

A. R. KENDRICK

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

June 27, 1990

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

Re: Application for Non-Standard Location
Evergreen Operating Corporation
Rosa Unit #297
1935' FNL 1075' FEL Sec. 14-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 #297 well to be located 1935' FNL 1075' FEL of Section 14, Township 31 North, Range 4 West, Basin Fruitland Coal Gas Pool, Rio Arriba County, New Mexico.

The reason for the non-standard location is at the request of the U.S. Forest Service to avoid further damage to the environment and wildlife habitat.

This location is adjacent to and overlaps the location of the Rosa Unit #104 well.

We believe that directional drilling should not be required because:

1. We may have to use a beam pump and rods to lift water from the wellbore,
2. We are spotting the wells as nearly "on pattern" as we can, limited by the topography, archaeological concentrations, animal habitat and tree concentrations in the forest.
3. The distances between wells is within the footage parameters required by Order R-8759.

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 #297
1935' FNL 1075' FEL, Sec 14-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, showing 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 showing the location. (Notice that the Contour Interval is 40 feet.)
- EXHIBIT C** Ownership and Offset Well Location Plat showing the location and ownership and offset wells.
- EXHIBIT D** Location Windows Plat showing the "windows" for standard locations as provided by Order R-8768 with the #297 and 104 wells spotted in their approximate locations.
- EXHIBIT E** Copy of Application for Permit to Drill.
- EXHIBIT F** On-Site Inspection report showing the findings of the On-Site Inspection.
- 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. 297
Unit Letter H	Section 14	Township 31 North	Range 4 West	County Rio Arriba	

Actual Footage Location of Well:

1935 feet from the North line and 1075 feet from the East line

Ground level Elev. 6767	Producing Formation Fruitland Coal	Pool Basin Fruitland Coal	Dedicated Acreage: 320 Acres
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1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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).

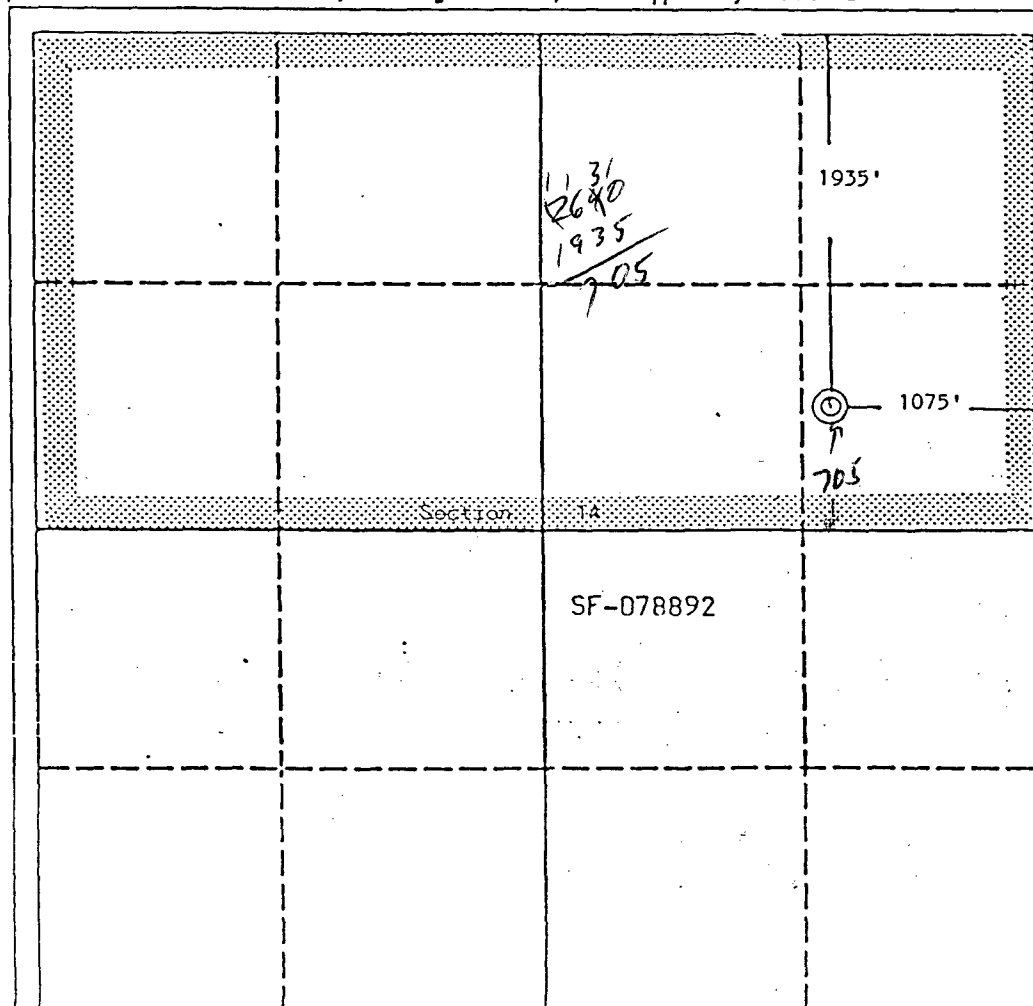
3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

