

A. R. KENDRICK

BOX 516 • AZTEC, NEW MEXICO 87410 • (505) 334-2555

May 24, 1990

RECEIVED
MAY 30 AM 8 23

Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

*No other
wells in
protraction unit*

Re: Application for Non-Standard Location
Evergreen Operating Corporation
Rosa Unit #285
1670' FNL 300' FEL Sec. 3-T31N-R4W
Basin Fruitland Coal Gas Pool
Rio Arriba County, New Mexico

Gentlemen:

We, on behalf of Evergreen Operating Corporation, hereby make application for approval of the location of the Rosa Unit #285 well to be located 1668' FNL 301' FEL of Section 3, Township 31 North, Range 4 West, Basin Fruitland Coal Gas Pool, Rio Arriba County, New Mexico.

The reason for the non-standard location is due to topography and to protect wildlife habitat.

We attempted to place the location on the ridge to the west at a standard location, but the Forest Service objected due to the need for "scalping" the hill.

This is the only usable location within the northeast quarter of Section 3.

The attached exhibits show the situation at the location and surrounding area.

All offset operators and lease owners are being notified by certified mail at this mailing. The Return Receipt Cards will be provided when they are returned.

It is my belief that the information contained in this application is true and correct according to the information available to me.

If further information is needed, please contact me.

Yours very truly,



A. R. Kendrick

Enclosures

Exhibits for Application for Non-Standard Location

Evergreen Operating Corporation
Rosa Unit #285
1670' FNL 300' FEL, Sec. 3-T31N-R4W
Basin Fruitland Coal Gas Pool
Rio Arriba County, New Mexico

The following exhibits are enclosed :

- EXHIBIT A Form C-102, Well Location and Acreage Dedication Plat: shows the location of the well with respect to the section lines, the dedicated acreage, and the proration unit.
- EXHIBIT B Enlarged copy of Topographic Map: shows the location to be on a bench of a steep hillside. (Notice that the Contour Interval is 40 feet.) The location is situated to avoid excessive cutting into the top of the ridge to the west. The terrain falls off rapidly to the south and west from the location which prevents moving further west. There is no other viable location within the northeast quarter.
- EXHIBIT C Ownership and Offset Well Location Plat: shows the location of the Rosa Unit #285 relative to the locations of the #284 in the southwest quarter of Section 3 and the #282 in the southwest quarter of Section 2.
- The distance between wells within Section 3, being 3972 feet, and between the #285 and the #282 wells, being 2658 feet, are well within the tolerances of standard well spacings as set out in the pool rules by Order R-8768 and shown on Exhibit E.
- The ownership and offset wells are also shown on this exhibit.
- EXHIBIT D Location Windows Plat showing distances between points: shows the distances between wells in standard spacing situations with 1601.25 feet being the minimum and 5232.59 feet maximum for wells on adjacent drill tracts.
- EXHIBIT E Location Windows Plat with wells spotted: shows the "windows" for standard locations as provided by Order R-8768 with the #285 and #284 wells spotted in their approximate positions.
- EXHIBIT F Copy of Application for Permit to Drill: shows the Application for Permit to Drill.
- EXHIBIT G List of names and addresses of offset owners and other interested parties.

Submit to Appropriate District Office
 State Lease - 4 copies
 Fee Lease - 3 copies

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-102
 Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT I
 P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
 P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
 1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

