

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

June 19, 1990

Evergreen Operating Corp.
c/o A.R. Kendrick
Box 516
Aztec, NM 87410-0516

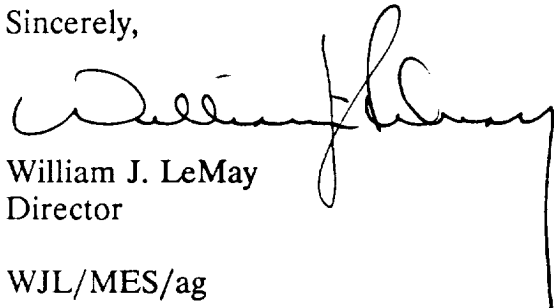
Administrative Order NSL-2810

Dear Mr. Kendrick:

Reference is made to your application dated April 23, 1990 for a non-standard coal gas well location for the Rosa Unit Well No. 280 to be located ^{1,300}~~2000~~ feet from the South line and ¹⁸⁶⁰~~1890~~ feet from the West line (Unit K) of Section 1, Township 31 North, Range 4 West, NMPM, Basin Fruitland Coal (Gas) Pool, Rio Arriba County, New Mexico. Lots 3 and 4, S/2 NW/4 and SW/4 (W/2 equivalent) of said Section 1 shall be dedicated to the well forming a standard 327.26-acre gas spacing and proration unit for said pool.

By the authority granted me under the provisions of Rule 8 of the Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool as promulgated by Division Order No. R-8768, the above-described unorthodox coal gas well location is hereby approved.

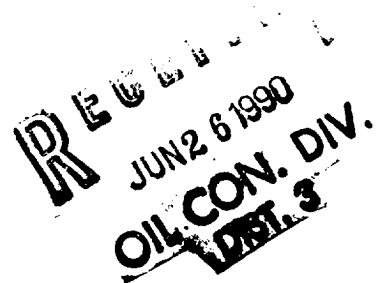
Sincerely,



William J. LeMay
Director

WJL/MES/ag

cc: Oil Conservation Division - Aztec
US Bureau of Land Management - Farmington
US Forest Service - Blanco





STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

ARREY CARRUTHERS
GOVERNOR

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

Date: 5-3-90

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

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

Gentlemen:

I have examined the application dated 4-24-90
for the Evergreen Operating Corp. Rosa Unit #280
Operator Lease & Well No.

K-1-31N-4W and my recommendations are as follows:
Unit, S-T-R

Approve

NSL-2510

Yours truly,

Emilio Burch

A. R. KENDRICK

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

April 23, 1990

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

Re: Application for Non-Standard Location
Evergreen Operating Corporation
Rosa Unit #280
2000' FSL 1890' FWL 1-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 a well to be located 2000' FWL 1890' FWL of Section 1, Township 31 North, Range 4 West, Basin Fruitland Coal Gas Pool, Rio Arriba County, New Mexico.

The reason for the non-standard location is due to topography.

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

RECEIVED

APR 24 1990

OIL CON. DIV.

DIST. 3

Application for Non-Standard Location

**Evergreen Operating Corporation
Rosa Unit #280
2000' FSL 1890' FWL, Section 1-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:
shows 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:
shows the location to be on a nose of a steep hillside. (Notice that the Contour Interval is 40 feet.) The location is adjacent to the existing roadway to avoid road construction. The location is located to avoid excessive cutting into the hillside. The terrain falls off rapidly to the south and west from the location which prevents moving further west.
- EXHIBIT C** Ownership and Offset Well Location Plat:
shows the location of the Rosa Unit #280 relative to the locations of the #281 in the northeast quarter of Section 1 and the #283 in the northeast quarter of Section 2. The distance between wells in Section 1, 2709 feet, are well within the tolerances of standard well spacings as set out in the pool rules by Order R-8768 and shown on Exhibit E.
- The ownership and offset wells are also shown on this exhibit.
- This information is believed to be current and accurate.
- EXHIBIT D** Location Windows Plat showing distances between points:
shows the distances between wells in standard spacing situations with 1601.25 feet being the minimum and 5232.59 feet maximum for wells on adjacent drill tracts.
- EXHIBIT E** Location Windows Plat with wells spotted:
shows the "windows" for standard locations as provided by Order R-8768 with the #280 and #281 wells spotted in their approximate positions.
- EXHIBIT F** Copy of Application for Permit to Drill:
shows the Application for Permit to Drill.