☐ 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, force-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.

sk standard
6 4 0 on
Land office
map JAN
7-27-90



OPERATOR CERTIFICATION

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


Signature <i>A. R. Kendrick</i>
Printed Name A. R. Kendrick
Position Agent
Company Evergreen Operating Corp.
Date June 11, 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 8, 1990
Signature & Seal of Professional Surveyor <i>Edgar L. Risenhoover</i>
Certificate No. 55819
Edgar L. Risenhoover, P.S.

EXHIBIT A



A topographic map of the Bancos Canyon area. The map features numerous contour lines indicating elevation, with labels such as 6600, 6800, 6900, 7000, and 7100. A road, labeled 'Bancos Canyon Road', is shown running horizontally across the upper portion of the map. A callout box points to this road with the text 'Bancos Canyon Road is closed due to archaeological sites.' Another callout box points to the south side of the canyon with the text 'Numerous archaeological sites along the south side of Bancos Canyon.' The map includes several landmarks: 'Bancos Pits' (marked with a square symbol), 'Drill Hole' (marked with a circle symbol), 'Buzzard Park Campground' (marked with a star symbol), and 'Estufa' (marked with a circle symbol). The map also shows 'Cabin Canyon' and 'Ridge'. A grid system is overlaid on the map, with numbers 11, 14, 22, and 23 visible. A large 'X' is drawn across the map, possibly indicating a boundary or a specific area of interest.

Bancos Canyon Road is closed
due to archaeological sites.

Numerous archaeological sites
along the south side of Bancos
Canyon.

