

**REQUEST FOR ADMINISTRATIVE APPROVAL FOR NON-STANDARD LOCATION
FOR JIM WILSON'S RE-ENTRY OF THE GARCIA #1 OIL WELL
1800' FNL & 300' FEL SEC. 24, T. 31 N., R. 2 E., RIO ARRIBA COUNTY, NM**

- I. The well is on Jose E. Garcia's surface and Jose E. Garcia's 3,845 acre oil and gas lease. The location was originally approved by OCD on August 8, 1994 as the Garcia A-1 at 1650' FSL & 660' FEL 19-31n-3e. It was subsequently drilled to 500' by DEKA in 1994 as a Morrison oil well. It did not produce and was left open for conversion to a water well. The water well conversion never occurred. The existing location is non-standard (too close {300' instead of 330'} to the quarter-quarter line) as currently surveyed. The original DEKA location was standard. The previous APD and current APD are attached. The difference in location is due to projecting sections lines from a different direction. In any event, it is the same well bore (API 30-039-25129).
- II. A C-102 showing the well location and proration unit (NESE of Sec. 24 which totals 40 acres) and lease map (which totals 3,845 ac.) are attached.
- III. According to NM Oil Conservation Records, there is no production of any kind within a mile radius. A copy of the Chromo Mountain 7.5' USGS maps is attached showing the existing well (dot marked by arrow), spacing units (thin solid lines), and lease (thick solid line). There are only two leases within a minimum 3,000' radius. Jim Wilson is the operator of all oil and gas interests in the 3,845 acre Garcia lease. Quinlan Ranch owns the adjacent 12,480 acre minerals rights to the east which are currently unleased. Quinlan has been notified and has no objections (see attached affidavit).
- IV. A copy of the Chromo Mountain 7.5' USGS map is attached. The existing well is marked by a star. Proration units (quarter-quarters) are marked by thin lines.
- V. Jose E. Garcia wants to minimize surface disturbance in an area where elk permits bring land owners thousands of dollars each.

VI. No archaeology sites were found.

VII. Surface conditions are not an issue, other than the desire to minimize the amount of disturbance.

VIII. Directional drilling is not feasible because it is not cost effective.

IX. I hereby certify that notice has been sent to the following lessees, lessors, surface management agencies, operators of spacing units, or owners of undrilled leases which adjoin the applicant's spacing unit on one or more of the two sides or the single closest corner to the proposed well and that the information is current and correct:

Quinlan Ranch

Brian Wood, Consultant, July 11, 1997

Signature, Title, & Date

STATE OF New Mexico)
COUNTY OF Santa Fe) SS:

The foregoing instrument was acknowledged before me this 11th day of July, 1997 by Brian Wood. Witness my hand and official seal.

Rufina Ortega
Notary Public

My Commission Expires: 4-20-2000

Business Address: 1 Hacienda Loop - Santa Fe, NM 87505

