

PERMITS WEST, INC.
PROVIDING PERMITS for the ENERGY INDUSTRY
37 Verano Loop, Santa Fe, New Mexico 87505 (505) 984-8120

Release 5/9/94

April 16, 1994

William LeMay, Director
NM Oil Conservation Div.
P.O. Box 2088
Santa Fe, NM 87504

94 APR 19 AM 8 50

Dear Mr. LeMay:

On behalf of Texakoma Oil and Gas Corporation, I am enclosing two copies of an application for an unorthodox location. Please call me if you have any questions.

Sincerely,

Brian Wood
Brian Wood

cc (w/ encl.): Patton

REQUEST FOR ADMINISTRATIVE APPROVAL FOR UNORTHODOX LOCATION FOR
THE MUSTANG FLATS #1 COAL GAS WELL TO BE DRILLED AT
600' FNL & 600' FEL SEC. 20, T. 25 N., R. 13 W., SAN JUAN COUNTY, NM
BY TEXAKOMA OIL AND GAS CORPORATION

I. The well is on Navajo Tribal Trust surface in the Navajo Indian Irrigation Project (NIIP). Minerals are Federal (BLM). An onsite was held March 28, 1994. Onsite participants included Linda Taylor (BIA), Jackie Neckels (BLM), Allen Nez (Navajo Land Administration), and Brian Wood (Permits West). Application for Permit to Drill is attached.

II. A C-102 showing the well location, proration unit (320 acres), and lease (SW4 Sec. 20 + E2 Sec. 20 = 480 ac.) is attached.

III. According to NM Oil Conservation Records reviewed on March 7, 1994, there are no offset wells producing from the Fruitland. Indeed, there are no producing wells of any kind within a mile radius. There are three proposed and approved Fruitland wells within a mile radius. All will be operated by Texakoma. A map and affidavit are attached showing the three proposed wells (large dots), leases (solid lines), and spacing units (dashed lines). Leases, offset operators, and working interest owners are:

BLM: (1,976 ac.): Applied (NM-89840) for by Giant in 1992. Still pending. Not yet issued.

NM-53936 (1,920 ac.): E. F. Hixon, W. S. Chumney, W. T. Chumney, R. P. Brewer,
M. I. Brewer, B. B. Chumney, Giant, Cyprus

NM-65534 (320 ac.): Billie Robinson

NM-87300 (480 ac.): Texakoma, Speerex

NM-87301 (640 ac.): Texakoma, Speerex

NM-87305 (320 ac.): Fred Engle

NM-87306 (640 ac.): Abo, Myco, Yates Drilling, & Yates Petroleum

NMSLO (120 ac.): Open to leasing. Not currently leased by NM State Land Office.

VA-234 (520 ac.): Abo, Myco, Yates Drilling, & Yates Petroleum

IV. An enlarged copy of the Moncisco Wash 7.5' USGS map is attached. The proposed wellsite is marked by an arrow pointing to a black rectangle. The proration unit is a dashed line. Leases are marked by solid black lines. There are no existing wellpads in the proration unit. Closest existing wellpad is a P&A well 2,979' northwest in SESW 17-25n-13w.

V. Request for an exception is based on a proposed center pivot irrigation plot (see attached topo and C-102). All orthodox locations would be within center pivot irrigation plots. NIIP plans two center pivot irrigation plots for east half of Section 20. Each center pivot will have ≈quarter mile radius. Staked location moves well northeast out of orthodox drilling window and out of irrigation plot.

VI. No archaeology sites were found.

VII. Location was moved out of orthodox drilling window due to proposed NIIP center pivot irrigation plot. Orthodox drilling window is all within center pivot irrigation plot. NIIP plans two center pivot irrigation plots for east half of Section 20. Each pivot will have ≈quarter mile radius.

VIII. Directional drilling is not feasible because it is economically unfeasible to attempt a directional hole.

IX. I hereby certify that notice (return receipt cards are attached) has been sent to the following lessees, lessors, surface management agencies, operators of spacing units, or owners of undrilled leases which adjoin the applicant's spacing unit on one or more of the two sides or the single closest corner to the proposed well and that the information is current and correct:

Abo, Myco, Yates Drilling, & Yates Petroleum

BIA

BLM

Fred Engle

E. Hixon, W. S. Chumney, W. T. Chumney, R. Brewer, M. Brewer, B. Chumney, Giant, Cyprus

NM State Land Office

NIIP

Billie Robinson

Speerex

Texakoma

Kathryn Kopke Wood

STATE OF New Mexico)

COUNTY OF Santa Fe) SS:

The foregoing instrument was acknowledged before me this 16 day of April,
1994 by Kathryn Koke Wood. Witness my hand and official seal.

Jill Keith
Notary Public

My Commission Expires: 2/19/97

Business Address: 2230 N. Guadalupe Santa Fe, NM 87501



**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
DRILL **DEEPEN** **PLUG BACK**

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
Texakoma Oil and Gas Corporation (214) 701-9106

3. ADDRESS OF OPERATOR
5400 LBJ Freeway, Suite 500, Dallas, Tx. 75240

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface **600' FNL & 600' FEL**
 At proposed prod. zone **Same**

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
24 air miles S of Farmington, NM

10. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) **600'**

16. NO. OF ACRES IN LEASE **480**

17. NO. OF ACRES ASSIGNED TO THIS WELL **320**

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. **3,847'***

19. PROPOSED DEPTH **1,400'**

20. ROTARY OR CABLE TOOLS **Rotary**

21. ELEVATIONS (Show whether DF, RT, GR, etc.) **6,272' ungraded ground**

22. APPROX. DATE WORK WILL START* **May 30, 1994**

5. LEASE DESIGNATION AND SERIAL NO.
NM-87300

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
Navajo (Surface)

7. UNIT AGREEMENT NAME
N/A

8. FARM OR LEASE NAME
Mustang Flats

9. WELL NO.
1

10. FIELD AND POOL, OR WILDCAT
Basin-Fruit. Coal

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
20-25n-13w NMPM

12. COUNTY OR PARISH 13. STATE
San Juan NM

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
8-3/4"	7"	23# (J-55)	100'	≈30 cu ft and to surface
6-1/4"	4-1/2"	10.5#(J-55)	1,400'	≈187 cu ft and to surface

Separate application is being made to the NM Oil Conservation Division for a non-standard location. Non-standard location is due to a planned NIIP center pivot irrigation system which consumes all of standard drilling window. Upon approval of this non-standard location and APD by BLM and the NMOCD, then the previously approved Mustang Flats #1 @ 1650 FN & 1830 FE (API# 30-045-28716) will be cancelled and replaced by this APD.

