

NEW MEXICO OIL CONSERVATION DIVISION  
RECEIVED  
AUG 23 1995

DHC 09.25.95  
1150



ENGINEERING & PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping

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

August 31, 1995

Mr. William J. LeMay  
New Mexico Oil Conservation Division  
P.O. Box 2088  
Santa Fe, NM 87504-2088

Re: Application for Downhole Commingling  
J.K. Edwards and Associates  
Tenneco Federal #1  
800' FSL, 800' FWL, Section 8, T26N R12W  
San Juan County, New Mexico  
Basin Fruitland Coal and W. Gallegos Farmington

Dear Mr. LeMay,

This is a request on behalf of J. K. Edwards and Associates, for administrative approval of the above referred to downhole commingling of the production from the Basin Fruitland Coal and West Gallegos Farmington pools.

I have attached for your review a wellbore diagram, an acreage plat outlining the dedicated acreage, offset wells and offset operators. I have also included a proposed allocation formula with a short discussion of the history of the well.

The offset Fruitland Coal operators (J.K. Edwards is the only offsetting Farmington operator) are being notified of this application by certified return receipt mail. Copies of these letters are enclosed.

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

Sincerely,  
*Paul C. Thompson*  
Paul C. Thompson, P.E.  
President

cc: J. K Edwards and Associates

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED  
BLM MAIL ROOM

95 SEP -5 PM 2:37

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires: March 31, 1993

**SUNDRY NOTICES AND REPORTS ON WELLS**  
Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.  
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well  
 Oil Well  Gas Well  Other

2. Name of Operator  
 J. K. EDWARDS ASSOCIATES INC.

3. Address and Telephone No. c/o Walsh Engr. & Prod. Corp.  
 7415 E. Main Farmington, New Mexico 87402 505 327-4892

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
 800'FSL & 800'FWL  
 Section 8, T26N, R12W

5. Lease Designation and Serial No.  
 NM-93255

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.  
 Tenneco Federal #1

9. API Well No.  
 30-045-22788

10. Field and Pool, or Exploratory Area  
 Basin Fruitland Coal  
 W. Gallegos Farm.

11. County or Parish, State  
 San Juan County, N.M.

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other <u>Downhole Commingle</u>
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

J. K. EDWARDS ASSOCIATES seeks administrative approval to downhole commingle the production in the Tenneco Federal #1 well from the Basin Fruitland Coal and West Gallegos Farmington. Both zones have been completed. Please refer to the attached Exhibits.

- Exhibit #1: Wellbore Diagram
- Exhibit #2: Acreage Plat with Offset Wells
- Exhibit #3: Allocation Formula
- Exhibit #4: Letters to Offset Operators
- Exhibit #5: Completion Report for the Fruitland Coal
- Exhibit #6: Farmington Dedicated Acreage
- Exhibit #7: Fruitland Coal Dedicated Acreage

RECEIVED  
SEP 22 1995

OIL CON. DIV.  
DIST. 3

14. I hereby certify that the foregoing is true and correct

Signed Paul C. Thompson Title Paul Thompson, Agent Date 9/1/95

(This space for Federal or State office use)

Approved by \_\_\_\_\_  
Conditions of approval, if any:

Title \_\_\_\_\_ Date 9/2/95

Duane W. Spencer  
**Duane W. Spencer**  
Chief, Br. Reservoir Management  
BLM, Farmington District

NMCCD

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires: March 31, 1993

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Use "APPLICATION FOR PERMIT—" for such proposals

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1. Type of Well

Oil Well  Gas Well  Other

2. Name of Operator

J. K. EDWARDS ASSOCIATES INC.

3. Address and Telephone No. c/o Walsh Engr. & Prod. Corp.

7415 E. Main Farmington, New Mexico 87402 505 327-4892

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

800'FSL & 800'FWL  
Section 8, T26N, R12W

5. Lease Designation and Serial No.  
NM-93255

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Tenneco Federal #1

9. API Well No.

30-045-22788

10. Field and Pool, or Exploratory Area

Basin Fruitland Coal  
W. Gallegos Farm.

11. County or Parish, State

San Juan County, N.M.

