

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

30-039-24857

**APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK**

1a. Type of Work <b>DRILL</b>		5. Lease Number <b>SF-078891</b>	
1b. Type of Well <b>GAS</b>		6. If Indian, Name of Tribe or Allottee	
2. Operator <i>Loker &amp; Purley, Inc.</i> <del>Evergreen Operating Corporation</del>		7. Unit Agreement Name <b>ROSA UNIT</b>	
3. Address & Phone No. of Operator <b>SA. R. KENDRICK</b> <b>BOX 516, AZTEC, NM 87410</b> <b>(505) 334-2555</b>		8. Farm or Lease Name <b>ROSA UNIT</b>	
4. Location of Well  <b>(Unit H) 1670' FNL 300' FEL</b>		9. Well Number <b>285</b>	
14. Distance in Miles from Nearest Town <b>13 MILES WEST OF DULCE, NM</b>		10. Field, Pool, or Wildcat <b>BASIN-FRUITLAND COAL GAS POOL</b>	
		11. Section, Township, & Range, Meridian, or Block <b>3-31N-4W</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>1510'</b>	16. Acres in Lease <b>1965.72 Acres</b>	17. Acres Assigned to Well <b>E-326.52 Acres</b>	
18. Distance From Proposed Location To Nearest Well Dr, Compl., Or Applied For On Lease. <b>3479'</b>	19. Proposed Depth <b>4410'</b>	20. Rotary or Cable Tools <b>ROTARY</b>	
21. Elevations (DF, RT, GR, Etc.) <b>7165 7202 GR</b>		22. Approximate Date Work Will Start. <b>As soon as Possible.</b>	

23. Proposed Casing and Cementing Program

This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4.

**Exhibits attached as follows:**

"A" Location and Elevation Plat  
"B" Ten-Point Compliance Program  
"C" Blowout Preventer Schematic  
"D" Multi-Point Requirements for APD  
"E" Vicinity Map - Access Roads

"F" Drill Rig Layout  
"G" Completion Rig Layout  
"H" Location Profile  
"I" Production Facility Schematic

**RECEIVED**

**AUG 06 1990**

**OIL CON. DIV**

**DIST. 3**

24. Signed *AR Kendrick* Title \_\_\_\_\_ Agent \_\_\_\_\_ Date **4-9-90**

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

Approved By \_\_\_\_\_ Title \_\_\_\_\_ Date **AUG 02 1990**

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

NSL-2813



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

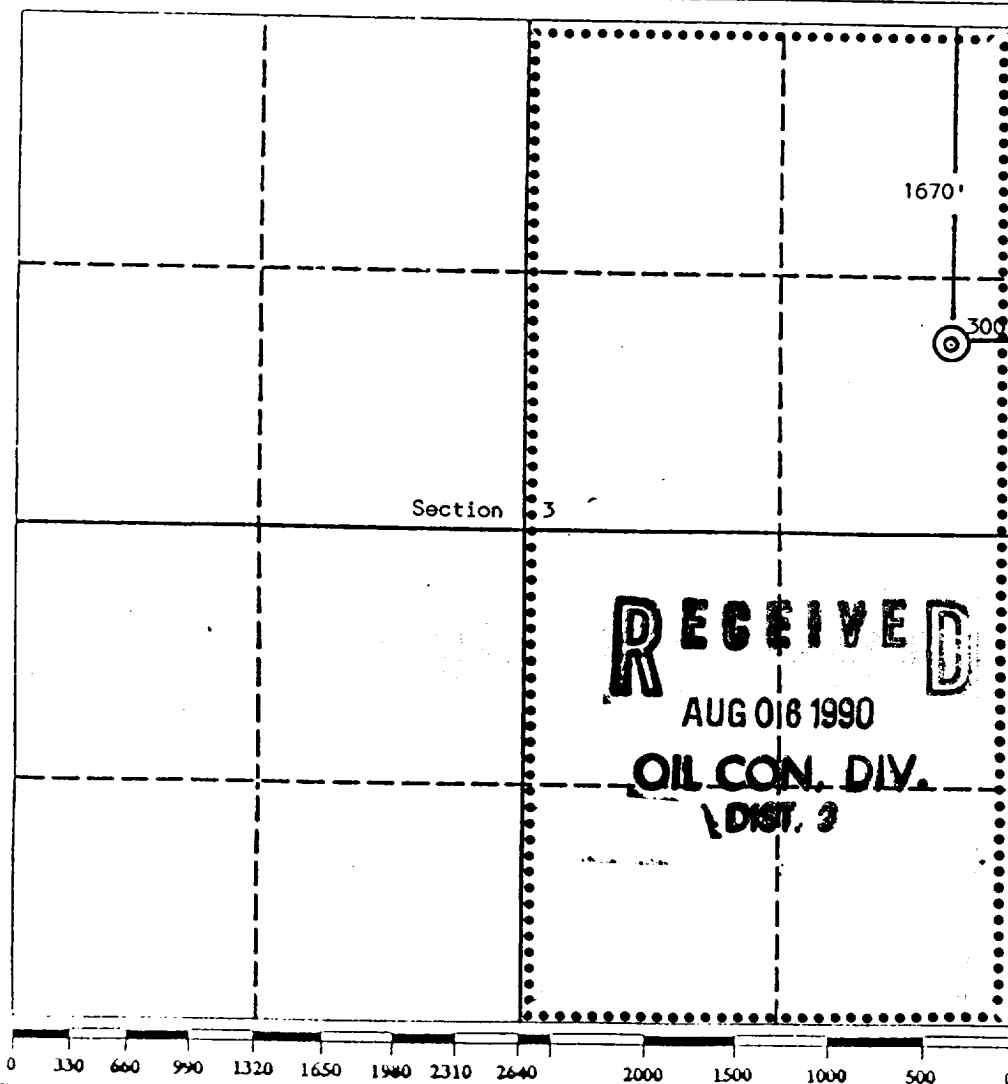
DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
1600 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. 285
Unit Letter H	Section 3	Township 31 North	Range 4 West	County NMNM	Rio Arriba
Actual Footage Location of Well: 1670 feet from the North line and 300 feet from the East line					
Ground level Elev. 7165	Producing Formation Fruitland Coal	Pool Basin Fruitland Coal		Dedicated Acreage: 326.52 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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 *A. R. Kendrick*  
Printed Name A. R. Kendrick  
Position Agent  
Company Evergreen Operating Corp.  
Date May 24, 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 19, 1990  
Signature & Seal of Professional Surveyor  
*Edgar L. Risenhoover*  
Certification No. 5979  
Edgar L. Risenhoover, Registered Land Surveyor

