

'95 MAR 30 AM 8 52

LAB: (505) 325-5667

OFF: (505) 325-8786



May 24, 1995

Mr. Mike Stogner
State of New Mexico
Energy, Minerals & Natural Resources Department
Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

RE: AMENDED REQUEST FOR AN UNORTHODOX LOCATION
MERIT ENERGY COMPANY
JICARILLA "E" # 16
2160' FWL & 860' FNL
SECTION 22, T-26-N, R-4-W
RIO ARRIBA COUNTY, NEW MEXICO

Dear Mr. Stogner:

On behalf of Merit Energy Company, On Site Technologies, Ltd., hereby submits to you this amended request for approval of an unorthodox location for the Jicarilla "E" # 16 well location. Said well will be drilled in the Blanco Mesa Verde pool. The reasons for this unorthodox location are due to topographic conditions and to prevent further surface disturbance per the request of the Jicarilla Apache Tribe.

The above mentioned proposed well location is on an existing well pad. The original well (Jicarilla "E" well No. 11) was approved for an unorthodox location in 1975 (Exhibit I).

The dedicated acreage for this well will be 320 acres, being the W/2 of Section 22, T-26-N, R-4-W.

In accordance with NMOCD memorandum dated March 21, 1990, from William J. LeMay, Director, I have enclosed the following:

1. A copy of the Notice of Staking listed as Exhibit "A"
2. A copy of the APD listed as Exhibit "B"
3. A copy of the C-102 listed as Exhibit "C"
4. A site plan listed as Exhibit "D"
5. A 7.5 minute quad topo map showing the proposed location listed as Exhibit "E"
6. A map denoting all off setting wells within a mile radius listed as Exhibit "F"
7. Enlarged topographic map denoting well location & topographic contours listed as Exhibit G
8. Diagram of Drilling Window listed as Exhibit "H"
9. Oil Conservation Commission letter of Approval dated July 16, 1975 listed as Exhibit "I"

All wells within the mile radius are Merit Energy Company wells. No other producers were found of record during the title search.

Please contact me if you should have any question or require any additional information.

Yours truly,


Robert L. Crabb
Agent for Merit Energy Company

P. O. BOX 2606 • FARMINGTON, NM 87499

NOTICE OF STAKING (Not to be used in place of Application for Permit to Drill Form 3160-3)		6. Lease Number JIC. CONT. #104	
1. Oil well <input type="checkbox"/> Gas well <input checked="" type="checkbox"/> Other (Specify)		7. If Indian, Allottee or Tribe Name JICARILLA APACHE	
2. Name of Operator MERIT ENERGY COMPANY ON SITE TECHNOLOGIES, LTD. - AGENT		8. Unit Agreement Name N/A	
3. Name of Specific Contact Person TORA BALDWIN - Agent		9. Farm or Lease Name JICARILLA "E"	
4. Address & Phone No. of Operator or Agent P.O. BOX 2606 FARMINGTON, NM 87499 (505) 325-5667		10. Well No. #16	
5. Surface Location of Well Attach: a) Sketch showing road entry onto pad, pad dimensions, and reserve pit. b) Topographical or other accept- able map showing location, access road, and lease boundaries.		11. Field or Wildcat Name MV Basin Dakota	
		12. Sec., T., R., M., or Blk and Survey or Area SEC. 22, T.26N., R.4W.	
15. Formation Objective(s) MESA VERDE BASIN DAKOTA	16. Estimated Well Depth 8000'	13. County, Parish or Borough RIO ARRIBA COUNTY	14. State NM
17. Additional Information (as appropriate; must include surface owner's name, address, and telephone number)			

18. Signed  Title ON SITE TECHNOLOGIES, LTD
AGENT FOR MERIT Date 12-05-94
TORA BALDWIN

Note: Upon receipt of this Notice, the Bureau of Land Management (BLM) will schedule the date of the onsite predrill inspection and notify you accordingly. The location must be staked and access road must be flagged prior to the onsite.

Operators must consider the following prior to the onsite:

- a) H₂S Potential
- b) Cultural Resources (Archeology)
- c) Federal Right of Way or Special Use Permit

District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 PO Drawer DD, Artesia, NM 88211-0719
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

Form C-10
 Revised February 21, 1990
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		1 Pool Code		1 Pool Name		
* Property Code		1 Property Name			* Well Number	
		JICARILLA			E # 16	
1 OGRID No.		1 Operator Name			* Elevation	
		MERIT ENERGY COMPANY			6818'	

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
C	22	26N	4W		860	NORTH	2160	WEST	RIO ARRIBO

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

<p>16</p> <p>860'</p> <p>2160'</p> <p>Standard 640 acre Section</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>Signature _____</p> <p>Printed Name _____</p> <p>Title _____</p> <p>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>9-12-94</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p><i>Gerald G. Huddleston</i></p> <p>6844</p> <p>Certificate Number</p>
	<p>EXHIBIT C</p>
	<p>GERALD G. HUDDLESTON NEW MEXICO 6844 REGISTERED LAND SURVEYOR</p>