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
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	<input type="checkbox"/> New Construction
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(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

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- Exhibit #6: Farmington Dedicated Acreage
- Exhibit #7: Fruitland Coal Dedicated Acreage

14. I hereby certify that the foregoing is true and correct

Signed Paul C. Thompson

Title Paul C. Thompson, Agent

Date 9/1/95

(This space for Federal or State office use)

Approved by \_\_\_\_\_  
Conditions of approval, if any:

Title \_\_\_\_\_

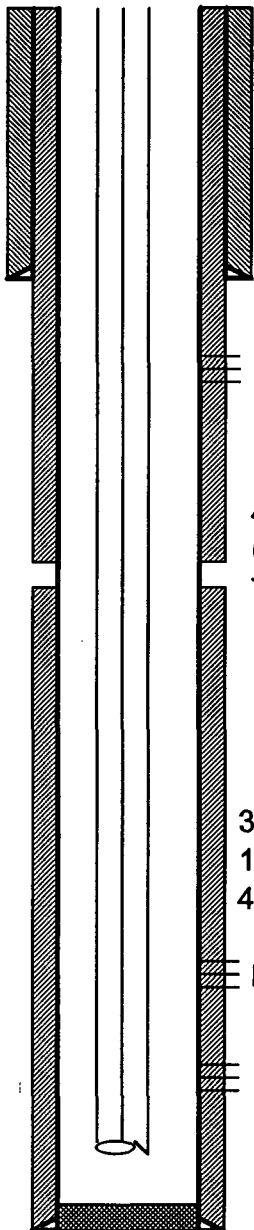
Date \_\_\_\_\_

# Tenneco Federal #1

800 FSL 800FEL Sec 8 T26N R12W

San Juan County, NM

NM - 93255 (Formerly NM - 11089)



5 1/2" @ 31'  
Cement w/ 5sx

Farmington Perfs: 501 - 505 & 482 - 486' @ 2 SPF  
450 - 466 @ 2 SPF Acidize w/ 1200 Gal HCl

4 SQ Holes @ 750 - 751  
Cement w/ 100sx to surface  
TOC @ 795' (Bond log)

### Formation Tops

Kirtland	450'
Farmington	482'
Fruitland	842'
Fruitland Coal	1140'
Pictured Cliffs	1170'

35 JTS 1 1/2", 2.76#, J-55, IJ @ 1153'  
1 1/2 X 1 1/2 X 12' X 13' THC Tubing Pump  
45 5/8" Rods, 4' & 6' Pony Rods, 11' Polished Rod

Fruitland Coal Perfs: 1141' - 1157' @ 2 SPF  
Acidize w/ 500 Gal 7 1/2% HCl

Pictured Cliffs Perfs: 1164' - 1170' @ 2 SPF  
Frac w/ 13,000# 10/20 & 20/40 in N<sub>2</sub> Foam  
Squeezed w/ 20sx cement to 1500# 4/23/80

PBTD = 1344'  
2 7/8, 6.5# @ 1344'  
Cmt w/ 100sx Lite & 45sx Neat  
TD = 1351'

TENNECO FEDERAL #1  
 SW 8 T26N R12W

OFFSET FARMINGTON AND  
 FRUITLAND COAL WELLS

6		▲ 5 #1  ▲ 5 #2	5	4	
7		SG INTERESTS		9	
18	LANSDALE FEDERAL JKE  ○  HARD DEAL ▲ #2J  JKE	TENN FED #1 ▲ JKE  FUSSELMAN ▲ FED #1 JKE	8  RAM #2 ▲ JKE  CHACO PLANT #90 ▲ DUGAN	SUSCO #3 ▲ JKE  16-11 ▲ JKE	16  16-1 ▲ JKE

○ FARMINGTON

▲ FRUITLAND COAL

Tenneco Federal #1  
Commingling Application

Allocation Formula

The NIIP Pictured Cliffs was completed by the previous operator, Southern Union Exploration, on January 23, 1980. Due to excessive water production the Pictured Cliffs was squeezed with 20 sx of cement on April 23, 1980. The well was perforated in the Farmington sand on April 27, 1980. Neither zone has ever been produced to sales.

J. K. Edwards filed a notice of intent to clean out the well and perforate the Fruitland Coal. The files supplied to J. K. Edwards indicated that the Farmington sand had been squeezed off. However, upon entering the well, we found that the Farmington Perfs were not squeezed. Since the Farmington is only capable of marginal production, and the wellbore configuration will not allow two tubing strings, J. K. Edwards proposes to downhole commingle the production.

Both zones have very similar bottom hole pressures (approximately 240 psig from the Farmington and 220 psig from the Fruitland Coal) so cross flow will not be a factor. Neither zone is expected to produce any condensate. Neither zone is water sensitive and the fluids from the two zones are compatible.

The ownership, including working interest, royalty and overriding royalty interests, is common in the 160 acres dedicated to the Farmington and the 320 acres dedicated to the Fruitland Coal.

Since neither zone has sold gas in this well, J. K. Edwards proposes to allocate the production based on a ratio of the expected reserves. Fruitland Coal wells in this area typically produce 500 to 750 MMcf of gas while Farmington wells typically produce 50 to 100 MMcf. The proposed allocation is therefore 90% to the Fruitland Coal and 10% to the Farmington.



