

OIL CONSERVATION DIVISION  
RECEIVED

'92 AUG 9 AM 9 26

KM PRODUCTION COMPANY  
P. O. Box 2406  
Farmington, NM 87499-2406  
(505) 325-6900

August 5, 1992

Mr. William J. LeMay  
N.M. Oil Conservation Division  
PO Box 2088  
Santa Fe, N.M. 87504

Return Receipt Requested  
cc: Amoco Production Company #P 565 392 315  
Meridian Oil, Inc. #P 565 392 316  
DeKalb Energy Company #P 565 392 317  
Marathon Oil Company #P 565 392 318

RE: Request for Administrative Approval  
of an Unorthodox Basin Fruitland Coal Location  
R & G Drilling Company  
Krause #22  
790' FSL and 1850' FEL  
Section 32, T28N, R11W  
San Juan County, New Mexico

Gentlemen:

KM Production Company is the agent for R & G Drilling Company. R & G requests administrative approval of an unorthodox Basin Fruitland Coal formation gas well. They plan to recomplate their Krause #22 well (SE 1/4, Section 32, T28N, R11W) in the Fruitland Coal formation. This well is currently shut-in, but has produced 130,638 MCF from the Pictured Cliffs formation. This re-entry candidate is an unorthodox Fruitland Coal location in that it is located in the SE 1/4 of the section rather than the SW 1/4 or NE 1/4. The well in the SW 1/4 of Section 32 will be recompleted in the Fruitland Coal in the near future by R & G. The well in the NE 1/4 of Section 32 is currently producing gas from the Fruitland sand and therefore does not make a good re-entry candidate.

You will find enclosed with this request a map showing the ownership of the leases around this well. This map also shows the wells offsetting this proposed re-entry. Also enclosed you will find an acreage dedication plat for this well and copies of this letter which were sent to offset leaseholders. As per NMOCD Regulations, by copy of this letter to offset leaseholders, R & G Drilling Co. is asking offset leaseholders that they waive any objection to this Basin Fruitland Coal unorthodox location.

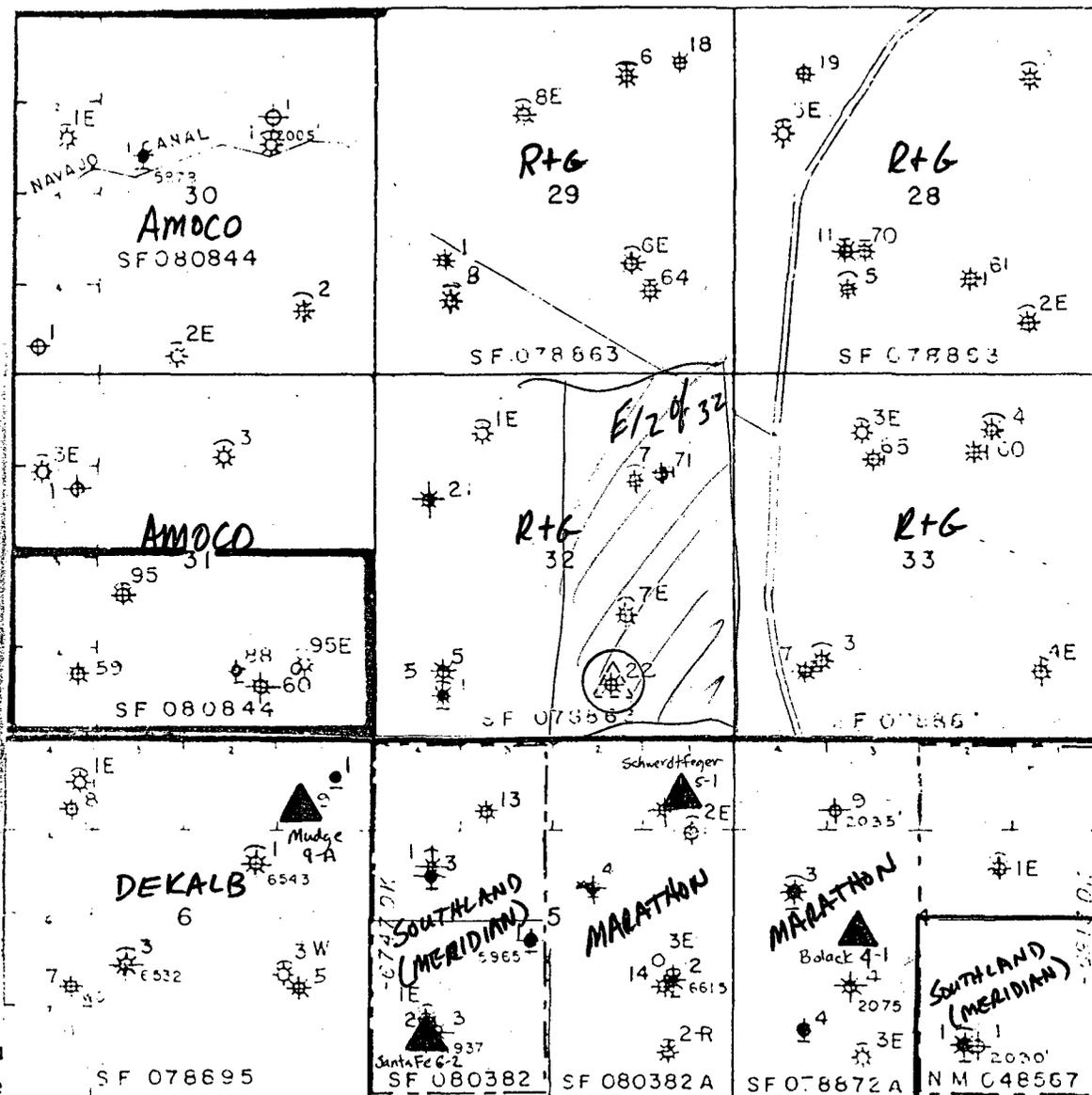
I believe this request provides all the information required by NMOCD Regulations for an unorthodox location. If any other information is needed, please call. Your prompt response to this request is appreciated.