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

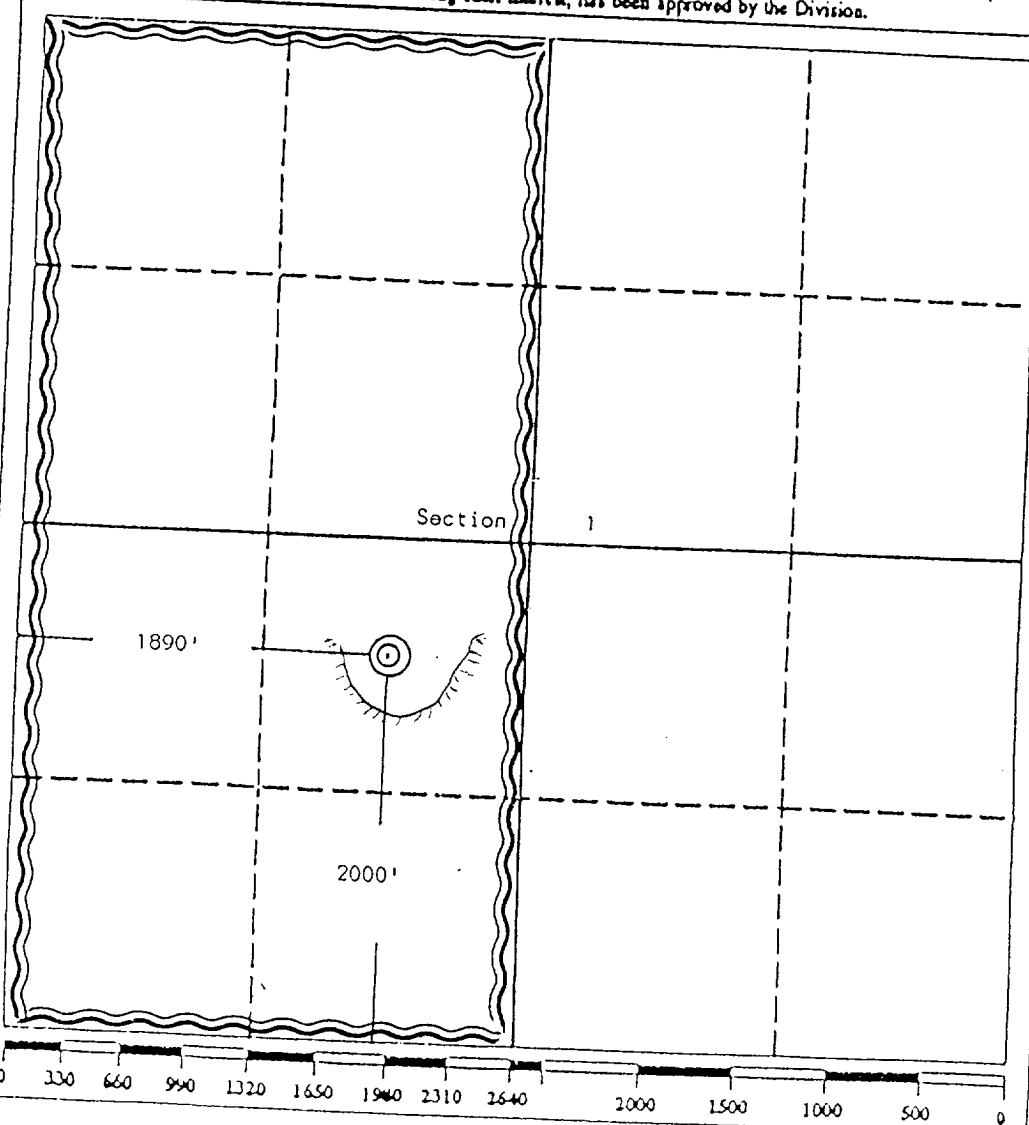
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

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. 280
Unit Letter K	Section 1	Township 31 North	Range 4 West	County Rio Arriba	
Actual Footage Location of Well: 2000 feet from the South line and 1890 feet from the West line					
Ground level Elev. 7020		Producing Formation Fruitland Coal		Pool Basin Fruitland Coal	
					Dedicated Acreage: 327.26 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.