*Mustang Flats #2

cc: BIA(Taylor), BLM(3 + for OCD), NIIP (Soukup), Navajo Land (Nez)

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED *Brian Taylor* TITLE Consultant DATE 3-31-94

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

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

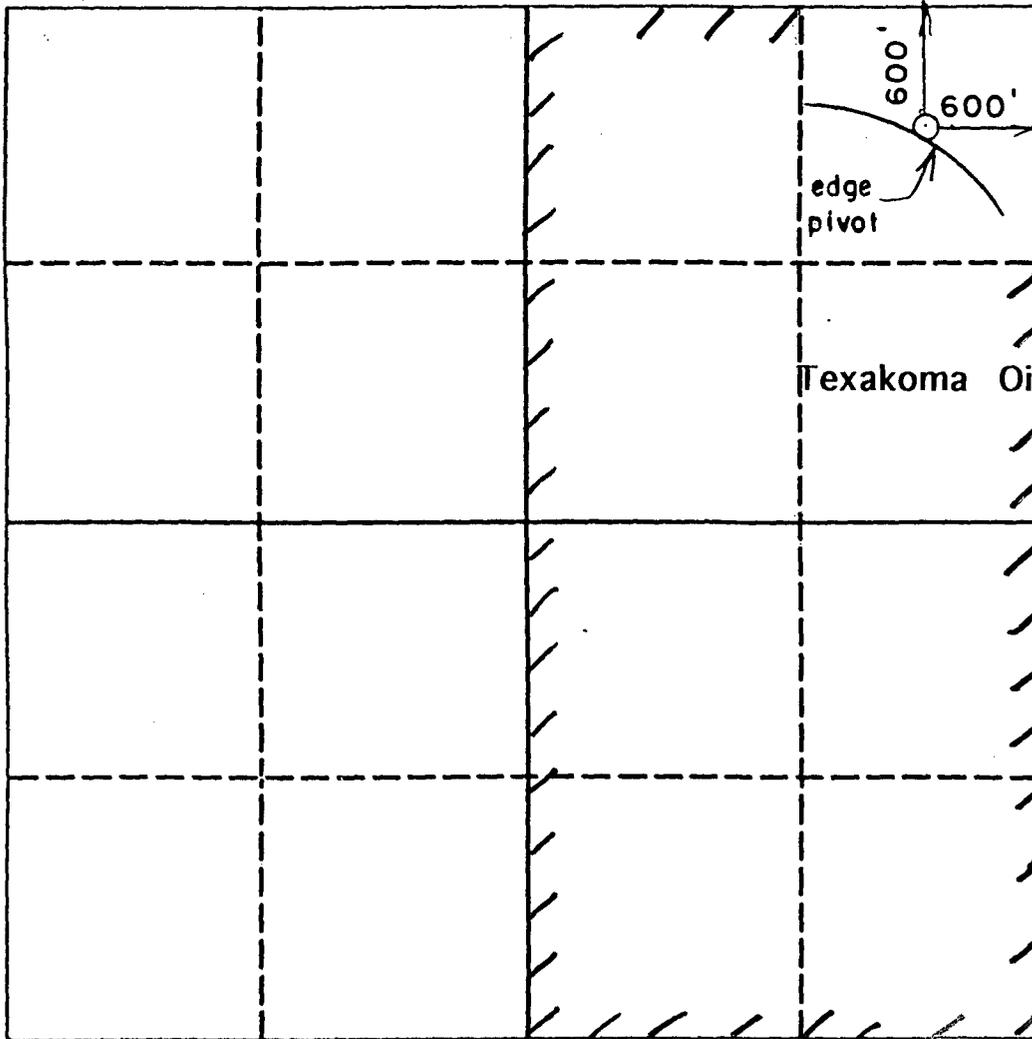
Operator Texakoma Oil and Gas Corporation			Lease MUSTANG FLATS		Well No. # 1
Unit Letter A	Section 20	Township 25 N.	Range 13 W.	County SAN JUAN	
Actual Footage Location of Well: 600 feet from the NORTH line and 600 feet from the EAST line					
Ground level Elev. 6272'	Producing Formation Fruitland		Pool Basin-Fruitland Coal Gas	Dedicated Acreage: 320 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure 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: *Brian Wood*

Printed Name: **Brian Wood**

Position: **Consultant**

Company: **Texakoma Oil and Gas Corporation**

Date: **March 31, 1994**

SURVEYOR CERTIFICATION

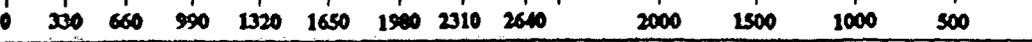
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: **8/23/94**

Signature & Seal of Professional Surveyor: *[Signature]*

Certificate No.: **6844**

REGISTERED LAND SURVEYOR



Texakoma Oil and Corporation
Mustang Flats #1
600' FNL & 600' FEL
Sec. 20, T. 25 N., R. 13 W.
San Juan County, NM

PAGE 1

Drilling Program

1. FORMATION TOPS

The estimated tops of important geologic markers are:

<u>Formation Name</u>	<u>GL Depth</u>	<u>KB Depth</u>	<u>Subsea Elevation</u>
Kirtland Shale	000'	12'	+6,272'
Fruitland Coal	1,200'	1,222'	+5072'
Pictured Cliffs Ss	1,300'	1,312'	+4,972'
Total Depth (TD)*	1,400'	1,412'	+4,872'

* all elevations reflect the ungraded ground level of 6,272'

2. NOTABLE ZONES

Oil & Gas Zones

Fruitland (1,200')

Picture Cliff (1,300')

Water Zones

Kirtland (000')

Fruitland (1,200')

Coal Zones

Fruitland (1,200')

Picture Cliff (1,300')

Water zones will be protected with casing, cement, and weighted mud. Fresh water encountered during drilling will be recorded by depth, cased, and cemented. Oil and gas shows will be tested for commercial potential based on the well site geologist's recommendations.

3. PRESSURE CONTROL

BOP systems will follow Onshore Order #2 and API RP 53. The drilling contract has not yet been awarded, thus the exact BOP model to be used is not yet known. A typical model is on PAGE 3.

Texakoma Oil and Corporation
Mustang Flats #1
600' FNL & 600' FEL
Sec. 20, T. 25 N., R. 13 W.
San Juan County, NM

PAGE 2

Maximum expected pressure is 200 psi. BOP controls will be installed before drilling the surface casing plug and remain in use until the well is completed or abandoned. Once out from under the surface casing, a minimum 2,000 psi BOP and choke manifold system will be used.

All BOP mechanical and pressure tests will be recorded on the driller's log. BOPs will be inspected and operated at least daily to assure good mechanical working order. Inspections will be recorded on the daily drilling report. Pressure tests will be conducted before drilling out from under all casing strings which are set and cemented in place.

