

PETRO-ATLAS, INC.
A SUBSIDIARY OF ATLAS CORPORATION
2000 NATIONAL BANK OF TULSA BUILDING
TULSA 3, OKLAHOMA

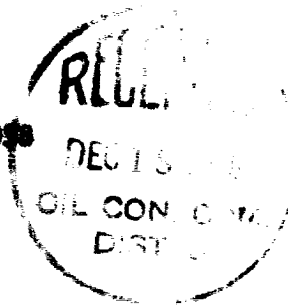
COPY

**REGISTERED -
MINING RECEIPT REGISTERED**

December 12, 1958

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Attention: Mr. A. L. RUTHER, JR.



**Re: Application for Exemption to Rule 104-C
for an Unorthodox Well Location
HORSESHOE CANYON "F" #2
Horseshoe Gallup Pool
San Juan County, New Mexico**

Gentlemen:

Petro-Atlas, Inc. respectfully submits its application for administrative approval of an unorthodox well location for its Horseshoe Canyon "F" #2, and offers the following in support:

1. Through a surveying error the HORSESHOE CANYON "F" #2 was staked 1744' FNL & 1122' FNL of Section 9, Township 30 North, Range 16 West, San Juan County, New Mexico. This well was completed as an oil well from the Gallup formation on December 3, 1958.
2. The location of the subject well was surveyed and staked August 2, 1958, and at that time it was believed that this well was located 1567' FNL & 953' FNL of Section 9, Township 30 North, Range 16 West.
3. The planned location of Horseshoe Canyon "F" #2 would have been in excess of 640' from the nearest well, and also, 2367' from the closest lease line. Therefore, the planned location would have conformed with the tolerances set out in Rule 104-C.
4. Neither geological or topographic advantages were gained by drilling the well at the location staked in error, rather than at the planned location. Additional expense was incurred in grading the location that was staked in error. In addition, geological evidence indicates that better sand conditions probably would have been encountered at the planned location.
5. A plat showing the location of the subject well, Horseshoe Canyon "F" #2, plus the lease ownership and well locations near or adjacent to this well is attached.
6. Petro-Atlas, Inc. is the owner of the lease, comprising the E/2 NE/4 Section 9-30N-16W, San Juan County, New Mexico, on which Horseshoe Canyon "F" #2 is located. Further, all operators owning interests in the acreage effecting Horseshoe Canyon "F" #2 are notified by registered mail of this request.

Therefore, Petro-Atlas, Inc. requests that the Secretary of the Commission grant exemption to Rule 104-C without notice and hearing and grant administrative approval

for the subject unorthodox location.

Respectfully submitted,

PETRO-ATLAS, INC.

BY Norman B. Cove
Norman B. Cove-Engineer

ENC: jp
encl.

A copy of this application is being sent by registered mail,
return receipt requested, to the attached list of owners.

STATE OF OKLAHOMA,)
) ss.
COUNTY OF TULSA,)

NORMAN B. COVE, being first duly sworn, hereby states that he is an Engineer for Petro-Atlas, Inc., the Applicant in the foregoing application; that he has executed said application on behalf of Petro-Atlas, Inc; that he has read said application and to the best of his knowledge, information and belief, all statements of fact therein contained are true and correct; that a copy of this application was duly deposited on December 16th, 1958, in the United States post office as registered mail, with all charges prepaid, addressed to the parties shown on the attached sheet of this application.

Norman B. Cove
NORMAN B. COVE

SUBSCRIBED AND SWORN to before me by the said NORMAN B. COVE this 16th day
of December, 1958, to certify which witness my hand and seal of office.