**WALSH**

ENGINEERING & PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping

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

CERTIFIED- RETURN RECEIPT

August 31, 1995

Mr. Rich Corcoran  
Dugan Production  
709 E. Murray Dr.  
Farmington, NM 87401

Re: Application for Down Hole Commingling  
J.K. Edwards and Associates  
Tenneco Federal #1  
800' FSL, 800' FWL, Section 8, T26N R12W  
San Juan County, New Mexico  
Basin Fruitland Coal and W. Gallegos Wash Farmington

Dear Mr. Corcoran,

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 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 Engineering

Form 3160-4  
(October 1990)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE

(See other instructions on reverse side)

FOR APPROVED  
OMB NO. 1004-0137  
Expires: December 31, 1991

5. LEASE DESIGNATION AND SERIAL NO.  
NM-1009 93255  
6. IF INDIAN, ALLOTTEE OR TRIBE NAME

WELL COMPLETION OR RECOMPLETION REPORT AND LOG \*

1a. TYPE OF WELL: OIL WELL  CAR WELL  DRY  Other 55 APR 14

1b. TYPE OF COMPLETION:  
NEW WELL  WORK OVER  REFIN-EX  PLUG BACK  DIFF. DEPTH  Other Re-Enter 070 EAD

2. NAME OF OPERATOR  
J. K. EDWARDS ASSOCIATES, INC. 011307

3. ADDRESS AND TELEPHONE NO.: c/o Walsh Engr. & Prod. Corp.  
7415 E. Main Farmington, N.M. 87402 505 327-4892

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)\*  
At surface 800'FSL & 800'FWL  
At top prod. interval reported below Same  
At total depth Same

7. UNIT AGREEMENT NAME

8. FEDERAL LEASE NAME, WELL NO.  
Tenn Federal #1

9. API WELL NO.  
30-045-22788

10. FIELD AND FOOT, OR WILDCAT  
BASIN FRUITLAND COAL

11. SEC. T., R., N., OR BLOCK AND SURVEY OR AREA  
Sec. 8, T26N, R12W

14. PERMIT NO. DATE ISSUED  
12. COUNTY OR PARISH San Juan  
13. STATE N.M.

15. DATE SPOOLED 1/27/78  
16. DATE T.D. REACHED 2/2/78  
17. DATE COMPL. (Ready to prod.) 1/24/95  
18. ELEVATIONS (OF, HKS, RT, OR, ETC.)\* 6001'  
19. ELEV. CASINGHEAD 6002'

20. TOTAL DEPTH, MD & TVD 1351'  
21. PLUG BACK T.D., MD & TVD 1314'  
22. IF MULTIPLE COMPL., HOW MANY\* 2  
23. INTERVALS DRILLED BY  
ROTARY TOOLS Y  
CABLE TOOLS

24. PRODUCING INTERVAL(S) OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)\*  
1141'-1157'  
25. WAS DIRECTIONAL SURVEY MADE NO

26. TYPE ELECTRIC AND OTHER LOGS LOG  
GR/CCL  
27. WAS WELL CORED NO

28. CASING RECORD (Report all strings set in well)

CASING SIZE/GRADE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	TOP OF CEMENT, CEMENTING RECORD	AMOUNT PULLED
2-7/8" EUE	6.5#	1344'	5"	100 sx light	
5-1/2"	14.0#	31'	6-1/4"	45 sx neat	
				5 sx	

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	BACKS CEMENT*	SCREEN (MD)

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)
1-1/2"	1153'	

31. PERFORATION RECORD (Interval, size and number)  
1141'-1157' 2spf 32(0.22")holes

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
1141-1157'	500 gal 7-1/2% HCl

33. PRODUCTION

DATE FIRST PRODUCTION		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)				WELL STATUS (Producing or shut-in)	
DATE OF TEST	HOURS TESTED	CHOKER SIZE	PROD'N. FOR TEST PERIOD	OIL—BSL.	GAS—MCF.	WATER—BSL.	GAS-OIL RATIO
0 SITP	164 SICP						
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BSL.	GAS—MCF.	WATER—BSL.	OIL GRAVITY-API (CORR.)	

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

SI Waiting on Pipeline

TEST WITNESSED BY  
**ACCEPTED FOR RECORD**

35. LIST OF ATTACHMENTS

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

SIGNED Paul C. Thompson TITLE Paul C. Thompson, Agent

APR 18 1995  
FARMINGTON DISTRICT OFFICE

\* (See Instructions and Spaces for Additional Data on Reverse Side)



37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries);

GEOLOGIC MARKERS

38.

