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A. R. KENDRICK

BOX 516 • AZTEC, NEW MEXICO 87410 • (505) 334-2555

September 18, 1990

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

Re: Application for Non-Standard Location
Falcon Seaboard Gas Company
29-4 Carson 11 #2
825' FNL 1835' FWL 11-T29N-R4W
Basin Fruitland Coal Gas Pool
Rio Arriba County, New Mexico

Gentlemen:

We, on behalf of Falcon Seaboard Gas Company, hereby make application for approval of the location of the subject well to be located 825' FNL 1835' FWL of Section 11, Township 29 North, Range 4 West, Basin Fruitland Coal Gas Pool, Rio Arriba County, New Mexico.

The reasons for the non-standard location is due to topography. The topography is too severe in the southwest quarter for a location. The Forest Service objected to the drilling of a well on the south side of Vaqueros Canyon. An attempt was made to located the well on the south side of US-64, but an archaeological site was found there. Therefore, this is the only logical location in the west half of Section 11 to locate the well.

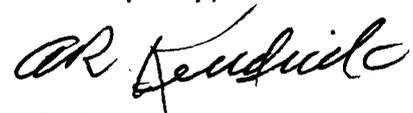
The attached exhibits show the situation at the location and surrounding area.

All offset operators and lease owners are being notified by certified mail at this mailing. The Return Receipt Cards will be provided when they are returned.

It is my belief that the information contained in this application is true and correct according to the information available to me.

If further information is needed, please contact me.

Yours very truly,


A. R. Kendrick

Enclosures

xc: As shown on Exhibit F

Application for Non-Standard Location

Falcon Seaboard Gas Company
29-4 Carson 11 #2
825' FNL 1835' FWL Sec. 11-T29N-R4W
Basin Fruitland Coal Gas Pool
Rio Arriba County, New Mexico

The following exhibits are enclosed :

EXHIBIT A Form C-102, Well Location and Acreage Dedication Plat: shows the location of the well with respect to the section lines, the dedicated acreage, and the proration unit.

EXHIBIT B Enlarged copy of Topographic Map: shows the extreme topographic conditions in the south half of Section 11.

An attempt was made to locate the well on the south side of US-64 at 1180' FNL 2010' FWL, but archeological conditions caused the well to be moved.

The US Forest Service told us to avoid the area on the south side of Vaqueros Canyon.

EXHIBIT C Ownership and Offset Well Location Plat: shows the locations of the 29-4 Carson 11 #1 and 29-4 Carson 11 #2 wells.

The distances between the wells is within the tolerances of standard well spacings as set out in the pool rules by Order R-8768.

The ownership and offset wells are also shown on this exhibit.

This information is believed to be current and accurate.

EXHIBIT D Location Windows Plat with wells spotted: shows the "windows" for standard locations as provided by Order R-8768 with the proposed 29-4 Carson 11 #1 and 29-4 Carson 11 #2 wells spotted in their approximate positions.

EXHIBIT E Copy of Application for Permit to Drill: shows the Application for Permit to Drill.

EXHIBIT F Names and Addresses of Offset Owners and Interested Parties.

Submit to Appropriate District Office
 State Lease - 4 copies
 Fee Lease - 3 copies

