

OIL CONSERVATION DIVISION  
RECEIVED

'92 AUG 12 AM 8 49

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

August 10, 1992

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

Return Receipt Requested  
cc: Amoco Production Company P 565 392 308  
Meridian Oil, Inc. P 565 392 309  
Arco Oil & Gas Company P 565 392 311  
Marathon Oil Company P 565 392 310  
Bonneville Fuels Corp. P 565 392 312

RE: Request for Administrative Approval  
of an Unorthodox Basin Fruitland Coal Location  
R & G Drilling Company  
Schlosser #16  
1180' FSL and 800' FEL  
Section 10, T27N, R11W  
San Juan County, New Mexico

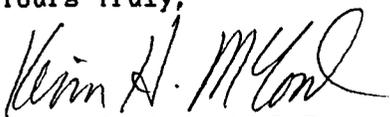
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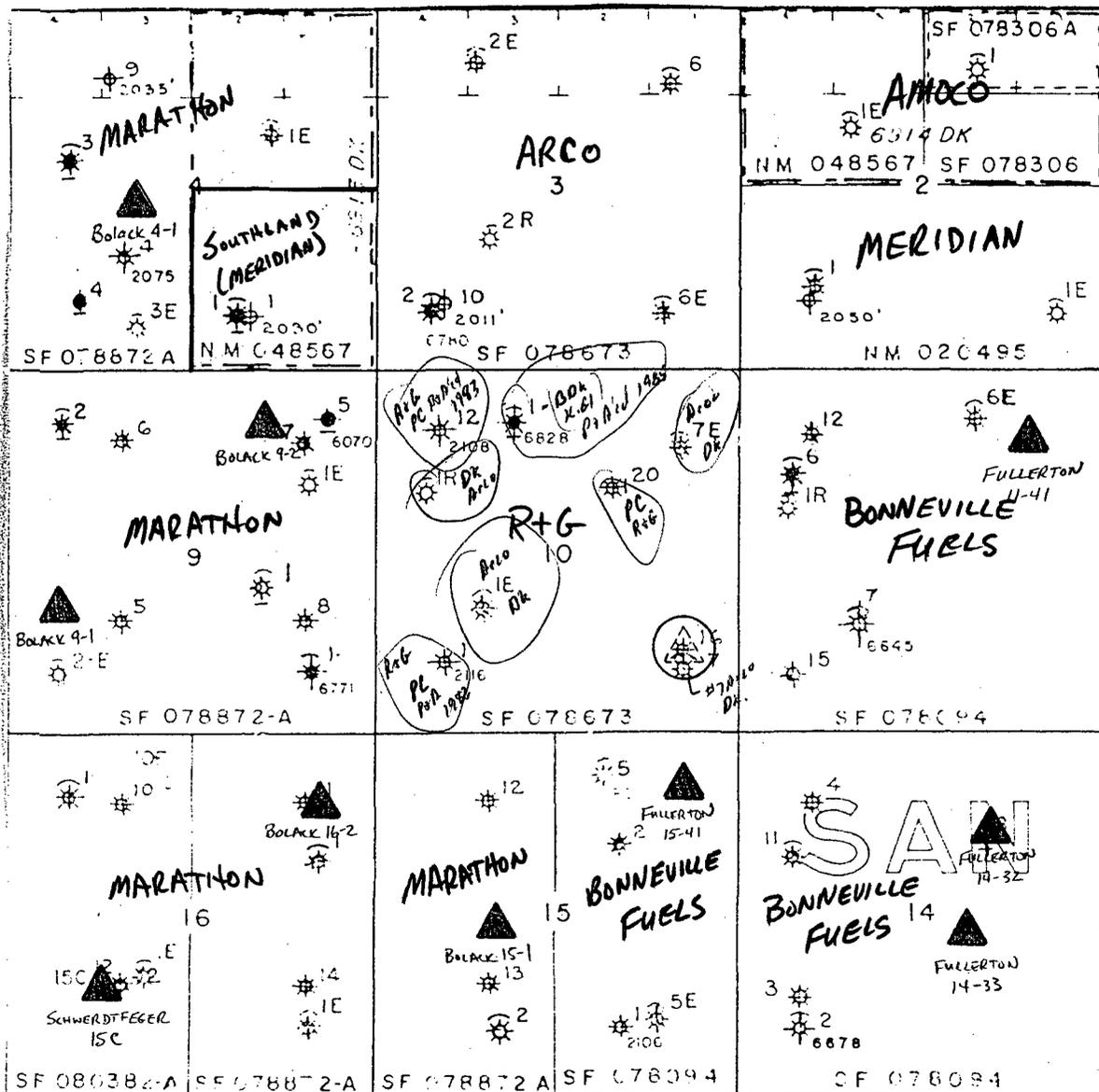
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Yours Truly,

  
Kevin H. McCord, P.E.  
Petroleum Engineer

enc.

