



G.P. II ENERGY, INC.

OIL CONSERVATION DIVISION  
RECEIVED

P.O. Box 50682

Midland, Texas 79710

51 JUN 10 1991 9 07 (915) 684-4748

June 7, 1991

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

Attention: Michael E. Stogner

RE: Unorthodox Location  
G.P. II Energy, Inc.  
Coyote Federal #1  
990' FSL, 1090' FWL  
Sec. 27(M), T-26-S, R-29-E  
Eddy County, New Mexico

Dear Sir:

G.P. II Energy requests administrative approval of the above described unorthodox location because of topographic considerations. G.P. II Energy, Inc. has staked the above well at this location because of topographic consideration and at the direct request of the Bureau of Land Management. As shown on the topographic map, the location is adjacent to the Red Bluff Lake and lies within a Class II Visual Resource Management Area (VRM).

Because of the proximity of the lake, we (G.P. II) met November 18, 1990 with representatives of the BLM on site when the above well was staked. Present at that meeting were the Surveyors from John West Surveying, Arthur Brown (G.P. II), George P. Mitchell (G.P. II), Garland Lamb (G.P. II), Barry Hunt (BLM), and Jim Goodbar (BLM). After locating the legal location of 990' FSL and 990' FWL, Mr. Hunt and Mr. Goodbar indicated that it would be necessary to move the location to the east away from the bluff that overlooks the lake. This was done primarily to displace the potential for any spills or contamination as far as possible from natural drainages that incise the bluff and secondarily to reduce the visual impact of the required production facilities.

In addition to moving the location of the well, several additional environmental concerns were discussed and a meeting was held March 28, 1991 at the BLM office in Carlsbad, New Mexico to finalize the requirements for drilling the well. I have enclosed a copy of the letter dated April 12, 1991 that addresses the requirements agreed on by G.P. II, Inc. and the BLM in that meeting. I have also enclosed a list of the participants at that meeting.

June 7, 1991  
Unorthodox Location  
Oil Conservation Division  
Page 2

G.P II, Inc. has requested waivers from offset operators. The notification and waiver request was sent by certified mail.

Thank you for your time and consideration of this matter.

Enclosures in order:

1. Copy of the OCD Form C-101 filed with District II, Artesia, New Mexico.
2. Copy of the OCD Form C-102 filed with District II, Artesia, New Mexico.
3. Plat showing land leased by Red Bluff Power Water Control District in Sec. 27, T-26-S, R-29-E, prepared by John West Engineering.
4. Copy of Ross Ranch Quadrangle (1:24000) showing location of the proposed well and the surrounding topography.
5. Plat showing ownership or operator of leases offsetting the spacing unit.
6. Copy of the letter dated April 12, 1991 outlining the drilling procedures for the Coyote Federal #1.
7. List of participants present at the March 28, 1991 meeting with the BLM in Carlsbad, New Mexico.
8. Copies of letters sent to offset operators notifying them of G.P. II's intent to drill the proposed well at an unorthodox location.

Sincerely,

  
Joe L. Compton

Form 3160-3  
(November 1983)  
(formerly 9-331C)

SUBMIT IN TRIPLICATE\*  
(Other instructions on  
reverse side)

Form approved.  
Budget Bureau No. 1004-0136  
Expires August 31, 1985

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1A. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

B. TYPE OF WELL

OIL  
WELL ☒

GAS  
WELL ☐

OTHER

SINGLE  
ZONE ☒

MULTIPLE  
ZONE ☐

2. NAME OF OPERATOR

GP II ENERGY, INC.

3. ADDRESS OF OPERATOR

P.O. BOX 50682, MIDLAND, TEXAS 79710

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface

990' FSL AND 1090' FWL OF SECTION 27

At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*

16 AIR MILES SOUTH-SOUTHEAST OF MALAGA, NEW MEXICO

15. DISTANCE FROM PROPOSED\*

LOCATION TO NEAREST  
PROPERTY OR LEASE LINE, FT.  
(Also to nearest Qrig. unit line, if any)

230'

16. NO. OF ACRES IN LEASE

1318.02

17. NO. OF ACRES ASSIGNED  
TO THIS WELL

40

18. DISTANCE FROM PROPOSED LOCATION\*

TO NEAREST WELL, DRILLING, COMPLETED,  
OR APPLIED FOR, ON THIS LEASE, FT.

