



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

December 14, 1998

Koch Exploration Company
20 East Greenway Plaza - 6th Floor
Houston, Texas 77046-2002
Attention: Lance F. Harmon

RECEIVED
DEC 18 1998
OIL CON. DIV.
DIST. 3

Administrative Order NSL-4179

Dear Mr. Harmon:

Reference is made to your application dated November 20, 1998 and to the records of the Division in Santa Fe concerning Koch Exploration Company's request for an initial non-standard Blanco-Mesaverde gas well location within a proposed standard lay-down 315.05-acre gas spacing and proration unit comprising Lots 1, 2, 3, 4, and 5, the W/2 NW/4, and the SE/4 NW/4 (N/2 equivalent) of Section 20, Township 30 North, Range 11 West, NMPM, Blanco-Mesaverde Pool, San Juan County, New Mexico for the existing Carle Well No. 2 (API No. 30-045-09400).

This well was initially drilled in 1953 by Wood River Oil & Refining Company, Inc. to a total depth of 2161 feet and completed in the Aztec Pictured Cliffs Pool. Lots 1, 2, 4, and 5 (NE/4 equivalent) of Section 20, being a standard 155.46-acre gas spacing and proration unit was dedicated to this well. The original "*Application for Permit to Drill*" showed this well location to be 790 feet from the North line and 1650 feet from the East line of Section 20. On subsequent forms the location was reported to be 810 feet from the North line and 1585 feet from the East line.

It is our understanding this location should be changed again to reflect a resurvey of Section 20 by the U. S. Lands Survey in 1974 to be 777 feet from the North line and 1635 feet from the East line (Lot 2/Unit B) of Section 20. Also, Koch now intends to re-enter this well, plug off the Pictured Cliffs interval, and deepen to the Mesaverde formation. Pursuant to the "*Special Rules and Regulations for the Blanco-Mesaverde Pool*," as promulgated by Division Order No. R-10987 the 777' FNL & 1635' FEL location is considered to be unorthodox.

This application has been duly filed under the provisions of Division Rules 104.F and 605.B of the Rules and Regulations of the New Mexico Oil Conservation Division.

By the authority granted me under the provisions of Division Rule 104.F(2), the above-described unorthodox Blanco-Mesaverde gas well location for the Carle Well No. 2 is hereby approved.

Further, the aforementioned well and spacing unit will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

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



KOCH EXPLORATION COMPANY

November 20, 1998

Ms. Lori Wrotenbery, Director
New Mexico Oil Conservation Division
2040 S. Pacheco Street
P.O. Box 6429
Santa Fe, NM 87505

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NOV 23 1998
OIL CON. DIV.
DIST. 3

**Application for Unorthodox Location
Carle 2 Well
777' FNL, 1835' FEL
Section 20-30N-R11W
N/2 Spacing Unit
Blanco Mesaverde Pool
San Juan County, New Mexico**

Koch Exploration Company hereby requests administrative approval for an unorthodox well location for the Carle 2 well in the Blanco Mesaverde Pool. Koch intends to deepen this existing well at an unorthodox location from the Pictured Cliff formation to access reserves which would otherwise be bypassed with the current well density. The unorthodox location resulted from a township resurvey conducted by the BLM in 1974 after the well was drilled causing the northern section line to be redrawn south of original layout. As such, this proposed well will be located slightly less than the standard 790' setback from the outer boundary of the spacing unit.

A copy of this application will be submitted to the offset operators by certified mail with a request that they furnish your Santa Fe office with a Waiver of Objection, and return one copy to this office. Attached are plats showing the location of the well, offset operators, and all Mesaverde wells drilled in the area.

Sincerely,

Lance F. Harmon
Land Manager

Attachments

cc: Ernie Busch
NMOCD - Aztec District
1000 Rio Brazos Road
Aztec, NM 87410

Doug Van Brunt, Koch
Don Johnson, Koch
Stan Bennett, Koch

Waiver

_____ hereby waives objection to Koch's application for an unorthodox well location for the Carle 2 well described above.

By: _____

Date:

APPLICATION FOR APPROVAL OF UNORTHODOX LOCATION UNDER RULE 104-F

-
Carle 2 Well
777' FNL, 1635' FSL, Section 20-T30N-R11W
Blanco Mesaverde Pool

ATTACHMENTS

- 9-SECTION PLAT SHOWING LOCATION OF ALL OFFSET WELLS
- FORM C-102 FOR MESAVERDE FORMATION
- LIST OF ALL OFFSET OPERATORS AND THEIR ADDRESSES

LIST OF ADDRESSES FOR OFFSET OPERATORS

CARLE 2

- 1) Burlington Resources Oil and Gas Co.
P.O. Box 4289
Farmington, NM 87499

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NOV 23 1998
OIL CON. DIV
DIST. 3

RECEIVED
JUL 10 1966

U.S. DEPT. OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

DISTRICT
NO. 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 91

State of New Mexico
 Division of Minerals & Natural Resources Department

Form C-102
Revised February 21, 1994

DISTRICT 6
P.O. Box 100, 100 A Street, N.W., WASH. D.C.