T 27 N R 11 W



▲ - EXISTING FRUITLAND COAL WELLS

Company **R & G DRILLING CO.**

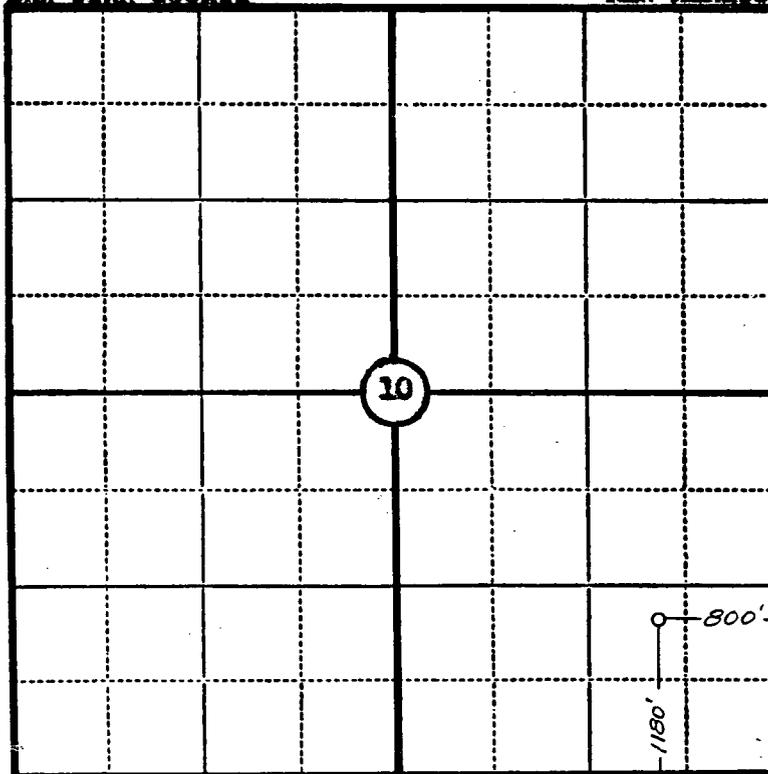
Lease **SF-078673** Well No. **Schlosser #16**

Sec. **10**, T. **27 N.**, R. **11 W., N.H.P.M.**

Location **1180' FROM THE SOUTH LINE AND 800' FROM THE EAST LINE.**

Elevation **6206.9 UNGRADED GROUND.**

**SAN JUAN COUNTY NEW MEXICO**



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.

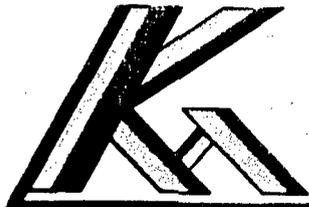
Seal:

*James P. Leese*

Registered Land Surveyor.  
**James P. Leese**  
N. M. Reg. No. 1463

Surveyed **October 14,** 19. **55**

**SAN JUAN ENGINEERING COMPANY, FARMINGTON, N. M.**



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Yours Truly,

Kevin H. McCord, P.E.  
Petroleum Engineer

enc.

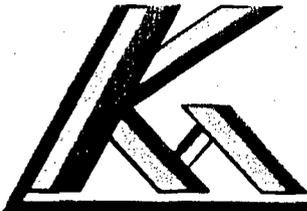
The undersigned has no objection to the above location.

Amoco Production 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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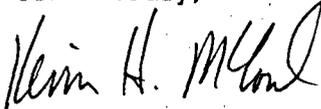
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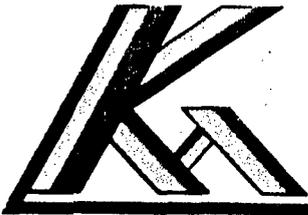
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Arco Oil and Gas Company

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

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

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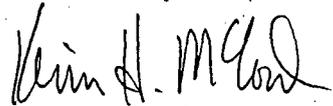
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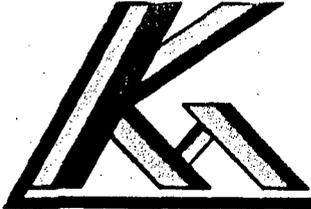
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Meridian Oil, Inc.  
Southland Royalty Co.

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

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

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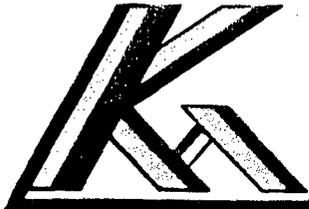
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Marathon Oil Company

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

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

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Yours Truly,

Kevin H. McCord, P.E.  
Petroleum Engineer

enc.

The undersigned has no objection to the above location.

Bonneville Fuels Corporation

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.

Bonneville Fuels Corporation  
A Subsidiary of Bonneville Pacific Corporation

OIL CONSERVATION DIVISION  
RECEIVED

'92 SEP 1 PM 8 44

August 28, 1992

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

Attn: Mr. Michael E. Stogner  
Chief Hearing-Examiner/Engineer

Re: Request for Administrative Approval  
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R & D Drilling Company  
Schlosser #16  
1180' FSL & 800' FEL  
Section 10, T27N, R11W  
San Juan County, New Mexico

Gentlemen:

After further review and consideration, Bonneville Fuels has elected to waive its objection to the captioned Unorthodox Fruitland Coal re-completion proposed by KM Production Company.