Jicarilla E # 16
well pad & section

0.9 acres new disturbance

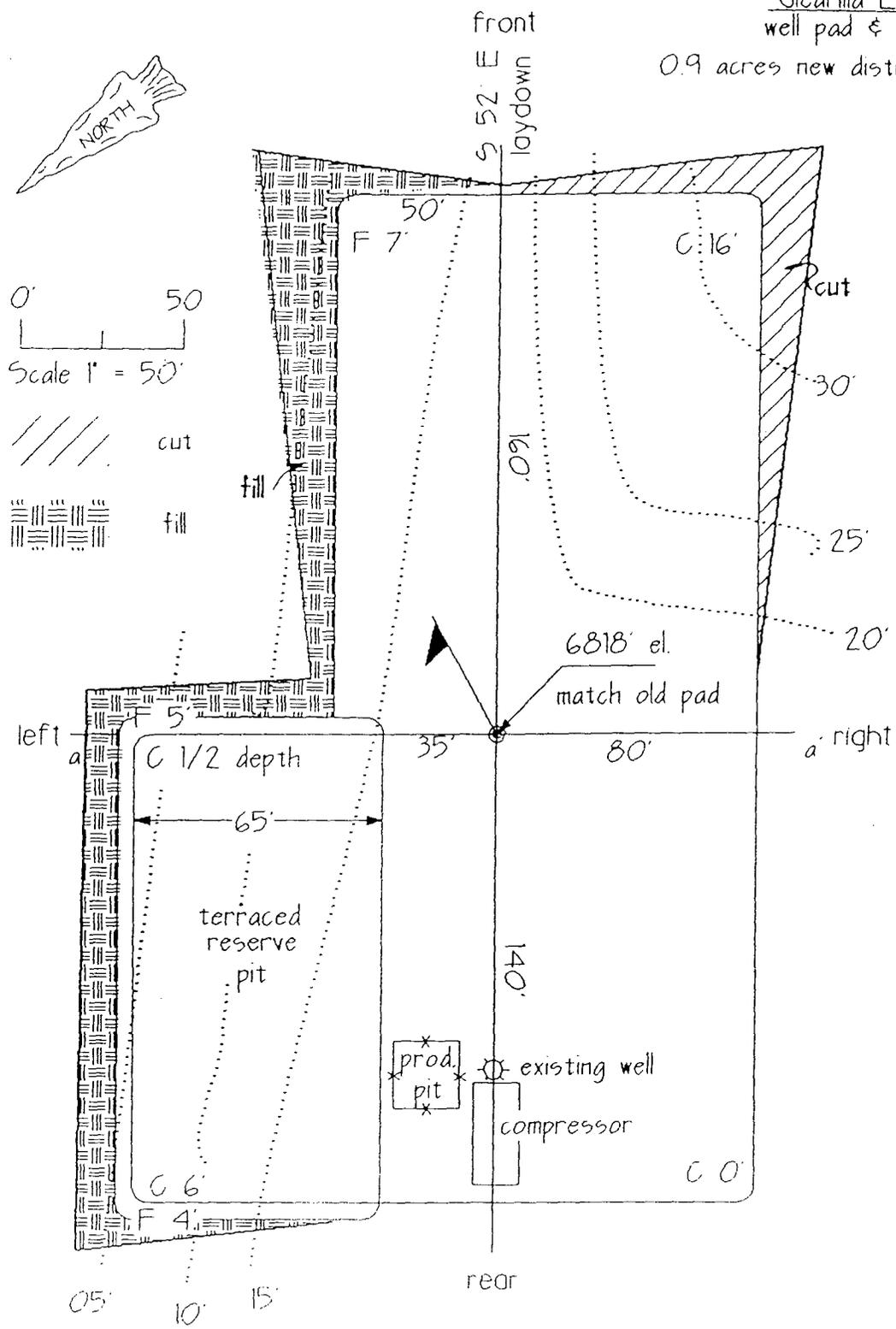