1291'

19. PROPOSED DEPTH

5300'

20. ROTARY OR CABLE TOOLS

ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

2872.2' GR

22. APPROX. DATE WORK WILL START\*

UPON APPROVAL

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24#	350'	SUFFICIENT TO CIRCULATE
7-7/8"	*4-1/2"	9.5#	5200'	500 SACKS
	*OR 5-1/2"	14#	5200'	400 SACKS

\* WHETHER PRODUCTION CASING WILL BE 4-1/2" OD OR 5-1/2" OD WILL  
BE DECIDED PRIOR TO REACHING TOTAL DEPTH.

AFTER SETTING PRODUCTION CASING, PAY ZONE WILL BE PERFORATED AND  
STIMULATED AS NECESSARY.

SEE ATTACHED FOR: SUPPLEMENTAL DRILLING DATA  
BOP SKETCH  
SURFACE USE AND OPERATIONS PLAN

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

ARTHUR R. BROWN

TITLE

Agent

DATE

6-6-91

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

\*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

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 G P II ENERGY, INC.			Lease COYOTE FEDERAL		Well No. 1
Unit Letter M	Section 27	Township 26 SOUTH	Range 29 EAST	County EDDY	NMPM
Actual Footage Location of Well: 990 feet from the SOUTH line and 1090 feet from the WEST line					
Ground level Elev. 2872.2	Producing Formation		Pool		Dedicated Acreage: 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, 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

Printed Name

Position

Company

Date

SURVEYOR CERTIFICATION

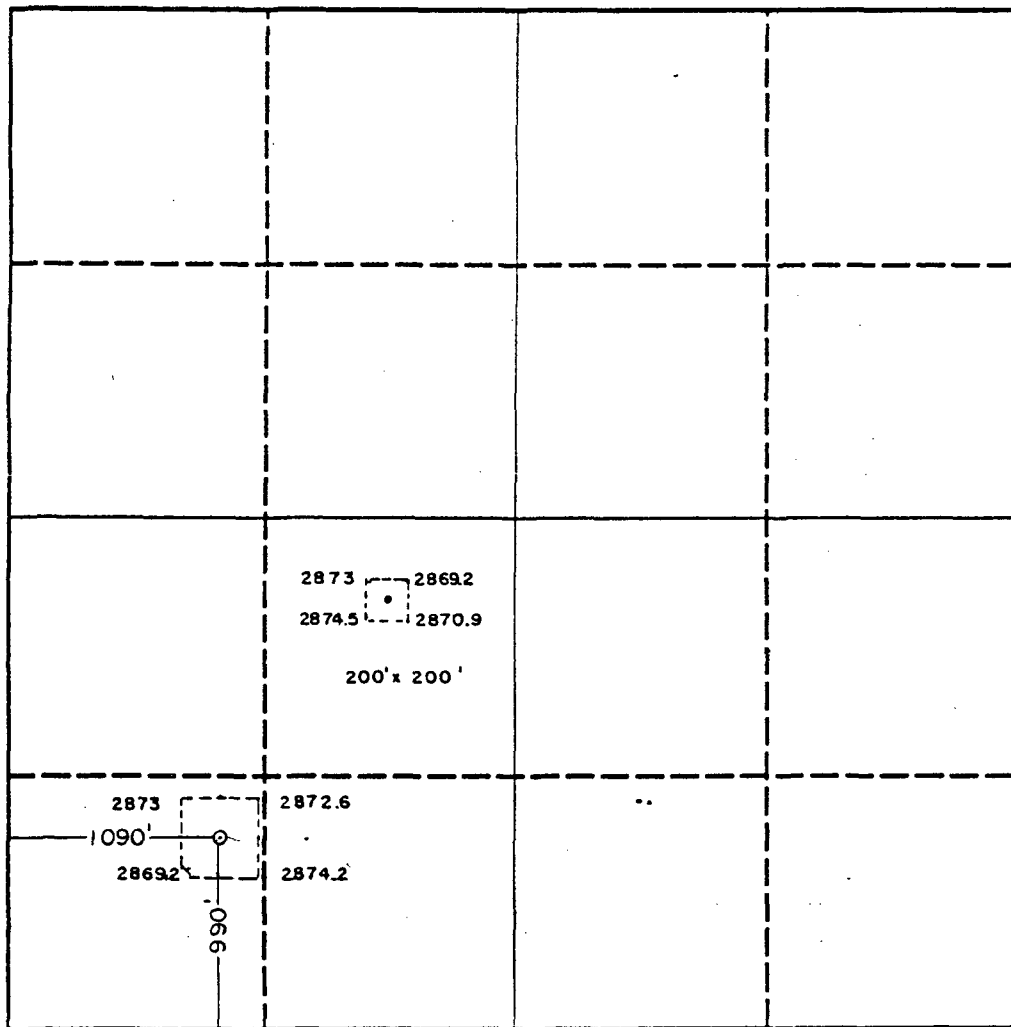
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