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-102
 Revised 1-1-89

OIL CONSERVATION DIVISION
 P.O. Box 2088
 Santa Fe, New Mexico 87504-2088

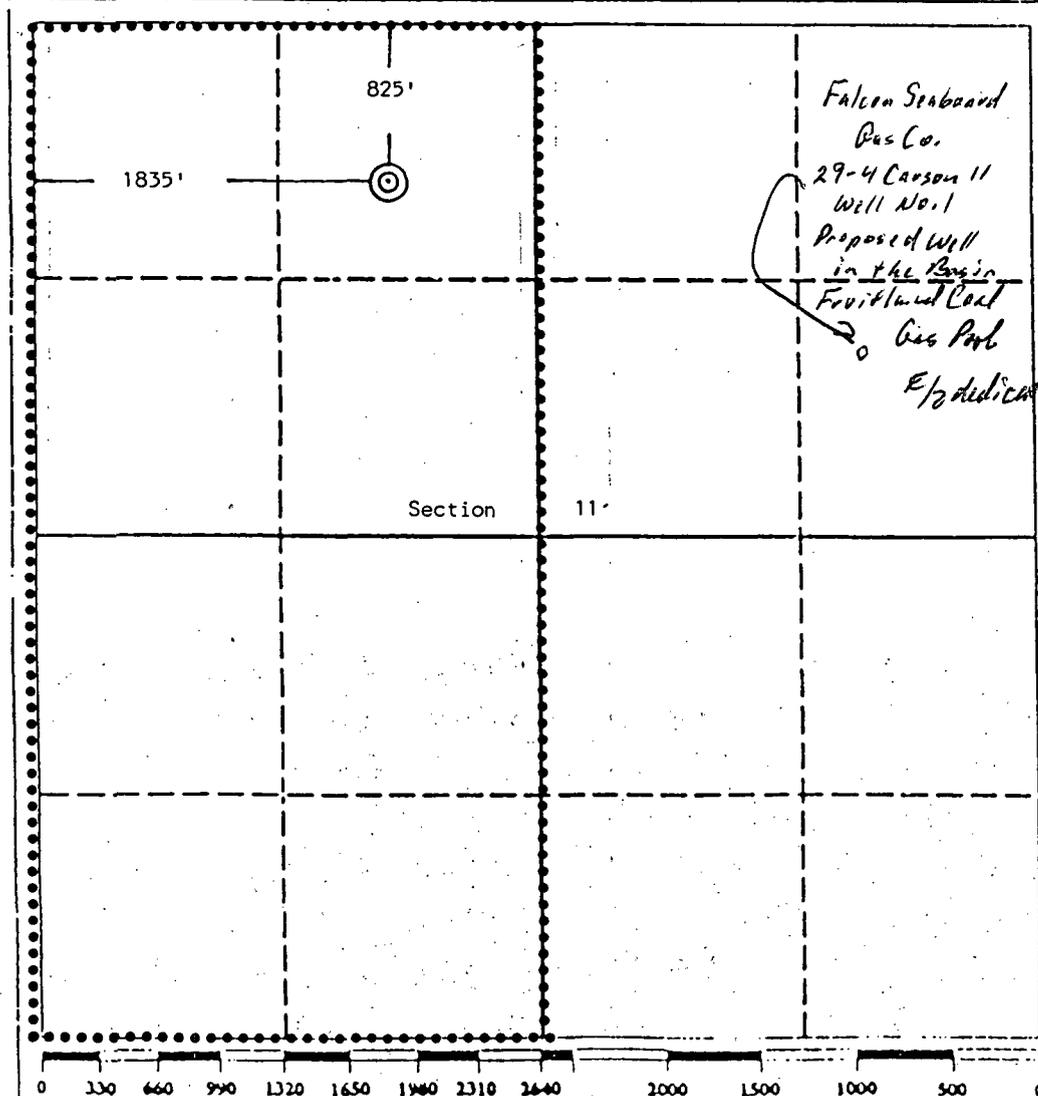
DISTRICT I
 P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
 P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
 1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT
 All Distances must be from the outer boundaries of the section

Operator Falcon Seaboard Gas Company			Lease 29-4 Carson 11			Well No. 2		
Unit Letter C	Section 11	Township 29 North	Range 4 West	County Rio Arriba		NMPM		
Actual Footage Location of Well: 825 feet from the North line and 1835 feet from the West line								
Ground level Elev. 7305	Producing Formation Fruitland coal			Pool Basin Fruitland Coal			Dedicated Acreage: 320 Acres	
<p>1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.</p> <p>2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).</p> <p>3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.? <input type="checkbox"/> Yes <input type="checkbox"/> No If answer is "yes" type of consolidation _____</p> <p>If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)</p> <p>No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.</p>								