**TEN-POINT COMPLIANCE PROGRAM****1**

**Evergreen Operating Corporation**  
**Rosa Unit #285**  
1510' FNL 875' FEL Sec. 3-31N-4W  
Rio Arriba County, NM Elev: 7202' GR  
Lease No. SF-078891

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

Ojo Alamo	3492'
Kirtland	3607'
Fruitland	3962'
Fruitland Coal	4062'
Pictured Cliffs	4152'
Total Depth	4410'

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

<u>SUBSTANCE</u>	<u>FORMATION</u>	<u>ANTICIPATED DEPTH</u>
GAS	Fruitland Coal	4062'

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: 475 Sx Class B w/2% Calcium Chloride and 0.5 cubic feet per sack perlite followed by 215 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 C 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.

**EXHIBIT B**

**Evergreen Operating Corporation**  
**Rosa Unit #285**  
1510' FNL 875' FEL Sec. 3-31N-4W  
Rio Arriba County, NM Elev: 7202' GR  
Lease No. SF-078891

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:

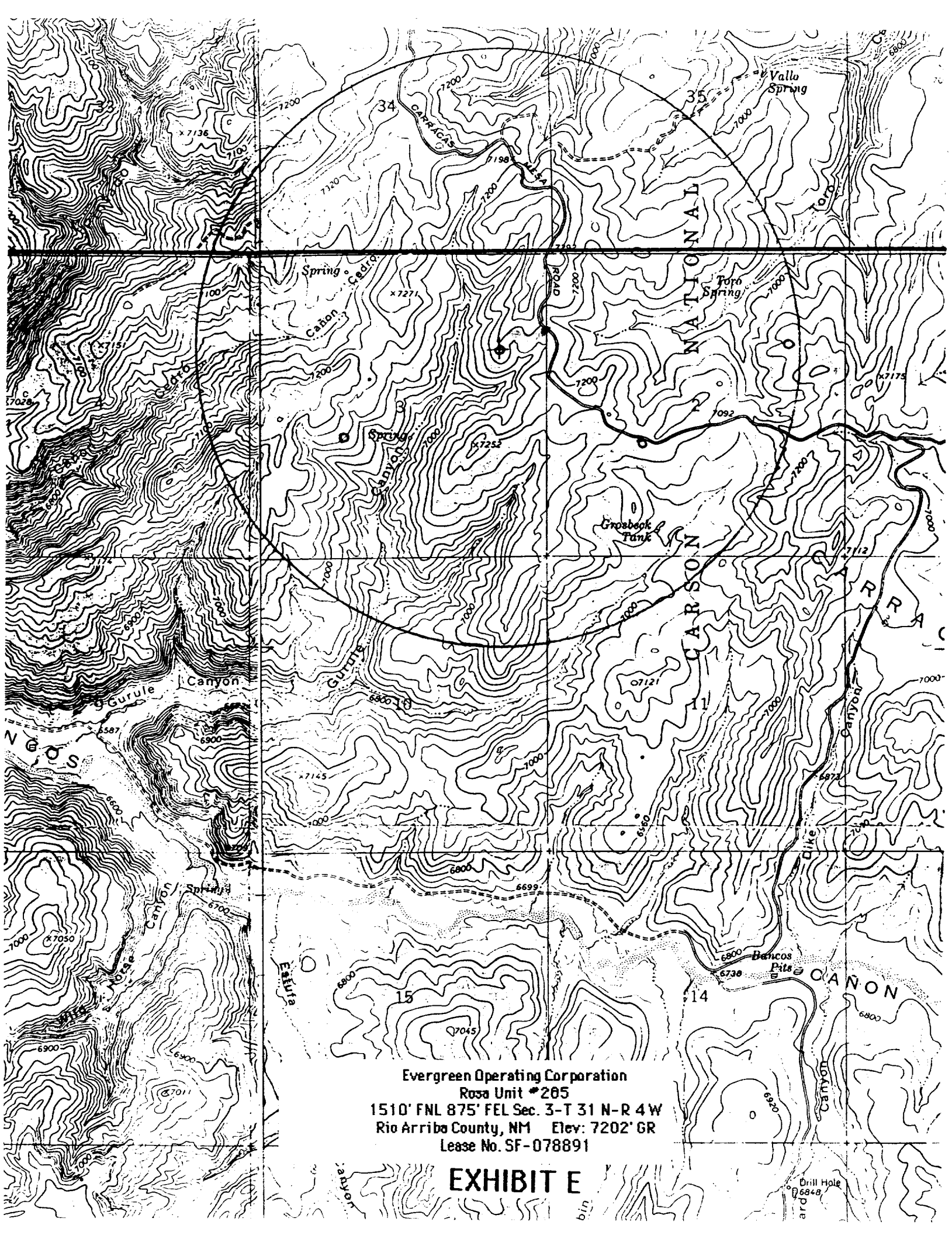
- a. Cores: none.
- b. Drill stem tests: none anticipated.
- c. Logging: IEC from 0' to TD. Micro Log and CNL/FDC over potential pay zones.  
A mud logging unit will be utilized.

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 #285  