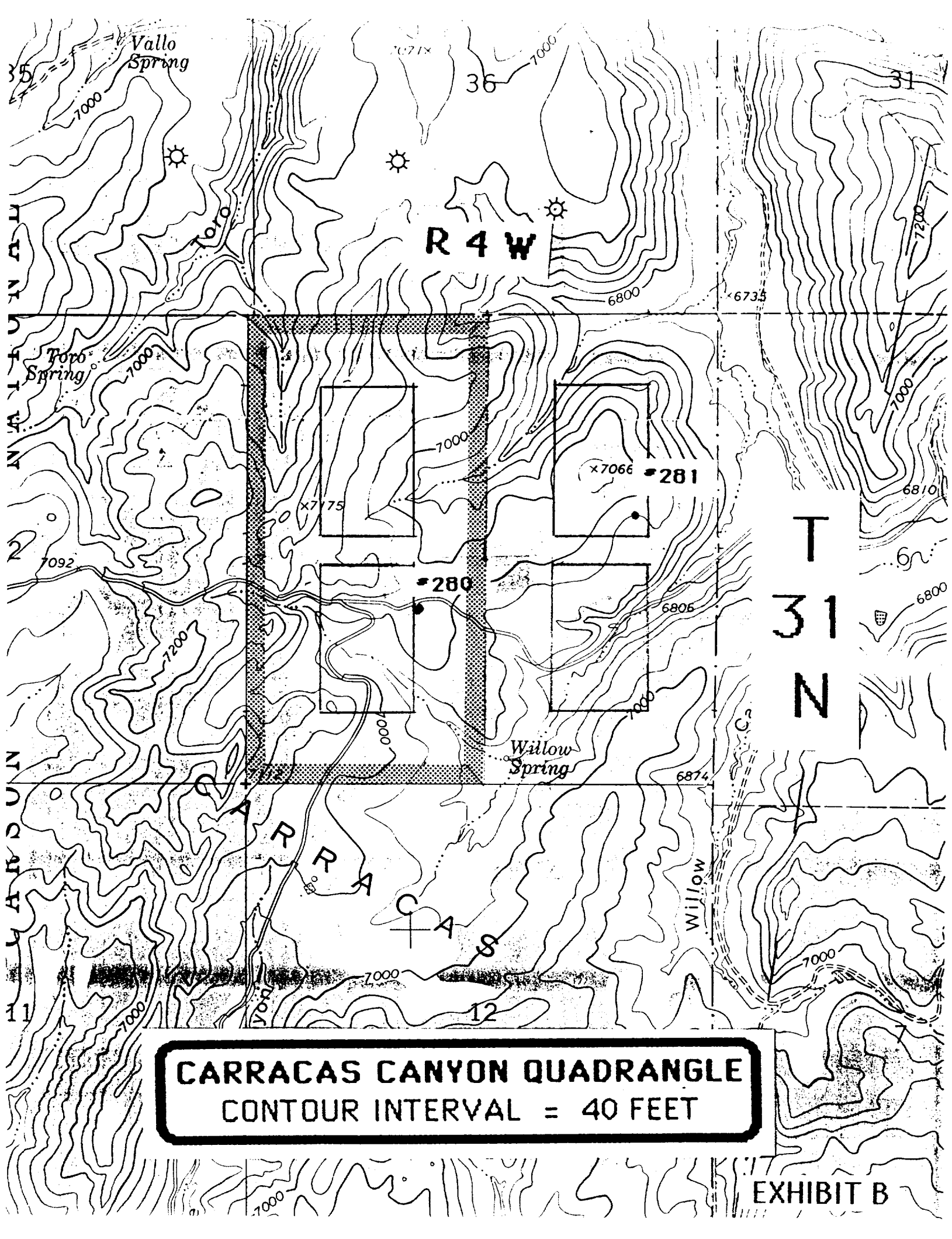
OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature
A. R. Kendrick
Printed Name
A. R. Kendrick
Position
Agent
Company
Evergreen Operating Corp
Date
March 23, 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.

