

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

September 30, 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 565 392 220
Meridian Oil, Inc. P 565 392 221
Arco Oil & Gas Company P 565 392 222
Marathon Oil Company P 565 392 223
Conoco, Inc. P 565 392 224

RE: Request for Administrative Approval
of an Unorthodox Basin Fruitland Coal Location
R & G Drilling Company
Krause #19
950' FNL & 1025' FWL
Section 28, T28N, R11W
San Juan County, New Mexico

RECEIVED

OCT 01 1992

OIL CONSERVATION DIVISION

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 #19 well (NW 1/4, Section 28, T28N, R11W) in the Fruitland Coal formation. This well is currently shut-in, but has produced 67,781 MCF from the Pictured Cliffs formation. This re-entry candidate is an unorthodox Fruitland Coal location in that it is located in the NW 1/4 of the section rather than the SW 1/4 or NE 1/4. The well in the SW 1/4 of Section 28 will be recompleted in the Fruitland Coal in the near future by R & G. There is no well owned by R & G in the NE 1/4 of Section 28.

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.

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

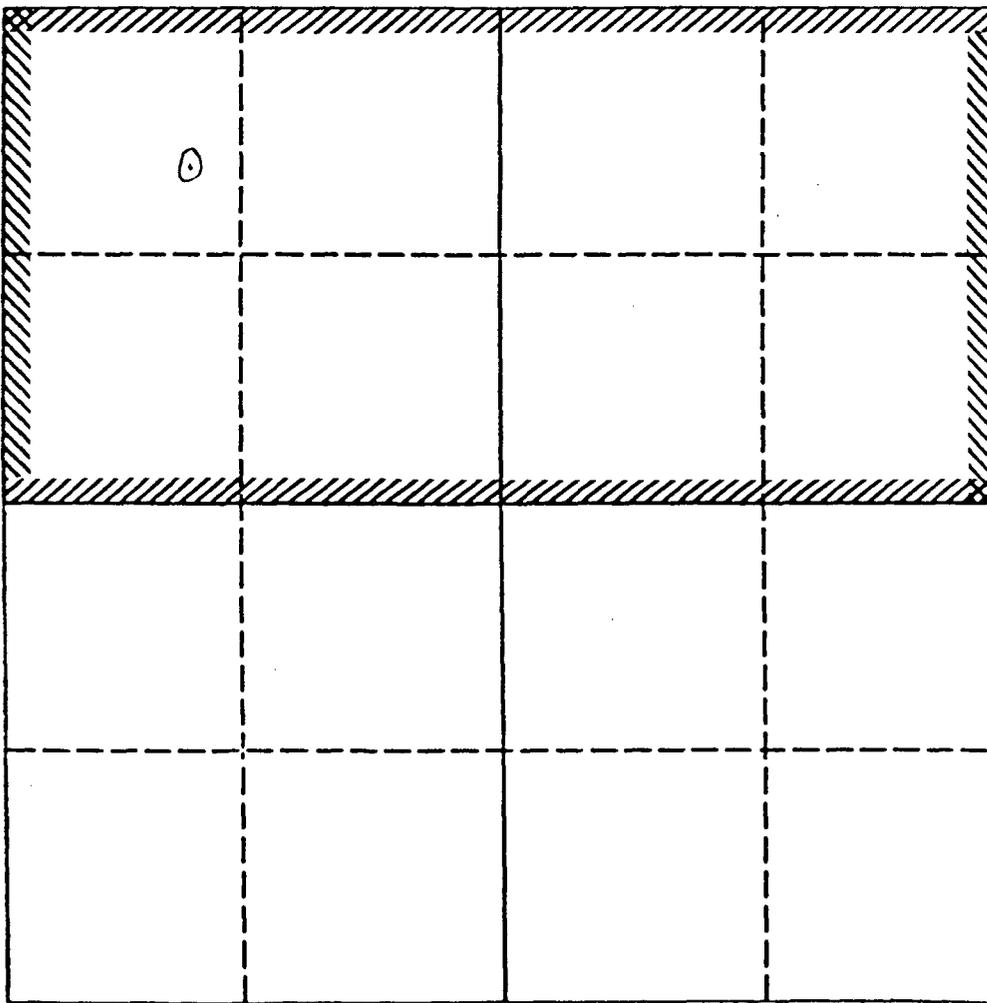
All Distances must be from the outer boundaries of the section

Operator R & G Drilling Company C/O KM Production Co.		Lease Krause		Well No 19
Unit Letter D	Section 28N	Township 28N	Range 11W	County San Juan

Actual Footage Location of Well:
 950 feet from the North line and 1025 feet from the West line

Ground level Elev. 6064.	Producing Formation Fruitland Coal	Pool Basin Fruitland Coal	Dedicated Acreage: 320 Acres
-----------------------------	---------------------------------------	------------------------------	---------------------------------

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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?
 Yes No If answer is "yes" type of consolidation _____
 If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)
 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.



OPERATOR CERTIFICATION

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

Signature <i>Kevin H. McCord</i>
Printed Name Kevin H. McCord
Position Petroleum Engineer
Company KM Production Company
Date 9-28-92

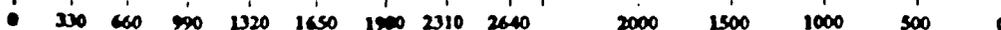
SURVEYOR CERTIFICATION

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.