My commission expires:

Helen Jane Parks
NOTARY PUBLIC

August 24, 1961

A copy of the foregoing application for the HORNED LARK CANYON "B" #2 was forwarded by registered mail, return receipt requested, to each of the following listed parties:

El Paso Natural Gas Products Company
P. O. Box 1345
Farmington, New Mexico

Mr. Tom Bolack
1010 North Dustin Street
Farmington, New Mexico

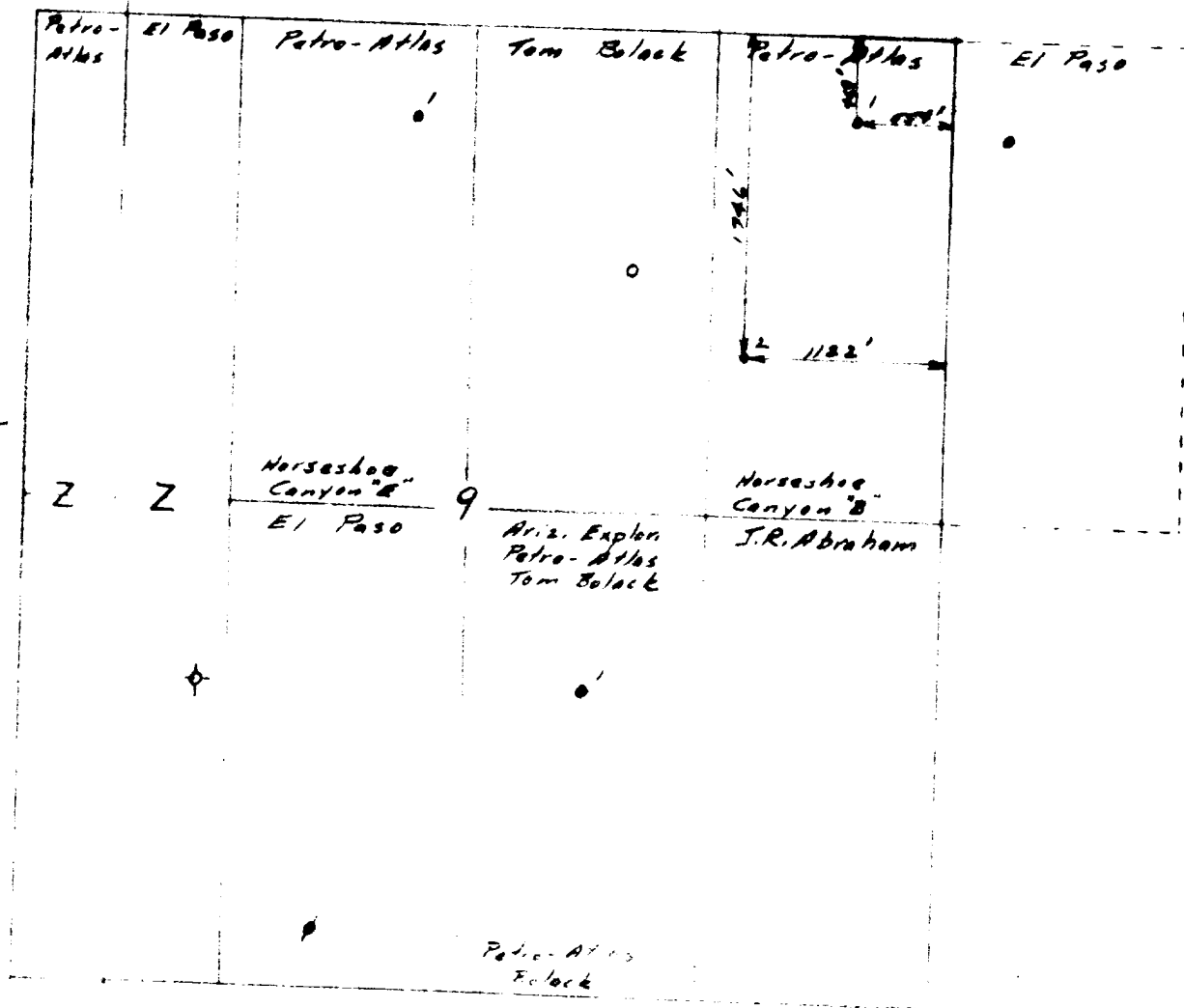
Arimma Explorations, Inc.
418 Meadows Building
Dallas 6, Texas

Mr. J. R. Abraham
c/o Oscar Abraham
First Nat'l Bank Bldg.
Albuquerque, New Mexico

Ind. Res.
Ind. Res.