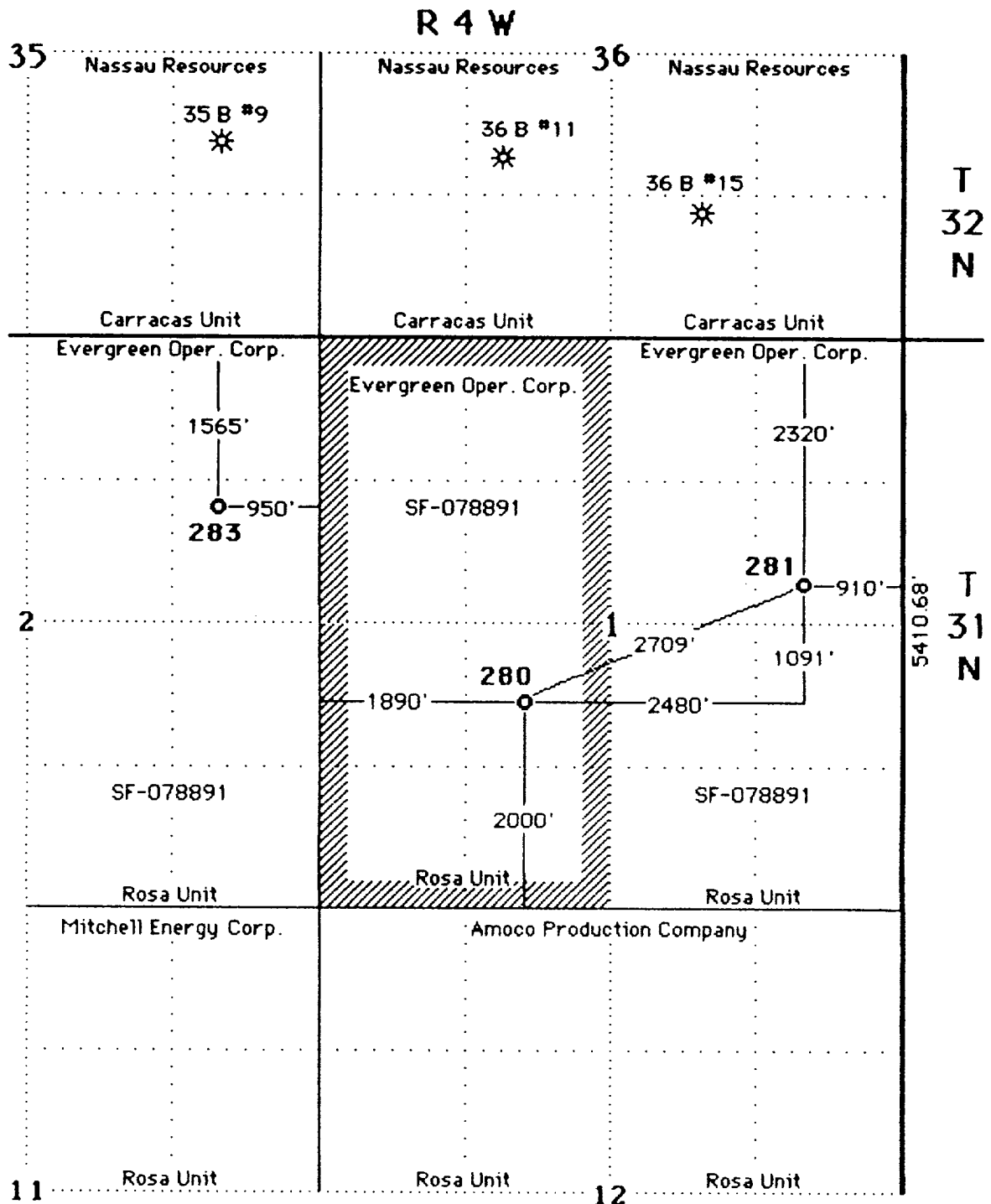
Date Surveyed
March 19, 1990
Signature & Seal of Professional Surveyor
Edgar L. Risenhoover
Certificate No.
5979
Edgar L. Risenhoover