4. CASING & CEMENT

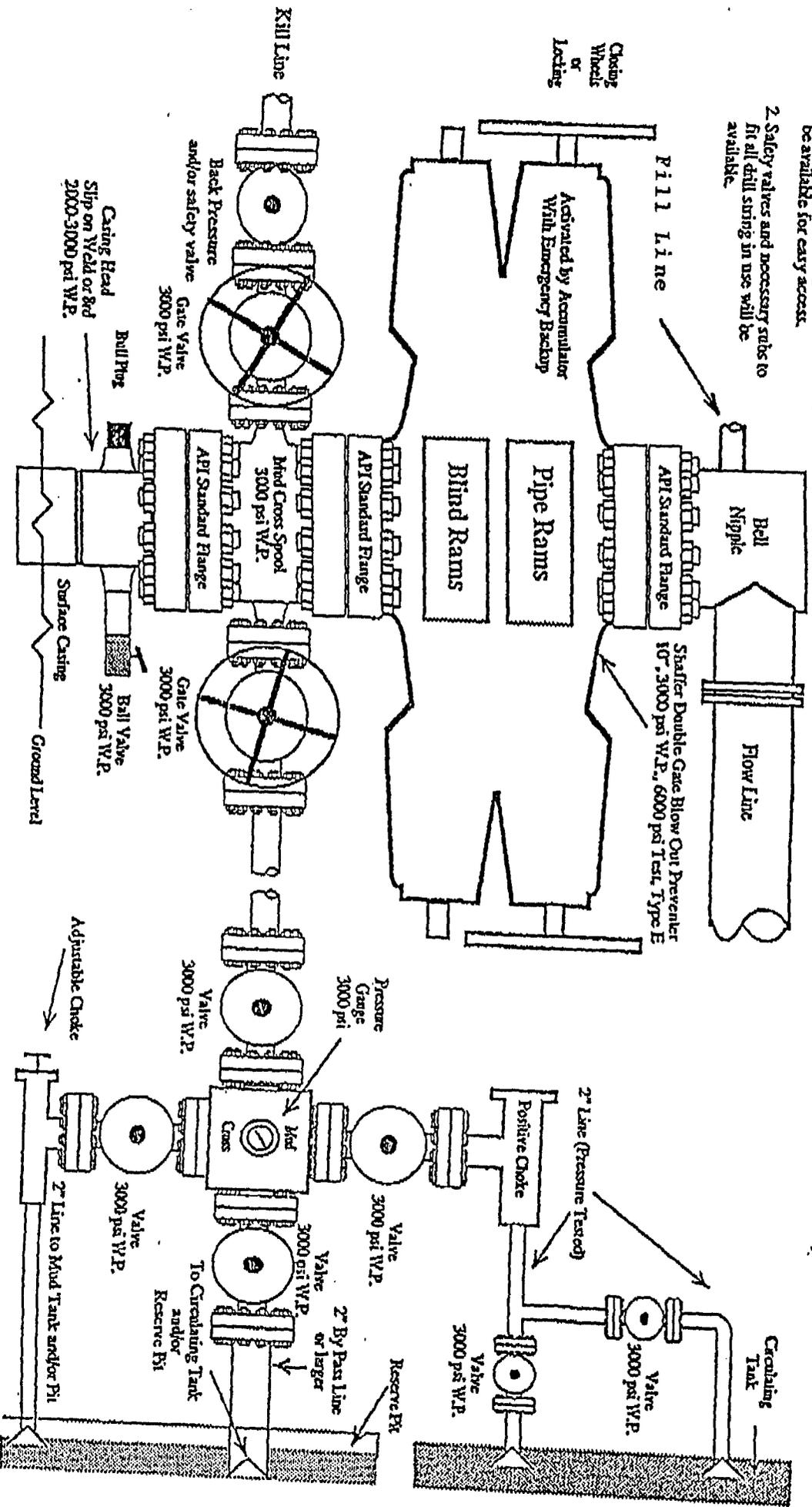
The proposed casing program is:

<u>Hole Size</u>	<u>O.D.</u>	<u>Weight (lb/ft)</u>	<u>Grade</u>	<u>Type</u>	<u>Age</u>	<u>GL Setting Depth</u>
8-3/4"	7"	23	J-55	ST&C	New	100'
6-1/4"	4-1/2"	10.5	J-55	ST&C	New	1,400'

Surface casing will be cemented to the surface with ≈ 30 cubic feet (≈ 25 sx based on cu ft, 100% excess, weight = 15.6 ppg, yield = 1.18 cu ft/sk) Class B with 1/4#/sk Cellocel + 2% CaCl₂. One centralizer will be used.

Production casing will be cemented to the surface with ≈ 187 cu ft (≈ 158 sx based on 144 cu ft, 30% excess, weight=15.6 ppg, yield=1.18 cu ft/sk) Class B with 1/4#/sk Cellocel + 2% CaCl₂. Centralizers will be placed on bottom joint and joints above and below Fruitland zone.

Pressure Control Equipment



- Note: 1. An upper Kelly cock valve will be utilized during drilling. Handle will be available for easy access.
2. Safety valves and necessary stubs to fit all drill string in use will be available.

Minimum 2" Choke Line.
 Minimum 2" Kill Line.
 At Least One 2" Minimum Kill Line Valve.

Note: This equipment is designed to meet requirements for a 2-M rating standard per 43 CFR part 3160 (amended). Proper operation and testing of equipment will be carried out per standard 2,000 psi equipment can be substituted in the drawing to meet minimum requirements per standard.

Texakoma Oil and Corporation
Mustang Flats #1
600' FNL & 600' FEL
Sec. 20, T. 25 N., R. 13 W.
San Juan County, NM

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5. MUD PROGRAM

<u>Depth</u>	<u>Type</u>	<u>ppg</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0' - 200'	Fresh water + spud mud	NC	NC	NC
200' - 1,400'	Fresh water + bent. gel	9.0	45	<10 cc

6. CORING, TESTING, & LOGGING

No cores or DSTs are planned. GR/Compensated Density logs may be run from 100' to TD. Microlog may be run over the basal 200'.

7. DOWNHOLE CONDITIONS

No abnormal temperatures, abnormal pressures, nor hydrogen sulfide are expected. Maximum pressure will be \approx 200 psi.

8. OTHER INFORMATION

The anticipated spud date is May 30, 1994. It is expected it will take \approx 5 days to drill and \approx 5 days to complete the well.

Texakoma Oil and Corporation
Mustang Flats #1
600' FNL & 600' FEL
Sec. 20, T. 25 N., R. 13 W.
San Juan County, NM

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Surface Use Plan

1. DIRECTIONS & EXISTING ROADS (See Pages 10 & 11)

From San Juan River bridge in SW Farmington, go S 23 mi. on NM 371.

Then turn left and go SE 1.5 mi. on a dirt road.

Then turn left at the hot pink flagging and go E \approx 125' to the well.

Existing roads need no upgrading. Roads will be maintained to a standard at least equal to their present condition.

2. ROAD TO BE BUILT (See Page 11)

Approximately 125' of road will be built west to the wellsite. The road will be flat bladed with a 14' wide running surface and a maximum disturbed width of 25'. Maximum grade will be 2%. Maximum cut or fill will be 1'. No cattleguards or culverts are needed.

3. EXISTING WELLS (See Page 11)

According to NM Oil Conservation Div. records checked on March 7, 1994; there are no water, oil, gas, or injection wells within a mile. Texakoma does have 3 other coal gas wells planned.

4. PROPOSED PRODUCTION FACILITIES

The exact type and layout of the production facilities are not known now. They may include a meter run, dehydrator or heater-treater, and production pit/tank. All will be painted a flat tan Carlsbad Canyon color. A Sundry Notice will be submitted for approval before

Texakoma Oil and Corporation
Mustang Flats #1
600' FNL & 600' FEL
Sec. 20, T. 25 N., R. 13 W.
San Juan County, NM

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installation.

5. WATER SUPPLY

Water will be trucked from a private water source. Most likely source (depending upon price and availability) will be in Farmington.

6. CONSTRUCTION MATERIALS & METHODS

Brush and topsoil will be stripped and pushed to the sides or left in place as needed. A diversion ditch will be built north of the pad. Reserve pit will be lined with minimum 12 mil plastic.

7. WASTE DISPOSAL

The reserve pit will be fenced sheep tight on 3 sides with woven wire fence topped with barbed wire. The 4th side will be fenced once the rig moves off. The fence will be kept in good repair while the pit dries. Once dry, contents of the reserve pit will be buried in place.

All trash will be placed in a portable trash cage. It will be hauled to an approved landfill. There will be no burial or burning.

