



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



August 25, 1993

BRUCE KING
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

ANITA LOCKWOOD
CABINET SECRETARY

Robert L. Bayless
P.O. Box 168
Farmington, New Mexico 87499

Case 10832

Re: Administrative Application for an Unorthodox Gas Well Location Blue Mesa Well No. 1 to be Drilled 2100'FSL - 490'FWL (Unit 1) of Section 11, Township 24 North, Range 7 West, NMPM, Undesignated Ballard Pictured Cliffs Pool, Rio Arriba County, New Mexico.

Dear Mr. Bayless:

It has been determined subsequent to our initial evaluation of your application dated August 17, 1993 that the provisions of Division General Rule 104.F and Memorandum 1-90, see copy attached, does not permit the Division to process the subject application administratively since the major intent of this unorthodox location is for geologic reasons and not topographic.

This application will be placed on the next available Examiners Hearing docket scheduled for September 23, 1993. Further, you as applicant must provide adequate notice of this matter pursuant to all applicable provisions of Division General Rule 1207.A(5).

Sincerely,

Michael E. Stogner
Chief Hearing Examiner/Engineer

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



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

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2086
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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.

LAW OFFICES

TANSEY, ROSEBROUGH, GERDING & STROTHER, P.C.

621 WEST ARRINGTON
FARMINGTON, NEW MEXICO 87401
TELEPHONE: (505) 325-1801

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DIVISION

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Mailing Address:
P. O. Box 1020
Farmington, N.M. 87499

September 16, 1993

State of New Mexico
Energy, Minerals and Natural
Resources Department
New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87501-2088

Attn: William J. Lemay, Director

Re: Application of Robert L. Bayless for Unorthodox Gas Well location, Rio Arriba
County, New Mexico
Case No. 10832

Dear Mr. Lemay:

Enclosed please find Applicant's Pre-Hearing Statement in the above-referenced matter.

Sincerely,


Tommy Roberts
TR

TR:mkc
Encl.

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

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 10832

APPLICATION OF ROBERT L. BAYLESS
FOR UNORTHODOX GAS WELL LOCATION,
RIO ARRIBA COUNTY, NEW MEXICO.

PRE-HEARING STATEMENT

This prehearing statement is submitted by Robert L. Bayless as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

ATTORNEY

Robert L. Bayless

Tommy Roberts

P.O. Box 168

P.O. Box 1020

Farmington, New Mexico 87499

Farmington, New Mexico 87499

Attn: Kevin H. McCord

505/325-1801

505/326-2659

OPPOSITION OR OTHER PARTY

ATTORNEY

Not Known

STATEMENT OF CASE

APPLICANT

(Please make a concise statement of what is being sought with the application and the reasons therefore.)

Applicant seeks an order of the Oil Conservation Division approving an unorthodox gas well location 2,100 feet from the South line and 490 feet from the East line of Section 11, Township 24 North, Range 7 West, N.M.P.M., Rio Arriba County, New Mexico, to test the Ballard-Pictured Cliffs Gas Pool. This application is based on geological and topographical considerations.

OPPOSITION OR OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

NOT APPLICABLE

PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
William F. Hoppe - Petroleum Geologist	15-20 min.	- Lease Ownership Plat - Isopach map - Cross-Section Map - Topographic map - Proof of Notice

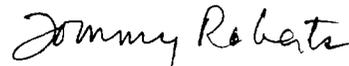
OPPOSITION

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
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NOT APPLICABLE

PROCEDURAL MATTERS
(Please identify any procedural matters which
need to be resolved prior to the hearing)

NONE



TOMMY ROBERTS, Attorney for
Robert L. Bayless

DATED: September 15, 1993



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

October 19, 1993

Tansey, Rosebrough, Gerding
& Strother
Attorneys at Law
P. O. Box 1020
Farmington, New Mexico 87499

RE: CASE NO. 10832
Order No. R-9994

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Sincerely,


Sally E. Martinez
Administrative Secretary

FD/sl

cc: BLM - Farmington
OCD Aztec Office