1510' FNL 875' FEL Sec. 3-T 31 N-R 4W  
Rio Arriba County, NM Elev: 7202' GR  
Lease No. SF-078891

EXHIBIT E

43.27

43.25

86.52

~~80.00~~  
1 652

1 86.52

240.00

326.52

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 21, 1990

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

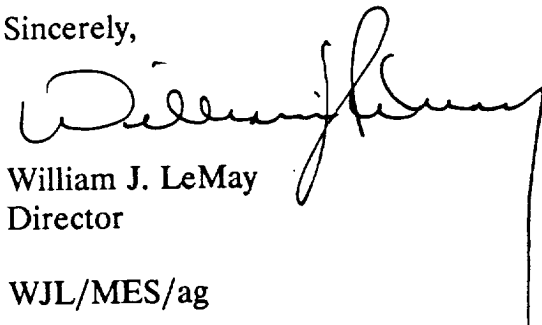
*Administrative Order NSL-2813*

Dear Mr. Kendrick:

Reference is made to your application dated May 24, 1990 for a non-standard coal gas well location for the Rosa Unit Well No. 285 to be located 1670 feet from the North line and 300 feet from the East line (Unit H) of Section 3, Township 31 North, Range 4 West, NMPM, Basin Fruitland Coal (Gas) Pool, Rio Arriba County, New Mexico. Lots 1 and 2, the NE/4 and SE/4 of said Section 3 shall be dedicated to the well forming a standard 326.52-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

**RECEIVED**  
JUN 26 1990  
OIL CON. DIV  
DIST. 3





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

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

ARREY CARRUTHERS  
GOVERNOR

Date: 5-30-96

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 5-25-96  
for the EVERGREEN OPERATING CORP. PLSA UNIT #285  
Operator Lease & Well No.