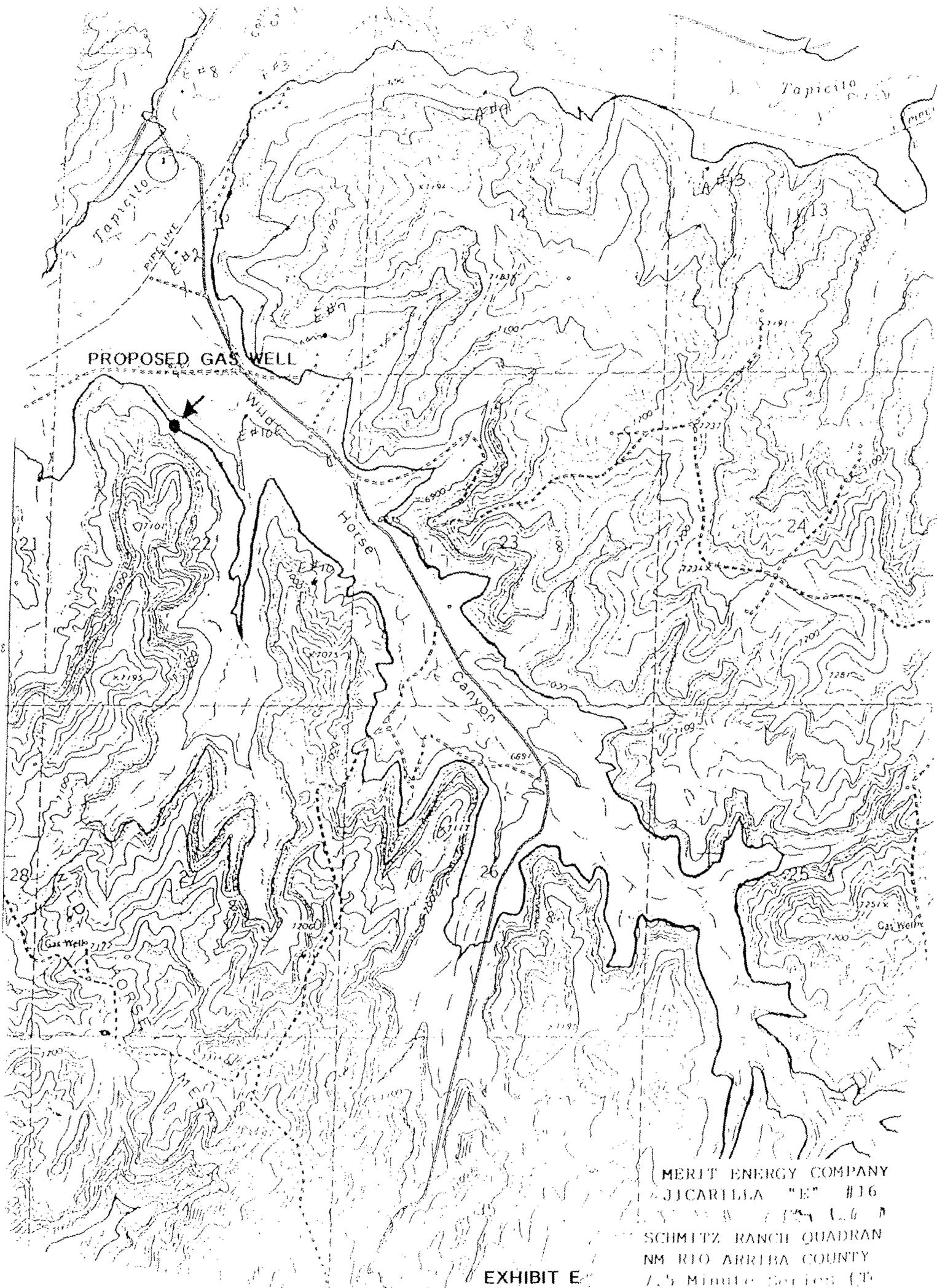
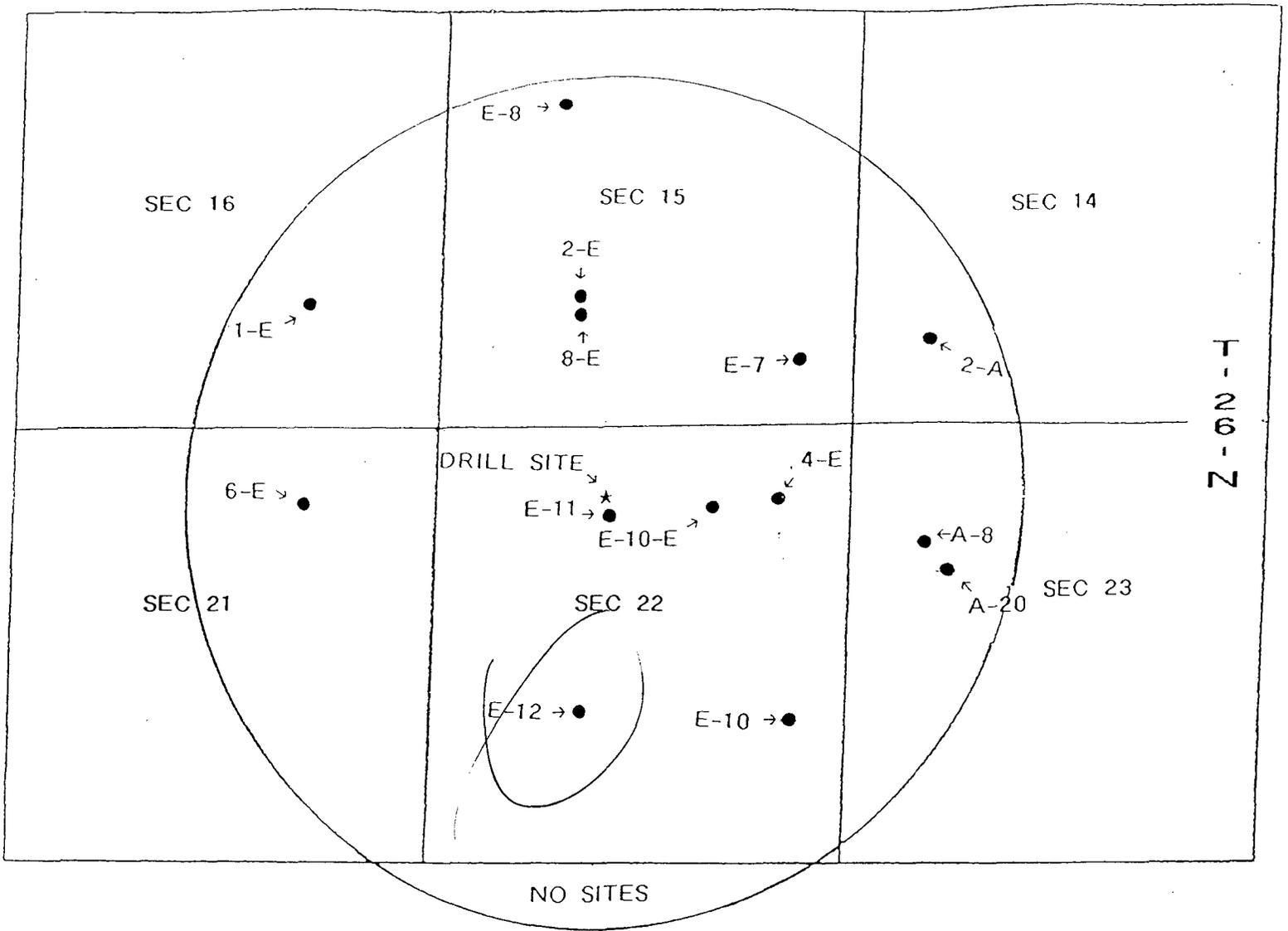


