

OIL PRODUCER

W. A. MONCRIEF, JR.

400 METRO BUILDING
MIDLAND, TEXAS 79701

January 12, 1981

Mr. Joe D Ramey, Director
Energy and Minerals Department
New Mexico Oil Conservation Commission
P.O. Box 2088
Santa Fe, New Mexico 87501

915
JAN 19 1981
TELEPHONE 682-1762
CONSERVATION DIVISION
SANTA FE

NSL - 1312
Rule 104-F
Waiting on Gressett
approval or 2-8-81
Call Jim Galloway
before approval
THW

Re: W.A. Moncrief, Jr.
#2 Baldrige Federal
1427' FEL and 196' FNL
Section 14, T14S, R24E
Eddy County, New Mexico

See Form C-102

Dear Mr. Ramey:

I have made application to the USGS this date to drill the above-referenced well which is an unorthodox location due to rough topography.

Representatives of the USGS and BLM went to the area with a dirt contractor and felt this was the only practical location in the N/2 section 14 proration unit. They drove a stake at this location and I had it surveyed.

I have recieved waiver letters from each offset operator stating they have no objection to this unorthodox location and two (2) copies of each letter is attached.

Also attached are two (2) copies of the surveyor's plat, two (2) copies of an ownership plat of the area and two (2) copies of the topog sheet of the area.

I have requested that the USGS write you a letter stating why they felt this unorthodox location was necessary.

I would appreciate your early approval of this location.

If you have any questions, please call me at 915/682-5101 or 682-1762.

Respectfully Yours,

Dewey E. Thornton
Dewey E. Thornton
Exploration Manager

xc: Mr. Bill Gressett - O.C.C.
Mr. Don Janssen - El Paso Nat. Gas
Mr. Richard Brooks - David Fasken

DET:st

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 4-1-85

All distances must be from the outer boundaries of the Section

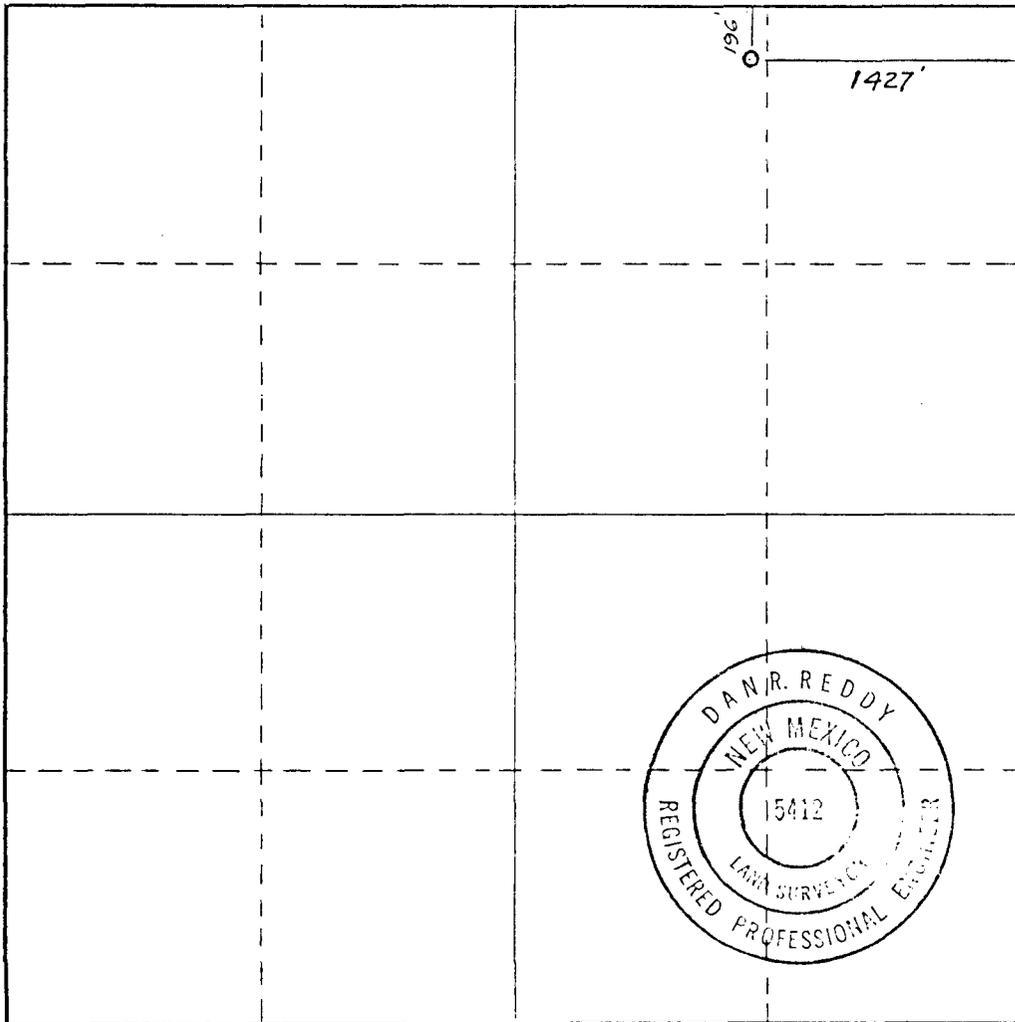
Operator W. A. MONCRIEF, JR.		Lease BALDRIDGE FEDERAL		
Unit Letter B	Section 14	Township 24 South	Range 24 East	County Eddy
Actual Fractional Location of Well: 196 feet from the North line and 1427 feet from the East line				
Ground Level Elev. 4242.0	Producing Formation MORROW	Pool BALDRIDGE CANYON MORROW	Dedicated Acreage 320 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests 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 interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Dewey E. Thornton

