

NOV 1986

STATE OF COLORADO
OIL AND GAS CONSERVATION COMMISSION

DEPARTMENT OF NATURAL RESOURCES
SUITE 380 LOGAN TOWER BUILDING
1580 LOAN STREET

DENVER, COLORADO 80203



00065410

WILLIAM R. SMITH
Director

(303) 866-3531

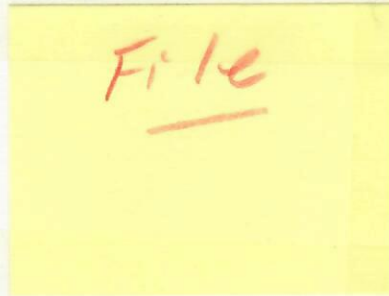
RICHARD D. LAMM
Governor

FRANK J. PIRO
Deputy Director

October 30, 1986

Mr. Tony Polumbus
Polfam Exploration Co.
1380 Lawrence St. Suite 1450
Denver, Colorado 80204

Re: Government #2-10
NW NE 10-1N-102W



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COLO. OIL & GAS CONS. COMM.

Dear Mr. Polumbus:

In response to recent conversations with your office, Chevron's office and members of our staff I have reviewed the well file. In your letter to Chevron dated April 1, 1986 condition 3 was that the well would TD at a location 300 feet or less from the south line of Section 3, Township 1 North, Range 102 West. From the surface location 255 feet south of this line according to the survey plat dated February 10, 1986 and the directional survey of August 12, 1986 which shows a horizontal deviation at total depth of 587.56 feet it appears that the bottom hole location is 332.56 feet north of the south line of Section 3.

I concur with Chevron in their letter of September 9, 1986, that this is in violation of the agreement and not in accord with the conditions of approval of the Permit to Drill, No. 86-222.

Unless this matter is resolved between you and the Rangely Unit Operator by November 15, 1986 I intend to call it to the attention of the Commission at it's hearing on December 15, 1986. If you have any questions in the meantime please contact me.

Yours very truly

William R. Smith, P.E.
Director

WRS/ck
4573C

cc:Mr. R.H. Elliott
Chevron U.S.A., Inc.