EXHIBIT D



MERIT ENERGY COMPANY
JICARILLA "E" #16
SCHMITZ RANCH QUADRAN
NM RIO ARRIBA COUNTY
1.5 Minute Series (T

EXHIBIT E



OFFSET WELL LOCATION PLAT FOR AN UNORTHADOX
 LOCATION FOR MERIT ENERGY COMPANY'S
 JICARILLA E-16
 SECTION 22, T-26-N, R-4-W NMPM
 RIO ARRIBA COUNTY, NEW MEXICO

All Above Noted Well Locations Are Merit Energy Company Locations
 The "Star" Icon Denotes The Location for The Jicarilla E#16

Drawn By Robert L. Crabb
 March 13, 1995
 NOT DRAWN TO SCALE

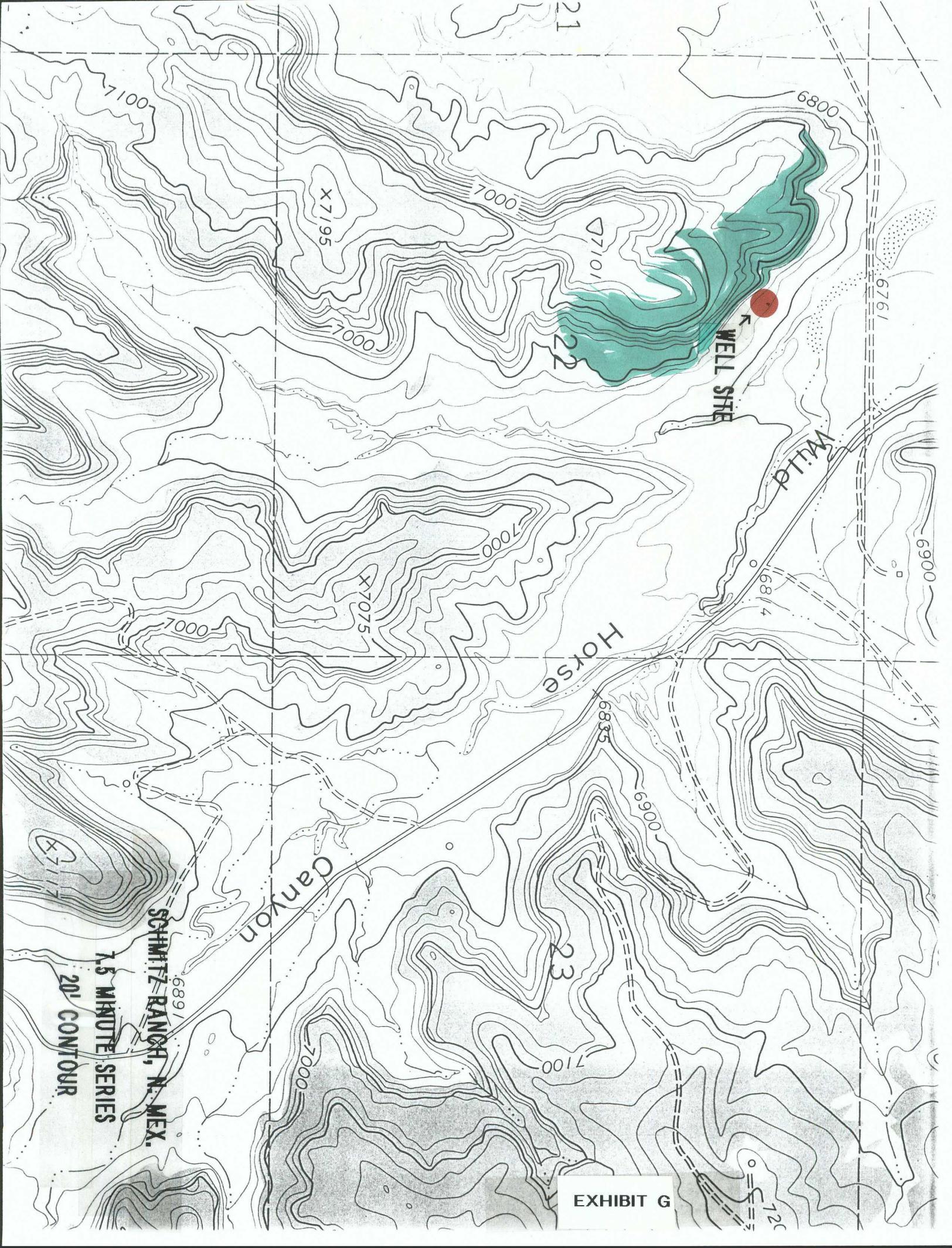


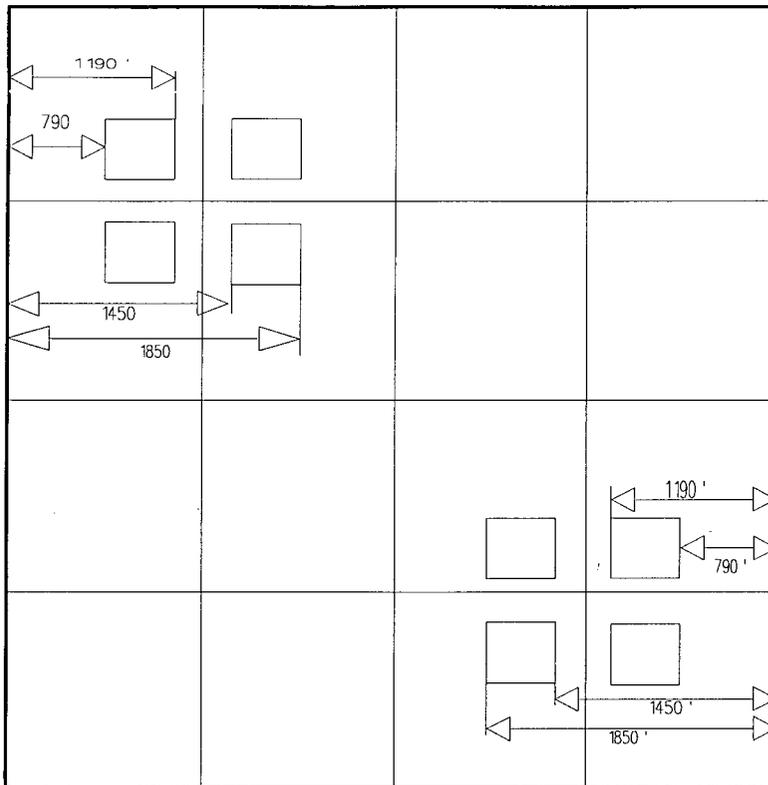
EXHIBIT G

SCHMITZ RANCH, N. MEX.

7.5 MINUTE SERIES

20' CONTOUR

DRILLING WINDOW FOR THE BLANCO MESAVERDE POOL



OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE NEW MEXICO 87501

July 16, 1975

C
O
P
Y
Southern Union Production Company
P. O. Box 808
Farmington, New Mexico 87401

Attention: Mr. Bill Vanderslice

Administrative Order HSL-716

Gentlemen:

Reference is made to your application for approval of a non-standard location for your Jicarilla "E" Well No. 11, located 800 feet from the North line and 2075 feet from the West line of Section 22, Township 26 North, Range 4 West, NMPM, Tapacito Pictured Cliffs Pool, Rio Arriba County, New Mexico.

By authority granted me under the provisions of Rule 104 F of the Commission Rules and Regulations, the above-described unorthodox location is hereby approved.

Yours very truly

JOE D. RAMEY
Secretary-Director

JDR/JEK/dr

cc: Oil Conservation Commission - Aztec
Oil & Gas Engineering Committee - Hobbs
U. S. Geological Survey - Farmington





STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

May 17, 1995

*Merit Energy Company
c/o On Site Technologies, Ltd.
P. O. Box 2606
Farmington, New Mexico 87499*

Attention: Robert L. Crabb

*RE: Administrative Application for an Unorthodox Gas Well Location
Jicarilla "E" Well No. 16
860' FNL & 2160' FWL (Unit C) Section 22, Township 26 North,
Range 4 West, NMPM, Rio Arriba County, New Mexico.*

Dear Mr. Crabb:

Per your letter dated May 12, 1995 informing us that the subject application filed on March 20, 1995 also included a request for a 160-acre non-standard gas spacing/proration unit. I am returning said filing as incomplete, as you know the Blanco-Mesaverde Pool is spaced on 320 acres, pursuant to the "General Rules For The Prorated Gas Pools of New Mexico/Special Rules and Regulations For The Blanco-Mesaverde Pool", as promulgated by Division Order No. R-8170, as amended.

Merit may resubmit this application with the amended request, if so please include all applicable information needed for the OCD to adequately make a determination for the desired request.

Should you have any additional questions or comments concerning this matter, please contact me at (505) 827-8185.

Sincerely,

*Michael E. Stogner
Chief Hearing Officer/Engineer*

MES/kv

*cc: Oil Conservation Division - Aztec
William J. LeMay, Director - OCD, Santa Fe*

OIL CONSERVATION DIVISION
OFF: (505) 325-8786
RECEIVED

'95 MAY 15 AM 8 52



LAB: (505) 325-5667

May 12, 1995

Mr. Michael E. Stogner
Chief Hearing Officer/Engineer
State of New Mexico
Energy, Minerals & Natural Resources Department
Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

RE: Administrative Application for an Unorthodox Gas Well Location For Merit Energy Company's Jicarilla "E" Well No. 16, 860' FNL & 2160' FWL (Unit C), Section 22, Township 26 North, Range 4 West, NMPM, Rio Arriba County, New Mexico

Dear Mr. Stogner:

I am writing in response to your letter of April 27, 1995 in which you requested the amount of dedicated acreage (proration/spacing unit) for the above mentioned well. Mr. Terry Gottberg with Merit Energy confirmed with me this morning that the amount of dedicated acreage is 160 acres.

Merit Energy would like to begin drilling this well location on or about June 1, 1995. Any assistance you might be able to render in expediting this application will be appreciated.

Should you have any additional questions, please call me at 505-325-8786.

Yours truly,

Robert L. Crabb
On Site Technologies, Ltd.
Agent for Merit Energy Company



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

April 27, 1995

*Merit Energy Company
c/o On Site Technologies, Ltd.
P.O. Box 2606
Farmington, New Mexico 87499*

Attention: Robert L. Crabb

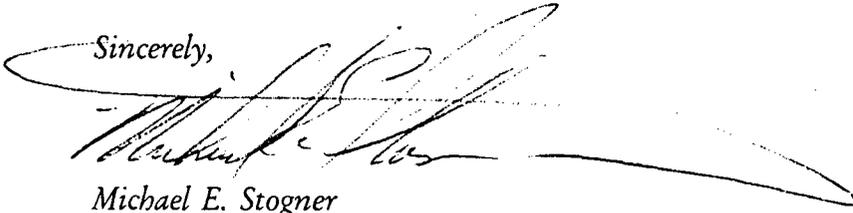
*RE: Administrative Application for an Unorthodox Gas Well
Location
Jicarilla "E" Well No. 16
860'FNL & 2160'FWL (Unit C) Section 22, Township 26
North, Range 4 West, NMPM, Rio Arriba County, New
Mexico.*

Dear Mr. Crabb:

Thank you for the additional supporting data submitted last week, however before I can prepare an administrative order in this matter I need to know what the dedicated acreage (proration/spacing unit) for this well will be.