H-3-31N-4W and my recommendations are as follows:  
Unit, S-T-R

Approve  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Yours truly,

Ernie Bush

**A. R. KENDRICK**

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

May 24, 1990

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

**RECEIVED**  
MAY 25 1990  
OIL CON. DIV  
DIST. 2

Re: Application for Non-Standard Location  
Evergreen Operating Corporation  
Rosa Unit #285  
1670' FNL 300' FEL Sec. 3-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 #285 well to be located 1668' FNL 301' FEL of Section 3, 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 and to protect wildlife habitat.

We attempted to place the location on the ridge to the west at a standard location, but the Forest Service objected due to the need for "scalping" the hill.

This is the only usable location within the northeast quarter of Section 3.

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 #285  
1670' FNL 300' FEL, Sec. 3-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 bench of a steep hillside. (Notice that the Contour Interval is 40 feet.) The location is situated to avoid excessive cutting into the top of the ridge to the west. The terrain falls off rapidly to the south and west from the location which prevents moving further west. There is no other viable location within the northeast quarter.
- EXHIBIT C** Ownership and Offset Well Location Plat: shows the location of the Rosa Unit #285 relative to the locations of the #284 in the southwest quarter of Section 3 and the #282 in the southwest quarter of Section 2.
- The distance between wells within Section 3, being 3972 feet, and between the #285 and the #282 wells, being 2658 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.
- 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 #285 and #284 wells spotted in their approximate positions.
- EXHIBIT F** Copy of Application for Permit to Drill: shows the Application for Permit to Drill.
- 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 88240

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

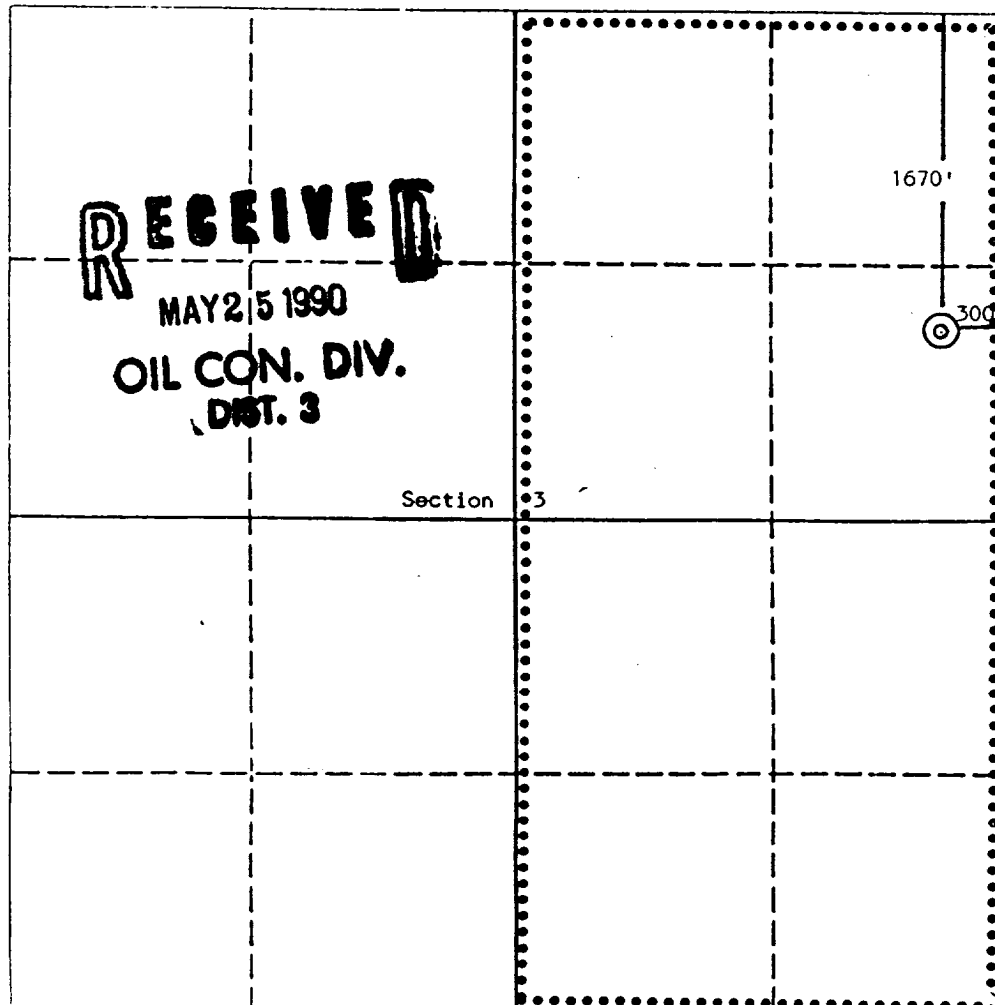
DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

