



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

October 23, 1997

RECEIVED  
NOV - 3 1997

OIL CON. DIV.  
DIST. 8

Thompson Engineering and Production Corporation  
c/o Walsh Engineering & Production Corporation  
7415 East Main  
Farmington, New Mexico 87402  
Attention: Paul C. Thompson

*Administrative Order NSL-1746-A*

Dear Mr. Thompson:

Reference is made to your application dated September 24, 1997 for a non-standard Basin-Fruitland coal gas well location for your existing West Fork Well No. 1 (API No. 30-045-25632), which was drilled in 1983 and completed in the Gallegos-Gallup Associated Pool at a previously approved unorthodox gas well location (see Division Administrative Order NSL-1746, dated October 6, 1983) 940 feet from the North line and 1560 feet from the West line (Unit C) of Section 14, Township 26 North, Range 12 West, NMPM, San Juan County, New Mexico.

It is our understanding that the Gallup interval will be properly plugged back and said well will be recompleted to the Basin-Fruitland Coal (Gas) Pool, which pursuant to the "*Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool*", as promulgated by Division Order No. R-8768, as amended, is off-pattern and unorthodox. Further, the W/2 of said Section 14 is to be dedicated to the well to form a standard 320-acre gas spacing and proration unit for said pool.

By the authority granted me under the provisions of Rule 8 of said Order No. R-8768, as amended, the above-described unorthodox coal gas well location for the West Fork Well No. 1 is hereby approved.

Further, said original Order NSL-1746 shall be placed in abeyance until further notice.

Sincerely,

William J. LeMay  
Director

WJL/MES/kv

cc: Oil Conservation Division - Aztec  
U. S. Bureau of Land Management - Farmington

**WALSH**

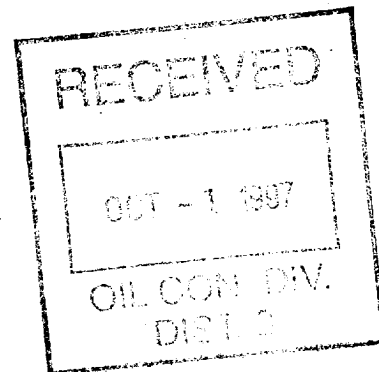
ENGINEERING &amp; PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892

September 24, 1997

Mr. William J. LeMay  
New Mexico Oil Conservation Division  
2040 S. Pacheco  
Santa Fe, NM 87504-2088

Re: Non-Standard Spacing Unit  
Thompson Engineering  
West Fork #1  
940' FNL, 1560' FWL  
Section 14, T26N R12W  
San Juan County, NM  
Basin Fruitland Coal



Dear Mr. LeMay,

This is a request for administrative approval for a Non-Standard Spacing Location in the Basin Fruitland Coal pool for the referenced well. Thompson Engineering proposes to abandon the uneconomic Gallup formation and recomplete this well in the Basin Fruitland Coal pool.

The West Fork #1 well was drilled in 1983 as a Gallup well. Production has dropped to the point where the well is no longer economically viable. The Gallup zone will be isolated with a cement retainer and the perforations squeezed with cement. The Basin Fruitland Coal formation will then be perforated and fraced. Utilizing this existing wellbore will permit the production of additional amounts of gas without the expense associated with drilling another well.

The West Fork #1 well meets the proper set-back requirements, but is located in an off-pattern location. The west half of Section 14 is dedicated to this well. Exhibit 1 is a well location plat indicating the offset Fruitland Coal operators and existing Fruitland Coal wells. Exhibit 2 is a list of offset operators and their addresses.

The offset Fruitland Coal operators are being notified of this application by certified return receipt mail. Copies of these letters are enclosed as Exhibit 3.



Thank you for your consideration and approval of this application. If you have any questions please do not hesitate to call upon me.

Sincerely,

A handwritten signature in black ink that reads "Paul C. Thompson" with a horizontal line extending from the end of the name.

Paul C. Thompson, P.E.  
President, Thompson Engineering

cc: Chris Coleman  
NMOCD Aztec NM  
BLM Farmington NM

District I  
PO Box 1900, Hobbs, NM 88241-1900  
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-102  
Revised February 10, 1994  
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 30-045-25632		Pool Code 71629	Pool Name Basin Fruitland Coal
Property Code	Property Name West Fork		Well Number 1
OGRID No. 037581	Operator Name THOMPSON ENGR. & PROD. CORP.		Elevation 5365'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
C	14	26N	12W		940'	North	1560'	West	Sandoval

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County

<sup>12</sup> Dedication Acres 320	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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

<sup>16</sup>			<sup>17</sup> OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  <i>Paul C. Thompson</i> Signature Paul C. Thompson Printed Name President Title 9/29/97 Date
<sup>18</sup> 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.  Date of Survey Signature and Seal of Professional Surveyor:  ORIGINAL ON FILE  Certificate Number			

EXHIBIT #1

R12 W

T26N

10	11	△	12
△ Merrion	Thompson	J.K. Edwards	
Thompson	West Fork #1	Thompson	13
15 △ Pendragon	14 Thompson	Unleased	
J.K. Edwards △	△		24
22	23 Dugan	Unleased	

EXHIBIT 2

Thompson Engineering  
**West Fork #1**  
940'FNL & 1560'FWL  
Sec. 14, T26N, R12W  
San Juan County, New Mexico

The following offset Fruitland Coal Operators have received written notice of the off-pattern Fruitland Coal well.