Should you have any questions, please contact me at (505) 827-8185.

Sincerely,



*Michael E. Stogner
Chief Hearing Officer/Engineer*

MES/kv

cc: Oil Conservation Division - Aztec

OFF: (505) 325-8786



CONSERVATION DIVISION
REC'D LAB (505) 325-5667

'95 APR 21 PM 8 52

April 18, 1995

Mr. Michael E. Stogner
New Mexico Oil & Gas Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

RE: Administrative Application for an Unorthodox Gas Well Location
Merit Energy Company
Jicarilla "E" Well No. 16
860' FNL & 2160' FWL (Unit C)
Section 22, T-26-N, R-4-W, NMPM, Rio Arriba County, New Mexico

Dear Mr. Stogner:

I am in receipt of your letter dated April 7, 1995, in which you stated that several items were needed before final approval of above mentioned unorthodox location could be approved. I am in agreement with your requests and enclose the following for your review:

- Exhibit A - Enlarged topographic map denoting well location and topographic contours that prevent the use of an orthodox location
- Exhibit B - Diagram of Drilling Window
- Exhibit C - Oil Conservation Commission letter of approval dated July 16, 1975

The above mentioned proposed well location is on an existing well pad. The original well (Jicarilla "E" Well No. 11) was approved for an unorthodox location in 1975 (Exhibit C).

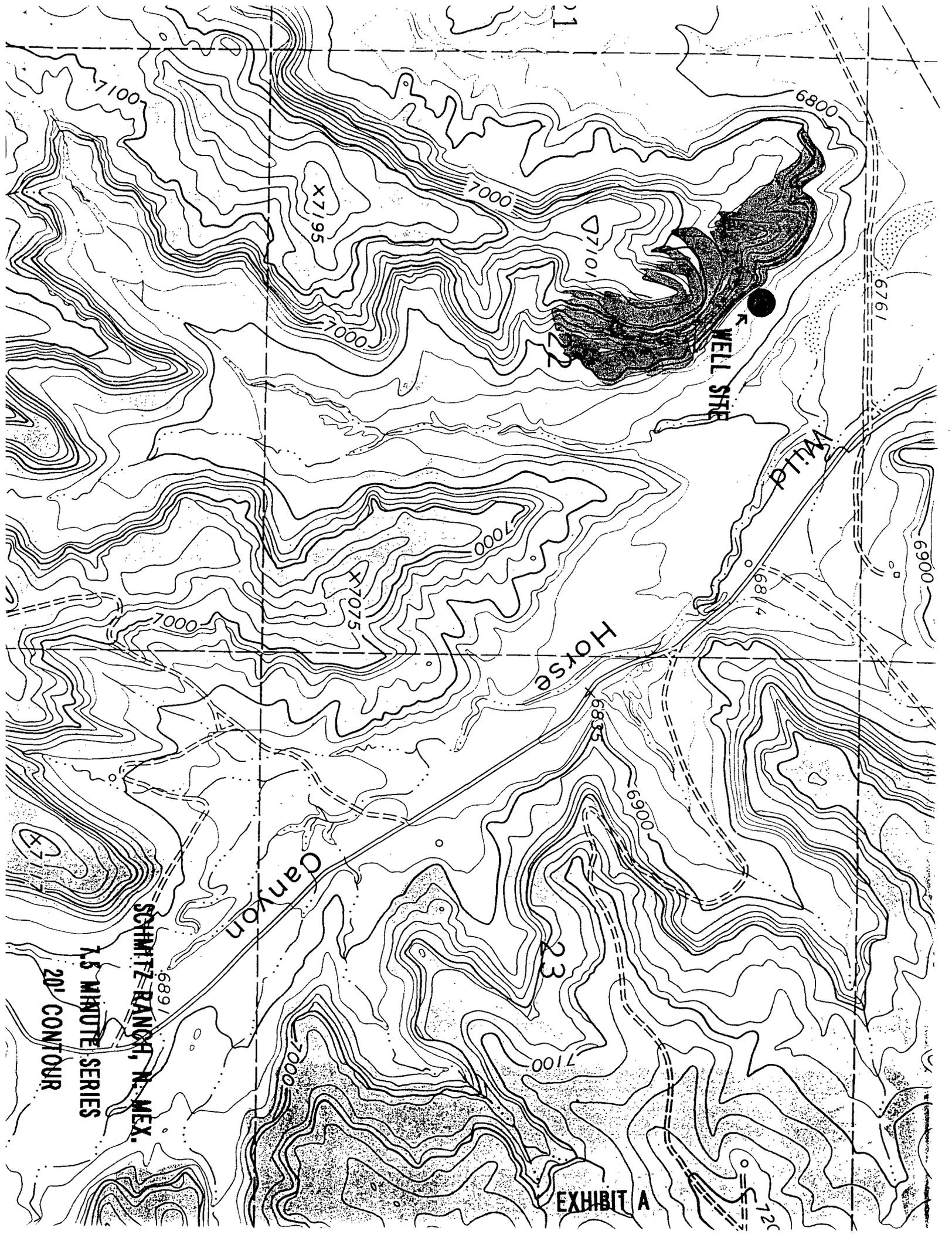
The reasons for the application for this unorthodox location are due to topographical conditions and to prevent further surface disturbance per the request of the Jicarilla Apache Tribe.

Yours truly,

Robert L. Crabb
On Site Technologies, Ltd.
Agent for Merit Energy Company

P. O. BOX 2606 • FARMINGTON, NM 87499

- TECHNOLOGY BLENDING INDUSTRY WITH THE ENVIRONMENT -



WELL SITE

Horse Canyon

Miller Hill

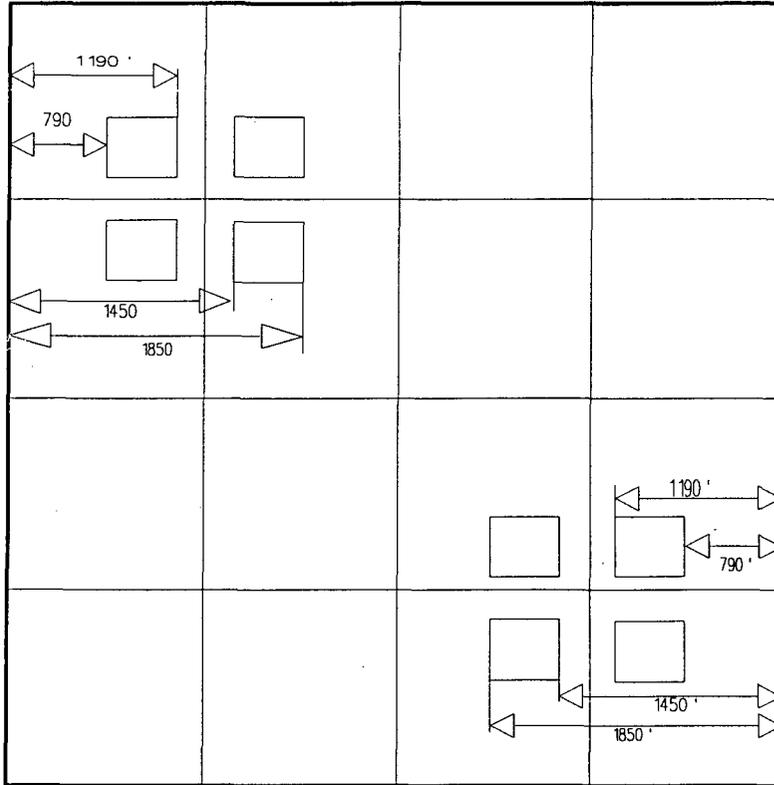
SCHMITZ RANCH, N. MEX.