Human waste will be disposed of in chemical toilets or minimum 10' deep ratholes under trailers. Ratholes will be immediately filled when the trailers are removed.

8. ANCILLARY FACILITIES

Texakoma Oil and Corporation
Mustang Flats #1
600' FNL & 600' FEL
Sec. 20, T. 25 N., R. 13 W.
San Juan County, NM

PAGE 7

There will be no air strips or camps. Camper trailers may be on location for the company man, tool pusher, and mud loggers.

9. WELL SITE LAYOUT

See PAGES 12 and 13 for depictions of the well pad, cross section, cut and fill diagram, reserve pit, trash cage, access onto the location, parking, living facilities, and rig orientation.

10. RECLAMATION

Reclamation starts once the reserve pit is dry. It usually takes a year for a reserve pit to fully evaporate, at which point it will be backfilled. The pad and backfilled pit will be recontoured to a natural appearance, stockpiled topsoil spread evenly over disturbed areas, and disturbed areas ripped or harrowed. A BLM prescribed seed mix will be drilled at a depth and time to be determined by BLM.

If broadcast, the rate will be increased as determined by BLM. A harrow or cable will be dragged over the area to assure seed cover. After seeding is done, the stockpiled brush will be scattered evenly over disturbed areas. The new road will be reclaimed in the same manner as the wellsite.

If the well is a producer, then the reserve pit and any other areas not needed for workovers will be reclaimed as previously described.

11. SURFACE OWNER

The well and new road are on Navajo Tribal Trust land within the

Texakoma Oil and Corporation
Mustang Flats #1
600' FNL & 600' FEL
Sec. 20, T. 25 N., R. 13 W.
San Juan County, NM

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Navajo Indian Irrigation Project.

12. OTHER INFORMATION

The nearest hospital is an ≈30 minute drive away in south Farmington.

13. REPRESENTATION

Anyone having questions concerning the APD should call:

Brian Wood, Consultant
Permits West, Inc.
37 Verano Loop
Santa Fe, NM 87505
(505) 984-8120*

FAX: (505) 988-9682*

*466-8120 and 466-9682 starting June 1

The field representative while drilling will be:

Mary Patton, Drilling Manager
Texakoma Oil and Gas Corporation
5400 LBJ Freeway, Suite 500
Dallas, Tx. 75240
(214) 701-9106

Texakoma Oil and Gas Corporation. has the necessary consents from the proper lease owners to conduct lease operations in conjunction with this well. Bond coverage pursuant to 43 CFR 3104 for lease activities and operations is being provided by Texakoma Oil and Gas Corporation.

I hereby certify that I, or persons under my direct supervision, have

Texakoma Oil and Corporation
Mustang Flats #1
600' FNL & 600' FEL
Sec. 20, T. 25 N., R. 13 W.
San Juan County, NM

PAGE 9

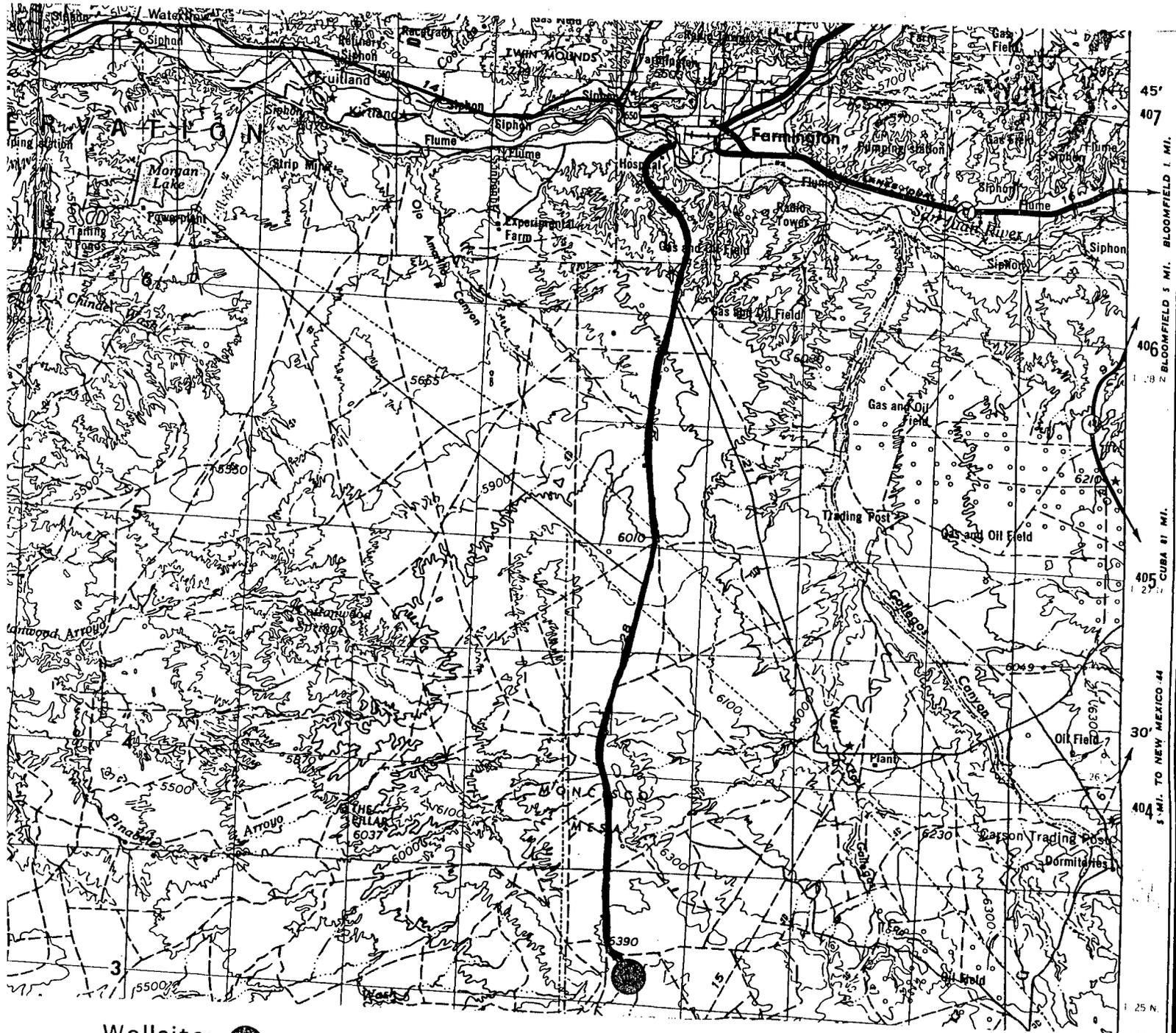
inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with operations proposed herein will be performed by Texakoma Oil and Gas Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.