Name
Dewey E. Thornton

Position
Exploration Manager

Company
W.A. MONCRIEF, JR.

Date
JANUARY 5, 1981

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
December 27, 1980

Registered Professional Engineer and/or Land Surveyor

Dan R. Reddy

Certificate No.
NEW MEXICO #5412



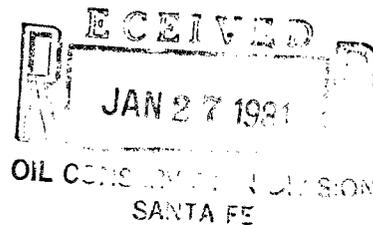
OIL PRODUCER

W. A. MONCRIEF, JR.

400 METRO BUILDING
MIDLAND, TEXAS 79701

TELEPHONE 682-1762

January 20, 1981



Mr. Joe Ramey
Energy and Minerals Dept.
New Mexico Oil Conservation Commission
P.O. Box 2088
Santa Fe, New Mexico 87501

Re: W.A. Moncrief, Jr.
#2 Baldrige Federal
1427' FEL and 196' FNL
Section 14, T24S, R24E
Eddy County, New Mexico

Dear Mr. Ramey:

Attached are copies of my letter to you dated January 12, 1981 pertaining to the above-referenced well and other pertinent data. I don't know if it got lost in the mail or if we sent it somewhere else by mistake.

Respectfully Yours,

Moncrief Oil

Dewey E. Thornton
Dewey E. Thornton
Exploration Manager

DET:st

W. A. MONCRIEF, JR.

400 METRO BUILDING
MIDLAND, TEXAS 79701

January 12, 1981

Mr. Joe D Ramey, Director
Energy and Minerals Department
New Mexico Oil Conservation Commission
P.O. Box 2088
Santa Fe, New Mexico 87501

Re: W.A. Moncrief, Jr.
#2 Baldrige Federal
1427' FEL and 196' FNL
Section 14, T24S, R24E
Eddy County, New Mexico

Dear Mr. Ramey:

I have made application to the USGS this date to drill the above-referenced well which is an unorthodox location due to rough topography.

Representatives of the USGS and BLM went to the area with a dirt contractor and felt this was the only practical location in the N/2 section 14 proration unit. They drove a stake at this location and I had it surveyed.

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I would appreciate your early approval of this location.

If you have any questions, please call me at 915/682-5101 or 682-1762.