11-18-90

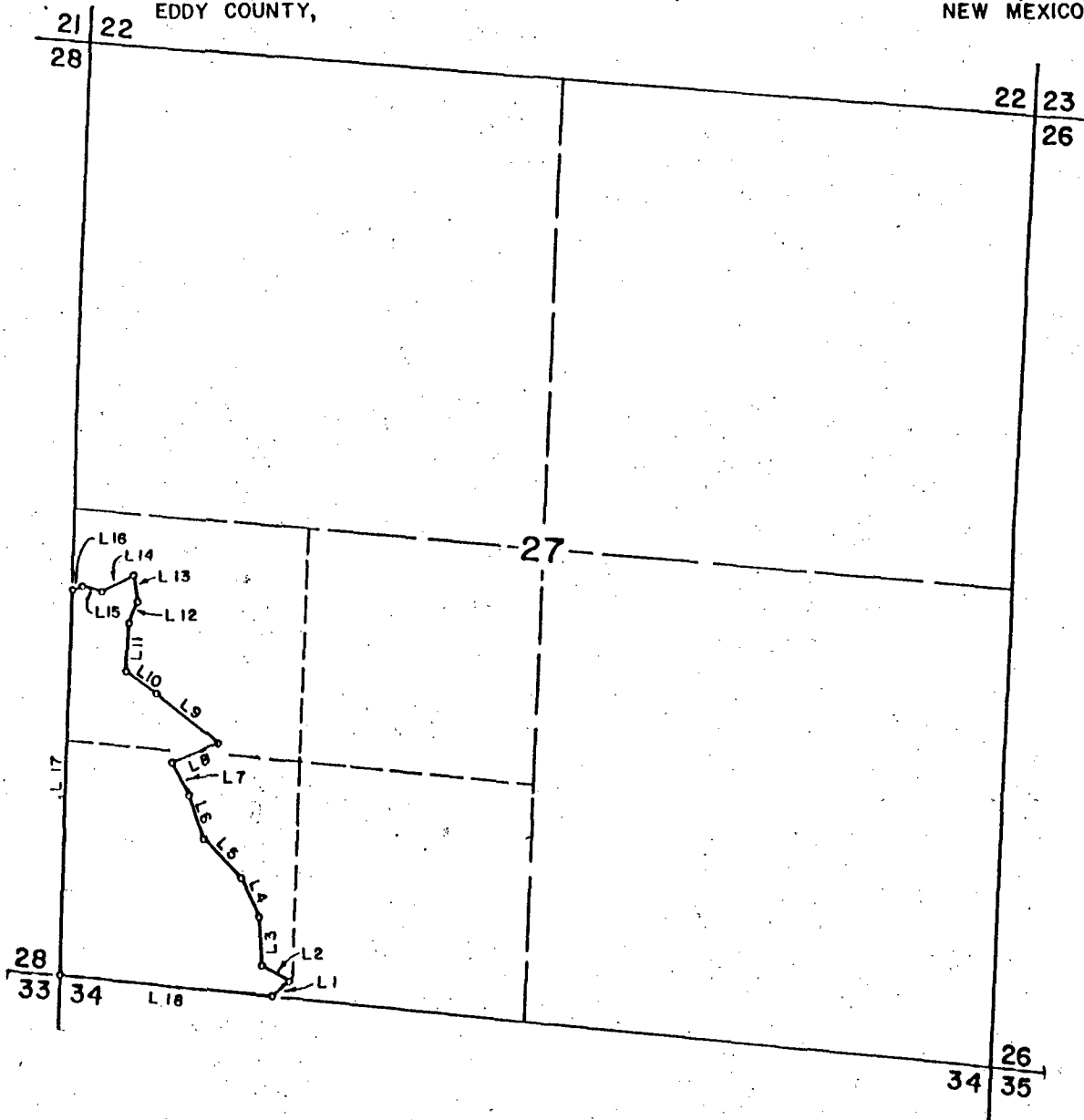
Signature & Seal of  
Professional Surveyor

