



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

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

January 4, 1999

Koch Exploration Company  
20 East Greenway Plaza - 6<sup>th</sup> Floor  
Houston, Texas 77046-2002  
Attention: Lance Harmon

RECEIVED  
JAN 6 1999

OIL CON. DIV.  
DIST. 3

Administrative Order NSL-4190

Dear Mr. Harmon:

Reference is made to your application dated December 9, 1998 for an exception to the well location requirements provided within the "Special Rules and Regulations for the Blanco-Mesaverde Pool," as promulgated by Division Order No. R-10987, for a non-standard Blanco-Mesaverde infill gas well location in an existing standard 301.09-acre stand-up gas spacing and proration unit for the Blanco-Mesaverde Pool comprising Lots 3, 4, 5, 6, 11, 12, 13, and 14 (W/2 equivalent) of Section 35, Township 32 North, Range 9 West, NMPM, San Juan County, New Mexico. This unit is currently dedicated to Koch Exploration Company's Gardner Well No. 1 (API No. 30-045-11123), located at a standard gas well location 880 feet from the South line and 950 feet from the West line (Lot 13/Unit M) of Section 35.

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

By the authority granted me under the provisions of Division Rule 104.F(2), the following described well to be drilled at an unorthodox infill gas well location in Section 35 is hereby approved:

Gardner Well No. 1-A ✓  
2463' FNL & 854' FWL (Lot 5/Unit E) - 35-32N-9W

Further, both of the aforementioned Gardner Well Nos. 1 and 1-A and existing gas spacing and proration 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

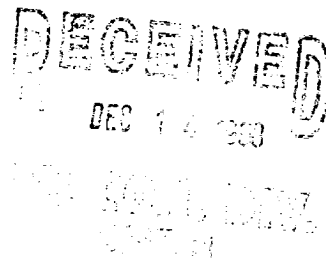
cc: New Mexico Oil Conservation Division - Aztec /  
U. S. Bureau of Land Management - Farmington



KOCH EXPLORATION COMPANY

December 9, 1998

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



**Application for Exception to Unorthodox Location**  
**Gardner 1A Well**  
**2463' FNL, 854' FWL**  
**Section 35-32N-R9W**  
**W/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 Gardner 1A well in the Blanco Mesaverde Pool. Koch intends to drill this well at an unorthodox location to access reserves which would otherwise be bypassed with the current well density. The unorthodox location resulted from a geographic barrier (eg Rawhide Canyon) in the northern portion of the spacing unit limiting drilling surface locations. As such, this proposed well will be located slightly less than the standard 130' setback from the quarter-quarter section 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 Gardner 1A well described above.

By: \_\_\_\_\_

Date:

APPLICATION FOR APPROVAL OF UNORTHODOX LOCATION UNDER RULE 104-F

**Gardner 1A Well**

2463' FNL, 854' FSL, Section 35-T32N-R9W  
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

**GARDNER 1A**

- 1) Burlington Resources Oil and Gas Co.  
P.O. Box 4289  
Farmington, NM 87499-4289  
Attn: Mr. Shannon Nichols
- 2) Phillips Petroleum Company  
5525 Hwy 64, MBU 3004  
Farmington, NM 87401  
Attn: Mr. S. Scott Prather

DISTRICT II  
P.O. Drawer DD, Artesia, N.M. 88211-0719Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 CopiesDISTRICT III  
1000 Rio Brazos Rd., Artesia, N.M. 87410

## OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, NM 87504-2088DISTRICT IV  
PO Box 2088, Santa Fe, NM 87504-2088☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

|                 |  |                                     |  |             |                      |
|-----------------|--|-------------------------------------|--|-------------|----------------------|
| 1 API Number    |  | 2 Pool Code                         |  | 3 Pool Name |                      |
| 4 Property Code |  | 5 Property Name<br>GARDNER 1        |  |             | 6 Well Number<br>A   |
| 7 OGRID No.     |  | 8 Operator Name<br>KOCH EXPLORATION |  |             | 9 Elevation<br>6573' |

## 10 Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County   |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| E             | 35      | 32-N     | 9-W   |         | 2463          | NORTH            | 854           | WEST           | SAN JUAN |