Instructions on back
Submit to: Appropriate District Office
State Lease - 4 Copies
Fed Lease - 2 Copies

DISTRICT II
10000 100 10000 100 10000 100 10000 100 10000 100

WILSON
P.O. Box 2088
Santa Fe, NM 87504-2088

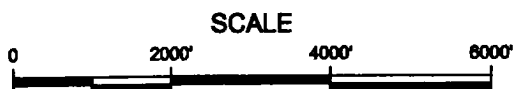
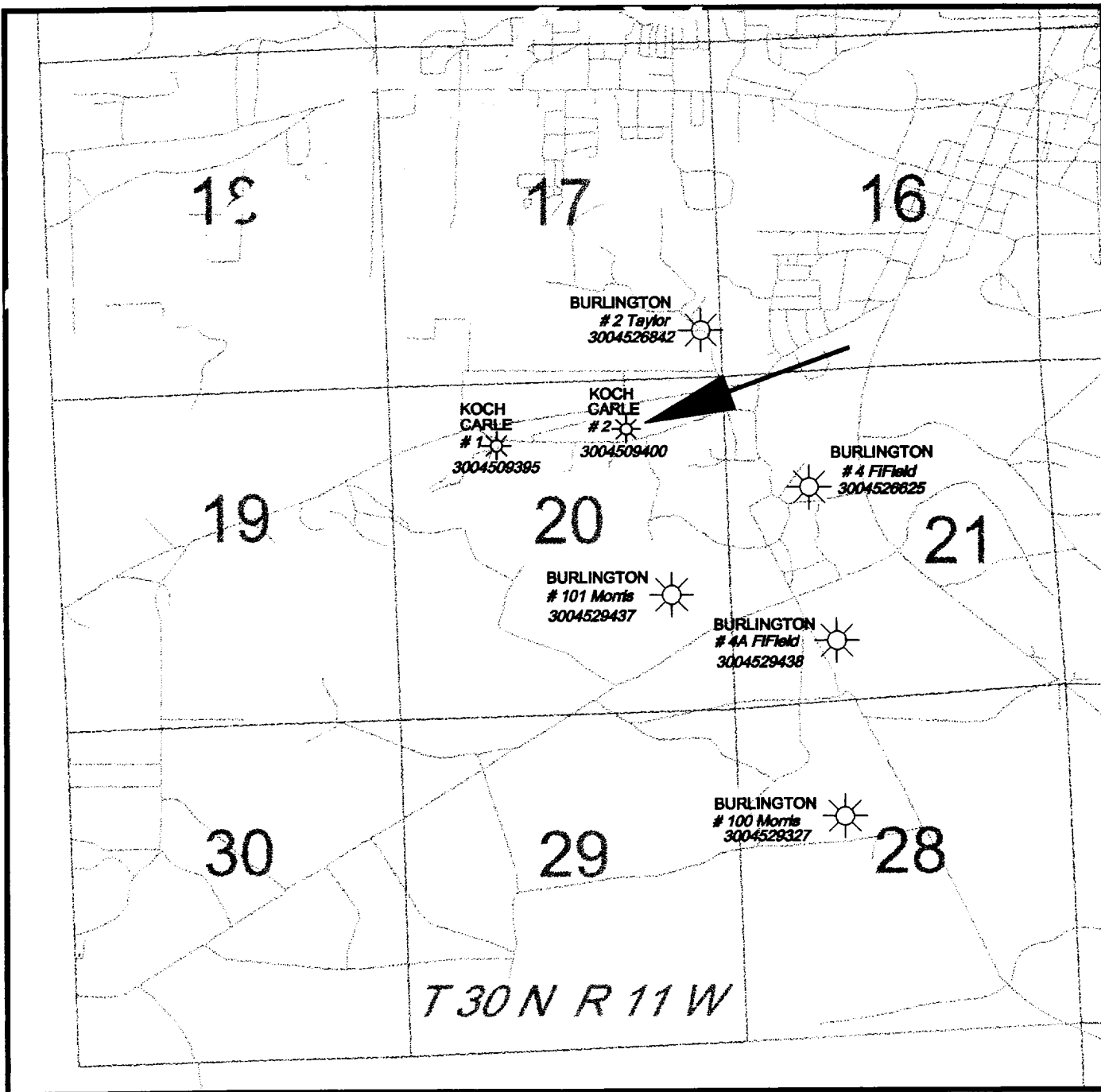
☐ AMENDED REPORT

EDUCATION AND ACHIEVEMENT DEDICATION

API Number		Well Code		Well Name	
API permit code		Property Name		Well Number	
CAGE		CAGE		2	
X-REF No		Operator Name		Elevation	
SOCH EXPLORATION		SOCH EXPLORATION		1721	
11 Surface location					
Well section no	Section	Formations	Feet from the	North/South line	Feet from the
20	20	20	777	NORTH	135
			East/West line		County
			EAST		SAN JUAN
12 Hole location if different from surface					
Well section no	Section	Formations	Feet from the	North/South line	Feet from the
			East/West line		County
Dedicated Area		Order No			

NO ALLOWANCE WILL BE MADE UP TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NEW STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>N 89-4' 24"</p> <p>254.1'</p> <p>777</p> <p>1835</p> <p>SURVEYOR'S 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>Signature _____</p> <p>Printed Name _____</p> <p>Title _____</p> <p>Date _____</p> <p>FD. R.I.M. R.C. 1-69</p>	<p>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>Signature _____</p> <p>Printed Name _____</p> <p>Title _____</p> <p>Date _____</p> <p>FD. R.I.M. R.C. 1-69</p>
<p>16</p> <p>1835</p> <p>777</p> <p>1835</p> <p>SURVEYOR'S 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>Signature _____</p> <p>Printed Name _____</p> <p>Title _____</p> <p>Date _____</p> <p>FD. R.I.M. R.C. 1-69</p>	<p>16</p> <p>1835</p> <p>777</p> <p>1835</p> <p>SURVEYOR'S CERTIFICATION</p> <p>I hereby certify that the well location shown on this plan 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>Case of Survey _____</p> <p>Signature and Seal of Professional Surveyor _____</p> <p>CERTIFICATE OF PROFESSIONAL SURVEYOR NEW MEXICO 1894</p> <p>Certification Number _____</p>



 KOCH EXPLORATION CO.
AZTEC AREA San Juan County, New Mexico
ADMINISTRATIVE APPLICATION CARLE #2 PROJECT