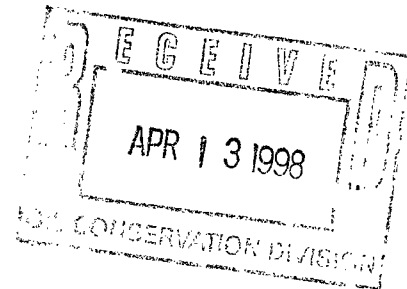


TAURUS

NSL 5/4/98
TAURUS EXPLORATION, INC.
2198 Bloomfield Highway
Farmington, New Mexico 87401
Telephone (505) 325-6800

April 8, 1998

Mr. Michael E. Stogner
New Mexico Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505



RE: Administrative Approval of Unorthodox Location
San Juan 32-5 Unit #17M Well
627' FSL, 1517' FWL
Section 26-T32N-R6W
Rio Aribba County, New Mexico
Mesa Verde/Dakota Commingle

Dear Mr. Stogner:

Taurus Exploration U.S.A., Inc. requests administrative approval for an unorthodox location of its San Juan 32-5 Unit #17M well under the provisions of NMOCD Order No. R-8170.

Due to extremely rough terrain in the form of steep cliffs, we are proposing to expand the existing well pad of the San Juan 32-5 Unit 106 NC (655' FSL and 1685' FWL), and locate the subject well on the enlarged pad. Locating a well at legal site 790' FSL is not possible as that spot would be half way down the side of a cliff, the bottom of which is the Eul Canyon arm of Navajo Lake. Approval of an orthodox location by administrative Order NSL-2541 was granted for the San Juan 32-5 #106 NC well on July 11, 1988, due to topographical reasons.

A copy of this application is being submitted to all offset operators by certified mail with a request that they furnish your office in Santa Fe a Waiver of Objection.

Attached is a well location plat showing dedicated acreage, a topographic plat of the area, and a map showing all offsetting operators.

Sincerely,

A handwritten signature in cursive script that reads "Richard P. Corcoran".

Richard P. Corcoran
District Landman

12

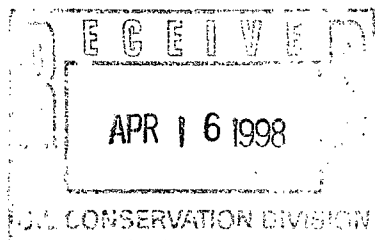
MU+DK22.

RPC/df
Enclosure

cc: OCD-Aztec office, BLM-Farmington office, Offset Operators

TAURUS

TAURUS EXPLORATION, INC.
2198 Bloomfield Highway
Farmington, New Mexico 87401
Telephone (505) 325-6800



April 9, 1998

Vern Hansen
Williams Production Company
One Williams Center
P.O. Box 3102
Tulsa, OK 74101

RE: Administrative Approval of Unorthodox Location
San Juan 32-5 Unit #17M Well
627' FSL and 1517' FWL
Section 26-T32N-R6W, NMPM
Rio Arriba County, New Mexico
Mesa Verde/Dakota Commingle

Dear Mr. Hansen:

Taurus Exploration U.S.A., Inc. has filed with the New Mexico Oil Conservation Division (NMOCD), an Application for the Administrative Approval for an Unorthodox Location for its San Juan 32-5 Unit 17M well. A copy of the application has been attached for your review.

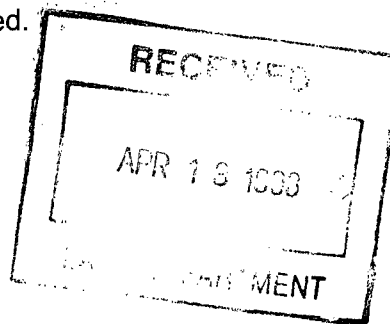
If you have no objection to this unorthodox location, please sign the three copies of the attached waiver. Return one executed copy to the NMOCD in Santa Fe, New Mexico, one copy to our office, and retain one copy for your files. Self addressed, stamped envelopes are enclosed.

Your assistance and cooperation in this matter are appreciated.

Sincerely,

A handwritten signature in cursive script that reads "Richard P. Corcoran".

Richard P. Corcoran
District Landman



RPC/df

=====

WAIVER

WILLIAMS PRODUCTION CO. hereby waives objection to the above referenced Application for Unorthodox Location for Taurus Exploration U.S.A., Inc.'s San Juan 32-5 Unit 17M well.