Respectfully Yours,

Dewey E. Thornton
Dewey E. Thornton
Exploration Manager

xc: Mr. Bill Gressett - O.C.C.
Mr. Don Janssen - El Paso Nat. Gas
Mr. Richard Brooks - David Fasken

DET:st

OIL CONSERVATION COMMISSION
Artesia DISTRICT

OIL CONSERVATION COMMISSION
BOX 2088
SANTA FE, NEW MEXICO

DATE Feb 4, 1981

RE: Proposed MC _____
Proposed DHC _____
Proposed NSL ✓ _____
Proposed SWD _____
Proposed WFX _____
Proposed PMX _____



Gentlemen:

I have examined the application dated January 12, 1981
for the WA Moncrief Jr Baldrige Federal #2 B-14-14-24
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

Due to rough topography of the area I
recommend that the location at 196FNL and 1427FEL
of Sec 14, T-14-S, R-24-E, Eddy County, New Mexico be
approved

Yours very truly,

Mike Williams

OIL PRODUCER

W. A. MONCRIEF, JR.

400 METRO BUILDING
MIDLAND, TEXAS 79701

TELEPHONE 682-1762
JAN 18 1981

December 30, 1980

RECEIVED

JAN 05 1981

TEXAS OIL & GAS CORP.

Mr. Ted Jacobs
Texas Oil and Gas Corporation
900 Wilco Bldg.
Midland, Texas 79701

Re: W.A. Moncrief, Jr.
#2 Baldrige Federal
Section 14, T24S, R24E
Eddy County, New Mexico

Dear Mr. Jacobs:

W.A. Moncrief, Jr. plans to drill the #2 Baldrige Federal 1427' FEL and 196' FNL section 14 of T24S, R24E Eddy County, New Mexico and plans to designate the N/2 section 14 as the 320 acre proration unit.

This is an unorthodox location for the N/2 of section 14; but rough topography makes an orthodox location 1980' FEL and 660' FNL impractical.

Representatives of the USGS and BLM have been on the ground with a dirt contractor and indicate this to be the only practical location in the N/2 section 14.

If you as an offset operator have no objection to the drilling of this unorthodox location; please so signify by signing the waiver below and return it to me.

Respectfully Yours,

MONCRIEF OIL INTERESTS

Dewey E. Thornton
Dewey E. Thornton
Exploration Manager

Texas Oil & Gas Corp. as an offset operator; does not object to the drilling of the above-referenced unorthodox location.

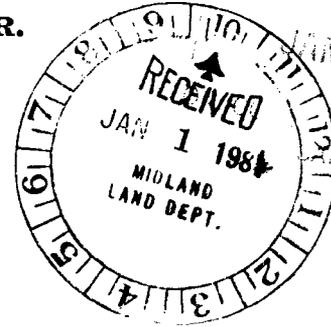
BY: [Signature]
TITLE: Dist. Dir. & Prod. Mgr.
DATE: 1/7/81

OIL PRODUCER

W. A. MONCRIEF, JR.

400 METRO BUILDING
MIDLAND, TEXAS 79701

December 30, 1980



TELEPHONE 682-1762

Mr. Don Janssen
El Paso Natural Gas Co.
1800 Wilco Bldg.
Midland, Texas 79701

Re: W.A. MONCRIEF, JR.
#2 Baldrige Federal
Section 14, T24S, R24E
Eddy County, New Mexico

Dear Mr. Janssen:

W.A. Moncrief, Jr. plans to drill the #2 Baldrige Federal 1427' FEL and 196' FNL section 14 of T24S, R24E Eddy County, New Mexico and plans to designate the N/2 section 14 as the 320 acre proration unit.

This is an unorthodox location for the N/2 of section 14; but rough topography makes an orthodox location 1980' FEL and 660' FNL impractical.

Representatives of the USGS and BLM have been on the ground with a dirt contractor and indicate this to be the only practical location in the N/2 section 14.

If you as an offset operator have no objection to the drilling of this unorthodox location; please so signify by signing the waiver below and return it to me.