REGISTERED PROFESSIONAL ENGINEER  
LAND SURVEYOR  
No. 10716  
JOHN W. WEST  
RONALD J. EISSON  
NEW MEXICO  
JOHN W. WEST  
8239



0 330 660 990 1320 1650 1980 2310 2640 2000 1000 1500 500 0

SECTION 27, TOWNSHIP 26 SOUTH, RANGE 29 EAST, N.M.P.M.,  
EDDY COUNTY, NEW MEXICO



SUBDIVISION ACREAGE

SW $\frac{1}{4}$ SW $\frac{1}{4}$  28.767 Ac.  
NW $\frac{1}{4}$ SW $\frac{1}{4}$  9.727 Ac.

NOTE: A drawing was prepared for a tract in Section 27, Township 26 South, Range 29 East, by platting the field notes furnished by Red Bluff Water Power Control District on a section plat made by U.S. General Land Office. The notes were prepared by Mr. M.R. Estes and were approved by the U.S. Bureau of Land Management. Due to an error or errors in the survey or the typed description of the survey, the tract with 18 sides did not close by an error of 320.26 feet. A copy of the plat labeled Exhibit "A" is attached.

The drawing shown on this page is an office attempt to graphically portray what was intended in those original field notes. We have made the last two calls in the description fall on the section lines and have attempted to force a closure that will contain the 38.5 acres. Obviously, we cannot certify that the drawing is correct.

LINE NO.	BEARING	DISTANCE
1	N 49°28'08" E	131.84'
2	N 61°28'18" W	188.84'
3	N 01°56'40" W	264.60'
4	N 25°52'50" W	243.64'
5	N 43°46'00" W	312.36'
6	N 17°55'54" W	251.09'
7	N 28°54'27" W	204.51'
8	N 69°19'40" E	283.26'
9	N 51°18'46" W	457.09'
10	N 55°24'10" W	213.51'
11	N 03°41'25" E	271.93'
12	N 23°20'17" E	131.48'
13	N 07°34'18" W	153.25'
14	S 62°05'51" W	206.90'
15	N 73°35'41" W	114.31'
16	S 71°56'31" W	67.92'
17	S 01°58'00" W	2149.80'
18	S 84°24'00" E	1228.10'

MALLON OIL CO.

Plat showing land leased by B.L.M. to Red Bluff Power Water Control District in Section 27, Township 26 South, Range 29 East, N.M.P.M., Eddy County, New Mexico.