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

Signature: *A.R. Kendrick*
 Printed Name: A. R. Kendrick
 Position: _____
 Agent Company: Falcon Seaboard Gas Company
 Date: September 18, 1990

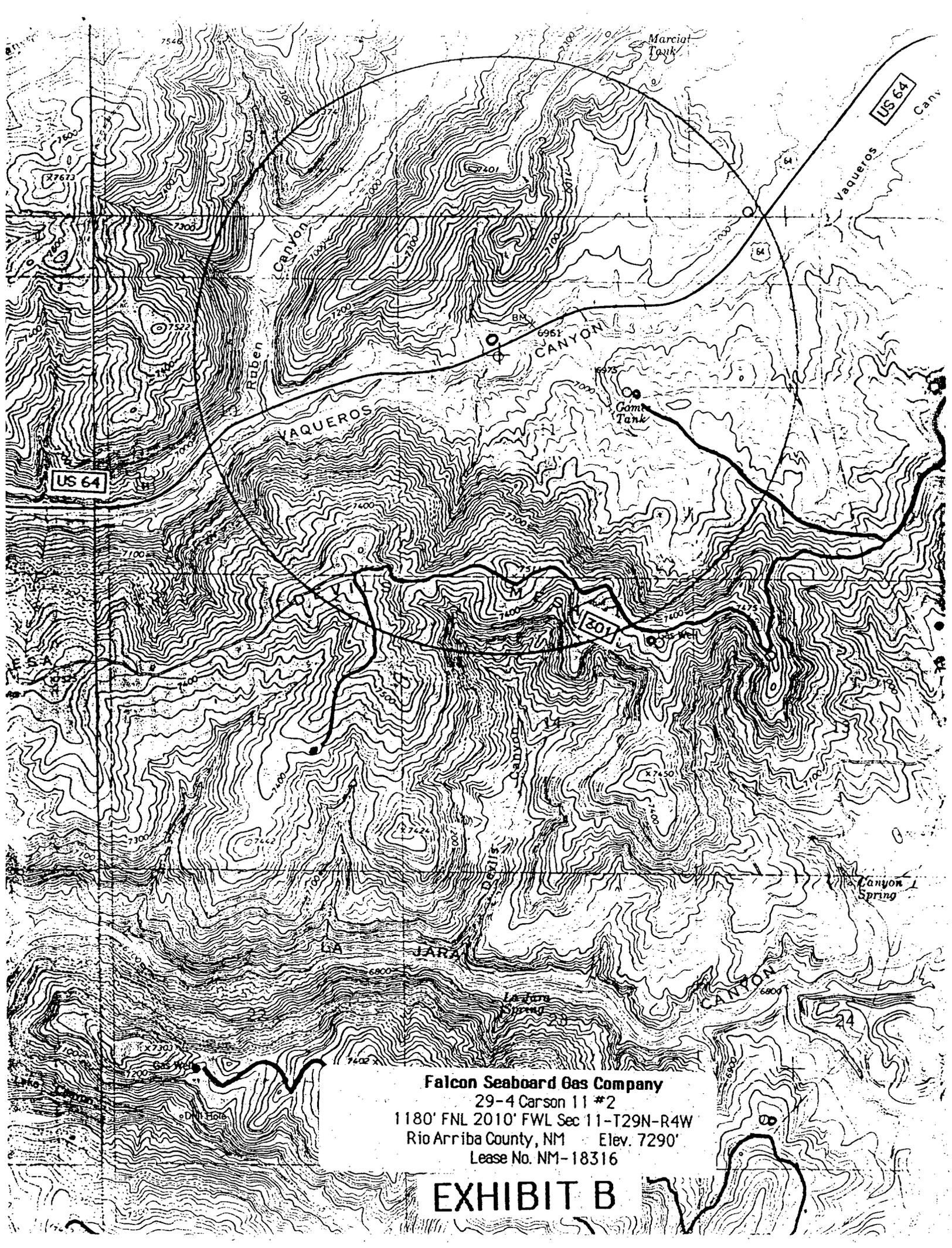
SURVEYOR CERTIFICATION
 I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: July 10, 1990