## 11 Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
|               |         |          |       |         |               |                  |               |                |        |

|                    |                    |                       |              |
|--------------------|--------------------|-----------------------|--------------|
| 12 Dedicated Acres | 13 Joint or Infill | 14 Consolidation Code | 15 Order No. |
|                    |                    |                       |              |

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION  
N 88-20-00 E 5360.5 (RECORD)

|                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>16 FD. BLM BRASS CAP 1966</p> <p>2463'</p> <p>854'</p> <p>NM-013642<br/>KOCH 100%</p> <p>35</p> <p>SF-079048-A<br/>KOCH 100%</p> <p>FD. BLM BRASS CAP 1966</p> <p>N 05-00-00 W 2535.72 (RECORD)<br/>2534.00 (MEASURED)</p> | <p>17 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><i>Don J. Brunt</i><br/>Signature<br/>DON J. BRUNT<br/>Printed Name<br/>PROJECT MANAGER<br/>Title<br/>NOVEMBER 19, 1998<br/>Date</p> <p>18 SURVEYOR CERTIFICATION</p> <p>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 belief.</p> <p>8-24 ROY A. RUSH<br/>NEW MEXICO<br/>Date of Survey<br/>Signature and Seal of Professional Surveyor<br/>8894<br/>REGISTERED PROFESSIONAL SURVEYOR<br/>8894<br/>Certificate Number</p> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

[illegible]

|        |                |         |
|--------|----------------|---------|
| ROPERY | Scale 1:24000. | 12/3/81 |
|--------|----------------|---------|



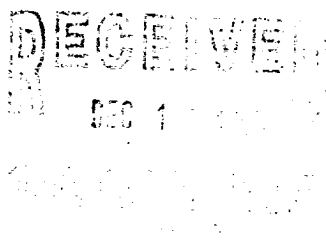
## KOCH EXPLORATION COMPANY

December 14, 1998

By Facsimile

Mr. Mike Stogner  
New Mexico Oil Conservation Division  
2040 S. Pacheco Street  
P.O. Box 6429  
Santa Fe, NM 87505

Application for Exception to Unorthodox Location  
Gardner 1A Well  
2463' FNL, 854' FWL  
Section 35-32N-R9W  
W/2 Spacing Unit  
Blanco Mesa Verde Pool  
San Juan County, New Mexico



Dear Mr. Stogner:

Attached is a localized topographic map to be included in our letter submitted on December 9, 1998 regarding the referenced well. The map was inadvertently omitted from the correspondence. Please include this attachment in your letter copy to assist you in reviewing our application.

Sincerely,

A handwritten signature in black ink, appearing to read "Lance F. Harmon".

Lance F. Harmon  
Land Manager

## Attachment

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

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

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20 East Greenway Plaza ■ 8th Floor ■ Houston, Texas 77046-2002 ■ 800/890-0205 ■ FAX 713/544-6161