Respectfully Yours,

Dewey E. Thornton
Dewey E. Thornton
Exploration Manager

EL PASO NATURAL GAS CO. as an offset operator; does not object to the drilling of the above-referenced unorthodox location.

BY: R. D. Janssen
TITLE: Regional Land Manager
DATE: January 5, 1981

OIL PRODUCER

W. A. MONCRIEF, JR.

400 METRO BUILDING
MIDLAND, TEXAS 79701

December 30, 1980

JAN 5 1981

JAN 13 1981
OIL CO. REGISTRATION
SANTA FE
TELEPHONE 682-1762

Mr. Randy Patterson
Yates Petroleum Corporation
207 South 4th Street
Artesia, New Mexico 88210

Re: W.A. Moncrief, Jr.
#2 Baldrige Federal
Section 14, T24S, R24E
Eddy County, New Mexico

Dear Mr. Patterson:

W.A. Moncrief, Jr. plans to drill the #2 Baldrige Federal 1427' FEL and 196' FNL section 14 of T24S, R24E Eddy County, New Mexico and plans to designate the N/2 section 14 as the 320 acre proration unit.

This is an unorthodox location for the N/2 of section 14; but rough topography makes an orthodox location 1980' FEL and 660' FNL impractical.

Representatives of the USGS and BLM have been on the ground with a dirt contractor and indicate this to be the only practical location in the N/2 section 14.

If you as an offset operator have no objection to the drilling of this unorthodox location; please so signify by signing the waiver below and return it to me.

Respectfully Yours,

Dewey E. Thornton
Dewey E. Thornton
Exploration Manager

Yates Petroleum Corporation as an offset operator, does not object to the drilling of the above-referenced unorthodox location.

BY: [Signature]
TITLE: Attorney-in-Fact
DATE: 1-6-81

OIL PRODUCER

W. A. MONCRIEF, JR.

400 METRO BUILDING
MIDLAND, TEXAS 79701

JAN 10 1981
OIL CO. OF NEW MEXICO
SANTA FE
TELEPHONE 682-1762

December 30, 1980

Mr. R.E. Griffith
Gulf Oil Corporation
P.O. Box 1150
Midland, Texas 79702

Re: W.A. Moncrief, Jr.
#2 Baldrige Federal
Section 14, T24S, R24E
Eddy County, New Mexico

Dear Mr. Griffith:

W.A. Moncrief, Jr. plans to drill the #2 Baldrige Federal 1427' FEL and 196' FNL section 14 of T24S, R24E Eddy County, New Mexico and plans to designate the N/2 section 14 as the 320 acre proration unit, in the Baldrige - Canyon-Morrow Pool.

This is an unorthodox location for the N/2 of section 14; but rough topography makes an orthodox location 1980' FEL and 660' FNL impractical.

Representatives of the USGS and BLM have been on the ground with a dirt contractor and indicate this to be the only practical location in the N/2 section 14.

If you as an offset operator have no objection to the drilling of this unorthodox location; please so signify by signing the waiver below and return it to me.

Respectfully Yours,

MONCRIEF OIL INTERESTS

Dewey E. Thornton
Dewey E. Thornton
Exploration Manager

Gulf Oil Corporation as an offset operator; does not object to the drilling of the above-referenced unorthodox location.

BY: C.F. Kalteyer
TITLE: C.F. Kalteyer -- Chief Proration Engineer
DATE: January 6, 1981



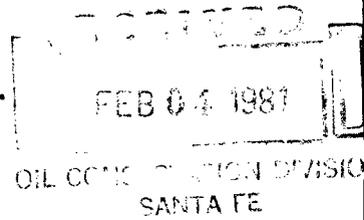


United States Department of the Interior

GEOLOGICAL SURVEY

P. O. Drawer 1857

Roswell, New Mexico 88201



January 28, 1981

Mr. Joe D. Ramey, Director
New Mexico Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87501

Dear Joe:

I am enclosing a copy of the data prepared by the Bureau of Land Management as their justification for the unorthodox location of the W. A. Moncrief Baldrige gas well, located 196 feet from the North line and 1427 feet from the East line sec. 14, T. 24 S., R. 24 E., Federal lease NM-29202.