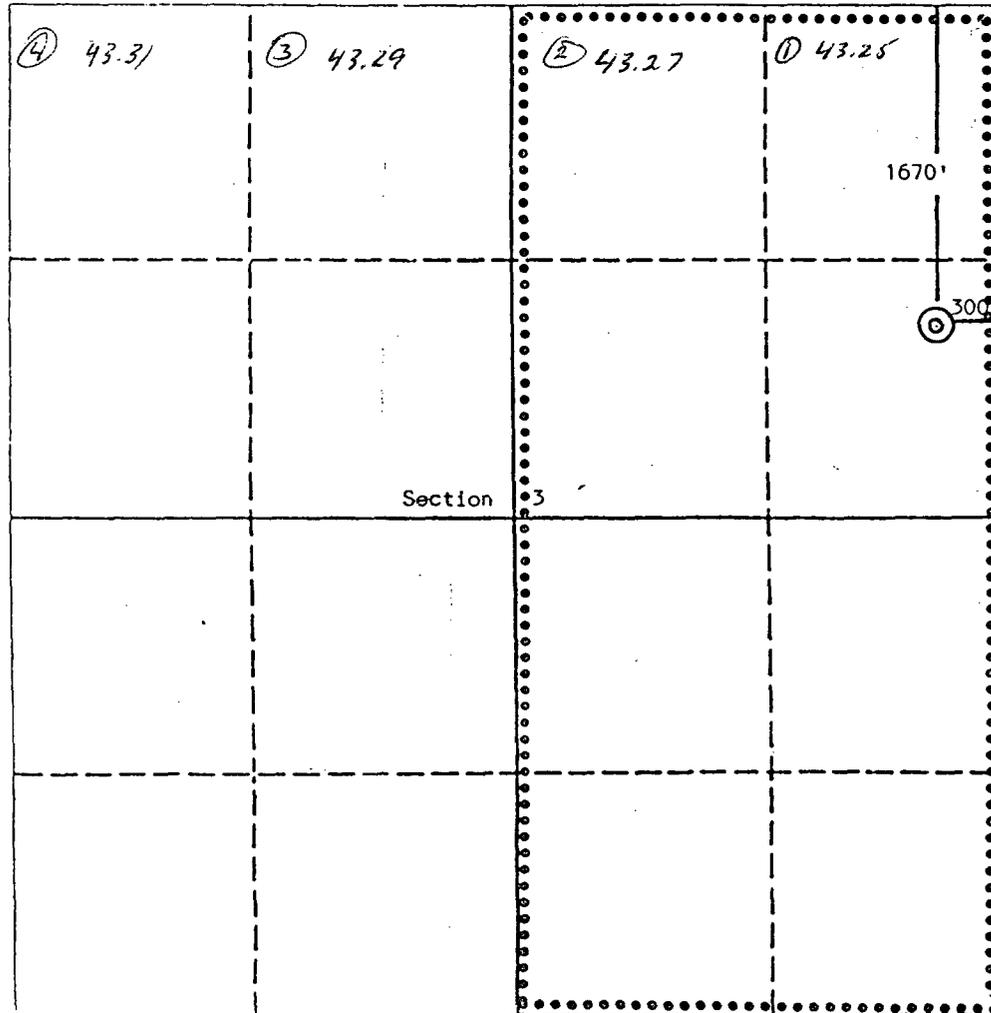
All Distances must be from the outer boundaries of the section

Operator Evergreen Operating Corporation			Lease Rosa Unit			Well No. 285		
Unit Letter H	Section 3	Township 31 North	Range 4 West	County NMPM		Rio Arriba		
Actual Footage Location of Well: 1670 feet from the North line and 300 feet from the East line								
Ground level Elev. 7165	Producing Formation Fruitland Coal		Pool Basin Fruitland Coal			Dedicated Acreage: 326.52 Acres		

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



OPERATOR CERTIFICATION

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

Signature: *A. R. Kendrick*
 Printed Name: A. R. Kendrick
 Position: Agent
 Company: Evergreen Operating Corp.
 Date: May 24, 1990