RIO ARRIBA  
30-039

Well Records by County and ULSTR

07/07/93  
15:35:21

2214

| <u>Se</u> | <u>U</u> | <u>Twn</u> | <u>Rng</u> | <u>P</u> | <u>W#</u> | <u>HC</u> | <u>Operator Name</u>                               | <u>Pool Name</u>                            | <u>Lease Name</u>                | <u>API Well Nbr</u> |
|-----------|----------|------------|------------|----------|-----------|-----------|----------------------------------------------------|---------------------------------------------|----------------------------------|---------------------|
| 19        | H        | 30N        | 07W        |          | 475       | PK        | BLACKWOOD & NICHOLS CO A LTD PARTNERSHIP<br>079910 | BASIN FRUITLAND COAL (GAS)<br>71629 FT      | NORTHEAST BLANCO UNIT<br>049630  | 30-039-24466        |
| 20        | K        | 30N        | 07W        |          | 013       | 00        | BLACKWOOD & NICHOLS CO A LTD PARTNERSHIP<br>079910 | BLANCO MESAVERDE (PRORATED GAS)<br>72319 MV | NORTHEAST BLANCO UNIT<br>049630  | 30-039-07802        |
| 20        | C        | 30N        | 07W        | A        | 013       | 00        | BLACKWOOD & NICHOLS CO A LTD PARTNERSHIP<br>079910 | BLANCO MESAVERDE (PRORATED GAS)<br>72319 MV | NORTHEAST BLANCO UNIT<br>049630  | 30-039-22472        |
| 20        | B        | 30N        | 07W        |          | 019       | 00        | BLACKWOOD & NICHOLS CO A LTD PARTNERSHIP<br>079910 | BLANCO MESAVERDE (PRORATED GAS)<br>72319 MV | NORTHEAST BLANCO UNIT<br>049630  | 30-039-07819        |
| 20        | P        | 30N        | 07W        | A        | 019       | 00        | BLACKWOOD & NICHOLS CO A LTD PARTNERSHIP<br>079910 | BLANCO MESAVERDE (PRORATED GAS)<br>72319 MV | NORTHEAST BLANCO UNIT<br>049630  | 30-039-22027        |
| 20        | B        | 30N        | 07W        |          | 413       | 00        | BLACKWOOD & NICHOLS CO A LTD PARTNERSHIP<br>079910 | BASIN FRUITLAND COAL (GAS)<br>71629 FT      | NORTHEAST BLANCO UNIT<br>049630  | 30-039-24216        |
| 20        | A        | 30N        | 07W        | R        | 413       | 00        | BLACKWOOD & NICHOLS CO A LTD PARTNERSHIP<br>079910 | BASIN FRUITLAND COAL (GAS)<br>71629 FT      | NORTHEAST BLANCO UNIT<br>049630  | 30-039-24946        |
| 20        | K        | 30N        | 07W        |          | 475       | M0        | BLACKWOOD & NICHOLS CO A LTD PARTNERSHIP<br>079910 | BASIN FRUITLAND COAL (GAS)<br>71629 FT      | NORTHEAST BLANCO UNIT<br>049630  | 30-039-25049        |
| 20        | K        | 30N        | 07W        |          | 479       | 00        | BLACKWOOD & NICHOLS CO A LTD PARTNERSHIP<br>079910 | BASIN FRUITLAND COAL (GAS)<br>71629 FT      | NORTHEAST BLANCO UNIT<br>049630  | 30-039-24490        |