Enclosed find one Bonneville Fuels executed copy of KM's Waiver of Objection letter dated August 10, 1992. If you have any questions or require further information, please contact the undersigned.

Very truly yours,



L. D. Lillo  
Land Manager

LDL/dgp

Enclosure

cc: KM Production Company                      Marathon Oil Company  
Attn: Mr. Kevin H. McCord                      Attn: Mr. Joe Mandron

DeKalb Energy Company  
Attn: Mr. John Geyer

OIL CONSERVATION DIVISION  
RECEIVED

**Bonneville Fuels Corporation**  
A Subsidiary of Bonneville Pacific Corporation

August 17, 1992

'92 AUG 19 PM 10 23

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

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San Juan County, New Mexico

Gentlemen:

Reference is made to KM Production Company's request for Bonneville Fuels Corporation's waiver of objection for the captioned Unorthodox Basin Fruitland Coal formation recompletion location. Enclosed is a copy of KM's letter dated August 10, whereby Bonneville Fuels has denied the waiver of objection for KM's proposed recompletion.

By recompleting the subject well, it would effectively create a 160 acre spacing pattern given that there is an existing Fruitland Coal producing well in the NE/4 of Section 15 and legal Fruitland Coal locations in the SW/4 of Section 11 and the NE/4 of Section 10. Bonneville Fuels would prefer that the current NE/4 - SW/4 spacing pattern be maintained until it is proven that 160-acre infill drilling is necessary to properly drain and enhance ultimate recoveries from the Fruitland Coal formation within the immediate field area and/or throughout the basin.

Apparently, KM controls a drillable and legal Fruitland Coal formation location in the SW/4 of Section 10. We do regret the inconvenience this response will cause KM.

Very truly yours,

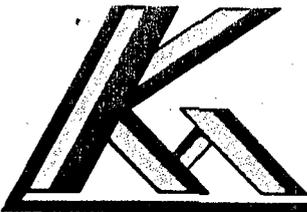
  
L. D. Lillo  
Land Manager

LDL/dgp

cc: KM Production Company  
Attn: Mr. Kevin H. McCord

Marathon Oil Company  
Attn: Mr. Joe Mandron

DeKalb Energy Company  
Attn: Mr. John Geyer



REC'D AUG 13 1992

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

August 10, 1992

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Oil Conservation Division  
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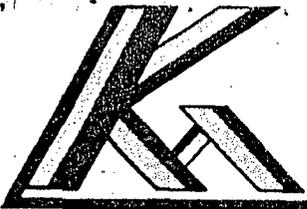
Bonneville Fuels Corporation

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

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

**DENIED**

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'92 SEP 4 PM 9 15

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*Attn: Mike Stogner*

August 10, 1992

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SEP 3 1992  
OIL CON. DIV  
DIST. 3

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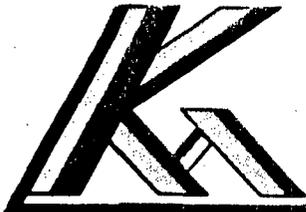
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Amoco Production Company

By: *J.W. Hawkins*

Date: *8/26/92*

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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.

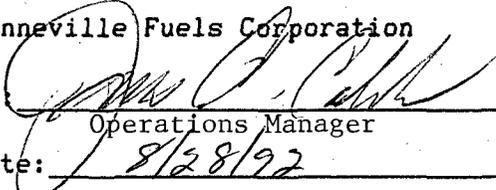
Yours Truly,

Kevin H. McCord, P.E.  
Petroleum Engineer

enc.

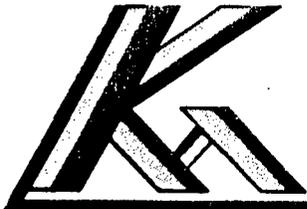
The undersigned has no objection to the above location.

Bonneville Fuels Corporation

By:   
Operations Manager

Date: 8/28/92

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.



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

*Carl 10550*

August 10, 1992

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

Return Receipt Requested  
 cc: Amoco Production Company P 565 392 308  
 Meridian Oil, Inc. P 565 392 309  
 Arco Oil & Gas Company P 565 392 311  
 Marathon Oil Company P 565 392 310  
 Bonneville Fuels Corp. P 565 392 312

RE: Request for Administrative Approval  
 of an Unorthodox Basin Fruitland Coal Location  
 R & G Drilling Company  
 Schlosser #16  
 1180' FSL and 800' FEL  
 Section 10, T27N, 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 recomplete their Schlosser #16 well (SE 1/4, Section 10, T27N, R11W) in the Fruitland Coal formation. This well is currently shut-in, but has produced 402,662 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 NW 1/4 of Section 10 will be recompleted in the Fruitland Coal in the near future by R & G. The well recompletion candidate in the SW 1/4 of Section 10 has already been plugged and abandoned.

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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*  
 Kevin H. McCord, P.E.  
 Petroleum Engineer

enc.

The undersigned has no objection to the above location.

Meridian Oil, Inc.  
 Southland Royalty Co.

By: *Handwritten Signature*

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.