Date: 4/14/98 By: M. Vern Hansen

F:\LAND\WILLIAMS\SJ32517M.WPD

TAURUS

TAURUS EXPLORATION, INC.
2198 Bloomfield Highway
Farmington, New Mexico 87401
Telephone (505) 325-6800

April 9, 1998

Vern Hansen
Williams Production Company
One Williams Center
P.O. Box 3102
Tulsa, OK 74101

RE: Administrative Approval of Unorthodox Location
San Juan 32-5 Unit #17M Well
627' FSL and 1517' FWL
Section 26-T32N-R6W, NMPM
Rio Arriba County, New Mexico
Mesa Verde/Dakota Commingle

Dear Mr. Hansen:

Taurus Exploration U.S.A., Inc. has filed with the New Mexico Oil Conservation Division (NMOCD), an Application for the Administrative Approval for an Unorthodox Location for its San Juan 32-5 Unit 17M well. A copy of the application has been attached for your review.

If you have no objection to this unorthodox location, please sign the three copies of the attached waiver. Return one executed copy to the NMOCD in Santa Fe, New Mexico, one copy to our office, and retain one copy for your files. Self addressed, stamped envelopes are enclosed.

Your assistance and cooperation in this matter are appreciated.

Sincerely,



Richard P. Corcoran
District Landman

RPC/df

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WAIVER

_____ hereby waives objection to the above referenced Application for Unorthodox Location for Taurus Exploration U.S.A., Inc.'s San Juan 32-5 Unit 17M well.

Date: _____ By: _____

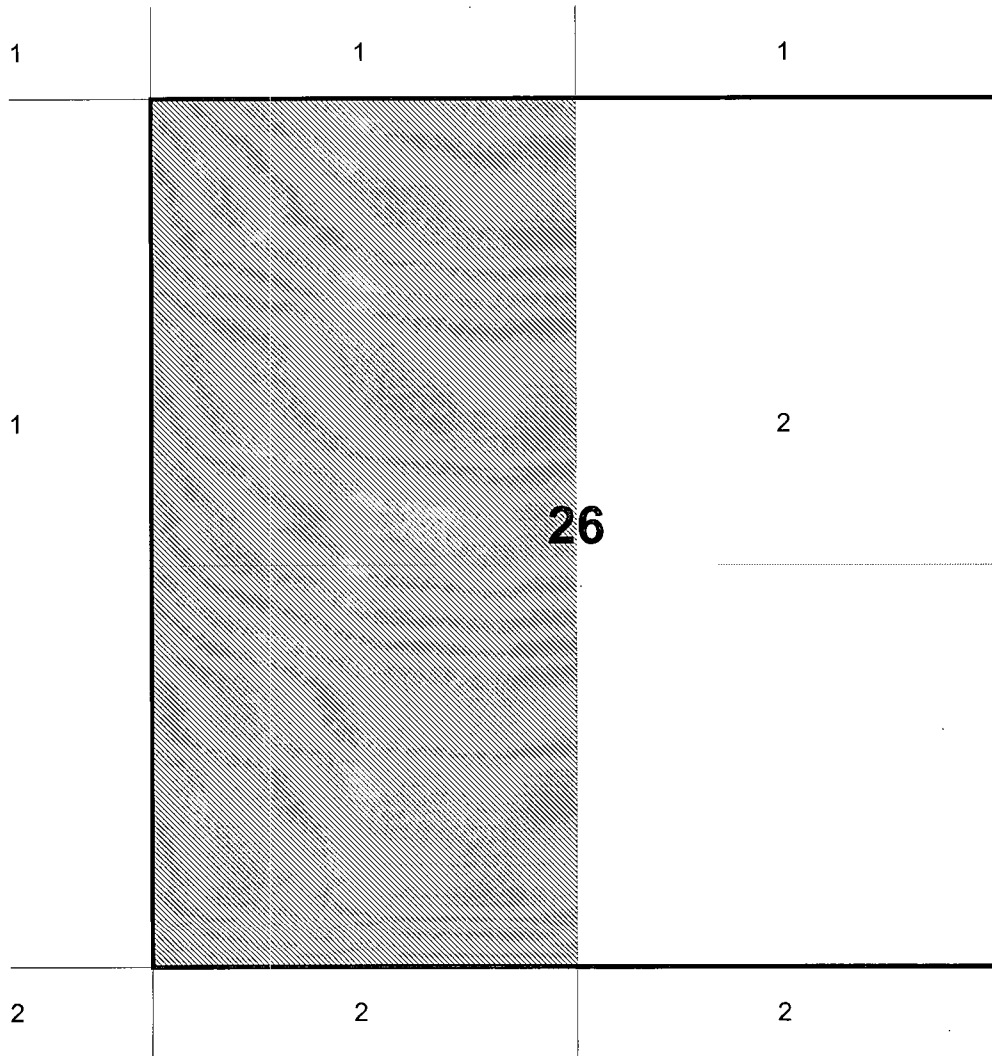
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Taurus Exploration U. S. A., Inc.