Signature & Seal of Professional Surveyor: *Edgar L. Risenhoover*
 Certificate No. 5979
 Edgar L. Risenhoover

EXHIBIT A

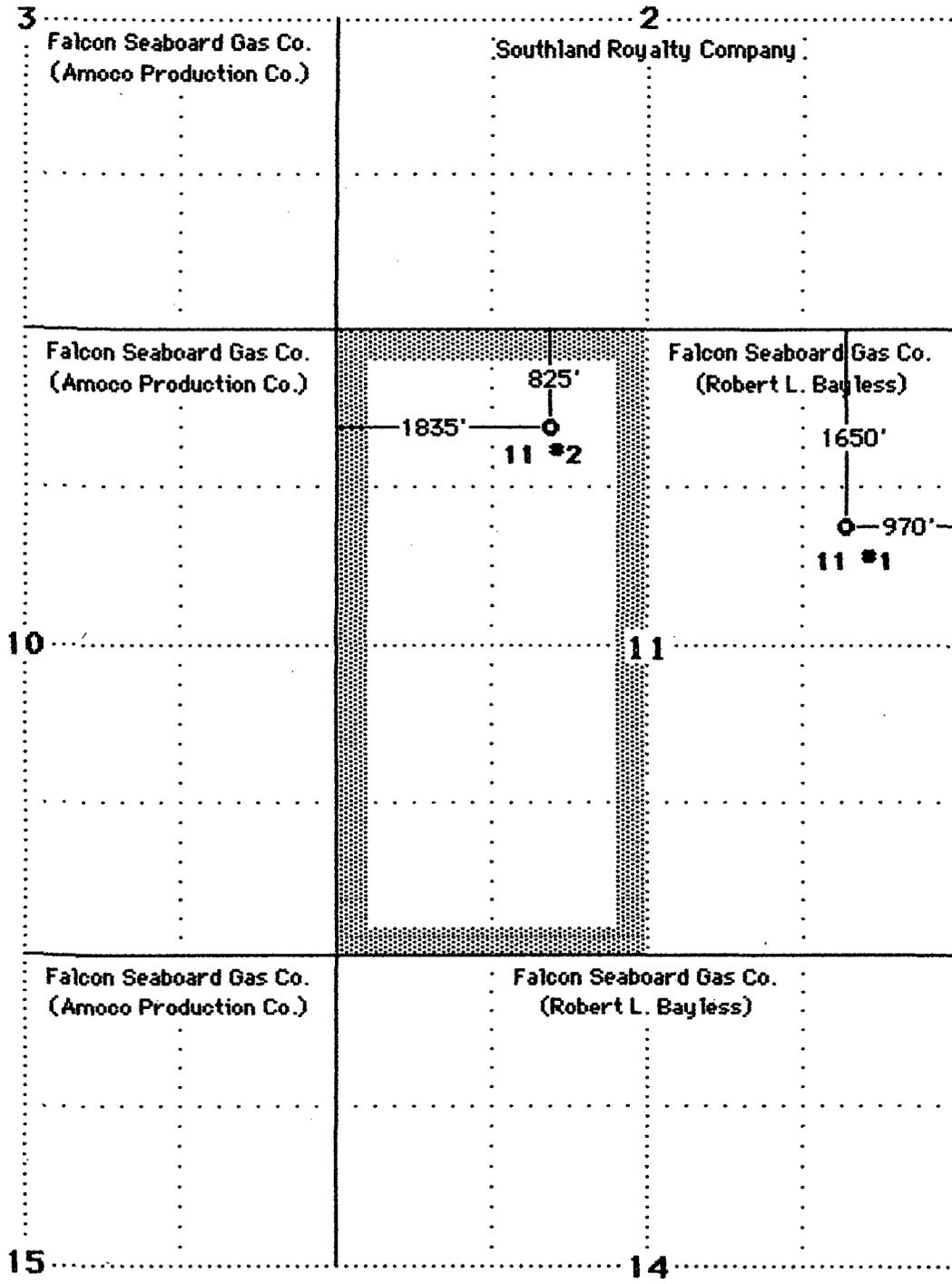
Standard ~~640~~ 640 acre Section



Falcon Seaboard Gas Company
29-4 Carson 11 #2
1180' FNL 2010' FWL Sec 11-T29N-R4W
Rio Arriba County, NM Elev. 7290'
Lease No. NM-18316