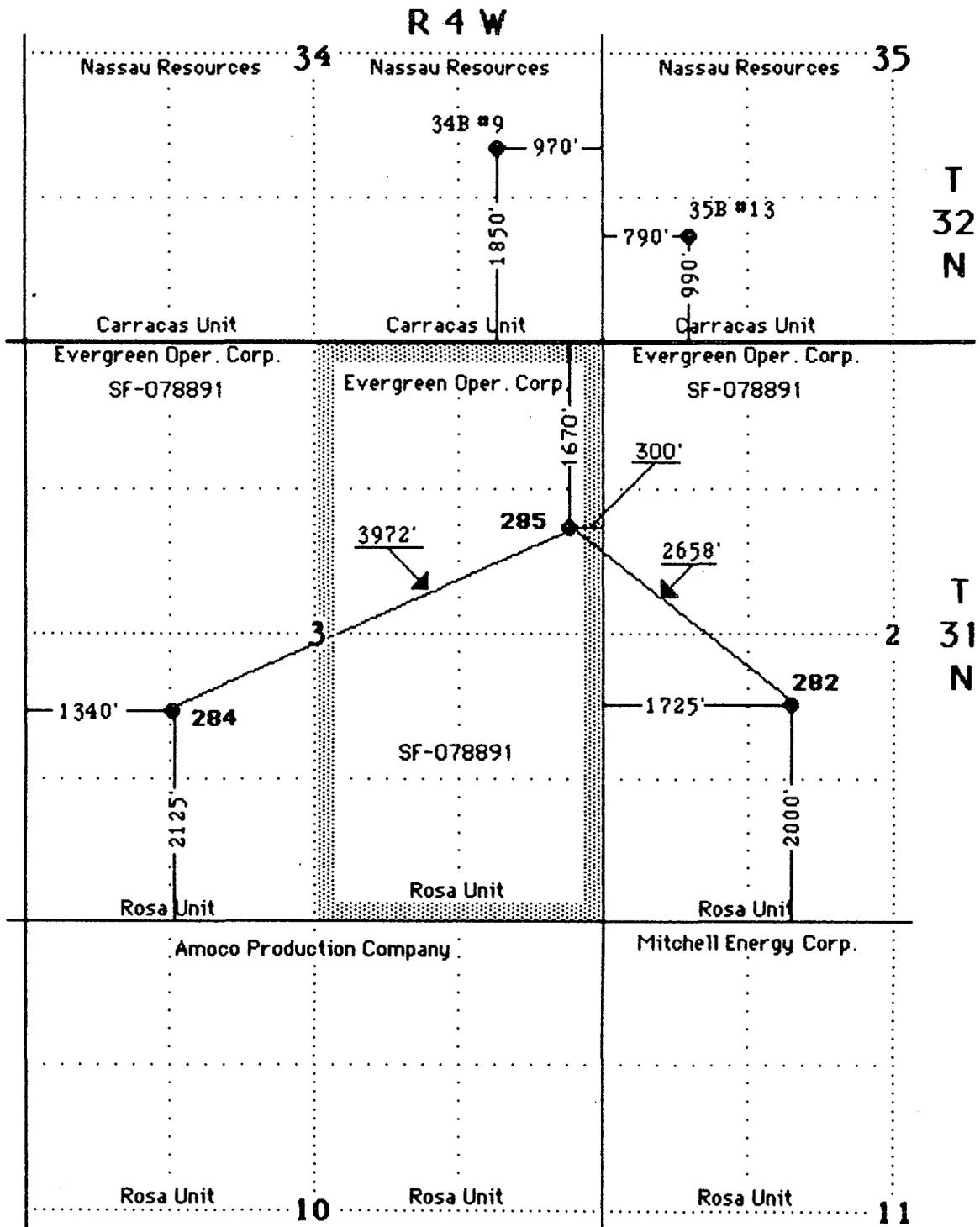
SURVEYOR CERTIFICATION

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.

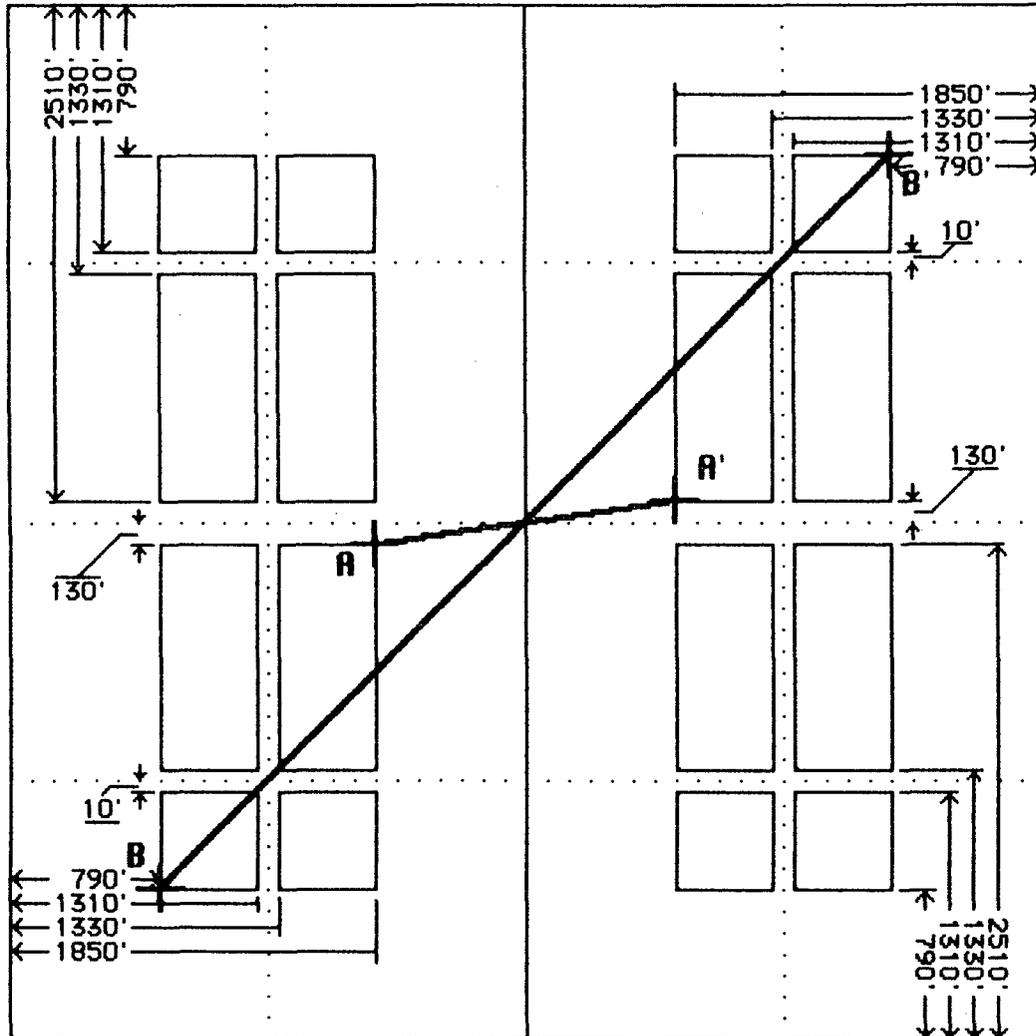
Date Surveyed: May 19, 1990
 Signature & Seal of Professional Surveyor: *Edgar L. Risenhoover*
 Edgard L. Risenhoover
 NEW MEXICO
 5979
 Certificate No. 5979