Brian Wood, Consultant

March 31, 1994
Date

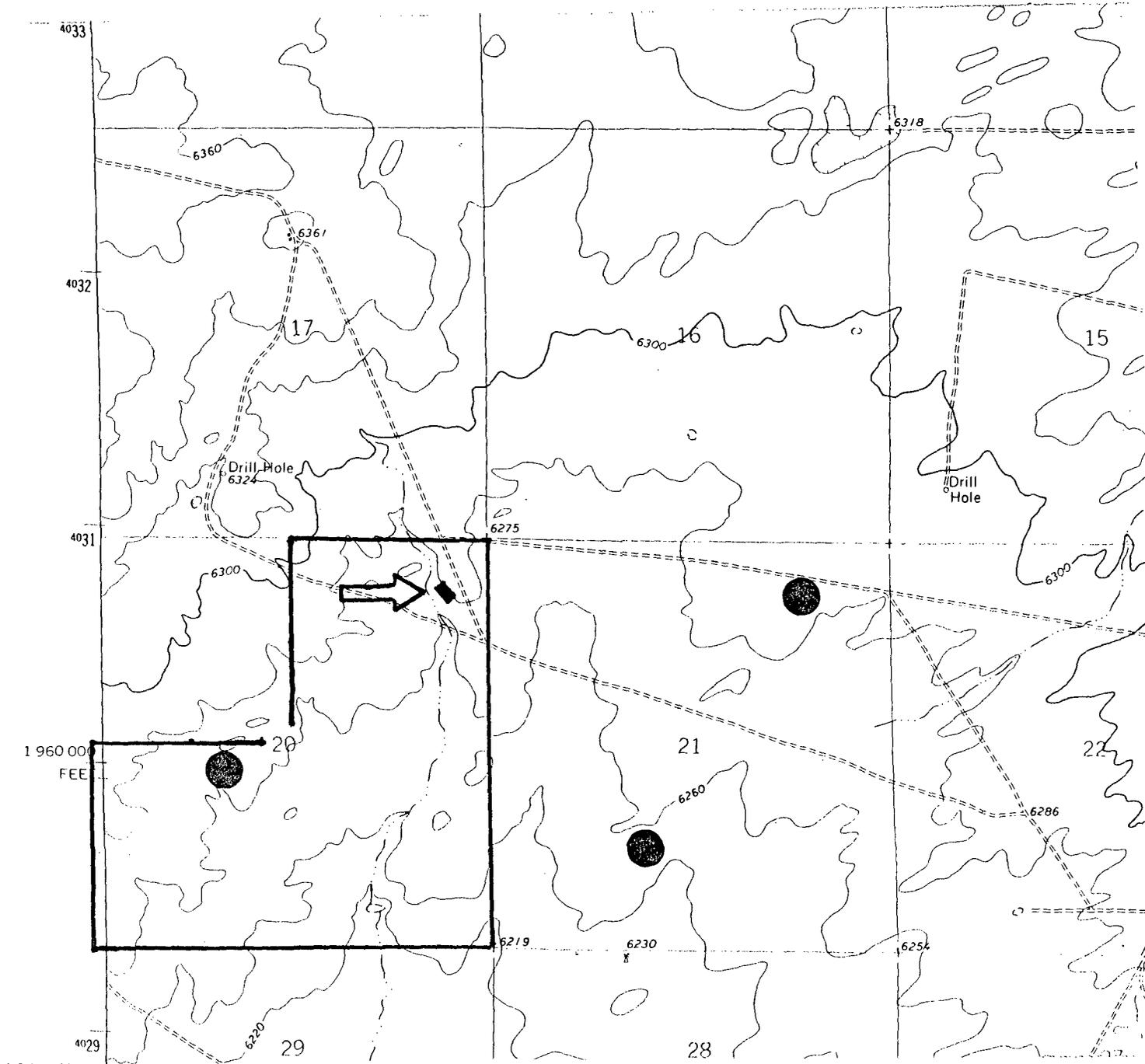
Texakoma Oil and Corporation
Mustang Flats #1
600' FNL & 600' FEL
Sec. 20, T. 25 N., R. 13 W.
San Juan County, NM



Wellsite: ●

Access Route: ~

Texakoma Oil and Corporation
Mustang Flats #1
600' FNL & 600' FEL
Sec. 20, T. 25 N., R. 13 W.
San Juan County, NM



Mustang Flats #1 Well: 

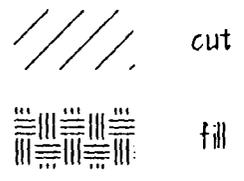
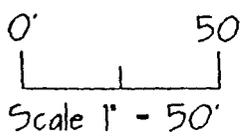
Existing Road: 

Other Proposed Wells: 

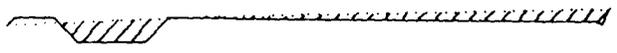
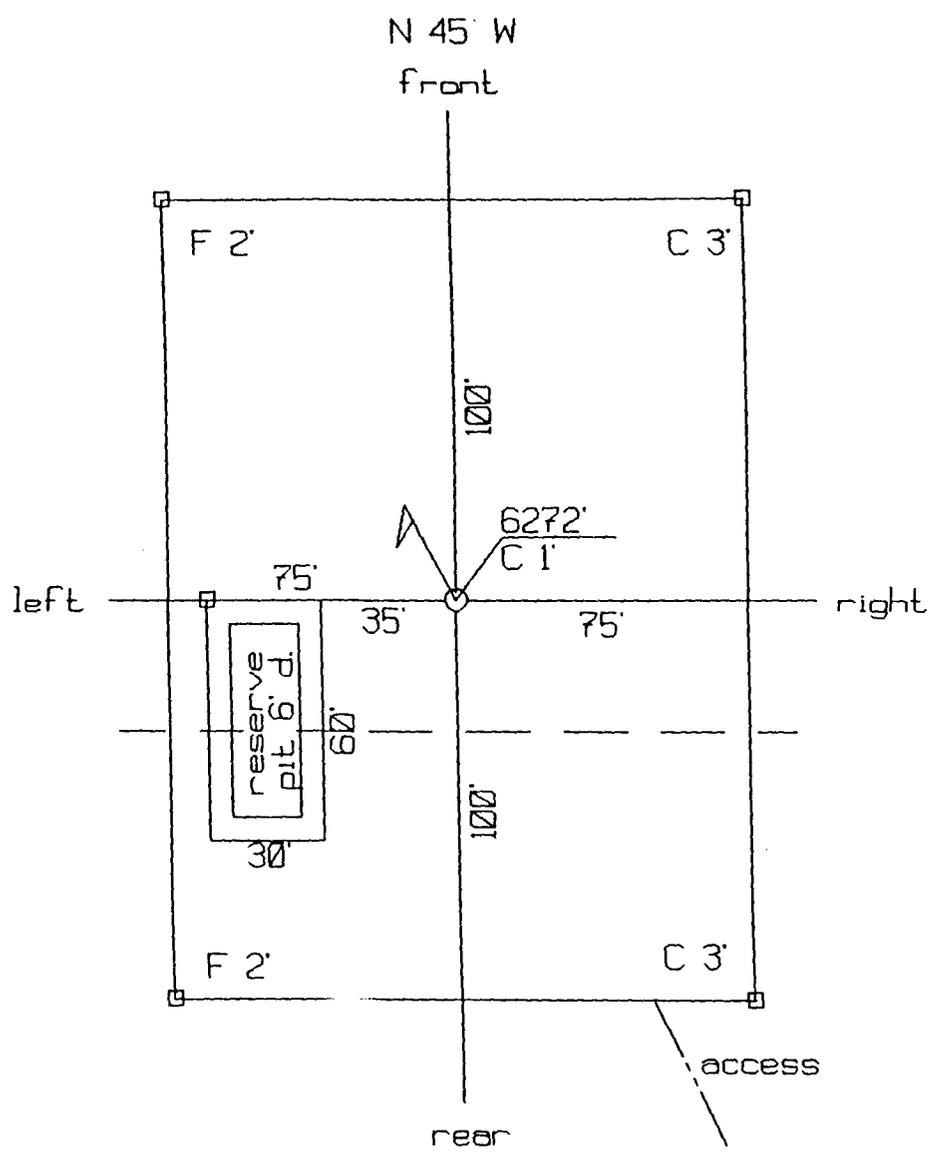
Lease: 

