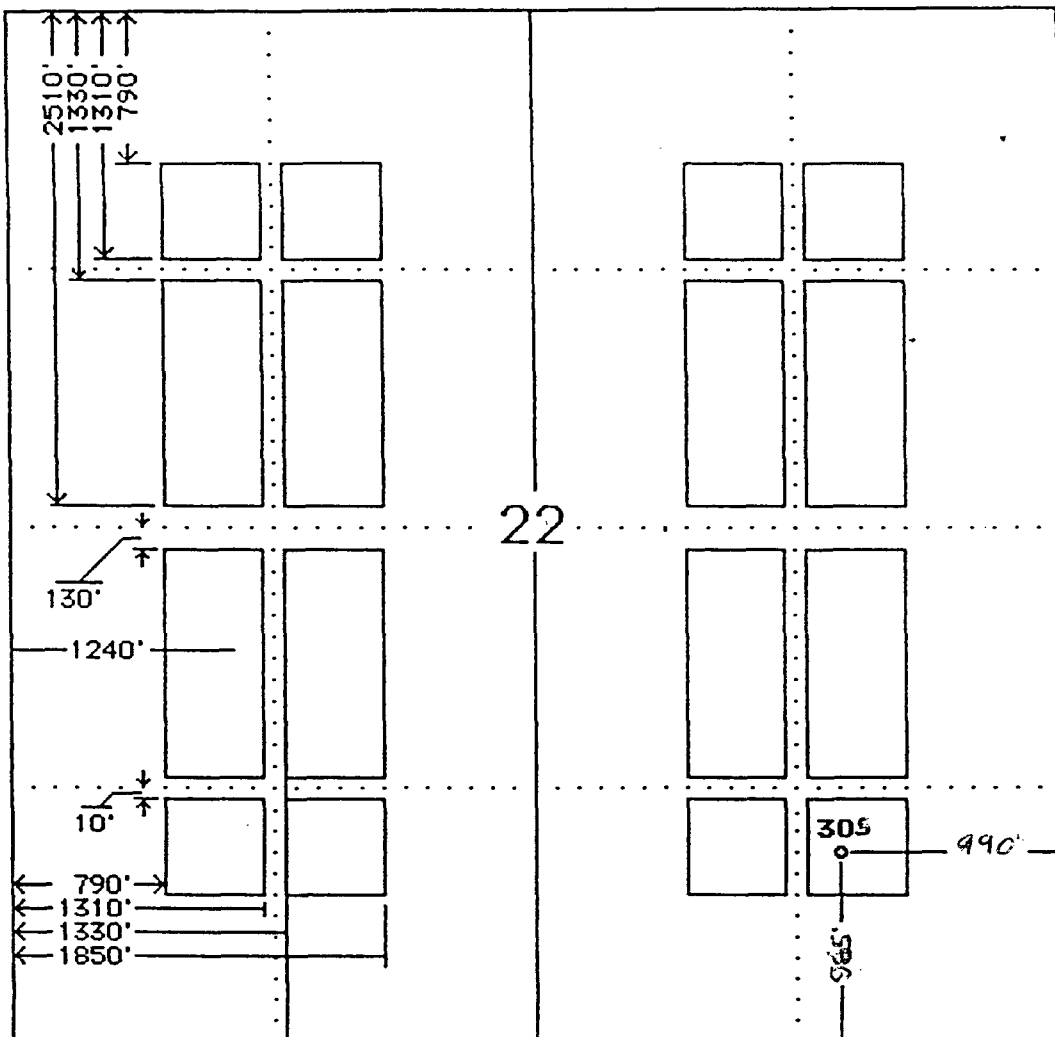
APPLICATION FOR NON-STANDARD LOCATION

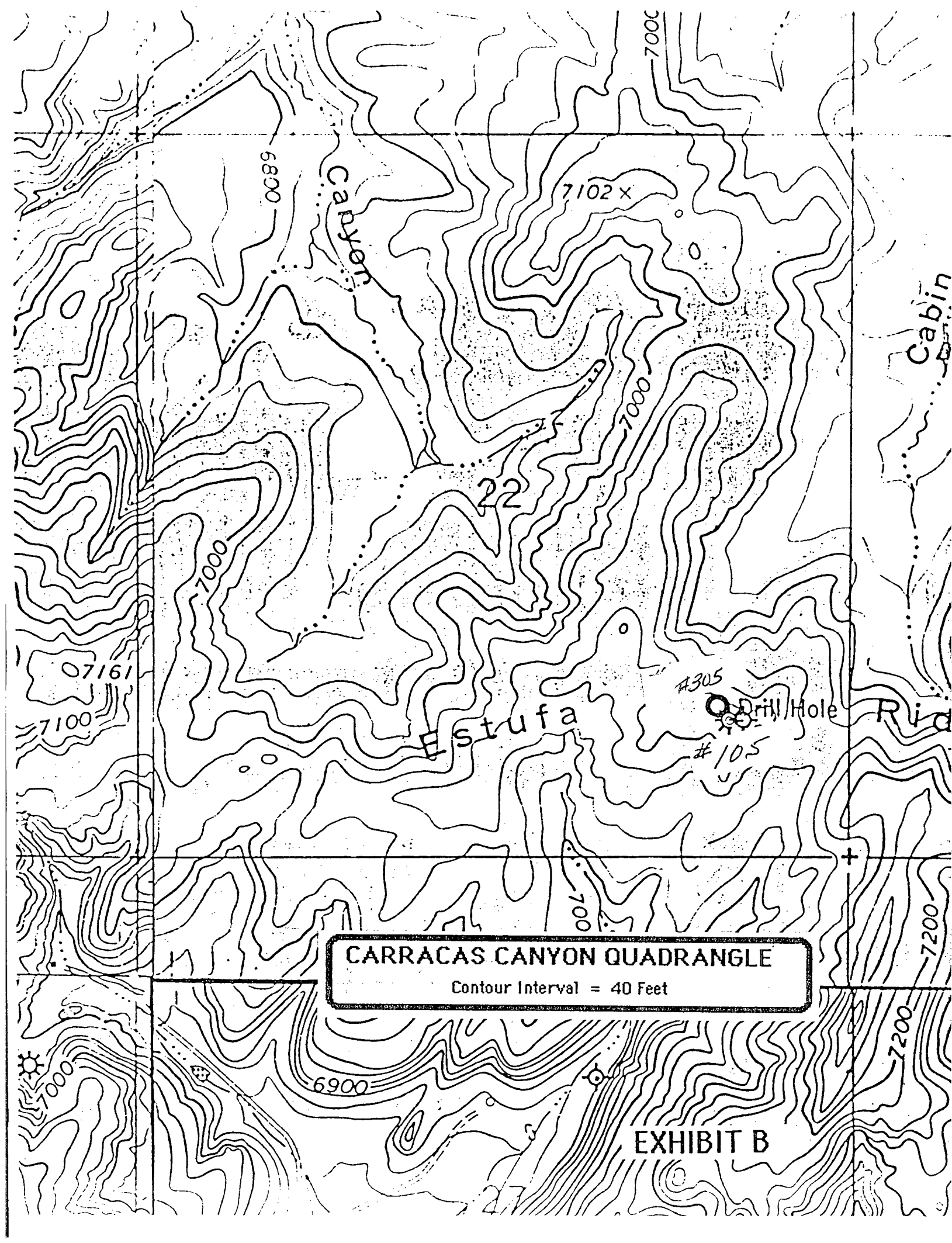
County Rio Arriba State New Mexico Section 22 Township 31N Range 4W



Remarks 1) Meridian Oil Inc  
2) Mitchell Energy Corp  
PO Box 4000  
The Woodlands, TX 77387-4000

ROSA UNIT #305  
965'S, 990'E, Sec.22,T-31-N  
R-4-W, Rio Arriba County





**CARRACAS CANYON QUADRANGLE**

Contour Interval = 40 Feet

**EXHIBIT B**

# MERIDIAN OIL

August 16, 1990

To: Offset Owners/Operators

This is notification that Meridian Oil Inc. is seeking a revision to the New Mexico Oil Conservation Division's Administrative Order NSL-2836 for the Rosa Unit #306, due to a change of the location and a well name change.

A copy of the C-102 showing the revised location and name of this well, along with a topographic map, and a copy of the NSL-2836 are enclosed.

A copy of this application is being submitted to all offset owners/operators by certified mail with a request that you furnish the New Mexico Oil Conservation Division, PO Box 2088, Santa Fe, NM 87501 with a Waiver of Objection, and return one copy to this office.

Sincerely yours,



Peggy Bradfield

encl.

## WAIVER

\_\_\_\_\_ hereby waives objection to Meridian Oil Inc.'s application for an unorthodox location for their Rosa Unit #305 as proposed above.

By: \_\_\_\_\_ Date: \_\_\_\_\_

cc: Mitchell Energy Corp., PO Box 4000, The Woodlands, TX 77387-4000



EXHIBIT B