San Juan 32-5 Unit 17M
OFFSET OPERATOR \ OWNER PLAT

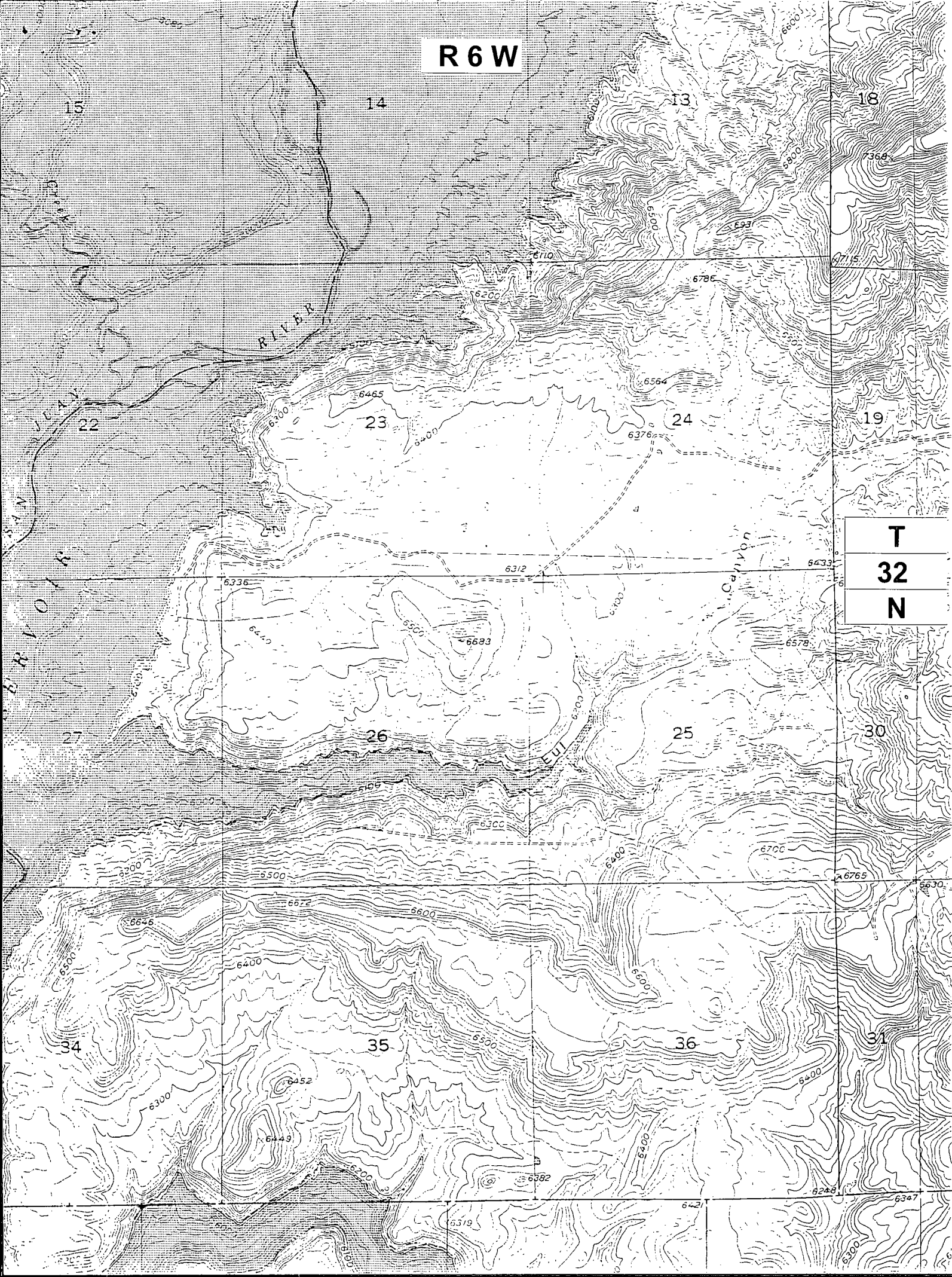
Commingle Dakota \ Mesa Verde Formations

Township 32 North - Range 6 West



1. Taurus Exploration U S A, Inc.
2. Williams Production Company

R 6 W



T
32
N

District I
180 Box 1980, Hobbs, NM 88241-1980
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised October 18, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code 72319/71599		3 Pool Name Blanco Mesa Verde/Basin Dakota	
4 Property Code		5 Property Name SAN JUAN 32-5 UNIT			6 Well Number 17M
7 OGRID No. 162928		8 Operator Name TAURUS EXPLORATION U.S.A, Inc.			9 Elevation 6377'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	26	32N	6W		627	SOUTH	1517	WEST	RIO ARRIBA

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
320			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><i>Gary W. Brink</i></p> <p>Signature Gary W. Brink Printed Name Production Superintendent Title 4/9/98 Date</p>
	<p>18 SURVEYOR CERTIFICATION</p> <p>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 belief.</p> <p>3/25/98 Date of Survey Signature and Seal of Professional Surveyor: <i>GARY P. BROADHURST</i> Certificate Number</p>