R 16 W

T
30
N



Horseshoe Canyon
Field
San Juan Co., N.M.

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

FORM C-128
 Revised 5/1/57

SEE INSTRUCTIONS FOR COMPLETING THIS FORM ON THE REVERSE SIDE

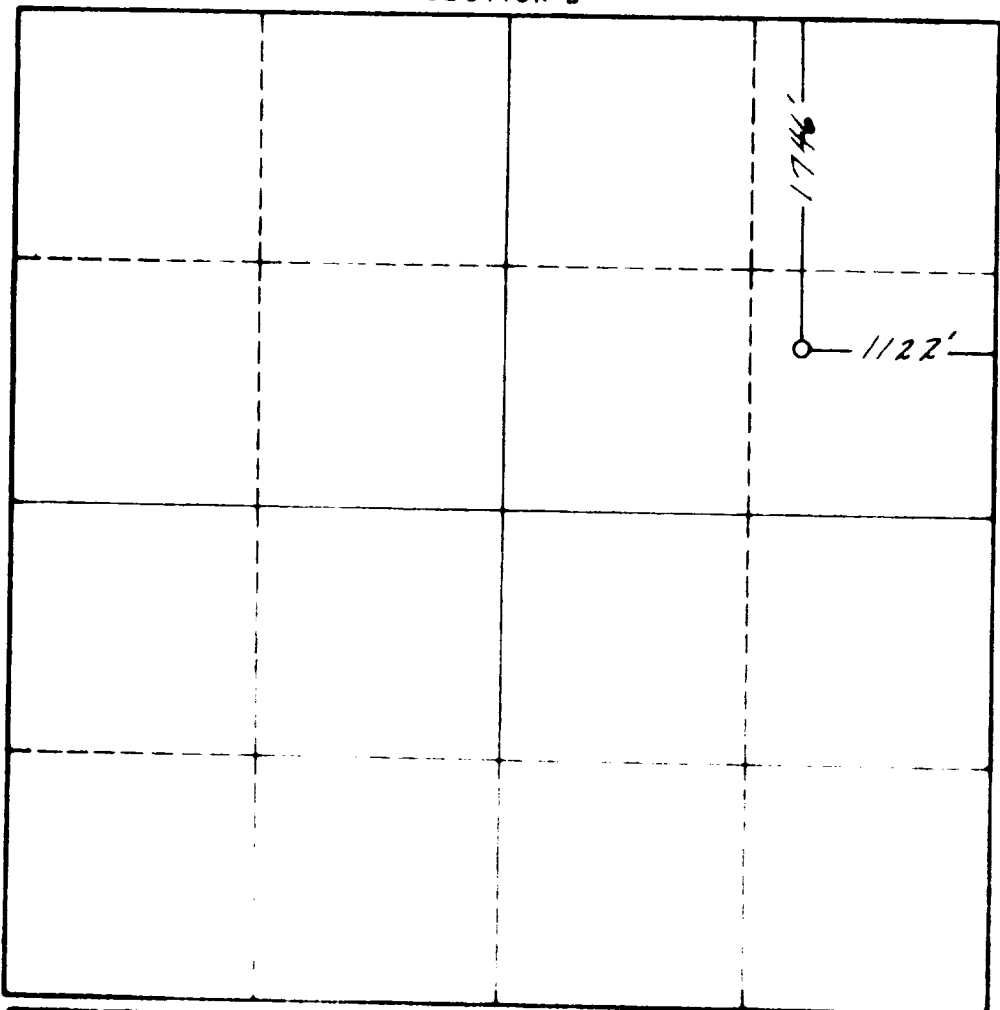
SECTION A

Operator PETRO-ATLAS, INC.			Lease SE 1/4 HORSESHOE CANYON "B"		Well No. 2
Unit Letter H	Section 9	Township 30 NORTH	Range 16 WEST	County SAN JUAN	
Actual Footage Location of Well: 1746 feet from the North line and 1122 feet from the East line					
Ground Level Elev. 5452.0	Producing Formation GALLUP		Pool HORSESHOE GALLUP		Dedicated Acreage: 40 Acres