As discussed in our telephone conversation yesterday such data is presented for your assistance when the Moncrief unorthodox location is presented for your approval consideration.

Sincerely yours,

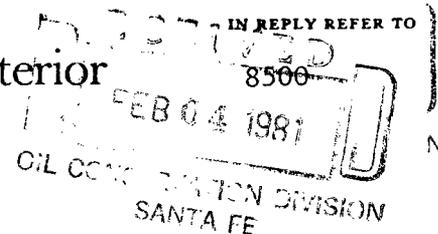
James A. Gillham
Acting District Supervisor





United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Roswell District Office
P. O. Box 1397
Roswell, New Mexico 88201



January 27, 1980

Mr. James A. Gillham
Geological Survey
P. O. Drawer 1857
Roswell, NM 88201

Dear Mr. Gillham:

The original Surface Use Plan submitted by W. A. Moncrief, Jr. for lease #NM-29202, located the proposed well site in BLM wilderness study area (WSA) NM-060-819. This WSA (Mudgetts) is being managed as not to impair its suitability for potential wilderness preservation as part of the BLM Wilderness Review.

The impact of this proposed well and its associated rehabilitation could not be mitigated sufficiently as not to impair the suitability of this WSA for possible wilderness consideration. It was also found that this lease does not meet the requirements needed to be exempt from the non-impairment mandate as outlined in our Interim Management Policy and Guidelines for Lands Under Wilderness Review.

After extensive consultation between W. A. Moncrief, Jr.'s representatives and our Carlsbad staff it became apparent that the well site located within the WSA was impractical. An alternative site was agreed on outside the WSA where Interim Management Policies do not apply.

The only feasible site outside the Wilderness Study Area was found to be situated in an unorthodox location.

In summary, in order for this lease to be developed it must be located outside the WSA, because it is not exempt from the non-impairment mandate. The only feasible location outside the WSA and still in the lease area is an unorthodox location.

Enclosed with this letter is some additional information which you may find helpful. If you need any additional information please give me a call.

Sincerely yours,

James H. O'Connor
District Manager

Enclosure

The 2A Baldrige Federal Comm. location (alternative #1) was surveyed by representatives of W. A. Moncrief on December 26, 1980 and is located at 196 FNL, 1427 FEL, Section 14 T. 24 S., R. 24 E. The location is physically identical to alternative #1 as analyzed in the original EA, but the footages vary somewhat from those in the EA due to the final survey.

The Environmental Impact of the proposed action and all alternatives is adequately assessed in the original EA NM-067-306, with the exception of the wilderness section. Wilderness inventory decisions have changed since preparation of the EA and this Adendum will serve to clarify the impact of the proposed action and all alternatives on wilderness values. The attached map and narrative from the final wilderness study area decision of November 1980 depicts the final boundaries of the Mudgetts Wilderness Study Area (WSA).

The proposed action located at 660 FNL, 1550 FEL of Section 14, T. 24 S., R. 24 E., is physically located partially in the final Mudgetts WSA. The existing two track road to the well forms the WSA boundary. The well pad would involve construction in the WSA and would still involve the impacts addressed in the original EA. The road construction would utilize the two track road currently used as the WSA boundary and thus would not involve construction within the boundaries of the WSA. The pad associated with alternative #1 located at 196 FNL, 1427 FEL, Section 14, T. 24 S., R. 24 E., is physically located entirely outside the WSA and would involve no construction within the WSA. Thus, the impact of alternative #1 on wilderness values would be significantly less than that assessed in the original EA.

With the realignment of the boundaries of the Mudgetts WSA, Alternative #1 would have no direct impact on wilderness values. The wilderness analysis of Alternative #2, located at approximately 1650 FEL, 1650 FNL, Section 14, T. 24 S., R. 24 E., remains the same as originally analyzed.

As explained in the EA the area involved with Alternative #2 was formally dropped from wilderness considerations. There would still be detrimental impacts on the Mudgetts WSA and the existing Carlsbad Caverns Wilderness area due to the higher elevation associated with Alternative #2. Alternative #3, the no action alternative is also adequately analyzed on the EA. With the finalization of the Wilderness Inventory the only alternative which would involve construction on lands being considered for wilderness values would be the proposed action.