| 21        | M        | 30N        | 07W        |          | 004       | 00        | BLACKWOOD & NICHOLS CO A LTD PARTNERSHIP<br>079910 | BLANCO MESAVERDE (PRORATED GAS)<br>72319 MV | NORTHEAST BLANCO UNIT<br>049630  | 30-039-07787        |
| 21        | D        | 30N        | 07W        | A        | 004       | 00        | BLACKWOOD & NICHOLS CO A LTD PARTNERSHIP<br>079910 | BLANCO MESAVERDE (PRORATED GAS)<br>72319 MV | NORTHEAST BLANCO UNIT<br>049630  | 30-039-21698        |
| 21        | A        | 30N        | 07W        |          | 007       | PK        | BLACKWOOD & NICHOLS CO LTD<br>079900               | BLANCO MESAVERDE (PRORATED GAS)<br>72319 MV | NORTHEAST BLANCO UNIT<br>049630  | 30-039-07816        |
| 21        | I        | 30N        | 07W        | A        | 007       | 00        | BLACKWOOD & NICHOLS CO A LTD PARTNERSHIP<br>079910 | BLANCO MESAVERDE (PRORATED GAS)<br>72319 MV | NORTHEAST BLANCO UNIT<br>049630  | 30-039-22028        |
| 21        | B        | 30N        | 07W        | R        | 007       | 00        | BLACKWOOD & NICHOLS CO A LTD PARTNERSHIP<br>079910 | BLANCO MESAVERDE (PRORATED GAS)<br>72319 MV | NORTHEAST BLANCO UNIT<br>049630  | 30-039-23759        |
| 21        | A        | 30N        | 07W        |          | 407       | 00        | BLACKWOOD & NICHOLS CO A LTD PARTNERSHIP<br>079910 | BASIN FRUITLAND COAL (GAS)<br>71629 FT      | NORTHEAST BLANCO UNIT<br>049630  | 30-039-24217        |
| 22        | B        | 30N        | 07W        |          | 072       | 00        | MERIDIAN OIL INCORPORATED<br>533820                | BLANCO MESAVERDE (PRORATED GAS)<br>72319 MV | SAN JUAN 30 6 UNIT<br>639310     | 30-039-07818        |
| 22        | P        | 30N        | 07W        | A        | 072       | 00        | MERIDIAN OIL INCORPORATED<br>533820                | BLANCO MESAVERDE (PRORATED GAS)<br>72319 MV | SAN JUAN 30 6 UNIT<br>639310     | 30-039-21926        |
| 22        | M        | 30N        | 07W        |          | 073       | 00        | MERIDIAN OIL INCORPORATED<br>533820                | BLANCO MESAVERDE (PRORATED GAS)<br>72319 MV | SAN JUAN 30 6 UNIT<br>639310     | 30-039-07788        |
| 22        | F        | 30N        | 07W        | A        | 073       | 00        | MERIDIAN OIL INCORPORATED<br>533820                | BLANCO MESAVERDE (PRORATED GAS)<br>72319 MV | SAN JUAN 30 6 UNIT<br>639310     | 30-039-22652        |
| 22        | B        | 30N        | 07W        |          | 466       | 00        | MERIDIAN OIL INCORPORATED<br>533820                | BASIN FRUITLAND COAL (GAS)<br>71629 FT      | SAN JUAN 30 6 UNIT<br>639310     | 30-039-24350        |
| 22        | M        | 30N        | 07W        |          | 467       | 00        | MERIDIAN OIL INCORPORATED<br>533820                | BASIN FRUITLAND COAL (GAS)<br>71629 FT      | SAN JUAN 30-6 UNIT COM<br>639315 | 30-039-24475        |