Yours Truly,

Kevin H. McCord, P.E.  
Petroleum Engineer

enc.

T28N R11W



T27N R11W

▲ - Existing Fruitland Coal wells

*West Kute P.C.*

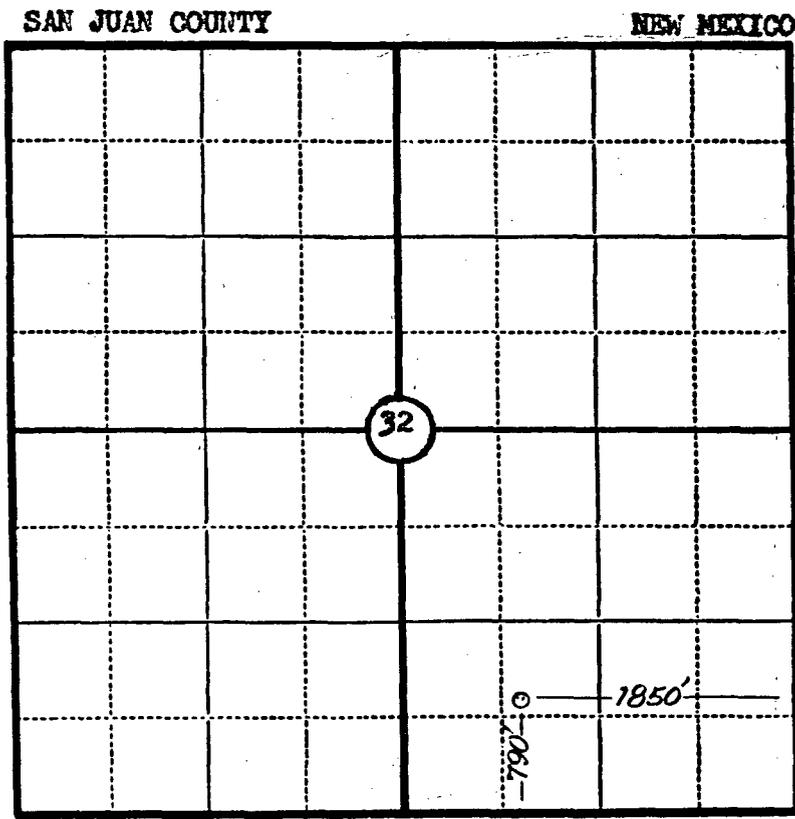
Company **R & G DRILLING COMPANY**

Lease SF078853 Well No. Krause #22

Sec. **32**, T. **28 N.**, R. **11 W.**, N.M.P.M.

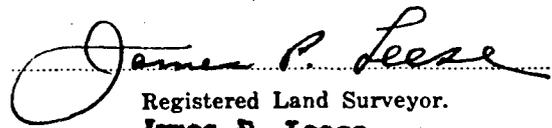
Location **790' FROM THE SOUTH LINE AND 1850' FROM THE EAST LINE.**

Elevation **6045.6 UNGRADED GROUND.**

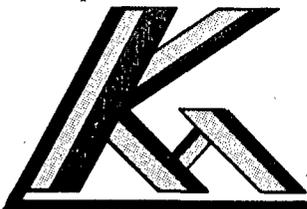


Scale—4 inches equal 1 mile.

This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

Seal:   
Registered Land Surveyor.  
**James P. Leese**  
N. Mex. Reg. No. 1463

Surveyed **10 November**, 19**55**



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Petroleum Engineer

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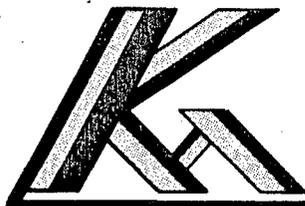
The undersigned has no objection to the above location.

Marathon Oil Company

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

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

If you concur and have no objection, please sign and return one copy of this letter to the NMOCD in Santa Fe, one copy to our office, and retain one for your files.



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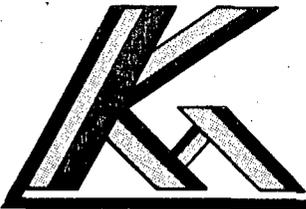
The undersigned has no objection to the above location.

Amoco Production Company

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

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

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Petroleum Engineer

enc.

The undersigned has no objection to the above location.

DeKalb Energy Company

By: Joseph J. Shaban

Date: August 19, 1992

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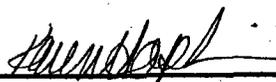
Yours Truly,

  
Kevin H. McCord, P.E.  
Petroleum Engineer

enc.

The undersigned has no objection to the above location.

MERIDIAN OIL, INC.  
Southland Royalty Company

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

Date: 8-26-92

If you concur and have no objection, please sign and return one copy of this letter to the NMOCD in Santa Fe, one copy to our office, and retain one for your files.