7.5 MINUTE SERIES
20' CONTOUR

EXHIBIT A

120

DRILLING WINDOW FOR THE BLANCO MESAVERDE POOL



OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE NEW MEXICO 87501

July 16, 1975

C
O
P
Y

Southern Union Production Company
P. O. Box 808
Farmington, New Mexico 87401

Attention: Mr. Bill Vanderslice

Administrative Order HSL-716

Gentlemen:

Reference is made to your application for approval of a non-standard location for your Jicarilla "E" Well No. 11, located 800 feet from the North line and 2075 feet from the West line of Section 22, Township 26 North, Range 4 West, NMPM, Tapacito Pictured Cliffs Pool, Rio Arriba County, New Mexico.

By authority granted me under the provisions of Rule 104 F of the Commission Rules and Regulations, the above-described unorthodox location is hereby approved.

Yours very truly

JOE D. RAMEY
Secretary-Director

JDR/JEK/dr

cc: Oil Conservation Commission - Aztec
Oil & Gas Engineering Committee - Hobbs
U. S. Geological Survey - Farmington



EXHIBIT C



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

April 7, 1995

*Merit Energy Company
c/o On Site Technologies, Ltd.
P.O. Box 2606
Farmington, New Mexico 87499*

Attention: Robert L. Crabb

*RE: Administrative Application for an Unorthodox Gas Well Location
Merit Energy Company
Jicarilla "E" Well No. 16
860'FNL & 2160'FWL (Unit C)
Section 22, Township 26 North, Range 4 West, NMPM, Rio Arriba
County, New Mexico.*

Dear Mr. Crabb:

Pursuant to my initial review of the subject application, there is insufficient data for a determination at this time. I can not determine rather the dedicated acreage for this well will be the N/2 or W/2 of the section.

Also, please submit all of the required support data pursuant to Division Memorandum No. 1-90, see copy attached.

Should you have any additional questions or comments concerning this matter, please contact me at (505) 827-8185.

Sincerely,

*Michael E. Stogner
Chief Hearing Officer/Engineer*

MES/kv

*cc: Oil Conservation Division - Aztec
William J. LeMay, Director - OCD, Santa Fe
U. S. Bureau of Land Management - Albuquerque*

Mike Stogner

From: Ernie Busch
To: Mike Stogner
Subject: MERIT ENERGY CO (NSL)
Date: Tue, Mar 28, 1995 9:40AM
Priority: High

JICARILLA E #16
860' FNL; 2160' FWL
C-22-26N-04W

RECOMMEND: REASON FOR REQUEST WAS NOT STATED, I PRESUME FOR TOPOGRAPHIC REASONS,
BUT WHO KNOWS? NOT ENOUGH INFORMATION TO APPROVE ADMINISTRATIVELY.

OFF: (505) 325-8786



OIL CONSERVATION DIVISION
RECEIVED

1995 MAR 14 LAB: (505) 325-5267

March 13, 1995

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

RE: APPLICATION FOR UNORTHODOX LOCATION
MERIT ENERGY COMPANY
JICARILLA "E" # 16
2160" FWL & 860 FNL
SECTION 22, T-26-N, R-4-W
RIO ARRIBA COUNTY, NEW MEXICO

Dear Gentlemen:

On behalf of Merit Energy Company, On Site Technologies, Ltd., hereby submits to you this application for approval of the Jicarilla "E" # 16 well location. Said well will be drilled in the Blanco Mesa Verde pool.

During the permitting procedure, it was brought to our attention by NMOCD, Aztec office, that this location was an unorthodox location because it will be drilled outside the drilling window for the Blanco Mesa Verde pool. We are seeking your administrative approval so that drilling may commence on or about May 1, 1995.

In accordance with NMOCD memorandum dated March 21, 1990, from William J. LeMay, Director, I have enclosed the following:

1. A copy of the Notice of Staking listed as Exhibit "A"
2. A copy of the APD listed as Exhibit "B"
3. A copy of the C-102 listed as Exhibit "C"
4. A site plan listed as Exhibit "D"
5. A 7.5 minute quad topo map showing the proposed location listed as Exhibit "E"
6. A map denoting all off setting wells within a mile radius listed as Exhibit "F"

All wells within the mile radius are Merit Energy Company wells. No other producers were found of record during the title search.

Please feel free to contact me if you should have any questions or require any additional information.

Yours truly,

A handwritten signature in black ink, appearing to read "Robert L. Crabb", written over a horizontal line.

Robert L. Crabb
Agent for Merit Energy Company

P. O. BOX 2606 • FARMINGTON, NM 87499

TECHNOLOGY BLENDING INDUSTRY WITH THE ENVIRONMENT

cc: Bureau of Land Management
Bureau of Indian Affairs - Dulcel, NM
Ernie Bush - NMOCD Aztec, NM
Merit Energy Company - Mr. Terry Gottberg

je:ELT

NOTICE OF STAKING (Not to be used in place of Application for Permit to Drill Form 3160-3)		6. Lease Number JIC. CONT. #104	
1. Oil well <input type="checkbox"/> Gas well <input checked="" type="checkbox"/> Other (Specify)		7. If Indian, Allottee or Tribe Name JICARILLA APACHE	
2. Name of Operator MERIT ENERGY COMPANY ON SITE TECHNOLOGIES, LTD. - AGENT		8. Unit Agreement Name N/A	
3. Name of Specific Contact Person TORA BALDWIN - Agent		9. Farm or Lease Name JICARILLA "E"	
4. Address & Phone No. of Operator or Agent P.O. BOX 2606 FARMINGTON, NM 87499 (505) 325-5667		10. Well No. #16	
5. Surface Location of Well Attach: a) Sketch showing road entry onto pad, pad dimensions, and reserve pit. b) Topographical or other accept- able map showing location, access road, and lease boundaries.		11. Field or Wildcat Name MV Basin Dakota	
		12. Sec., T., R., M., or Blk and Survey or Area SEC. 22, T.26N., R.4W.	
15. Formation Objective(s) MESA VERDE BASIN DAKOTA	16. Estimated Well Depth 8000'	13. County, Parish or Borough RIO ARRIBA COUNTY	14. State NM
17. Additional Information (as appropriate; must include surface owner's name, address, and telephone number)			

18. Signed  Title ON SITE TECHNOLOGIES, LTD
TORA BALDWIN AGENT FOR MERIT Date 12-05-94

Note: Upon receipt of this Notice, the Bureau of Land Management (BLM) will schedule the date of the onsite predrill inspection and notify you accordingly. The location must be staked and access road must be flagged prior to the onsite.