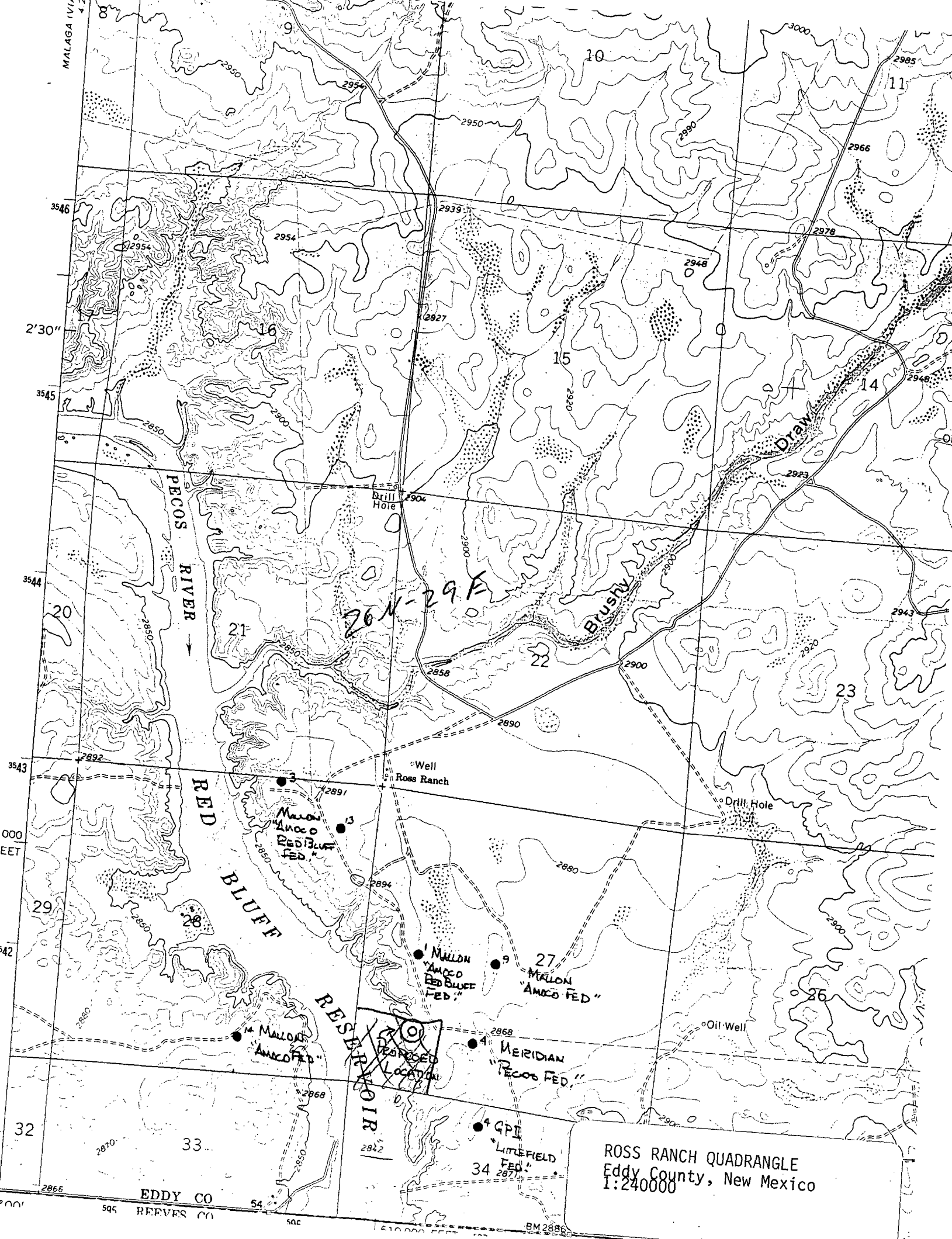
JOHN W. WEST ENGINEERING COMPANY

CONSULTING ENGINEERS

HOBBS, NEW MEXICO

John W. West, N.M. P.E. & L.S. No. 676  
Texas R.P.S. No. 1138

Scale: 1" = 1000' Drawn By: M. Mitchell  
Date: 8/25/88 Ck. Sheet 1 of 1 Sheets







# G.P. II ENERGY, INC.

P.O. Box 50682

Midland, Texas 79710

(915) 684-4748

OFFSET OPERATORS  
TO  
THE PROPOSED SPACING UNIT (M)  
SW/4, SW/4, Sec. 27, T26S, R29  
Eddy County, New Mexico

Mallon Oil Co.  
1099 18th St., Suite 2750  
Denver, CO 80202-1927

Meridian Oil, Inc.  
21 Desta Drive  
Midland, Texas 79701



## **AVALON ENERGY CORPORATION**

306 West Wall, Suite 1115 Midland, Texas 79701

(915)686-8964

April 12, 1991

Bureau of Land Management  
P.O. Box 1778  
Carlsbad, New Mexico 88221

Attn: Tom Hare

RE: Coyote Fed #1  
Sec. 27, T-26S, R-29E  
Eddy Co., New Mexico

Dear Sir:

In our meeting of March 28, 1991 we reached a tentative agreement with regard to drilling a Cherry Canyon test at a location of 990 FSL & 1090 FWL, Sec. 27, T26S, R29E, Eddy County, New Mexico. Enclosed are drilling pad layouts from Rod-Ric Drilling Co., and Peterson Drilling Co. Both of the plats assume that steel pit circulation systems will be used. In addition to the closed system, we will incorporate the following procedures to protect the immediate area:

1. Construct the pad so that the well head is located at least one foot lower in elevation than the edges of the pad.
2. All dry cuttings and drilling fluid will be removed from the location.
3. The gas-powered engine for the pump will be equipped with a quiet muffler.
4. The tank battery will be located east of the drillsite - away from the natural drainage.
5. Paint all permanent production equipment sandstone or haze gray to reduce the visual impact. The choice of colors will be left to the BLM.
6. We will use the smallest practical pumping unit.
7. Bury all flow lines to the tank battery.
8. Reduce the production pad to the smallest practical size and reclaim the unused pad around the pump.