The grandfather concept explained in the EA is still a valid consideration for the proposed action, but with the WSA boundary adjustment it is no longer a consideration for any of the alternatives.

DECISION/RATIONALE FOR EA NM-067-306
Including Adendum
#2 Baldrige Fed. Conv. Gas Well

1791

DECISION:

Accept alternative #1 with all mitigating measures mentioned in EA as well as all normal stipulations for drilling operations and subsequent development applied as permit conditions. Although this location is physically outside the Mudgetts Wilderness Study Area (WSA) boundary the stipulations will mitigate unnecessary impacts on the adjacent WSA and the existing Carlsbad Caverns Wilderness Area.

RATIONALE:

The Caverns MFP recommended planning for the total development of the entire planning unit (06-06) for oil and gas exploration and/or production.

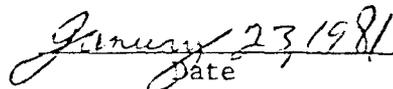
Alternative #1 would have no direct impact on wilderness values, as the location does not involve lands currently subject to wilderness consideration. Since the proposed action is within the boundaries of the WSA and it is not grandfathered, the location could not be authorized in accordance with Wilderness Interim Management Policy. Alternative #2 due to its location on a ridgetop would have indirect detrimental impacts on the existing Carlsbad Caverns Wilderness and the Mudgetts WSA.

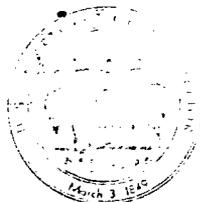
Alternative #1 involves less surface disturbance and associated cut and fill construction techniques than the proposed action or Alternative #2. Alternative #1 is the best location available which, with mitigation, will satisfy our Environmental concerns as well as meeting the oil and gas industries exploration and production concerns.

Based on the environmental impacts as assessed, an Environmental Impact Statement is not required for this action.



Area Manager, Carlsbad

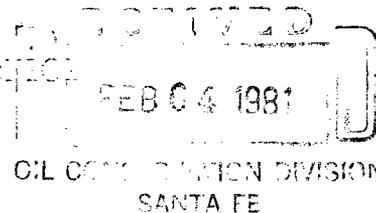

Date



United States Department of the Interior

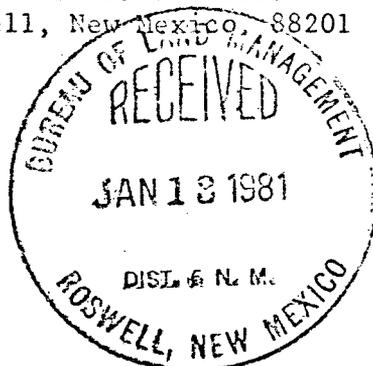
GEOLOGICAL SURVEY

P. O. Drawer 1857
Roswell, New Mexico 88201



January 12, 1981

Mr. James H. O'Connor
Bureau of Land Management
P. O. Box 1397
Roswell, New Mexico 88201



Dear Mr. O'Connor:

This office has been advised that your Agency will approve W. A. Moncrief's Baldrige gas well location at a site 196 feet from the North line and 1427 feet from the East line in sec. 14, T. 24S., R. 24E., Federal lease NM 29202.