EXHIBIT B

NON-STANDARD LOCATION FOR ROSA UNIT #297

1935' FNL 1075' FEL Sec 14 - T 31 N - R 4 W

Basin Fruitland Coal Gas Pool

R 4 W

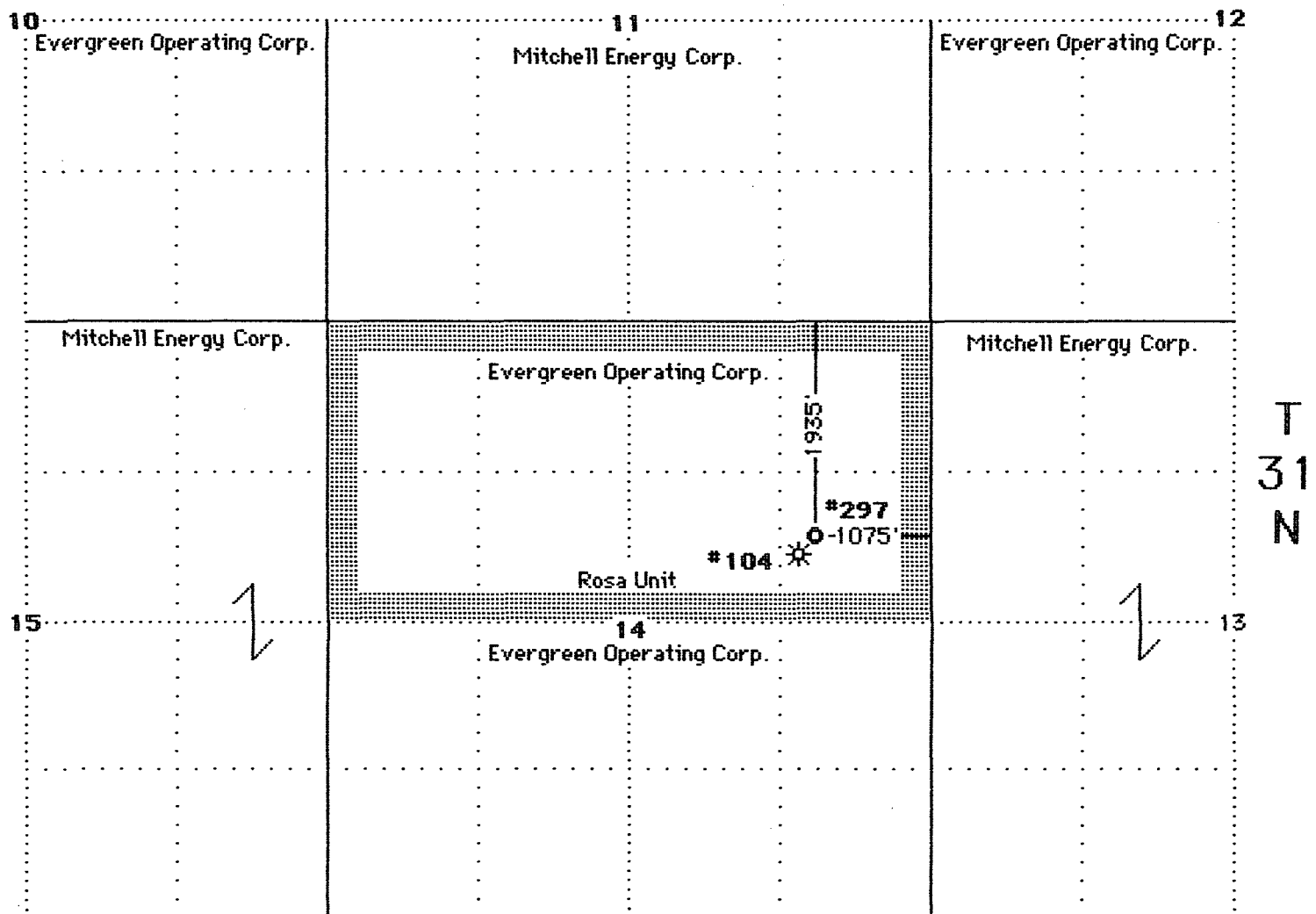
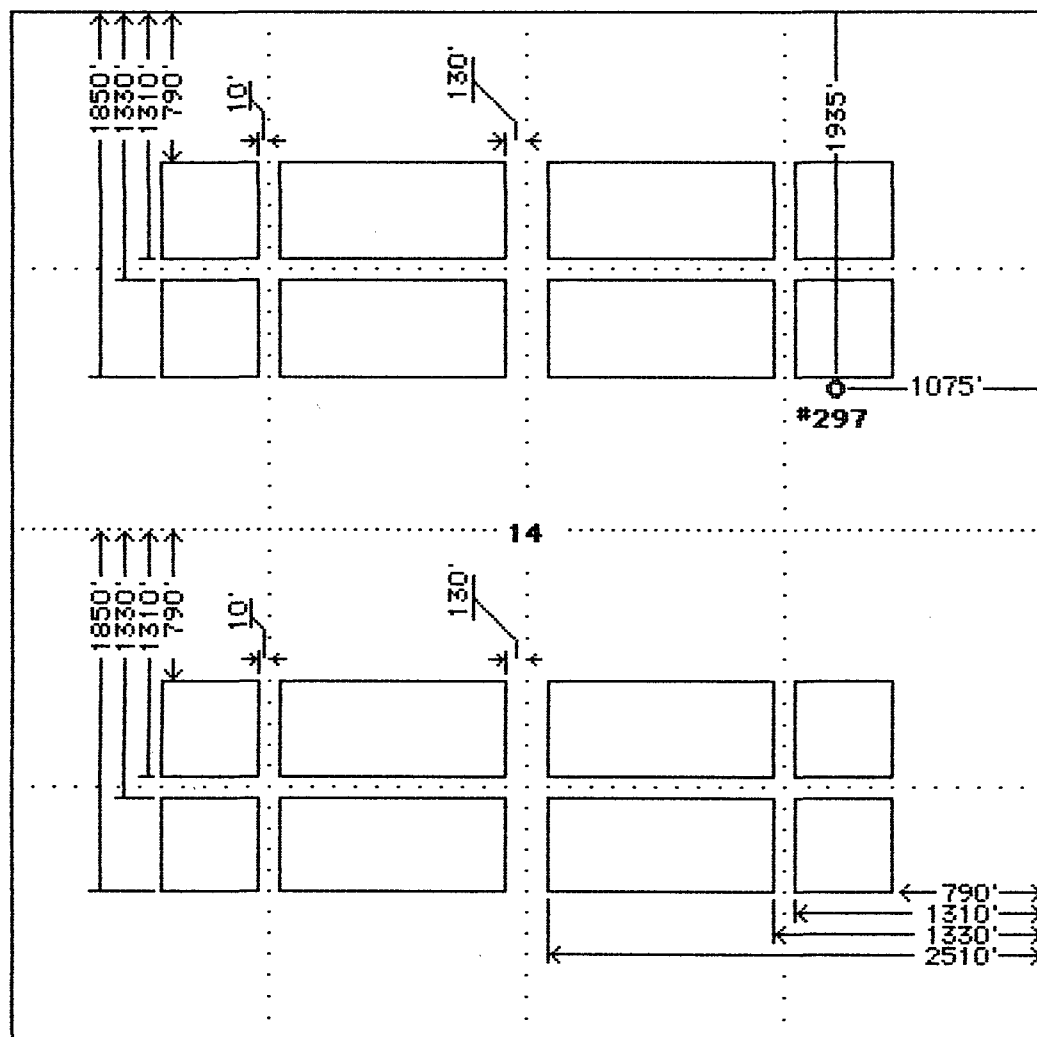