Texakoma Oil and Corporation
Mustang Flats #1
600' FNL & 600' FEL
Sec. 20, T. 25 N., R. 13 W.
San Juan County, NM

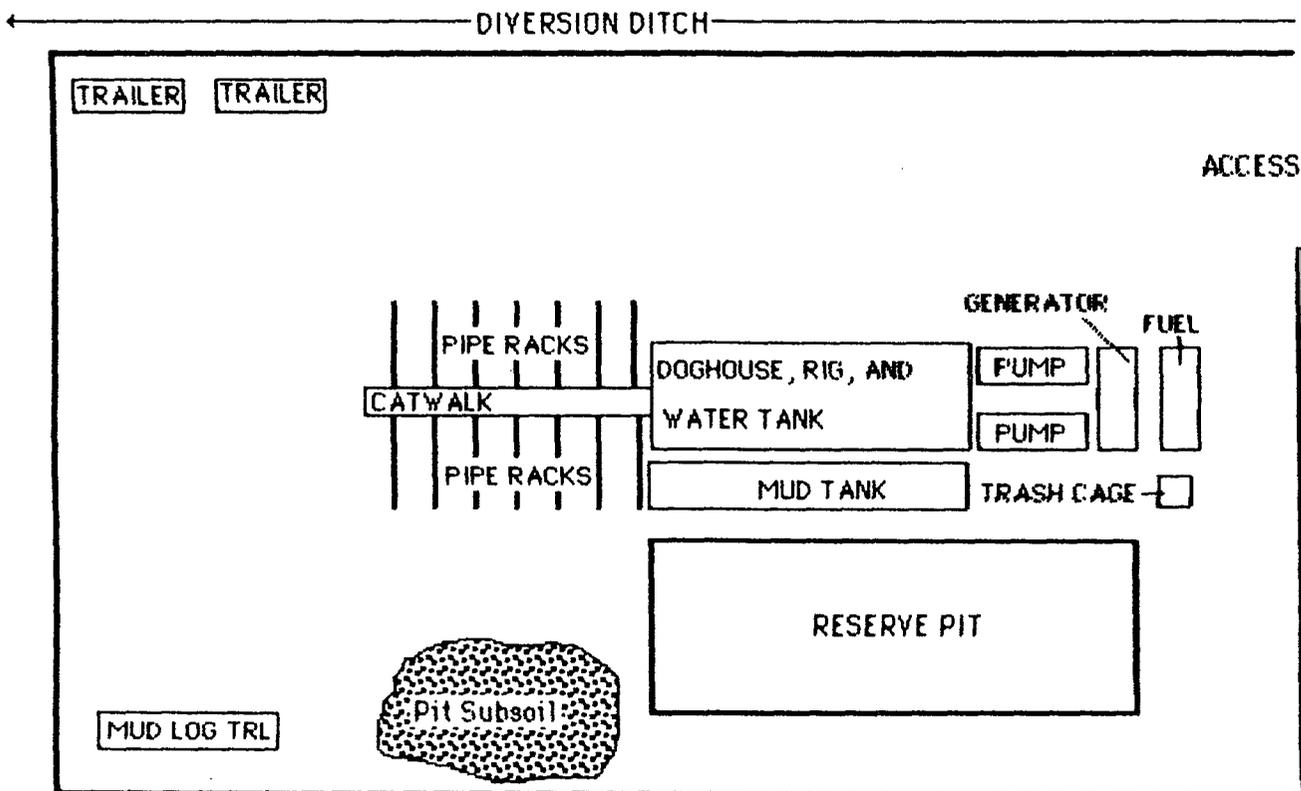
Mustang Flats # 1
well pad & section



□ set wood stake



Texakoma Oil and Corporation
Mustang Flats #1
600' FNL & 600' FEL
Sec. 20, T. 25 N., R. 13 W.
San Juan County, NM



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

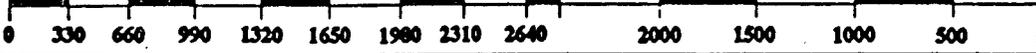
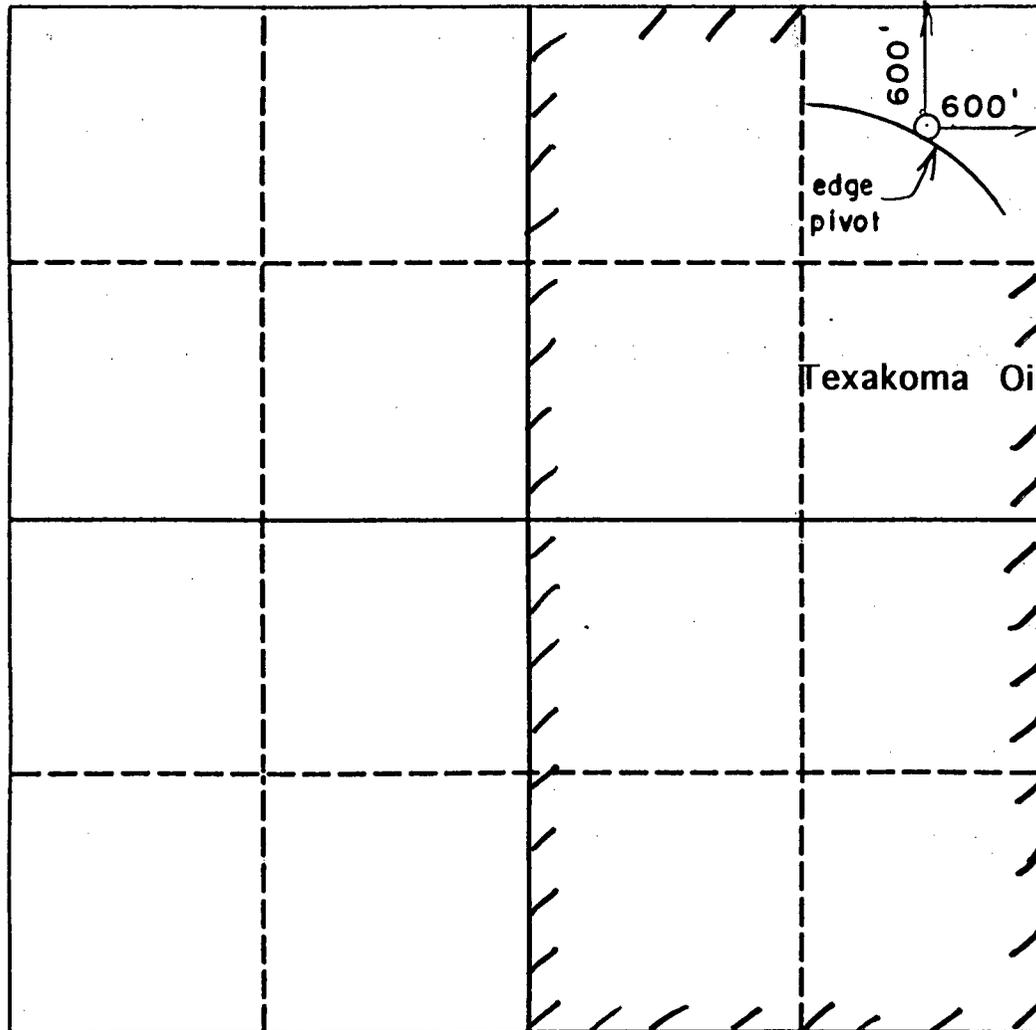
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Texakoma Oil and Gas Corporation			Lease MUSTANG FLATS		Well No. # 1
Unit Letter A	Section 20	Township 25 N.	Range 13 W.	County SAN JUAN	
Actual Footage Location of Well: 600 feet from the NORTH line and 600 feet from the EAST line					
Ground level Elev. 6272'	Producing Formation Fruitland	Pool Basin-Fruitland Coal Gas		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 communization, 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 communization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.

