

TAURUS

NSL 5/4/98  
TAURUS EXPLORATION, INC.  
2198 Bloomfield Highway  
Farmington, New Mexico 87401  
Telephone (505) 325-6800

April 8, 1998

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



RE: Administrative Approval of Unorthodox Location  
San Juan 32-5 Unit #17M Well  
627' FSL, 1517' FWL  
Section 26-T32N-R6W  
Rio Aribba County, New Mexico  
Mesa Verde/Dakota Commingle

Dear Mr. Stogner:

Taurus Exploration U.S.A., Inc. requests administrative approval for an unorthodox location of its San Juan 32-5 Unit #17M well under the provisions of NMOCD Order No. R-8170.

Due to extremely rough terrain in the form of steep cliffs, we are proposing to expand the existing well pad of the San Juan 32-5 Unit 106 NC (655' FSL and 1685' FWL), and locate the subject well on the enlarged pad. Locating a well at legal site 790' FSL is not possible as that spot would be half way down the side of a cliff, the bottom of which is the Eul Canyon arm of Navajo Lake. Approval of an orthodox location by administrative Order NSL-2541 was granted for the San Juan 32-5 #106 NC well on July 11, 1988, due to topographical reasons.

A copy of this application is being submitted to all offset operators by certified mail with a request that they furnish your office in Santa Fe a Waiver of Objection.

Attached is a well location plat showing dedicated acreage, a topographic plat of the area, and a map showing all offsetting operators.

Sincerely,

A handwritten signature in cursive script that reads "Richard P. Corcoran".

Richard P. Corcoran  
District Landman

12

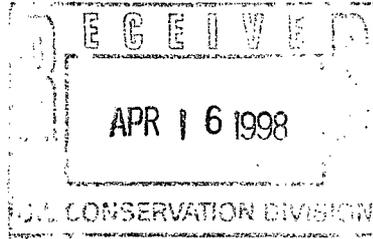
MU + DK22.

RPC/df  
Enclosure

cc: OCD-Aztec office, BLM-Farmington office, Offset Operators

TAURUS

TAURUS EXPLORATION, INC.  
2198 Bloomfield Highway  
Farmington, New Mexico 87401  
Telephone (505) 325-6800



April 9, 1998

Vern Hansen  
Williams Production Company  
One Williams Center  
P.O. Box 3102  
Tulsa, OK 74101

RE: Administrative Approval of Unorthodox Location  
San Juan 32-5 Unit #17M Well  
627' FSL and 1517' FWL  
Section 26-T32N-R6W, NMPM  
Rio Arriba County, New Mexico  
Mesa Verde/Dakota Commingle

Dear Mr. Hansen:

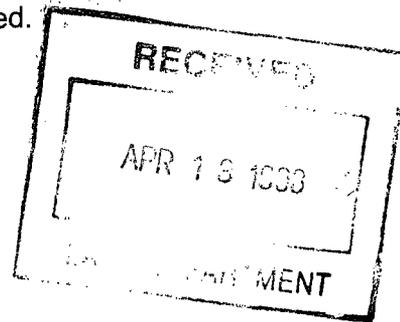
Taurus Exploration U.S.A., Inc. has filed with the New Mexico Oil Conservation Division (NMOCD), an Application for the Administrative Approval for an Unorthodox Location for its San Juan 32-5 Unit 17M well. A copy of the application has been attached for your review.

If you have no objection to this unorthodox location, please sign the three copies of the attached waiver. Return one executed copy to the NMOCD in Santa Fe, New Mexico, one copy to our office, and retain one copy for your files. Self addressed, stamped envelopes are enclosed.

Your assistance and cooperation in this matter are appreciated.

Sincerely,

Richard P. Corcoran  
District Landman



RPC/df

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WAIVER

WILLIAMS PRODUCTION CO. hereby waives objection to the above referenced Application for Unorthodox Location for Taurus Exploration U.S.A., Inc.'s San Juan 32-5 Unit 17M well.