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES ☒ NO ____ ("Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (65-3-29 NMSA 1935 Comp.)
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES ____ NO ____ If answer is "yes," Type of Consolidation ____
3. If the answer to question two is "no," list all the owners and their respective interests below.

Owner	Land Description

SECTION B



CERTIFICATION

I hereby certify that the information in SECTION A above is true and complete to the best of my knowledge and belief.

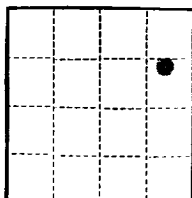
Name H. B. Gove
Position ENGINEER
Company PETRO-ATLAS, INC.
Date December 12, 1958

I hereby certify that the well location shown on the plat in SECTION B 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.

 Registered Professional Engineer
 and a Land Surveyor

Certificate No. _____

0 300 600 900 1320 1650 1980 2310 2640 2000 1500 1000 500 0



(SUBMIT IN TRIPLICATE)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Land Office **ST 011226-C**
Lease No. **000000000000000000**
Unit **000000000000000000**

SUNDRY NOTICES AND REPORTS ON WELLS

NOTICE OF INTENTION TO DRILL (Completed)	☒	SUBSEQUENT REPORT OF WATER SHUT-OFF	
NOTICE OF INTENTION TO CHANGE PLANS		SUBSEQUENT REPORT OF SHOOTING OR ACIDIZING	
NOTICE OF INTENTION TO TEST WATER SHUT-OFF		SUBSEQUENT REPORT OF ALTERING CASING	
NOTICE OF INTENTION TO RE-DRILL OR REPAIR WELL		SUBSEQUENT REPORT OF RE-DRILLING OR REPAIR	
NOTICE OF INTENTION TO SHOOT OR ACIDIZE		SUBSEQUENT REPORT OF ABANDONMENT	
NOTICE OF INTENTION TO PULL OR ALTER CASING		SUPPLEMENTARY WELL HISTORY	
NOTICE OF INTENTION TO ABANDON WELL			

(INDICATE ABOVE BY CHECK MARK NATURE OF REPORT, NOTICE, OR OTHER DATA)

COMMENCED WELL LOCATION

December 11, 1958

Well No. **2** is located **1746** ft. from **(N)** line and **1132** ft. from **(E)** line of sec. **9**
NE/4 Section 9 **30N** **14W** **Range** **Range**
 (1/4 Sec. and Sec. No.) (Twp.) (Range) (Meridian)
000000000000000000 **000000000000000000** **NEW MEXICO**
 (Field) (County or Subdivision) (State or Territory)

The elevation of the derrick floor above sea level is **5476** ft.

DETAILS OF WORK

(State names of and expected depths to objective sands; show sizes, weights, and lengths of proposed casings; indicate mudding jobs, cementing points, and all other important proposed work)

Objective Horizon: Lower Gallup @ approx. 1250'
 Surface Casing: 8-1/8" 240 @ approx. 100' w/100 cu.
 Production Casing: 3 1/2" 15-50 3-35 @ 20 w/100 cu.
 Red Program: Wgt. 9.50/gal, Wts. 40-50 & Wtr Loss 8 cu; to cement @ 100'
 Cementing Program: 8" to 100' & 700' to 20
 Casing: None anticipated

I understand that this plan of work must receive approval in writing by the Geological Survey before operations may be commenced.

Company **PETRO-ARLAS, INC.**
 Address **719 E. Main St.**
Farmington, New Mexico

ORIGINAL SIGNED BY
N. B. GOVE
 By **N. B. GOVE**
 Title **ENGINEER**