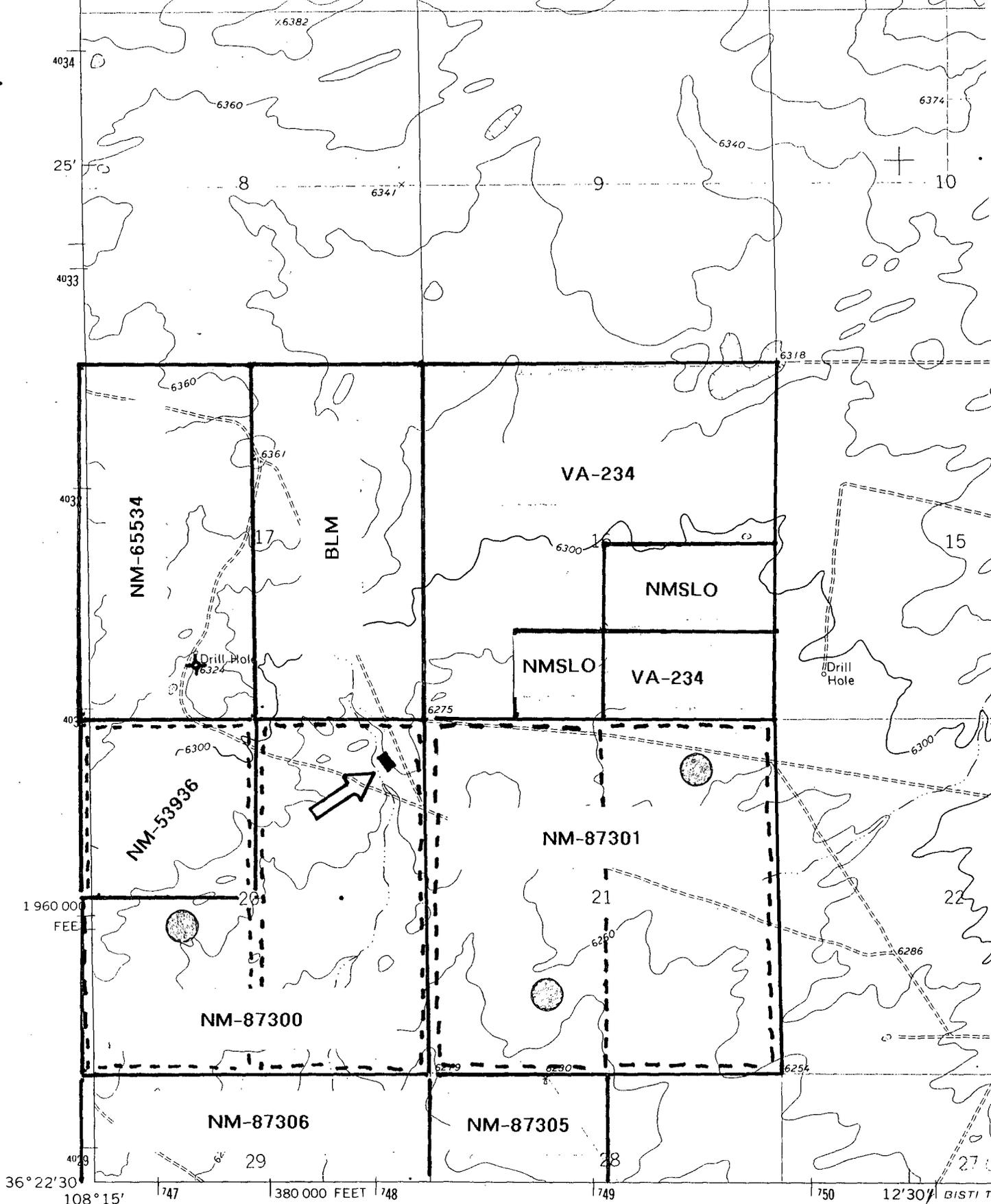


OPERATOR CERTIFICATION
 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

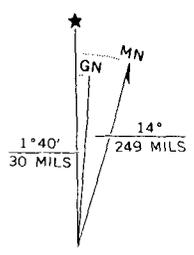
Signature: *Brian Wood*
 Printed Name: **Brian Wood**
 Position: **Consultant**
 Company: **Texakoma Oil and Gas Corporation**
 Date: **March 31, 1994**

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: **8 March 94**
 Signature & Seal of Professional Surveyor: *[Signature]*
 Certificate No.: **6844**



Mapped, edited, and published by the Geological Survey
 Control by USGS, USC&GS, and U.S. Bureau of Reclamation
 Topography by photogrammetric methods from aerial
 photographs taken 1965 and planetable surveys by the
 Bureau of Reclamation 1965. Field checked by USGS 1966
 Polyconic projection. 1927 North American datum
 10,000-foot grid based on New Mexico coordinate system,
 west zone
 1000-meter Universal Transverse Mercator grid ticks,
 zone 12, shown in blue
 Fine red dashed lines indicate...



UTM GRID AND 1966 MAGNETIC NORTH DECLINATION AT CENTER OF SHEET

BISTI TRADING POST
 4356 IV SE

March 19, 1994

Janet Richardson
 Abo Petroleum, Myco Industries, Yates Drilling, Yates Petroleum
 105 South 4th St.
 Artesia, NM 88210

Dear Janet,

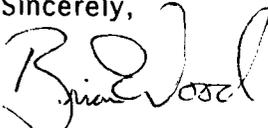
As required by NM Oil Conservation Division Rules; I am notifying you of the following well, a non-standard location. This letter is a notice only. No action need be taken unless you have questions or objections. Two quarter mile radius center pivot irrigation plots planned by the Navajo Indian Irrigation Project will use the entire east half of Section 20 and the entire orthodox drilling window. The proposed well is ≈600' from the closest lease line and over a mile from the closest producing well.

Well Name: Mustang Flats #1 coal gas well, proposed TD of ≈1400'
Legal Location: 600' FNL & 600' FEL Sec. 20, T. 25 N., R. 13 W., San Juan County, NM (see attached map) on Federal lease NM-87300
Approximate Location: 23 air miles south of Farmington, NM.

Applicant Name: Texakoma Oil and Gas Corporation (214) 701-9106
Applicant's Address: 5400 LBJ Freeway, Suite 500, Dallas, Tx. 75240

Submittal Information: An application for an exception location will be filed with the NM Oil Conservation Division before the end of March. If they determine the application complies with the applicable regulations, then it will be approved. The NM Oil Conservation Division address is P.O. Box 2088, Santa Fe, NM 87504. Their phone number is (505) 827-5800.

Please call me if you have any questions.