EXHIBIT A

Non-Standard Location for Rosa Unit #285
1670' FNL 300' FEL Section 3-T31N-R4W
Basin Fruitland Coal Gas Pool



STANDARD LOCATION WINDOWS
 FRUITLAND COAL WELL
 (320-ACRE DRILL TRACT)

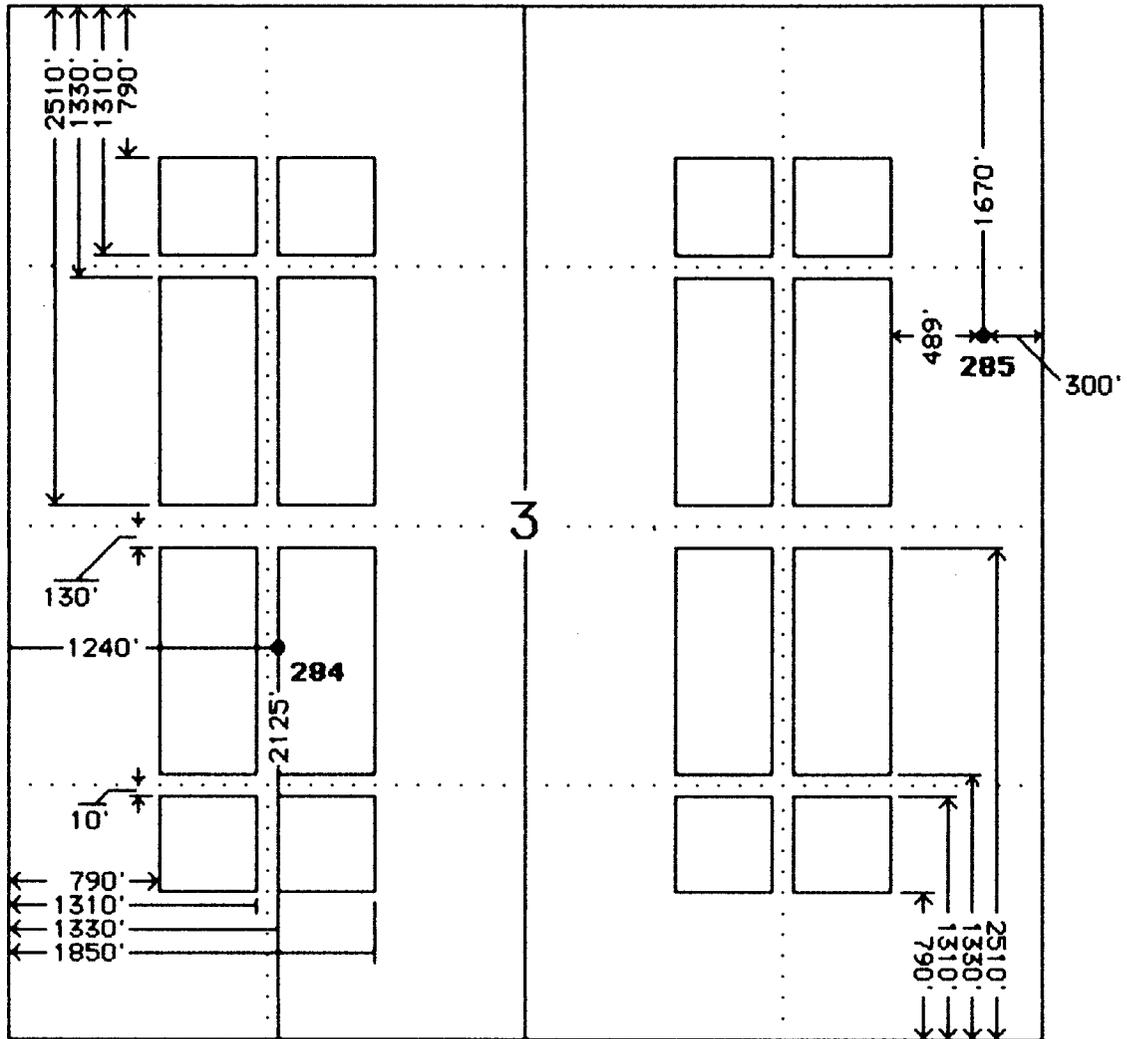


DISTANCES BETWEEN POINTS:

Minimum: $A - A' = 1601.25'$

Maximum: $B - B' = 5232.59'$

Non-Standard Location for Rosa Unit #285
1670' FNL 300' FEL Section 3-T31N-R4W
Basin Fruitland Coal Gas Pool



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work <p style="text-align: center;">DRILL</p>	5. Lease Number <p style="text-align: center;">SF-078891</p>	
1b. Type of Well <p style="text-align: center;">GAS</p>	6. If Indian, Name of Tribe or Allottee	
2. Operator <p style="text-align: center;">Evergreen Operating Corporation</p>	7. Unit Agreement Name <p style="text-align: center;">ROSA UNIT</p>	
3. Address & Phone No. of Operator <p style="text-align: center;">W. A. R. KENDRICK BOX 516, AZTEC, NM 87410 (505) 334-2555</p>	8. Farm or Lease Name <p style="text-align: center;">ROSA UNIT</p>	
4. Location of Well <p style="text-align: center;">(Unit H) 1510' FNL 875' FEL</p>	9. Well Number <p style="text-align: center;">285</p>	
14. Distance in Miles from Nearest Town <p style="text-align: center;">13 MILES WEST OF DULCE, NM</p>	10. Field, Pool, or Wildcat <p style="text-align: center;">BASIN-FRUITLAND COAL GAS POOL</p>	11. Section, Township, & Range, Meridian, or Block <p style="text-align: center;">3-31N-4W</p>
15. Distance from Proposed Location To Nearest Property Line or Lease Line. <p style="text-align: right;">1510'</p>	16. Acres in Lease <p style="text-align: center;">1965.72 Acres</p>	17. Acres Assigned to Well <p style="text-align: center;">E-326.52 Acres</p>
18. Distance From Proposed Location To Nearest Well Dr., Compl., Or Applied For On Lease. <p style="text-align: right;">3479'</p>	19. Proposed Depth <p style="text-align: center;">4410'</p>	20. Rotary or Cable Tools <p style="text-align: center;">ROTARY</p>
21. Elevations (DF, RT, GR, Etc.) <p style="text-align: center;">7202' 6R</p>	22. Approximate Date Work Will Start. <p style="text-align: center;">As soon as Possible.</p>	

23. Proposed Casing and Cementing Program

Exhibits attached as follows:

- | | |
|--------------------------------------|-----------------------------------|
| "A" Location and Elevation Plat | "F" Drill Rig Layout |
| "B" Ten-Point Compliance Program | "G" Completion Rig Layout |
| "C" Blowout Preventer Schematic | "H" Location Profile |
| "D" Multi-Point Requirements for APD | "I" Production Facility Schematic |
| "E" Vicinity Map - Access Roads | |

24. Signed W.A.R. Kendrick Title _____ Agent _____ Date 4-9-90

Permit No. _____ Approval Date _____

Approved By _____ Title _____ Date _____

NOTE: THIS FORMAT IS ISSUED IN LIEU OF U.S. BLM FORM 3160-3.