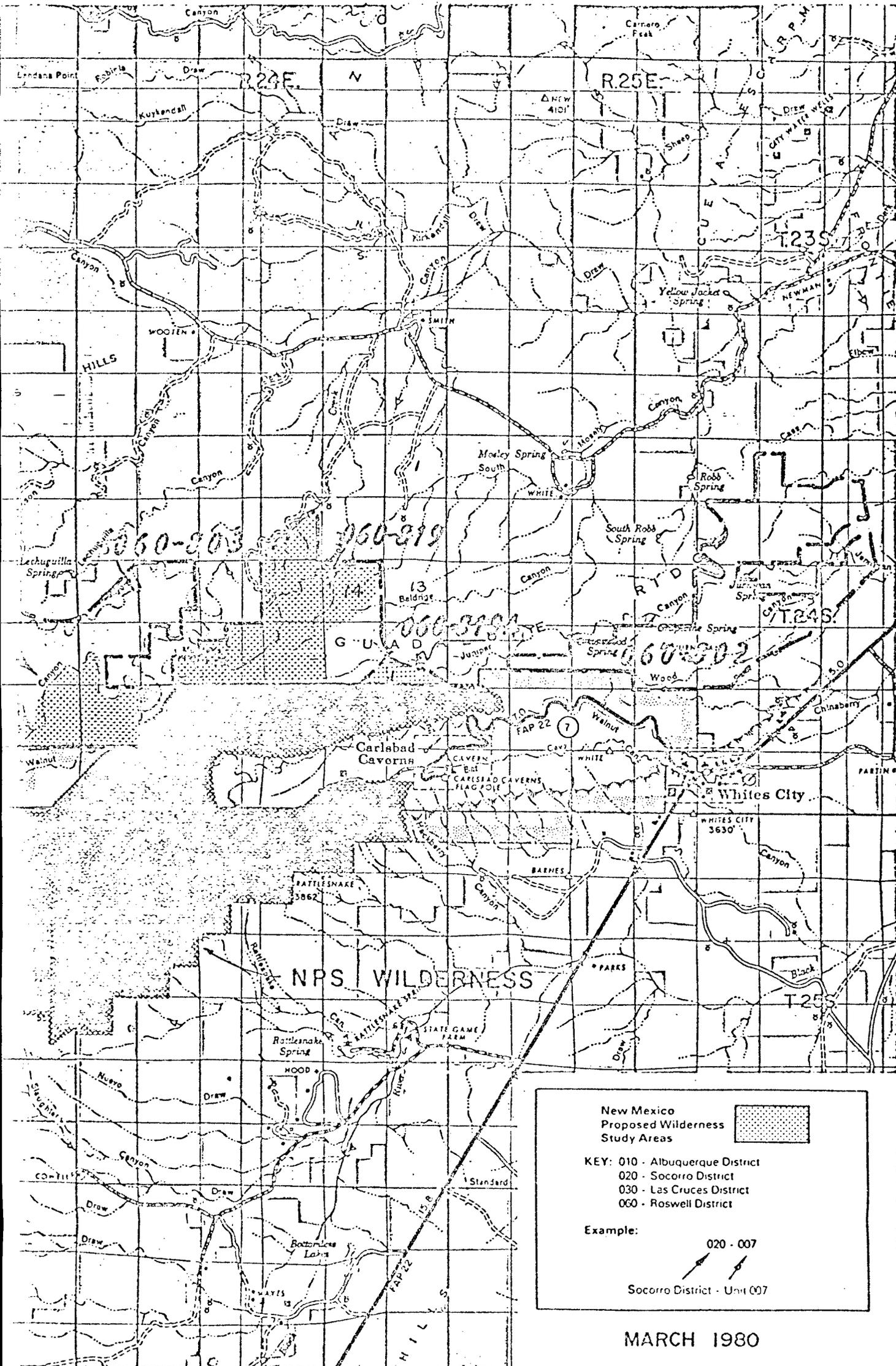
As you know all unorthodox locations require New Mexico Oil Conservation Division approval. Moncrief's representative advised this office that their conversations with the Santa Fe office of the NMOCD indicated the NMOCD may or may not approve this location since the approved BLM location severely crowds the lease line offsetting State acreage. At any rate the NMOCD will not approve this location without reasonable justification.

We therefor request that you supply this office with the tangible data used by your Agency to justify this unorthodox location. Your cooperation is appreciated.

Sincerely yours,

James A. Gillham

James A. Gillham
Acting District Supervisor



New Mexico
Proposed Wilderness
Study Areas

KEY: 010 - Albuquerque District
020 - Socorro District
030 - Las Cruces District
060 - Roswell District

Example:
020 - 007
Socorro District - Unit 007

MARCH 1980

 USFS WILDERNESS PROPOSAL

  NPS WILDERNESS