EXHIBIT C

NON-STANDARD LOCATION FOR ROSA UNIT #297
 1935' FNL 1075' FEL Sec 14 - T 31 N - R 4 W
 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-078892</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;">SA. 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) 1935' FNL 1075' FEL</p>		9. Well Number <p style="text-align: center;">297</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;">14-31N-4W</p>	
14. Distance in Miles from Nearest Town <p style="text-align: center;">12 MILES WEST OF DULCE, NM</p>		12. County <p style="text-align: center;">RIO ARRIBA</p>	13. State <p style="text-align: center;">NEW MEXICO</p>
15. Distance from Proposed Location To Nearest Property Line or Lease Line. <p style="text-align: right;">1075'</p>	16. Acres in Lease <p style="text-align: center;">1920 Acres</p>	17. Acres Assigned to Well <p style="text-align: center;">N - 320 Acres</p>	
18. Distance From Proposed Location To Nearest Well Dr., Compl., Or Applied For On Lease. <p style="text-align: right;">177'</p>	19. Proposed Depth <p style="text-align: center;">3915'</p>	20. Rotary or Cable Tools <p style="text-align: center;">ROTARY</p>	
21. Elevations (DF, RT, GR, Etc.) <p style="text-align: center;">6767' GR</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:

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

24. Signed *AR Kendrick* Title _____ Agent _____ Date **June 13, 1990**

Permit No. _____ Approval Date _____

Approved By _____ Title _____ Date _____

NOTE: THIS FORMAT IS ISSUED IN LIEU OF U.S. BLM FOR

EXHIBIT E

ON-SITE FIELD INSPECTION

Evergreen Operating Corporation
Rosa Unit #297
1935' FNL 1075' FEL, Sec 22-T31N-R4W
Basin Fruitland Coal Gas Pool
Rio Arriba County, New Mexico

During our supervised On-Site Inspection, we found the following to exist:

- ◇ The location is within the Carson National Forest.
- ◇ The location was staked according to the instructions we had received earlier from the U.S. Forest Service with respect to avoid unnecessary road construction, excessive cuts and fills, excessive timber removal, and other ecological damage.
- ◇ The location utilizes the same access road and is adjacent to and overlaps the location pad of the existing Rosa Unit #104 well to avoid creating additional aesthetic and environmental damage.
- ◇ The location does not crowd any drill tract inside or outside of Section 14.
- ◇ The location is satisfactory to the Forest Service.

NAMES AND ADDRESSES OF OFFSET OWNERS AND INTERESTED PARTIES

Application for Non-Standard Location
Evergreen Operating Corporation
Rosa Unit #297
1935' FNL 1075' FEL Sec 14-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

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.