Operators must consider the following prior to the onsite:

- a) H₂S Potential
- b) Cultural Resources (Archeology)
- c) Federal Right of Way or Special Use Permit

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 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

Form C-11
 Revised February 21, 1990
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

* API Number		* Pool Code		* Pool Name	
* Property Code		* Property Name JICARILLA			* Well Number E # 16
* OGRID No.		* Operator Name MERIT ENERGY COMPANY			* Elevation 6818'

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
C	22	26N	4W		860	NORTH	2160	WEST	RIO ARRIE

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

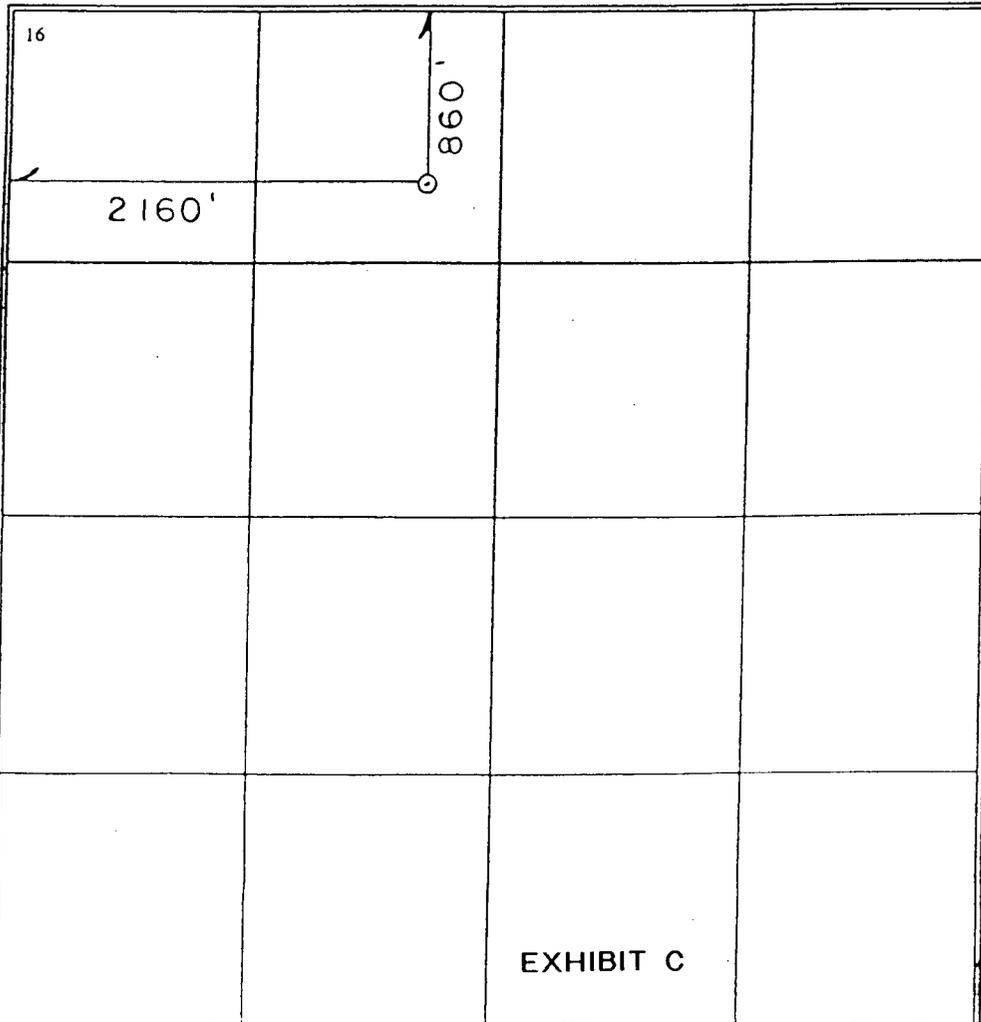


EXHIBIT C

¹⁷ OPERATOR CERTIFICATION

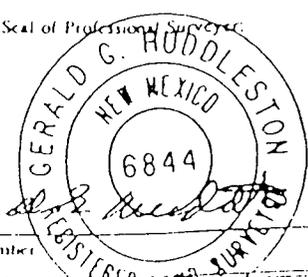
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature _____
 Printed Name _____
 Title _____
 Date _____

¹⁸ 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 belief.