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. 285
Unit Letter H	Section 3	Township 31 North	Range 4 West	County Rio Arriba	
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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  
May 24, 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 19, 1990

Signature & Seal of Professional Surveyor  
*Edgar L. Risenhoover*  
Certifying No. 5979

EXHIBIT A

037133  
100-100000  
100-100000  
100-100000

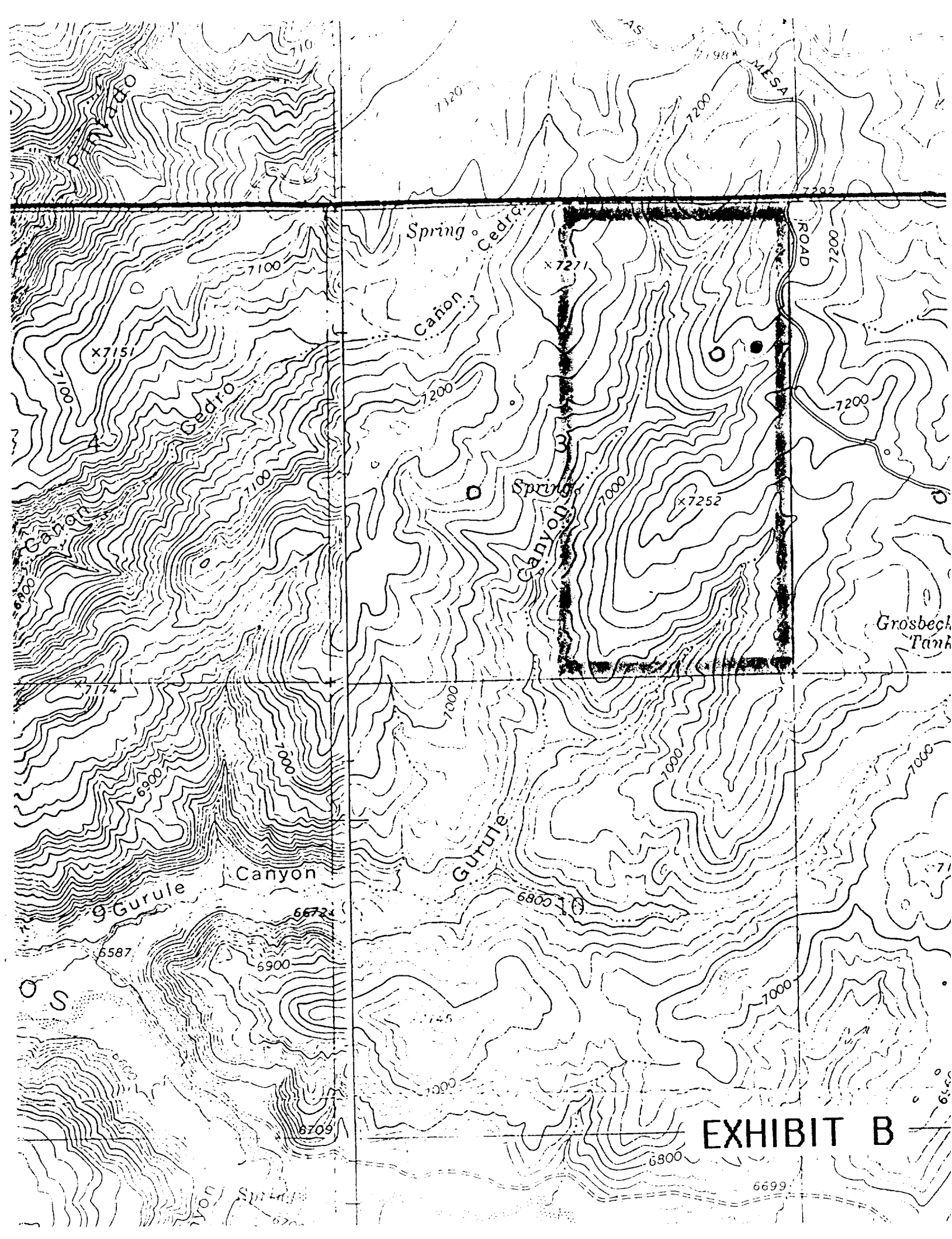
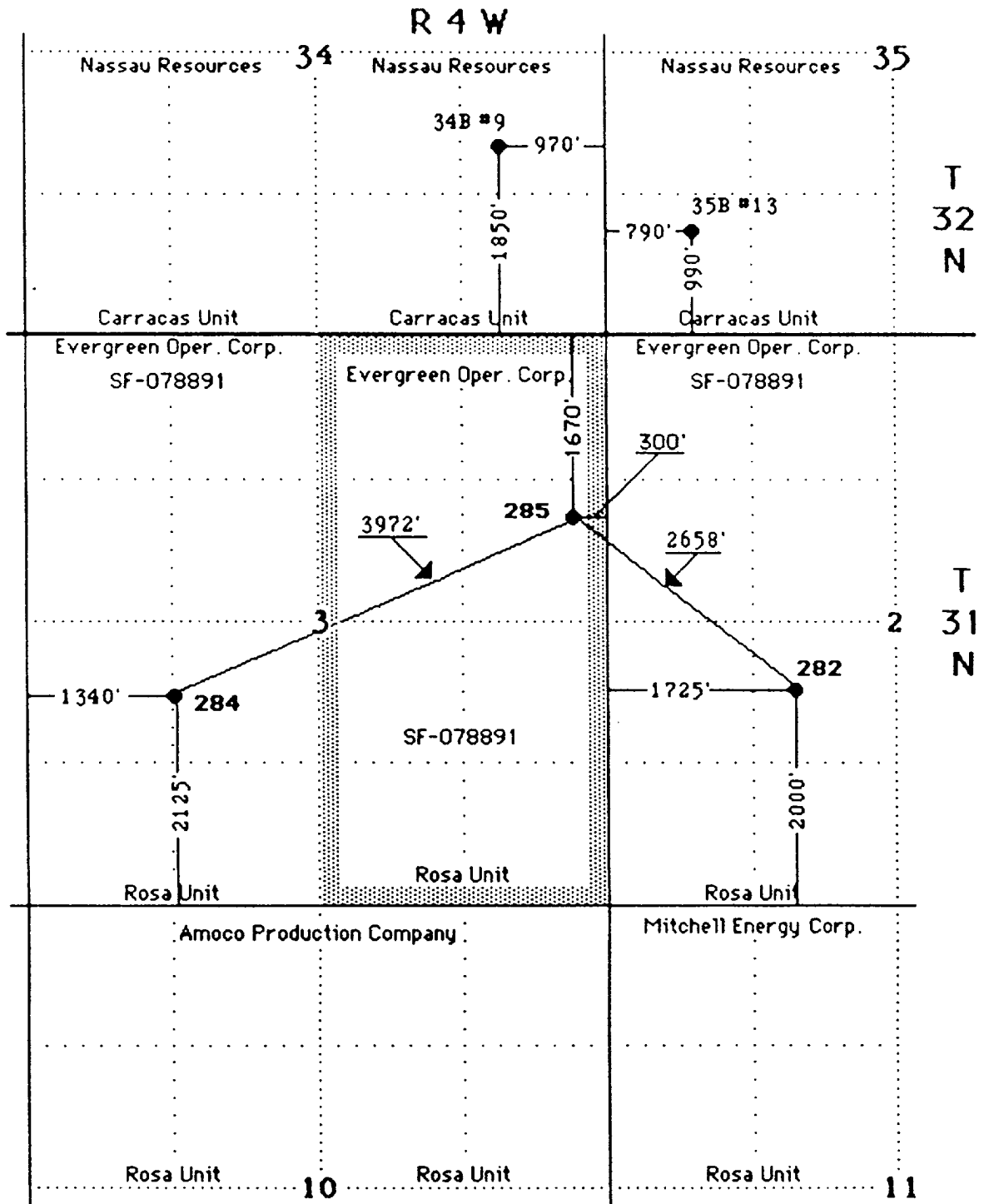
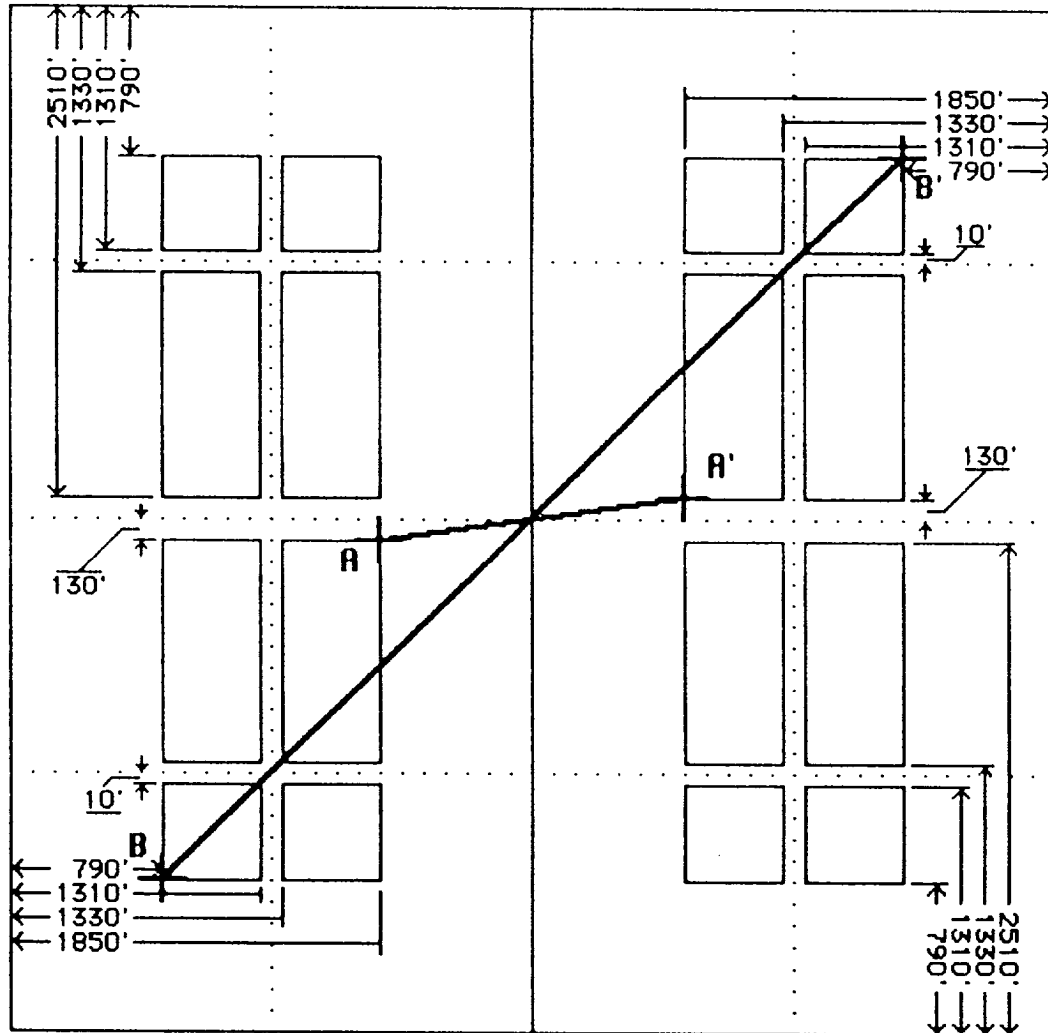