2-5-98; 7:50AM; Koch Industries, Inc

# KOCH EXPLORATION

## GARDNER 1 A

NW/4 SEC. 35, T-32-N, R-9-W, N.M.P.M.,  
SAN JUAN COUNTY, NEW MEXICO  
2463 FNL, 854 FWL

17354479-8

\* 2/ 2

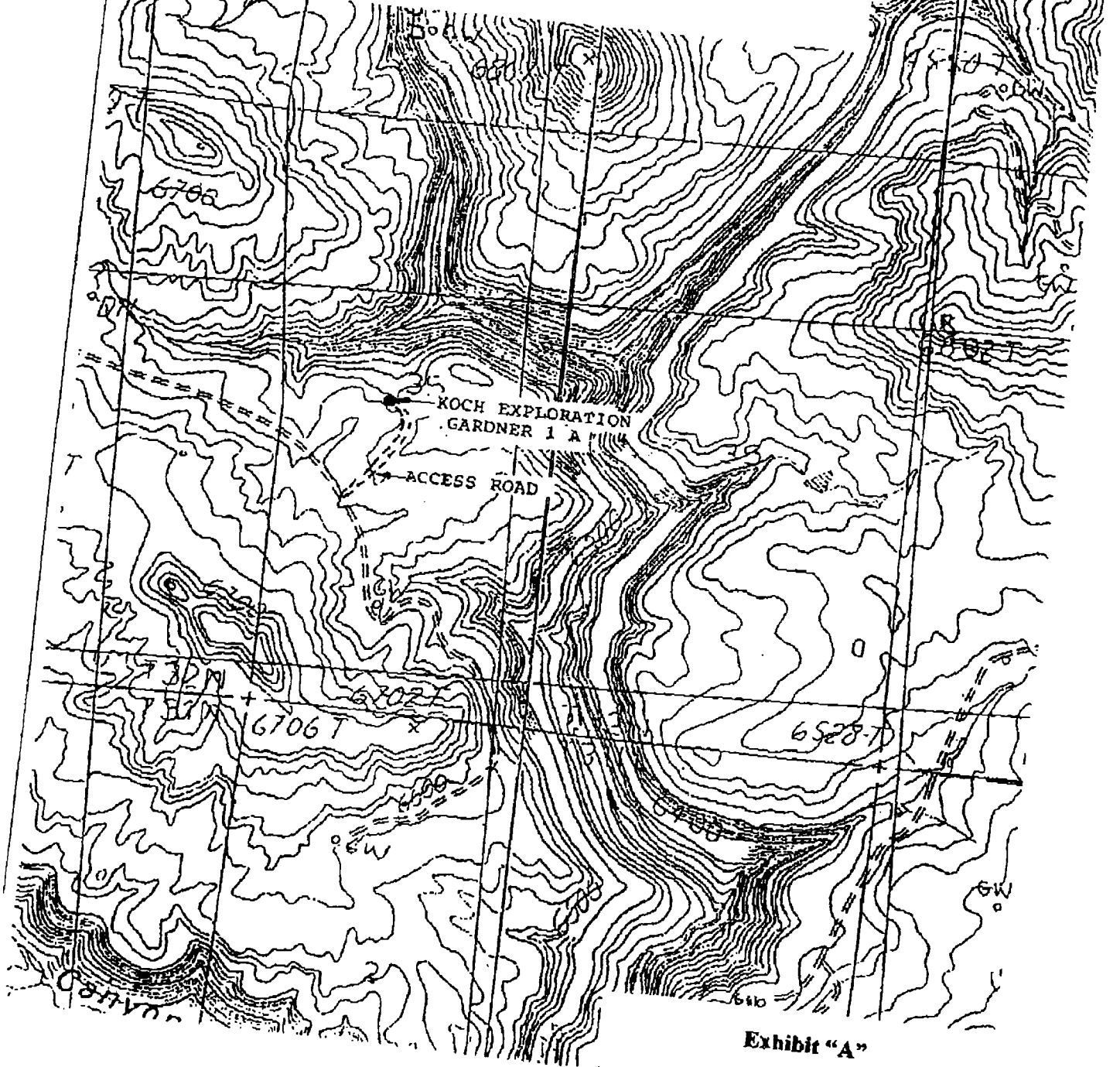


Exhibit "A"