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	TOP	
					MEAS. DEPTH	TRUE VERT. DEPTH
Kirtland	450					
Farmington	482					
Fruitland	824					
Fruitland Coal	1140					
Pictured Cliffs	1170					

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

1 API Number 30-045-22788		2 Pool Code 96372		3 Pool Name GALLEGOS WASH, WEST - FARMINGTON	
4 Property Code		5 Property Name Tenneco Federal			6 Well Number 1
7 OGRID No. 011307		8 Operator Name J. K. EDWARDS ASSOCIATES, INC.			9 Elevation 6001' GL

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
	8	26N	12W		800	South	800	West	SJ

11 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

12 Deduct : Acres 160	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

16 	17 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, Agent Printed Name Walsh Engr. & Prod. Corp. Title 6/5/95 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.  Date of Survey Signature and Seal of Professional Surveyor:  ORIGINAL ON FILE  Certificate Number

District I  
PO Box 1908, Hobbs, NM 88241-1908  
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

070 FRUITLAND, NM  AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-045-22788		Pool Code 71629		Pool Name BASIN FRUITLAND COAL	
Property Code		Property Name Tenneco Federal			Well Number 1
OGRID No. 011307		Operator Name J. K. EDWARDS ASSOCIATES, INC.			Elevation 6001' GL

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Foot from the	North/South Line	Foot from the	East/West Line	County
	8	26N	12W		800	South	800	West	SJ

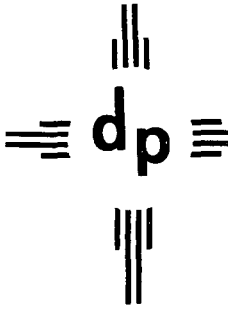
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UL or lot no.	Section	Township	Range	Lot Ida	Foot from the	North/South Line	Foot from the	East/West Line	County

12 Dedication Acres 320	13 Joint or Infill	14 Consolidation Code	15 Order No.
----------------------------	--------------------	-----------------------	--------------

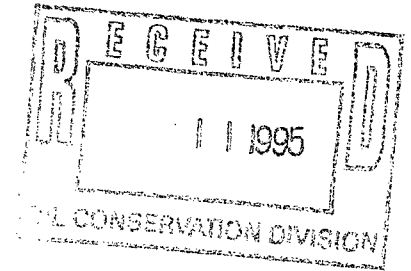
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>16</p>	<p>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>Paul C. Thompson</i> Signature Paul C. Thompson, Agent Printed Name Walsh Engr. &amp; Prod. Corp. Title Date 3/20/95</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>Date of Survey Signature and Seal of Professional Surveyer:  ORIGINAL ON FILE Certificate Number</p>



dugan production corp.

September 6, 1995



William J. LeMay  
New Mexico Oil Conservation Division  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

RE: Application for Downhole Commingling  
Tenneco Federal #1  
Township 26 North, Range 12 West  
Section 8: SW/4  
San Juan County, New Mexico

Dear Mr. LeMay:

This is to advise that Dugan Production Corp., as an offset operator, has no objection to the application of J.K. Edwards Associates, Inc. to commingle the Farmington and Fruitland Coal production in the subject wellbore.

Thank you for the opportunity to address this matter.

Sincerely,

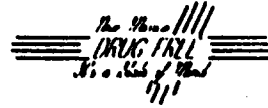
Richard Corcoran  
Land Manager

RC:pm

cc: Walsh Engineering & Production Corp.  
J.K. Edwards Associates, Inc.



DH C-1150



STATE OF NEW MEXICO

ENERGY, MINERALS and NATURAL RESOURCES DIVISION

OIL CONSERVATION DIVISION  
AZTEC DISTRICT OFFICE

BRUCE KING  
GOVERNOR

ANITA LOCKWOOD  
CABINET SECRETARY

RECEIVED  
OIL CONSERVATION DIVISION  
SEP 27 AM 8 52

1000 RIO BRAZOS ROAD  
AZTEC, NEW MEXICO 87410  
(505) 334-6178

Date: 9/25/95

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

RE: Proposed MC \_\_\_\_\_  
Proposed NSL \_\_\_\_\_  
Proposed WFX \_\_\_\_\_  
Proposed NSP \_\_\_\_\_

Proposed DHC X \_\_\_\_\_  
Proposed SWD \_\_\_\_\_  
Proposed PMX \_\_\_\_\_  
Proposed DD \_\_\_\_\_

Gentlemen:

I have examined the application received on 9/22/95  
for the J.K. Edwards Fernando Salcedo #1  
OPERATOR LEASE & WELL NO.

M-8-26N-12W and my recommendations are as follows:  
UL-S-T-R

Approve  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Yours truly,  
[Signature]