EXHIBIT B

**Non-Standard Location for Rosa Unit #285**  
**1670' FNL 300' FEL Section 3-T31N-R4W**  
**Basin Fruitland Coal Gas Pool**



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



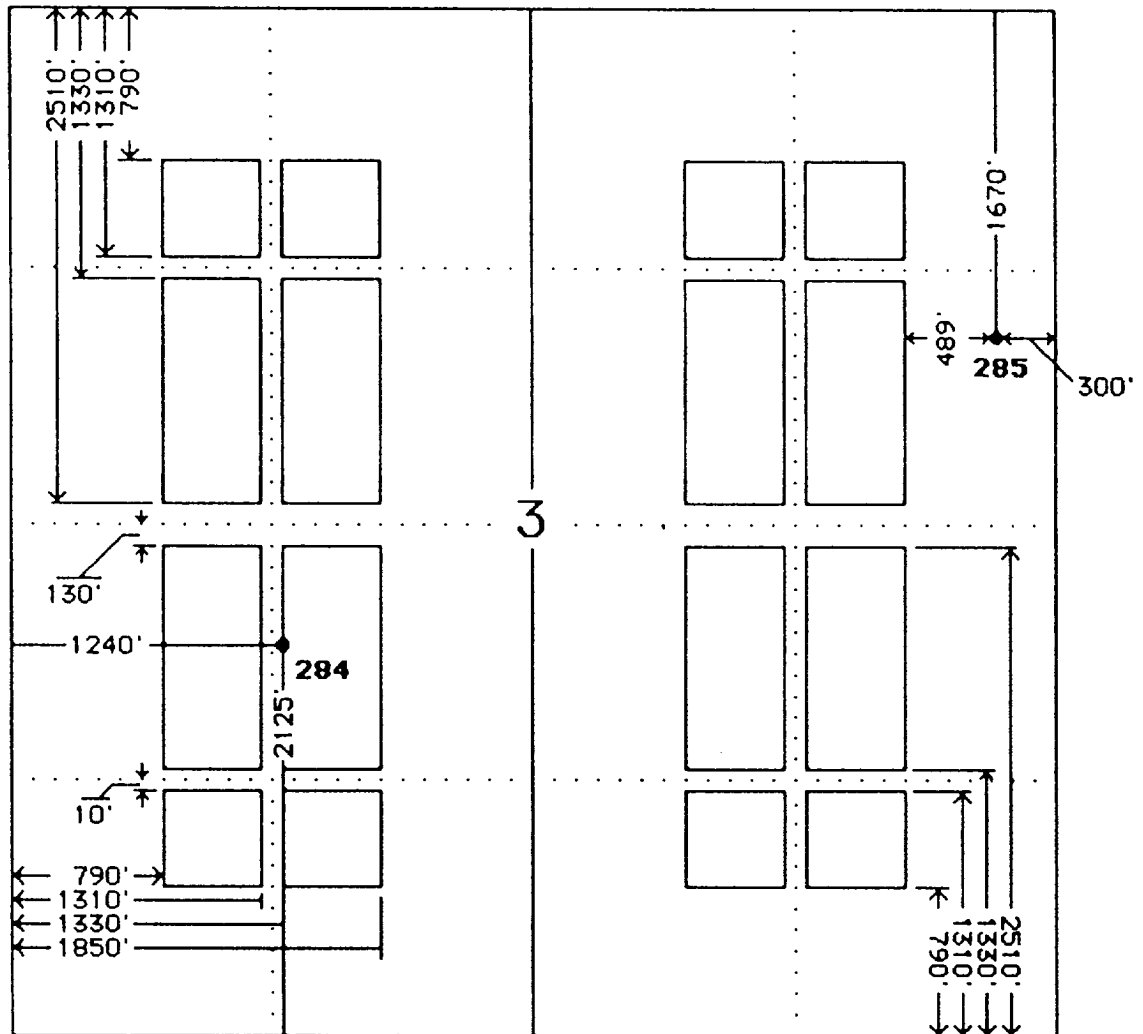
## DISTANCES BETWEEN POINTS:

Minimum: A - A' = 1601.25'

Maximum: B - B' = 5232.59'



Non-Standard Location for Rosa Unit #285  
 1670' FNL 300' FEL Section 3-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**

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1b. Type of Well  <div style="text-align: center;"><b>GAS</b></div>		6. If Indian, Name of Tribe or Allottee  	
2. Operator  <div style="text-align: center;"><b>Evergreen Operating Corporation</b></div>		7. Unit Agreement Name  <div style="text-align: center;"><b>ROSA UNIT</b></div>	
3. Address & Phone No. of Operator  <div style="text-align: center;"><b>A. R. KENDRICK</b> <b>BOX 516, AZTEC, NM 87410</b> <b>(505) 334-2555</b></div>		8. Farm or Lease Name  <div style="text-align: center;"><b>ROSA UNIT</b></div>	
4. Location of Well  <div style="text-align: center;"><b>(Unit H) 1510' FNL 875' FEL</b></div>		9. Well Number  <div style="text-align: center;"><b>285</b></div>	
14. Distance in Miles from Nearest Town  <div style="text-align: center;"><b>13 MILES WEST OF DULCE, NM</b></div>		10. Field, Pool, or Wildcat  <div style="text-align: center;"><b>BASIN-FRUITLAND COAL GAS POOL</b></div>	
15. Distance from Proposed Location To Nearest Property Line or Lease Line.  <div style="text-align: right;"><b>1510'</b></div>		11. Section, Township, & Range, Meridian, or Block  <div style="text-align: center;"><b>3-31N-4W</b></div>	
16. Acres in Lease  <div style="text-align: center;"><b>1965.72 Acres</b></div>		12. County  <div style="text-align: center;"><b>RIO ARRIBA</b></div>	
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20. Rotary or Cable Tools  <div style="text-align: center;"><b>ROTARY</b></div>		21. Elevations (DF, RT, GR, Etc.)  <div style="text-align: center;"><b>7202' GR</b></div>	
22. Approximate Date Work Will Start.  <div style="text-align: center;"><b>As soon as Possible.</b></div>		23. Proposed Casing and Cementing Program  	

**Exhibits attached as follows:**

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

24. Signed *AR Kendrick* Title Agent Date 4-9-90

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

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

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

**EXHIBIT F**

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

Application for Non-Standard Location  
Evergreen Operating Corporation  
Rosa Unit #285  
1668' FNL 301' FEL 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.