Date: 4/14/98 By: M. Vern Hansen

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2198 Bloomfield Highway  
Farmington, New Mexico 87401  
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April 9, 1998

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One Williams Center  
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Richard P. Corcoran  
District Landman

RPC/df

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## WAIVER

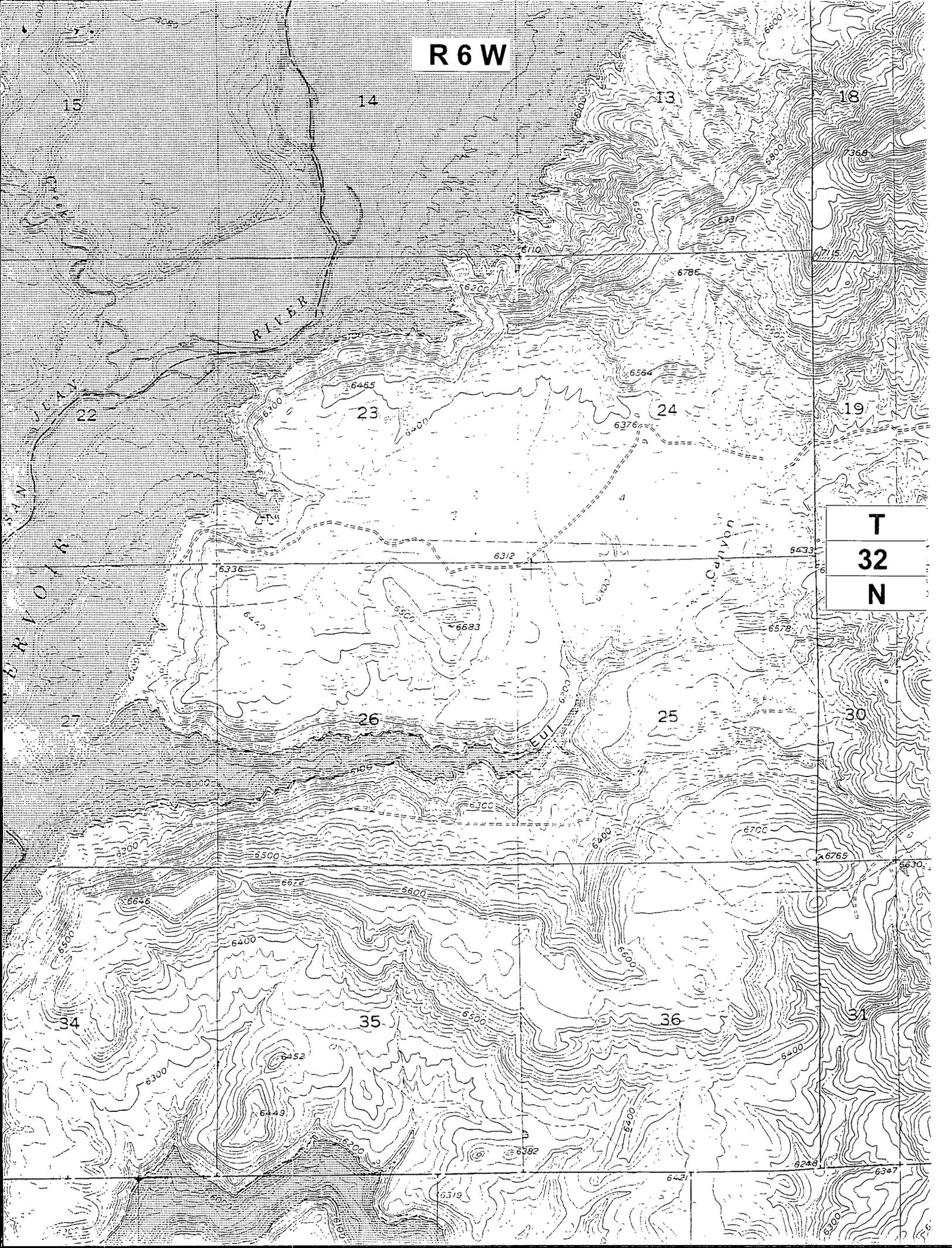
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Date: \_\_\_\_\_ By: \_\_\_\_\_

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District I  
180 Box 1980, Hobbs, NM 88241-1980  
District II  
811 South First, Artesia, NM 88210  
District III  
1080 Rio Brazos Rd., Aztec, NM 87410  
District IV  
2040 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code 72319/71599		3 Pool Name Blanco Mesa Verde/Basin Dakota	
4 Property Code		5 Property Name SAN JUAN 32-5 UNIT			6 Well Number 17M
7 OGRID No. 162928		8 Operator Name TAURUS EXPLORATION U.S.A, Inc.			9 Elevation 6377'

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
N	26	32N	6W		627	SOUTH	1517	WEST	RIO ARRIBA

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 320	13 Joint or Infill	14 Consolidation Code	15 Order No.
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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>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>Gary W. Brink</i></p> <p>Signature Gary W. Brink Printed Name Production Superintendent Title 4/9/98 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>3/25/98 Date of Survey Signature and Seal of Professional Surveyor: <i>GARY P. BROADHURST</i> Certificate Number</p> <p></p>