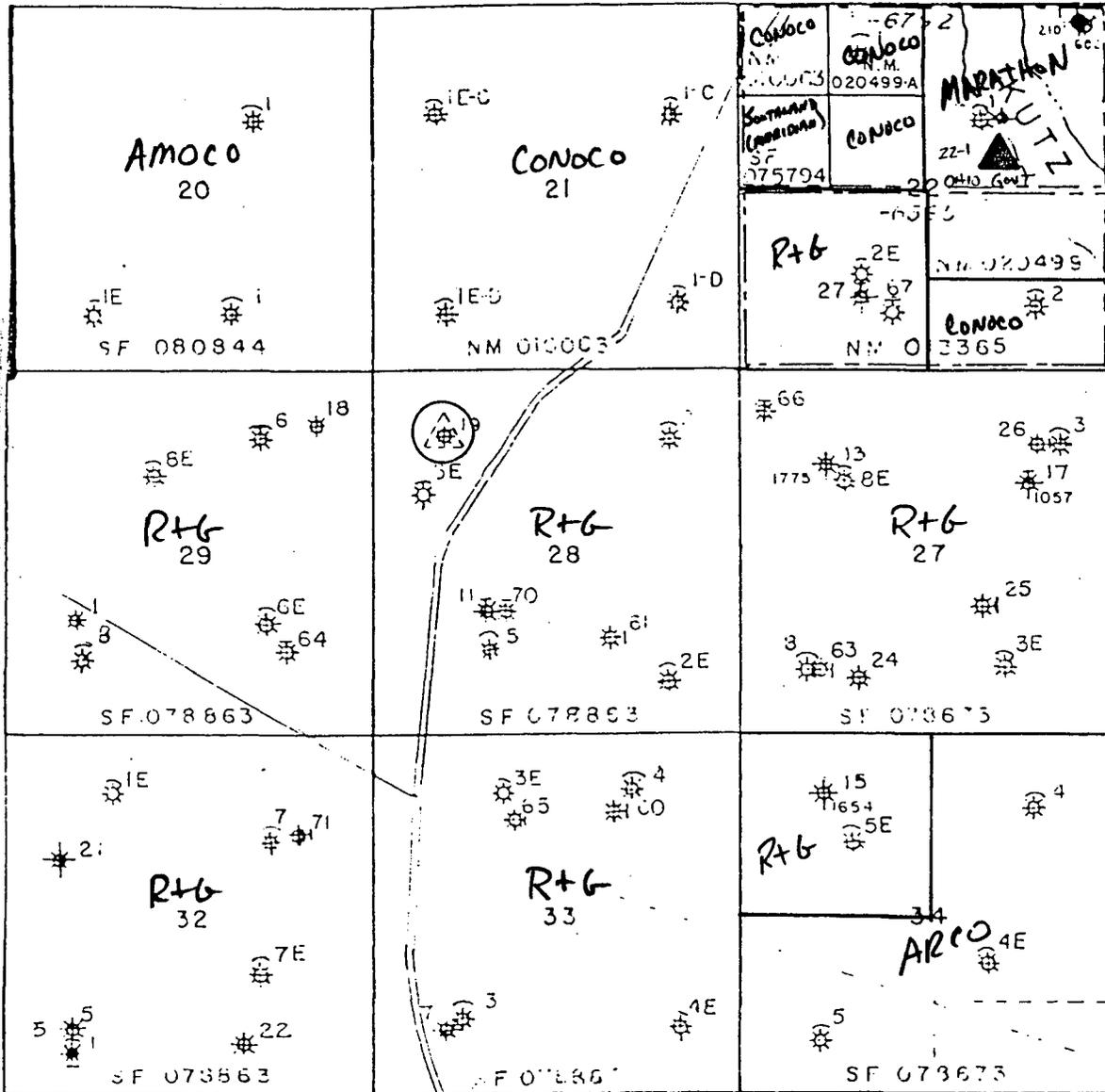
Date Surveyed
Signature & Seal of Professional Surveyor

Original plat on file

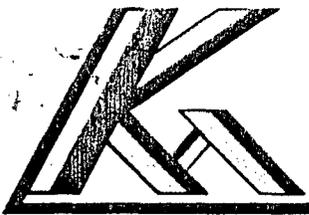
Certificate No.



T28N R11W



▲ - EXISTING FRUITLAND COAL WELL



OIL CONSERVATION DIVISION
RECEIVED

'92 OCT 1 PM 8 55

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

September 30, 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 565 392 220
	Meridian Oil, Inc.	P 565 392 221
	Arco Oil & Gas Company	P 565 392 222
	Marathon Oil Company	P 565 392 223
	Conoco, Inc.	P 565 392 224

RE: Request for Administrative Approval
of an Unorthodox Basin Fruitland Coal Location
R & G Drilling Company
Krause #19
950' FNL & 1025' FWL
Section 28, T28N, R11W
San Juan County, New Mexico

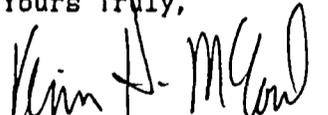
Gentlemen:

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 recomplete their Krause #19 well (NW 1/4, Section 28, T28N, R11W) in the Fruitland Coal formation. This well is currently shut-in, but has produced 67,781 MCF from the Pictured Cliffs formation. This re-entry candidate is an unorthodox Fruitland Coal location in that it is located in the NW 1/4 of the section rather than the SW 1/4 or NE 1/4. The well in the SW 1/4 of Section 28 will be recompleted in the Fruitland Coal in the near future by R & G. There is no well owned by R & G in the NE 1/4 of Section 28.

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.

Arco Oil & Gas 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.