| <u>Se</u> | <u>U</u> | <u>Trn</u> | <u>Rng</u> | <u>P</u> | <u>W#</u> | <u>HC</u> | <u>Operator Name</u>                               | <u>Pool Name</u>                            | <u>Lease Name</u>                 | <u>API Well Nbr</u> |
|-----------|----------|------------|------------|----------|-----------|-----------|----------------------------------------------------|---------------------------------------------|-----------------------------------|---------------------|
| 15        | A        | 30N        | 07W        | 083      | 00        |           | MERIDIAN OIL INCORPORATED<br>533820                | BLANCO MESAVERDE (PRORATED GAS)<br>72319 MV | SAN JUAN 30 6 UNIT<br>639310      | 30-039-07861        |
| 15        | K        | 30N        | 07W        | 402      | 00        |           | MERIDIAN OIL INCORPORATED<br>533820                | BASIN FRUITLAND COAL (GAS)<br>71629 FT      | SAN JUAN 30 6 UNIT<br>639310      | 30-039-24015        |
| 15        | F        | 30N        | 07W        | 406      | PK        |           | MERIDIAN OIL INCORPORATED<br>533820                | BASIN FRUITLAND COAL (GAS)<br>71629 FT      | SAN JUAN 30 6 UNIT<br>639310      | 30-039-24027        |
| 15        | F        | 30N        | 07W        | R 406    | M1        |           | MERIDIAN OIL INCORPORATED<br>533820                | BASIN FRUITLAND COAL (GAS)<br>71629 FT      | SAN JUAN 30 6 UNIT<br>639310      | 30-039-24484        |
| 15        | J        | 30N        | 07W        | 465      | 00        |           | MERIDIAN OIL INCORPORATED<br>533820                | BASIN FRUITLAND COAL (GAS)<br>71629 FT      | SAN JUAN 30 6 UNIT<br>639310      | 30-039-24292        |
| 16        | H        | 30N        | 07W        | 001      | 00        |           | MERIDIAN OIL INCORPORATED<br>533820                | BLANCO MESAVERDE (PRORATED GAS)<br>72319 MV | STATE COM<br>721500               | 30-039-07847        |
| 16        | P        | 30N        | 07W        | A 001    | 00        |           | MERIDIAN OIL INCORPORATED<br>533820                | BLANCO MESAVERDE (PRORATED GAS)<br>72319 MV | STATE COM<br>721500               | 30-039-21925        |
| 16        | M        | 30N        | 07W        | 010      | 00        |           | BLACKWOOD & NICHOLS CO A LTD PARTNERSHIP<br>079910 | BLANCO MESAVERDE (PRORATED GAS)<br>72319 MV | NORTHEAST BLANCO UNIT<br>049630   | 30-039-07830        |
| 16        | D        | 30N        | 07W        | A 010    | 00        |           | BLACKWOOD & NICHOLS CO A LTD PARTNERSHIP<br>079910 | BLANCO MESAVERDE (PRORATED GAS)<br>72319 MV | NORTHEAST BLANCO UNIT<br>049630   | 30-039-21748        |
| 16        | H        | 30N        | 07W        | 100      | 00        |           | MERIDIAN OIL INCORPORATED<br>533820                | BASIN FRUITLAND COAL (GAS)<br>71629 FT      | FRANCIS CREEK STATE COM<br>242250 | 30-039-24507        |
| 16        | M        | 30N        | 07W        | R 427    | 00        |           | BLACKWOOD & NICHOLS CO A LTD PARTNERSHIP<br>079910 | BASIN FRUITLAND COAL (GAS)<br>71629 FT      | NORTHEAST BLANCO UNIT<br>049630   | 30-039-24795        |
| 17        | O        | 30N        | 07W        | 024      | PK        |           | BLACKWOOD & NICHOLS CO LTD<br>079900               | BLANCO MESAVERDE (PRORATED GAS)<br>72319 MV | NORTHEAST BLANCO UNIT<br>049630   | 30-039-07824        |
| 17        | I        | 30N        | 07W        | A 024    | 00        |           | BLACKWOOD & NICHOLS CO A LTD PARTNERSHIP<br>079910 | BLANCO MESAVERDE (PRORATED GAS)<br>72319 MV | NORTHEAST BLANCO UNIT<br>049630   | 30-039-21697        |
| 17        | O        | 30N        | 07W        | R 024    | M1        |           | BLACKWOOD & NICHOLS CO A LTD PARTNERSHIP<br>079910 | BLANCO MESAVERDE (PRORATED GAS)<br>72319 MV | NORTHEAST BLANCO UNIT<br>049630   | 30-039-22564        |
| 17        | B        | 30N        | 07W        | 025      | 00        |           | BLACKWOOD & NICHOLS CO A LTD PARTNERSHIP<br>079910 | BLANCO MESAVERDE (PRORATED GAS)<br>72319 MV | NORTHEAST BLANCO UNIT<br>049630   | 30-039-07863        |
| 17        | B        | 30N        | 07W        | R 429    | 00        |           | BLACKWOOD & NICHOLS CO A LTD PARTNERSHIP<br>079910 | BASIN FRUITLAND COAL (GAS)<br>71629 FT      | NORTHEAST BLANCO UNIT<br>049630   | 30-039-24356        |
| 17        | O        | 30N        | 07W        | 431      | 00        |           | BLACKWOOD & NICHOLS CO A LTD PARTNERSHIP<br>079910 | BASIN FRUITLAND COAL (GAS)<br>71629 FT      | NORTHEAST BLANCO UNIT<br>049630   | 30-039-24339        |
| 18        | J        | 30N        | 07W        | 463      | 00        |           | BLACKWOOD & NICHOLS CO A LTD PARTNERSHIP<br>079910 | BASIN FRUITLAND COAL (GAS)<br>71629 FT      | NORTHEAST BLANCO UNIT<br>049630   | 30-045-27417        |
| 19        | N        | 30N        | 07W        | 034      | 00        |           | BLACKWOOD & NICHOLS CO A LTD PARTNERSHIP<br>079910 | BLANCO MESAVERDE (PRORATED GAS)<br>72319 MV | NORTHEAST BLANCO UNIT<br>049630   | 30-039-07785        |
| 19        | J        | 30N        | 07W        | 035      | 00        |           | BLACKWOOD & NICHOLS CO A LTD PARTNERSHIP<br>079910 | BLANCO MESAVERDE (PRORATED GAS)<br>72319 MV | NORTHEAST BLANCO UNIT<br>049630   | 30-039-07795        |
| 19        | N        | 30N        | 07W        | 433      | 00        |           | BLACKWOOD & NICHOLS CO A LTD PARTNERSHIP<br>079910 | BASIN FRUITLAND COAL (GAS)<br>71629 FT      | NORTHEAST BLANCO UNIT<br>049630   | 30-039-24353        |