EXHIBIT A

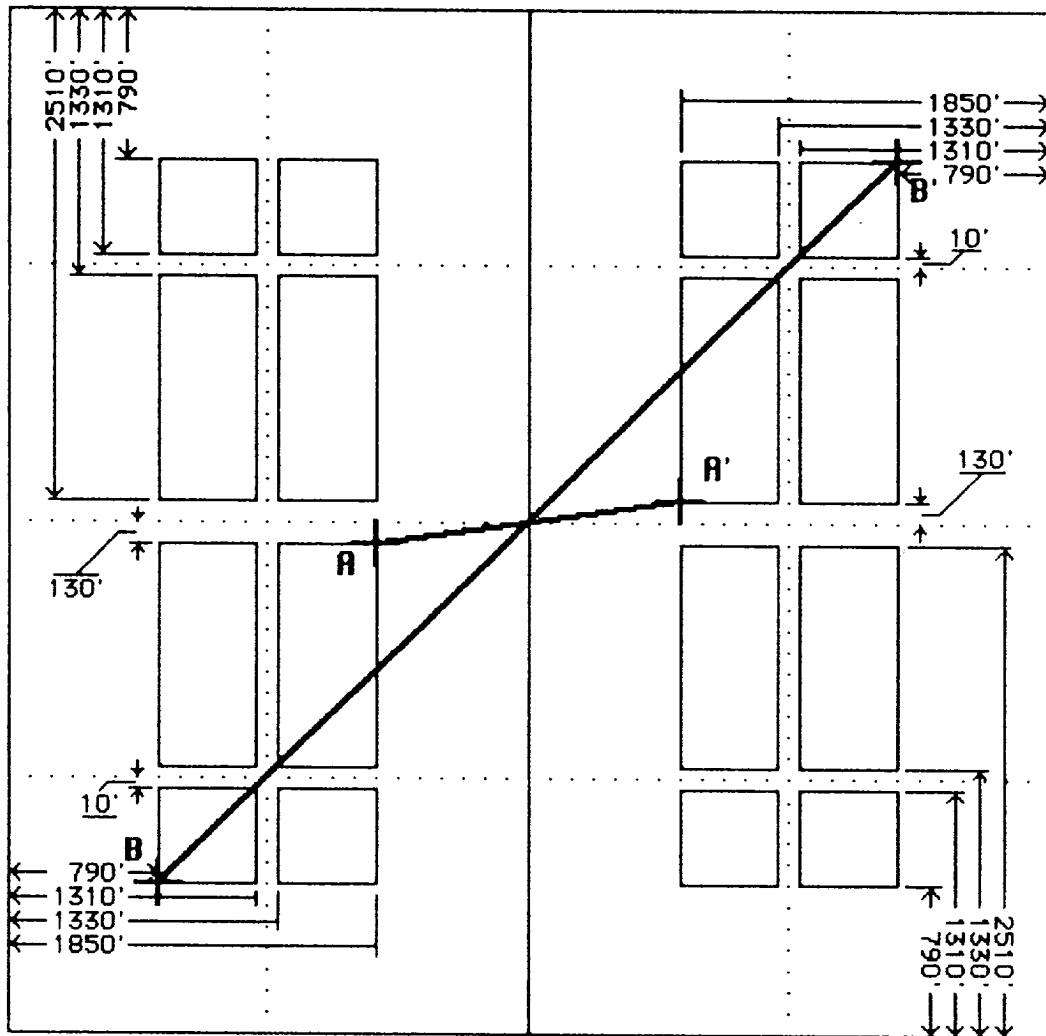


CARRACAS CANYON QUADRANGLE
CONTOUR INTERVAL = 40 FEET

Non-Standard Location for Rosa Unit #280
2000' FSL 1890' FWL Section 1-T31N-R4W
Basin Fruitland Coal Gas Pool