EXHIBIT F

NAMES AND ADDRESSES OF OFFSET OWNERS AND INTERESTED PARTIES

Application for Non-Standard Location
Evergreen Operating Corporation
Rosa Unit #285
1668' FNL 301' FEL 1-T31N-R4W
Basin Fruitland Coal Gas Pool
Rio Arriba County, New Mexico

Amoco Production Company ●
P. O. Box 800
Denver, Colorado 80201

Mitchell Energy Corporation ●
Suite 3500
555 17th Street
Denver, Colorado 80202

Nassau Resources, Inc. ●
P. O. Box 809
Farmington, New Mexico 87499-0809

U. S. Forest Service ●
Jicarilla Ranger District
Gobernador Route
Blanco, New Mexico 87412

Bureau of Land Management
1235 La Plata Highway
Farmington, New Mexico 87401

Oil Conservation Division
1000 Rio Brazos Road
Aztec, New Mexico 87410

● Notified by certified mail Return Receipt.

A. R. KENDRICK

BOX 516 • AZTEC, NEW MEXICO 87410 • (505) 334-2555

June 1, 1990

Mr. Michael Stogner
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Re: Supplemental Information, Application for NSL
Evergreen Operating Corporation
Rosa Unit #285
H-3-T31N-R4W

Dear Mike:

The official on-site inspection was performed on May 16, 1990, by Jim Tensfield of the U.S. Forest Service with Richard George and A. R. Kendrick representing the Evergreen Operating Corporation.

We did not get and do not expect any written information regarding any on-site inspection. However, the location was staked at 1510' FNL 875' FEL and was moved to 1670' FNL 300' FEL at the request of the U.S. Forest Service. Oral agreement was reached before we left the location.

If further information is desired, please contact us.

Yours very truly,



A. R. Kendrick

A. R. KENDRICK

BOX 516 • AZTEC, NEW MEXICO 87410 • (505) 334-2555

June 1, 1990

Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Re: **Supplement to:**
Application for Non-Standard Location
Evergreen Operating Corporation
Rosa Unit #285
1670' FNL 300' FEL Sec. 3-T31N-R4W
Basin Fruitland Coal Gas Pool
Rio Arriba County, New Mexico

Gentlemen:

Enclosed are the original Return Cards representing the receipt of the subject applications.

If further information is needed, please contact me.

Yours very truly,



A. R. Kendrick

Enclosures

Nassau Resources, Inc.

P. O. Box 809
Farmington, New Mexico 87499-0809

Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Re: **Waiver of Objection**

To: Application for Non-Standard Location
Evergreen Operating Corporation
Rosa Unit #285
1670' FNL 300' FEL
Section 3, Township 31 North, Range 4 West
Basin Fruitland Coal Gas Pool

Gentlemen:

We, Nassau Resources, Inc., as an offset operator, hereby waive objection to the application for the non-standard location of the Evergreen Operating Corporation Rosa Unit #285 well to be located 1670' FNL 300' FEL of Section 3, Township 31 North, Range 4 West, Basin Fruitland Coal Gas Pool, Rio Arriba, New Mexico.

Yours very truly,

Nassau Resources, Inc.

By: _____

Scott C. Craig V-P-Land

Date: _____

6/9/90

MCHUGH

Jerome P. McHugh & Associates
Operating Affiliate: Nassau Resources, Inc.
650 South Cherry, Suite 1225
Denver, Colorado 80222
(303) 321-2111 FAX (303) 321-1563

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June 8, 1990

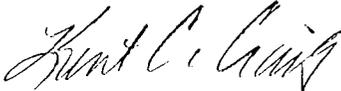
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, N. M. 87499-0809

Re: Evergreen Operating
Appl. for Non-Standard Location
Secs. 1 & 3-T31N-R4W
Rio Arriba Co., N. M.

Gentlemen:

Enclosed for your records are "Waiver of Objection" letters executed on behalf of Nassau Resources whereby Nassau waives any objection to Evergreen's proposed Rosa Unit #285 and #281 wells in Sections 3 and 1 of Township 31 North, Range 4 West.