9-12-9A
 Date of Survey _____
 Signature and Seal of Professional Surveyor _____



Jicarilla E # 16
well pad & section

0.9 acres new disturbance

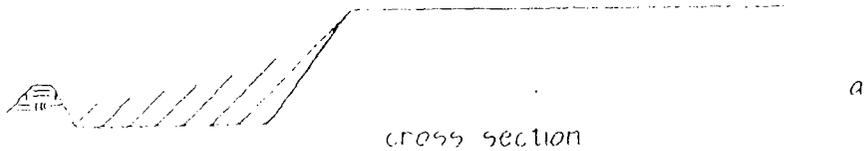
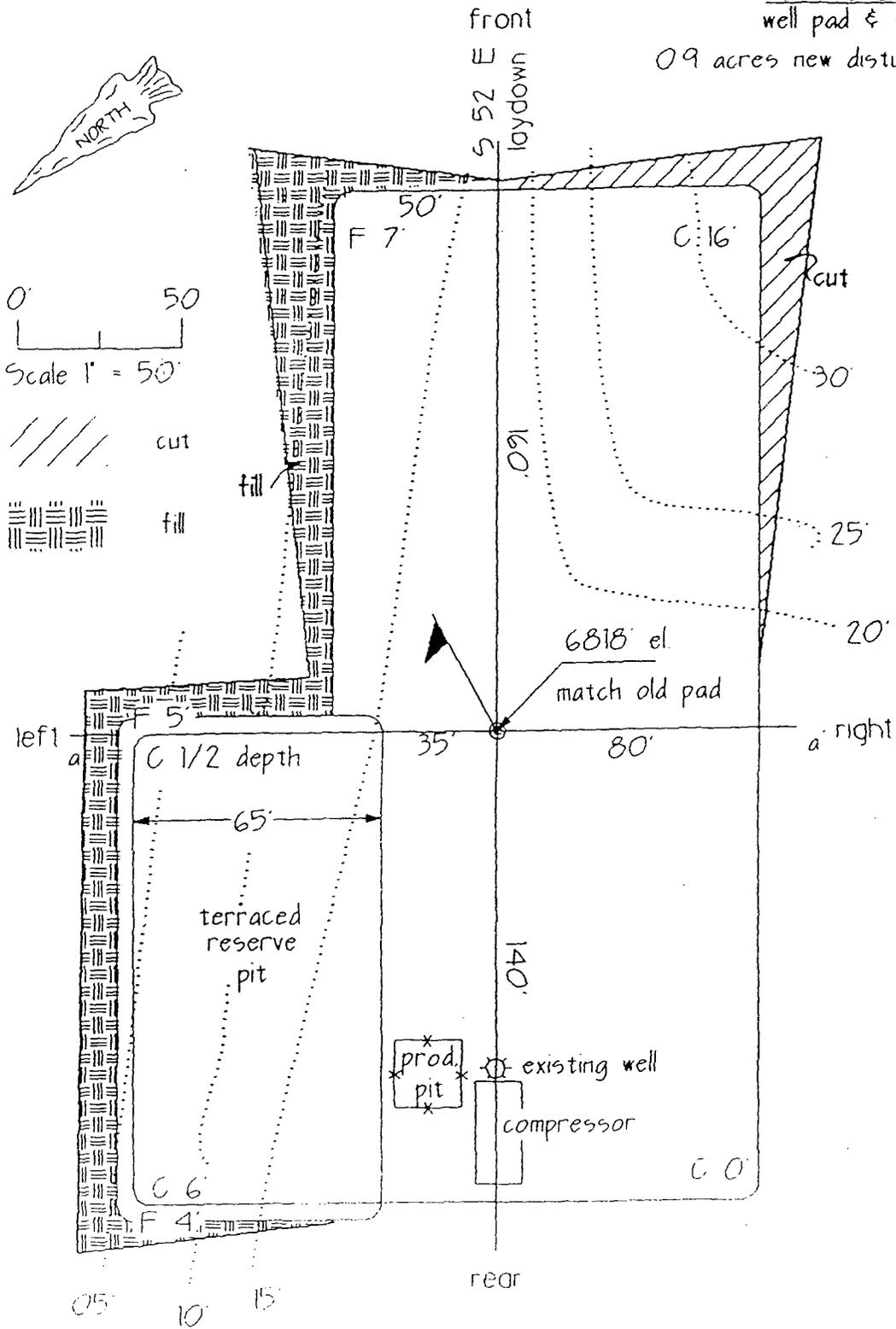
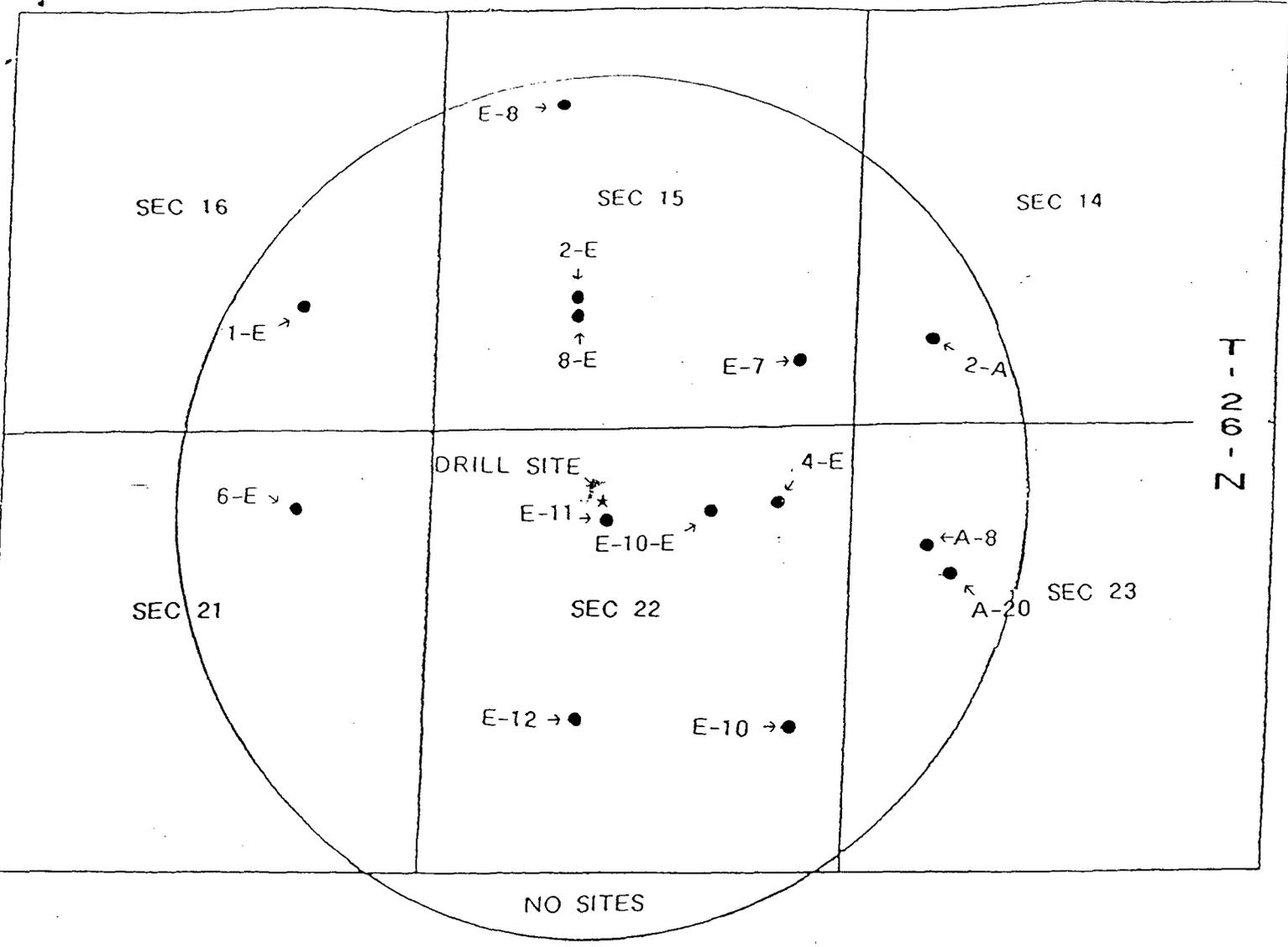


EXHIBIT D



EXHIBIT E

MERIT ENERGY COMPANY
JICARILLA "E" #1
SCHMITZ RANCH QUAD
NM RIO ARriba COUN
1.5 Minute Section



OFFSET WELL LOCATION PLAT FOR AN UNORTHADOX
 LOCATION FOR MERIT ENERGY COMPANY'S
 JICARILLA E-16
 SECTION 22, T-26-N, R-4-W NMPM
 RIO ARRIBA COUNTY, NEW MEXICO

All Above Noted Well Locations Are Merit Energy Company Locations
 The "Star" Icon Denotes The Location for The Jicarilla E#16

Drawn By Robert L. Crabb

March 13, 1995

NOT DRAWN TO SCALE

Mike Stogner

From: Ernie Busch
To: Mike Stogner
Subject: MERIT ENERGY CO (NSL)
Date: Friday, June 09, 1995 11:42AM
Priority: High

JICARILLA E #16
2160' FWL; 860' FNL
C-22-26N-04W
RECOMMEND: APPROVAL