EXHIBIT B

**Non-Standard Location for 29-4 Carson 11 #2
 825' FNL 1835' FWL Sec. 11-T29N-R4W
 Basin Fruitland Coal Gas Pool**



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Non-Standard Location for 29-4 Carson 11 #2
825' FNL 1835' FWL Sec. 11-T29N-R4W
Basin Fruitland Coal Gas Pool

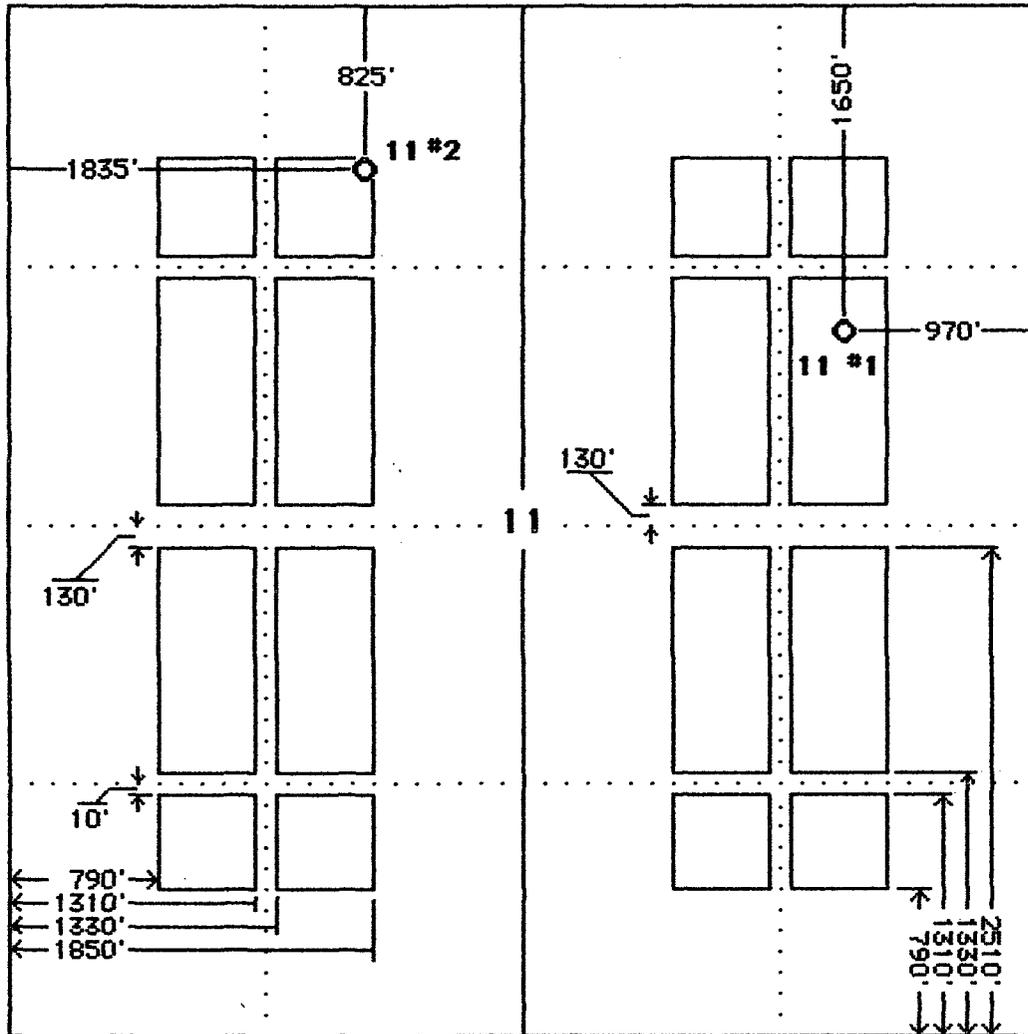


EXHIBIT D

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work <p style="text-align: center;">Drill</p>	5. Lease Number <p style="text-align: center;">NM-18316</p>	
1b Type of Well <p style="text-align: center;">Gas</p>	6. If Indian, Name of Allottee or Tribe 	
2. Operator <p style="text-align: center;">FALCON SEABOARD GAS COMPANY</p>	7. Unit Agreement Name 	
3. Address & Phone No. of Operator <p style="text-align: center;">c/o A. R. Kendrick Box 516, Aztec, NM 87410 (505) 334-2555</p>	8. Farm or Lease Name <p style="text-align: center;">29-4 Carson 11</p>	9. Well Number <p style="text-align: center;">2</p>
4. Location of Well <p style="text-align: center;">(Unit C) 1180' FNL 2010' FWL</p>	10. Field, Pool, or Wildcat <p style="text-align: center;">Basin-Fruitland Coal Gas Pool</p>	
14. Distance in Miles from Nearest Town <p style="text-align: center;">15 Miles southwest of Dulce, NM</p>	12. County <p style="text-align: center;">Rio Arriba</p>	13. State <p style="text-align: center;">New Mexico</p>
15. Distance from Proposed Location To Nearest Property Line or Lease Line. <p style="text-align: right;">1180'</p>	16. Acres in Lease <p style="text-align: center;">640 Acres</p>	17. Acres Assigned to Well <p style="text-align: center;">W-320 Acres</p>