Very truly yours,



Kent C. Craig

/kcc

cc: A. R. Kendrick w/ enclosure
cc: Evergreen Operating Corp. w/enclosure

Mitchell Energy Corporation

555 17th Street, Suite 3500
Denver, Colorado 80202

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OIL CONSERVATION DIVISION

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Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Re: **Waiver of Objection**

To: Application for Non-Standard Location
Evergreen Operating Corporation
Rosa Unit #285
1670' FNL 300' FEL
Section 3, Township 31 North, Range 4 West
Basin Fruitland Coal Gas Pool

Gentlemen:

We, Mitchell Energy Corporation, as an offset operator, hereby waive objection to the application for the non-standard location of the Evergreen Operating Corporation Rosa Unit #285 well to be located 1670' FNL 300' FEL of Section 3, Township 31 North, Range 4 West, Basin Fruitland Coal Gas Pool, Rio Arriba, New Mexico.

Yours very truly,

Mitchell Energy Corporation

JWT
5/30/90
By: *Jerry W. Taylor*
JERRY W. TAYLOR
DISTRICT LAND MANAGER

Date: May 30, 1990

OIL CONSERVATION DIVISION
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Amoco Production Company

P. O. Box 800
Denver, Colorado 80201

'90 JUN 7 AM 8 46

Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Re: **Waiver of Objection**

To: Application for Non-Standard Location
Evergreen Operating Corporation
Rosa Unit #285
1670' FNL 300' FEL
Section 3, Township 31 North, Range 4 West
Basin Fruitland Coal Gas Pool

Gentlemen:

We, Amoco Production Company, as an offset operator, hereby waive objection to the application for the non-standard location of the Evergreen Operating Corporation Rosa Unit #285 well to be located 1670' FNL 300' FEL of Section 3, Township 31 North, Range 4 West, Basin Fruitland Coal Gas Pool, Rio Arriba, New Mexico.

Yours very truly,

Amoco Production Company

By: T. D. Autry / KSK
Division Production MGR

Date: 6-4-90



OIL CONSERVATION DIVISION
STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

1000 RIO UTAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

ARREY CARRUTHERS
GOVERNOR

Date: 5-30-90

ATTN: M. STOGNER

Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504-2088

NSL-2813

Re: Proposed MC _____
Proposed DHC _____
Proposed NSL X _____
Proposed SWD _____
Proposed WFX _____
Proposed PMX _____

Gentlemen:

I have examined the application dated 5-25-90

for the EVERGREEN OPERATING CORP. ROSA UNIT #285
Operator Lease & Well No.

H-3-31N-4W and my recommendations are as follows:
Unit, S-T-R

Approve

Yours truly,

Gene Bush

3 and 4.
Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. (Extra charge) 2. Restricted Delivery (Extra charge)

3. Article Addressed to:
U.S. Forest Service
Gobernador Route
Blanco, New Mexico 87412

4. Article Number:
P 843 754 308

Type of Service:
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Addressee:
X FOREST SERVICE

6. Signature - Agent:
X *Jetty Jordan*

7. Date of Delivery:
5/29/90

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Apr. 1989 U.S.G.P.O. 1989-238-815 DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. (Extra charge) 2. Restricted Delivery (Extra charge)

3. Article Addressed to:
Nassau Resources, Inc.
P.O. Box 809
Farmington, New Mexico 87499

4. Article Number:
P 843 754 307

Type of Service:
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Addressee:
X

6. Signature - Agent:
X *Cindy Holley*

7. Date of Delivery:
5-29-90

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Apr. 1989 U.S.G.P.O. 1989-238-815 DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. (Extra charge) 2. Restricted Delivery (Extra charge)

3. Article Addressed to:
Mitchell Energy Corporation
Suite 3500
555 17th Street
Denver, Colorado 80202

4. Article Number:
P 843 754 305

Type of Service:
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Addressee:
X *H. Larson*

6. Signature - Agent:
X

7. Date of Delivery:
5/29/90

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Apr. 1989 U.S.G.P.O. 1989-238-815 DOMESTIC RETURN RECEIPT

Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. (Extra charge) 2. Restricted Delivery (Extra charge)

3. Article Addressed to:
Amoco Production Company
P.O. Box 800
Denver, Colorado 80201

4. Article Number:
P 843 754 304

Type of Service:
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Addressee:
X

6. Signature - Agent:
X *[Signature]*

7. Date of Delivery:
5/29/90

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Apr. 1989 U.S.G.P.O. 1989-238-815 DOMESTIC RETURN RECEIPT