Page 2  
Coyote Federal #1  
April 12, 1991

We have not made a final decision as to the drilling contractor. We will notify you if it is other than either of the above and will provide you with a pad layout from the final contractor. It is our intention to minimize the impact of our operation.

In closing, I wish to thank you and your staff for working with us on this matter. We understand your concern and appreciate your time and efforts.

Sincerely,

A handwritten signature in cursive script, reading "Garland C. Lamb".

Garland C. Lamb

Gary Bowers  
Barry Hunt  
EDWARD ADcock  
Garland Lamb  
George Mitchell  
A. R. Brown  
Tim Goodbar  
Tom Hare  
John Sherman  
George Rueblemann  
Bobbe Young  
Dave Stout

BLM - Carlsbad 887-6544  
"  
AVALON ENERGY CORP. 686-8964  
Avalon Energy Corp 686-8964  
GP II ENERGY, INC. 684-4748  
382-5642  
BLM  
BLM - Carlsbad 887-6544  
BLM 887-6544  
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BLM  
BLM  
BLM

MEETING AT BLM OFFICES MARCH 28, 1991



G.P. II ENERGY, INC.

P.O. Box 50682

Midland, Texas 79710

(915) 684-4748

June 6, 1991

Mallon Oil Co.  
1099 18th. St., Ste. 2750  
Denver, CO 80202-1927

Attention: Karen Haynes

RE: Unorthodox Location  
G.P. II Energy, Inc.  
Coyote Federal #1  
990' FSL, 1090 FWL  
Sec. 27(M), T-26-S, R-29-E  
Eddy County, New Mexico

Dear Ms. Haynes:

Please find attached OCD forms C-101 and C-102 for the above well. Please note that the well is 100' outside a standard location for the spacing unit. The location was moved at the direction of the Bureau of Land Management. As shown on the attached topographic map, the proposed well is adjacent to the Red Bluff Reservoir and lies within a Class II Visual Resource Management Area (VRM).

Mr. Barry Hunt and Mr. Jim Goodbar of the BLM were present at the staking of the location and required that we move the location 100' to the east away from natural drainages that incise the bluff above the lake.

Since Meridian is an offset operator to the spacing unit, G.P. II Energy, Inc. respectfully requests that Meridian waive any objection to the above location by executing below.

Sincerely,

George P. Mitchell

I understand the above request and waive any objection to the proposed location of the above captioned well.

AGREED AND ACCEPTED

This \_\_\_\_\_ day of \_\_\_\_\_ 1991

By: \_\_\_\_\_  
MALLON OIL CO.



G.P. II ENERGY, INC.

P.O. Box 50682

Midland, Texas 79710

(915) 684-4748

June 5, 1991

Meridian Oil, Inc.  
21 Desta Drive  
Midland, Texas 79701

Attention: Connie Malik

RE: Unorthodox Location  
G.P. II Energy, Inc.  
Coyote Federal #1  
990' FSL, 1090 FWL  
Sec. 27(M), T-26-S, R-29-E  
Eddy County, New Mexico

Dear Ms. Malik:

Please find attached OCD forms C-101 and C-102 for the above well. Please note that the well is 100' outside a standard location for the spacing unit. The location was moved at the direction of the Bureau of Land Management. As shown on the attached topographic map, the proposed well is adjacent to the Red Bluff Reservoir and lies within a Class II Visual Resource Management Area (VRM).

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Since Meridian is an offset operator to the spacing unit, G.P. II Energy, Inc. respectfully requests that Meridian waive any objection to the above location by executing below.

Sincerely,

George P. Mitchell

I understand the above request and waive any objection to the proposed location of the above captioned well.

AGREED AND ACCEPTED

This \_\_\_\_\_ day of \_\_\_\_\_ 1991

By: \_\_\_\_\_  
MERIDIAN OIL, INC.