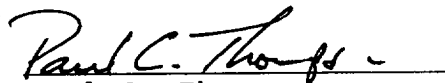
Mr. T. Greg Merrion  
Merrion Oil and Gas  
P.O. Box 840  
Farmington, NM 87499

Mr. J. K. Edwards  
J. K. Edwards and Associates  
1401 17th Street Suite 1400  
Denver, CO 80202

Mr. Al Nicol  
Pendragon Energy Partners  
621 17th Street, Suite 750  
Denver, CO 80293

Mr. Sherman Dugan  
Dugan Production Company  
709 E. Murray Dr.  
Farmington, NM 87401

I certify that copies of the Application for an off-pattern Fruitland Coal well have been mailed to the above Operators.

  
Paul C. Thompson

San Juan County            )  
                                  ) ss  
State of New Mexico        )

The following instrument was acknowledged before me this 24th day  
of September 1997 by Paul C. Thompson.

  
Notary Public

My Commission Expires:

July 31, 2001



**WALSH**

ENGINEERING & PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping

7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892

CERTIFIED- RETURN RECEIPT

September 24, 1997

Mr. Sherman Dugan  
Dugan Production Company  
709 E. Murray Dr.  
Farmington, NM 87401

Re: Non-Standard Spacing Unit  
Thompson Engineering  
West Fork #1  
940' FNL, 1560' FWL  
Section 14, T26N R12W  
San Juan County, NM  
Basin Fruitland Coal

Dear Mr. Dugan,

Enclosed you will find a copy of the above referred to application that has been submitted to the New Mexico Oil Conservation Division for administrative approval. As an offset operator you are being notified of this application pursuant to NMOCD rules.

If you desire to submit remarks concerning the application, please send them to Mr. William J. LeMay, Director, New Mexico Oil Conservation Division, Santa Fe, New Mexico, within 20 days from the receipt of this notice. A copy of any remarks to the undersigned would be appreciated.

Thank you for your consideration in this matter and if you have any questions, please do not hesitate to call upon me.

Sincerely,

*Paul C. Thompson*

Paul C. Thompson, P.E.  
President, Walsh Enginggring



**WALSH**

ENGINEERING &amp; PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892CERTIFIED- RETURN RECEIPT

September 24, 1997

Mr. Al Nicol  
Pendragon Energy Partners  
621 17th Street, Suite 750  
Denver, CO 80293

Re: Non-Standard Spacing Unit  
Thompson Engineering  
West Fork #1  
940' FNL, 1560' FWL  
Section 14, T26N R12W  
San Juan County, NM  
Basin Fruitland Coal

Dear Mr. Nicol,

Enclosed you will find a copy of the above referred to application that has been submitted to the New Mexico Oil Conservation Division for administrative approval. As an offset operator you are being notified of this application pursuant to NMOCD rules.

If you desire to submit remarks concerning the application, please send them to Mr. William J. LeMay, Director, New Mexico Oil Conservation Division, Santa Fe, New Mexico, within 20 days from the receipt of this notice. A copy of any remarks to the undersigned would be appreciated.

Thank you for your consideration in this matter and if you have any questions, please do not hesitate to call upon me.

Sincerely,

Paul C. Thompson, P.E.  
President, Walsh Enginggring

**WALSH**

ENGINEERING &amp; PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892CERTIFIED- RETURN RECEIPT

September 24, 1997

Mr. T. Greg Merrion  
Merrion Oil and Gas  
P.O. Box 840  
Farmington, NM 87499

Re: Non-Standard Spacing Unit  
Thompson Engineering  
West Fork #1  
940' FNL, 1560' FWL  
Section 14, T26N R12W  
San Juan County, NM  
Basin Fruitland Coal

Dear Mr. Merrion,

Enclosed you will find a copy of the above referred to application that has been submitted to the New Mexico Oil Conservation Division for administrative approval. As an offset operator you are being notified of this application pursuant to NMOCD rules.

If you desire to submit remarks concerning the application, please send them to Mr. William J. LeMay, Director, New Mexico Oil Conservation Division, Santa Fe, New Mexico, within 20 days from the receipt of this notice. A copy of any remarks to the undersigned would be appreciated.

Thank you for your consideration in this matter and if you have any questions, please do not hesitate to call upon me.

Sincerely,

Paul C. Thompson, P.E.  
President, Walsh Enginggring

**WALSH**

ENGINEERING &amp; PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892CERTIFIED- RETURN RECEIPT

September 24, 1997

Mr. J. K. Edwards  
J. K. Edwards and Associates  
1401 17th Street Suite 1400  
Denver, CO 80202

Re: Non-Standard Spacing Unit  
Thompson Engineering  
West Fork #1  
940' FNL, 1560' FWL  
Section 14, T26N R12W  
San Juan County, NM  
Basin Fruitland Coal

Dear Mr. Edwards,

Enclosed you will find a copy of the above referred to application that has been submitted to the New Mexico Oil Conservation Division for administrative approval. As an offset operator you are being notified of this application pursuant to NMOCD rules.

If you desire to submit remarks concerning the application, please send them to Mr. William J. LeMay, Director, New Mexico Oil Conservation Division, Santa Fe, New Mexico, within 20 days from the receipt of this notice. A copy of any remarks to the undersigned would be appreciated.

Thank you for your consideration in this matter and if you have any questions, please do not hesitate to call upon me.

Sincerely,

Paul C. Thompson, P.E.  
President, Walsh Enginggring