STANDARD LOCATION WINDOWS FRUITLAND COAL WELL (320-ACRE DRILL TRACT)

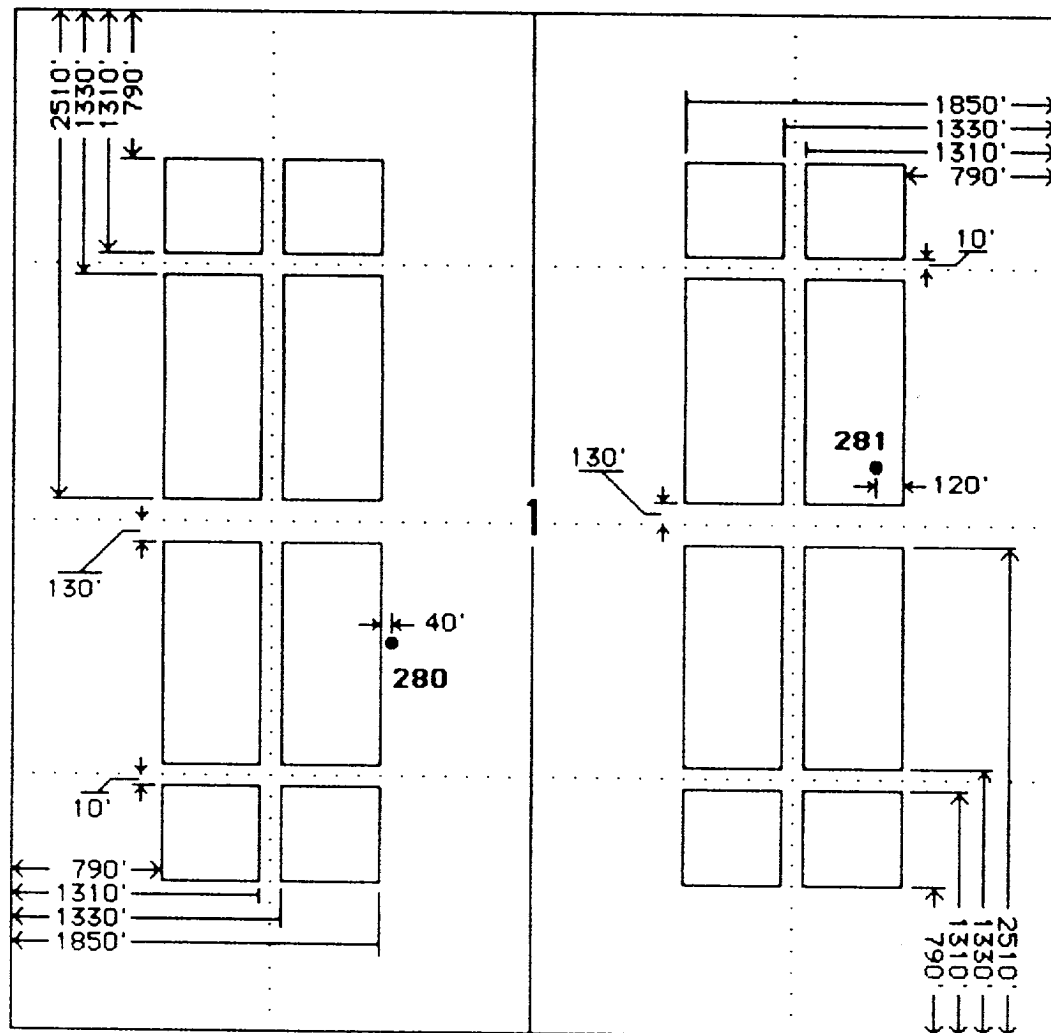


DISTANCES BETWEEN POINTS:

Minimum: $A - A' = 1601.25'$

Maximum: $B - B' = 5232.59'$

Non-Standard Location for Rosa Unit #280
 2000' FSL 1890' FWL Section 1-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 <div style="text-align: center;">DRILL</div>		5. Lease Number <div style="text-align: center;">SF-078891</div>	
1b Type of Well <div style="text-align: center;">GAS</div>		6. If Indian, Name of Tribe or Allottee 	
2. Operator <div style="text-align: center;">Evergreen Operating Corporation</div>		7. Unit Agreement Name <div style="text-align: center;">ROSA UNIT</div>	
3. Address & Phone No. of Operator <div style="text-align: center;">SA. R. KENDRICK BOX 516, AZTEC, NM 87410 (505) 334-2555</div>		8. Farm or Lease Name <div style="text-align: center;">ROSA UNIT</div>	
4. Location of Well <div style="text-align: center;">(Unit K) 2000' FSL 1890' FWL</div>		9. Well Number <div style="text-align: center;">280</div>	
14. Distance in Miles from Nearest Town <div style="text-align: center;">12 MILES WEST OF DULCE, NM</div>		10. Field, Pool, or Wildcat <div style="text-align: center;">BASIN-FRUITLAND COAL GAS POOL</div>	
15. Distance from Proposed Location To Nearest Property Line or Lease Line. 1800'		11. Section, Township, & Range, Meridian, or Block <div style="text-align: center;">1-31N-4W</div>	
16. Acres in Lease <div style="text-align: center;">1965.72 Acres</div>		12. County <div style="text-align: center;">RIO ARRIBA</div>	
17. Acres Assigned to Well <div style="text-align: center;">W-327.26 Acres</div>		13. State <div style="text-align: center;">NEW MEXICO</div>	
18. Distance From Proposed Location To Nearest Well Dr, Compl., Or Applied For On Lease. 2233'		19. Proposed Depth <div style="text-align: center;">4215'</div>	
20. Rotary or Cable Tools <div style="text-align: center;">ROTARY</div>		21. Elevations (DR, RT, GR, Etc.) <div style="text-align: center;">7020'</div>	
22. Approximate Date Work Will Start. <div style="text-align: center;">As soon as Possible.</div>		23. Proposed Casing and Cementing Program 	

Exhibits attached as follows:

- | | |
|--------------------------------------|-----------------------------------|
| "A" Location and Elevation Plat | "F" Drill Rig Layout |
| "B" Ten-Point Compliance Program | "G" Completion Rig Layout |
| "C" Blowout Preventer Schematic | "H" Location Profile |
| "D" Multi-Point Requirements for APD | "I" Production Facility Schematic |
| "E" Vicinity Map - Access Roads | |

24. Signed *AR Kendrick* Title _____ Agent _____ Date *4-6-90*

Permit No. _____ Approval Date _____

Approved By _____ Title _____ Date _____

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

EXHIBIT F

"ON-SITE" FIELD INSPECTION

The location is within the Carson National Forest.

Mr. Jim Tensfield, the Forest Service energy representative, will be on duty elsewhere until May 10, 1990; therefore, a supervised "On-site" Inspection cannot be performed prior to May 14, 1990.

During our unsupervised On-site Inspection, we found the following to exist:

The location was staked according to the instructions we received from the Forest Service with respect to avoiding unnecessary road construction, excessive cuts and fills, excessive timber removal, and other ecological damage that can be avoided.

The location cannot be moved to the west without encountering excessive construction costs and creating additional environmental damage.

The location does not crowd any drill tract outside of Section 1, and it does not crowd the proposed well location of well #281 within Section 1 as much as the minimum distance between wells on standard locations as shown on Exhibits C and D.

The west half dedication is necessary due to the location of the #281 well which is located at a standard location in the northeast quarter of Section 1.

A well pad at any standard location in the west half of Section 1 cannot avoid excessive ecological damage.

NAMES AND ADDRESSES OF OFFSET OWNERS AND INTERESTED PARTIES

Application for Non-Standard Location
Evergreen Operating Corporation
Rosa Unit #280
2000' FSL 1890' FWL 1-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

Nassau Resources, Inc. •
P. O. Box 809
Farmington, New Mexico 87499-0809

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.