18. Distance From Proposed Location To Nearest Well Dr, Compl., Or Applied For On Lease. <p style="text-align: right;">2348'</p>	19. Proposed Depth <p style="text-align: center;">4235'</p>	20. Rotary or Cable Tools <p style="text-align: center;">Rotary</p>
21. Elevations (DR, RT, GR, Etc.) <p style="text-align: center;">7290' GR</p>		22. Approximate Date Work Will Start. <p style="text-align: center;">As soon as Possible.</p>

23. Proposed Casing and Cementing Program

Exhibits attached as follows:

- | | |
|--------------------------------------|-----------------------------------|
| "A" Location and Elevation Plat | "F" Drill Rig Layout |
| "B" Ten-Point Compliance Program | "G" Completion Rig Layout |
| "C" Blowout Preventer Schematic | "H" Location Profile |
| "D" Multi-Point Requirements for APD | "I" Production Facility Schematic |
| "E" Vicinity Map - Access Roads | |

24. Signed AR Kendrick Title _____ Agent _____ Date 4-5-90

Permit No. _____ Approval Date _____

Approved By _____ Title _____ Date _____

NOTE: THIS FORMAT IS ISSUED IN LIEU OF U.S. BLM FORM

EXHIBIT E

NAMES AND ADDRESSES OF OFFSET OWNERS AND INTERESTED PARTIES

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825' FNL 1835' FWL Sec. 11-T29N-R4W
Basin Fruitland Coal Gas Pool
Rio Arriba County, New Mexico

Amoco Production Company •
P. O. Box 800
Denver, Colorado 80201

Robert L. Bayless •
P.O. Box 168
Farmington, New Mexico 87499-0168

Southland Royalty Company •
c/o Meridian Oil, Inc.
P. O. Box 4289
Farmington, New Mexico 87499-4289

US Forest Service •
Jicarilla Ranger District
Gobernador Route
Blanco, New Mexico 87412

Bureau of Land Management
1235 La Plata Highway
Farmington, New Mexico 87401

Oil Conservation Division
1000 Rio Brazos Road
Aztec, New Mexico 87410

• Notified by certified mail Return Receipt.

EXHIBIT F