



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

September 1, 1992

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

R & G Drilling Company
c/o KM Production Company
P.O. Box 2406
Farmington, New Mexico 87499-2406

Attention: Kevin H. McCord

Administrative Order NSL-3150

Dear Mr. McCord:

Reference is made to your application dated August 10, 1992 on behalf of the operator R & G Drilling Company for a non-standard Basin-Fruitland coal gas well location for the existing Schlosser Well No. 16 which was drilled in 1955 and completed in the West Kutz Pictured Cliffs Pool at a standard gas well location 1180 feet from the South line and 800 feet from the East line (Unit P) of Section 10, Township 27 North, Range 11 West, NMPM, San Juan County, New Mexico.

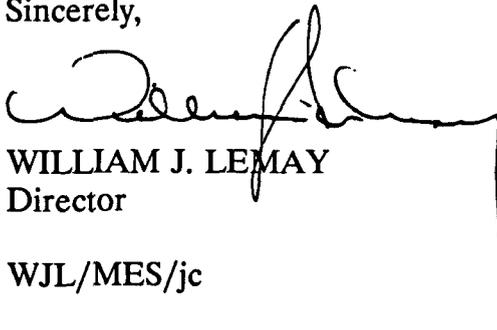
It is my understanding that the Pictured Cliffs zone will be properly plugged back and said well will be recompleted to the Basin-Fruitland Coal Gas Pool, which pursuant to the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool as promulgated by Division Order No. R-8768, as amended, is unorthodox. Further, the S/2 of said Section 10 shall be dedicated to the well forming a standard 320-acre gas spacing and proration unit for said pool.

R & G Drilling Company
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By the authority granted me under the provisions of Rule 8 of said Division Order No. R-8768, as amended, the above-described unorthodox coal gas well location is hereby approved.

Division Case No. 10550 which was scheduled for the September 17, 1992 Examiner Hearing shall be dismissed upon approval of this administrative order.

Sincerely,

A handwritten signature in black ink, appearing to read 'William J. Lemay', is written over a horizontal line. A vertical line extends downwards from the right side of the signature.

WILLIAM J. LEMAY
Director

WJL/MES/jc

cc: Oil Conservation Division - Aztec
U.S. BLM - Farmington
Case File: 10550



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION



August 21, 1992

BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

R & G Drilling Company
c/o KM Production Company
P.O. Box 2406
Farmington, New Mexico 87499-2406

Attention: Kevin H. McCord

RE: Recompletion of the Schlosser Well No. 16 to the Basin Fruitland Coal Gas Pool at an unorthodox coal gas well location 1180' FSL - 800' FEL (Unit P) of Section 16, Township 27 North, Range 11 West, NMPM, San Juan County, New Mexico.

Dear Mr. McCord:

The Division has received essentially an objection from Bonneville Fuels Corporation, an off-set operator to the south, southeast and east of the proposed recompletion, (see copy of letter dated August 17, 1992 attached). This application will therefore be placed on the next available docket to be heard by a Division Hearing Examiner on September 17, 1992.

Please provide adequate notice as required by General Rule 1207.A.(5).

Should you have any questions concerning this matter, please contact me at (505) 827-5811.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner".

MICHAEL E. STOGNER
Chief Hearing Examiner/Engineer

MES/jc

cc: OCD - Aztec
U.S. BLM - Farmington
Bonneville Fuels Corporation - Denver, CO