Sincerely,

 Brian Wood

SENDER: * Complete items 1 and/or 2 for additional services. * Complete items 3, and 4a & b. * Print your name and address on the reverse of this form so that we can return this card to you. * Attach this form to the front of the mailpiece, or on the back if space does not permit. * Write "Return Receipt Requested" on the mailpiece below the article number. * The Return Receipt will show to whom the article was delivered and the date delivered.		I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.	
Article Addressed to: Janet Richardson Abo Petroleum 105 South 4th St Artesia, NM 88210		4a. Article Number P 783 957 726	
5. Signature (Addressee) Janet Richardson		4b. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise	
6. Signature (Agent) Brian Wood		7. Date of Delivery MAR 23 1994	
		8. Addressee's Address (Only if requested and fee is paid)	

Thank you for using Return Receipt Service.

March 19, 1994

Linda Taylor
 BIA
 1400 LaPlata Highway
 Farmington, NM 87401

Dear Linda:

As required by NM Oil Conservation Division Rules; I am notifying you of the following well, a non-standard location. This letter is a notice only. No action need be taken unless you have questions or objections. Two quarter mile radius center pivot irrigation plots planned by the Navajo Indian Irrigation Project will use the entire east half of Section 20 and the entire orthodox drilling window. The proposed well is ≈600' from the closest lease line and over a mile from the closest producing well.

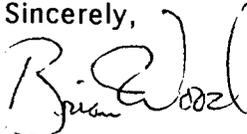
Well Name: Mustang Flats #1 coal gas well, proposed TD of ≈1400'
Legal Location: 600' FNL & 600' FEL Sec. 20, T. 25 N., R. 13 W., San Juan County, NM (see attached map) on Federal lease NM-87300
Approximate Location: 23 air miles south of Farmington, NM.

Applicant Name: Texakoma Oil and Gas Corporation (214) 701-9106
Applicant's Address: 5400 LBJ Freeway, Suite 500, Dallas, Tx. 75240

Submittal Information: An application for an exception location will be filed with the NM Oil Conservation Division before the end of March. If they determine the application complies with the applicable regulations, then it will be approved. The NM Oil Conservation Division address is P.O. Box 2088, Santa Fe, NM 87504. Their phone number is (505) 827-5800.

Please call me if you have any questions.

Sincerely,



Brian Wood

<p>SENDER: Complete items 1 and/or 2 for additional services. Complete items 3, and 4a & b. Print your name and address on the reverse of this form so that we can return this card to you. Attach this form to the front of the mailpiece, or on the back if space does not permit. Write "Return Receipt Requested" on the mailpiece below the article number. The Return Receipt will show to whom the article was delivered and the date delivered.</p>		<p>I also wish to receive the following services (for an extra fee):</p> <p>1. <input type="checkbox"/> Addressee's Address.</p> <p>2. <input type="checkbox"/> Restricted Delivery.</p> <p>Consult postmaster for fee.</p>	
<p>3. Article Addressed to: Linda Taylor BIA 1400 LaPlata Highway Farmington, NM 87401</p>		<p>4a. Article Number P783957731</p>	
<p>4b. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input type="checkbox"/> Certified <input type="checkbox"/> COD <input checked="" type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise</p>		<p>7. Date of Delivery 3-22-94</p>	
<p>Signature (Addressee) _____</p> <p>Signature (Agent) _____</p>		<p>8. Addressee's Address (Only if requested and fee is paid)</p>	

Thank you for using Return Receipt Service.

March 19, 1994

BLM
 1235 LaPlata Highway
 Farmington, NM 87401

Gentlemen:

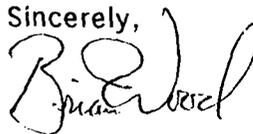
As required by NM Oil Conservation Division Rules; I am notifying you of the following well, a non-standard location. This letter is a notice only. No action need be taken unless you have questions or objections. Two quarter mile radius center pivot irrigation plots planned by the Navajo Indian Irrigation Project will use the entire east half of Section 20 and the entire orthodox drilling window. The proposed well is ≈600' from the closest lease line and over a mile from the closest producing well.

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Applicant Name: Texakoma Oil and Gas Corporation (214) 701-9106
Applicant's Address: 5400 LBJ Freeway, Suite 500, Dallas, Tx. 75240

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Please call me if you have any questions.

Sincerely,

 Brian Wood

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3. Article Addressed to: BLM 1235 LaPlata Highway Farmington, NM 87401		4a. Article Number: P 183957729	
5. Signature (Addressee)		4b. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise	
6. Signature (Agent) Paul Bouglant		7. Date of Delivery: 3-22-94	
PS Form 3811, December 1991		8. Addressee's Address (Only if requested and fee is paid)	
*U.S. GPO: 1992-323-402 DOMESTIC RETURN RECEIPT			

Thank you for using Return Receipt Service.

March 19, 1994

Cyprus Gas Corp.
 P.O. Box 3299
 Englewood, Co. 80155

Gentlemen:

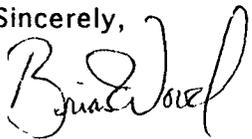
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Approximate Location: 23 air miles south of Farmington, NM.

Applicant Name: Texakoma Oil and Gas Corporation (214) 701-9106
Applicant's Address: 5400 LBJ Freeway, Suite 500, Dallas, Tx. 75240

Submittal Information: An application for an exception location will be filed with the NM Oil Conservation Division before the end of March. If they determine the application complies with the applicable regulations, then it will be approved. The NM Oil Conservation Division address is P.O. Box 2088, Santa Fe, NM 87504. Their phone number is (505) 827-5800.

Please call me if you have any questions.

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 Brian Wood

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3. Article Addressed to: Cyprus Gas Corp PO Box 3299 Englewood CO 80155		4a. Article Number P 18392724	
4b. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise		7. Date of Delivery 03-23-94	
5. Signature (Addressee) _____		8. Addressee's Address (Only if requested and fee is paid)	
6. Signature (Agent) Kenneth E. Deick		_____	

Thank you for using Return Receipt Service

March 19, 1994

Fred Engle
 P.O. Box 26245
 Milwaukee, Wis. 53226

Dear Mr. Engle:

As required by NM Oil Conservation Division Rules; I am notifying you of the following well, a non-standard location. This letter is a notice only. No action need be taken unless you have questions or objections. Two quarter mile radius center pivot irrigation plots planned by the Navajo Indian Irrigation Project will use the entire east half of Section 20 and the entire orthodox drilling window. The proposed well is ~600' from the closest lease line and over a mile from the closest producing well.

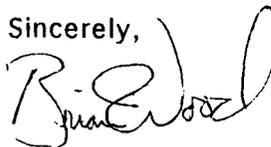
Well Name: Mustang Flats #1 coal gas well, proposed TD of ~1400'
Legal Location: 600' FNL & 600' FEL Sec. 20, T. 25 N., R. 13 W., San Juan County, NM (see attached map) on Federal lease NM-87300
Approximate Location: 23 air miles south of Farmington, NM.

Applicant Name: Texakoma Oil and Gas Corporation (214) 701-9106
Applicant's Address: 5400 LBJ Freeway, Suite 500, Dallas, Tx. 75240

Submittal Information: An application for an exception location will be filed with the NM Oil Conservation Division before the end of March. If they determine the application complies with the applicable regulations, then it will be approved. The NM Oil Conservation Division address is P.O. Box 2088, Santa Fe, NM 87504. Their phone number is (505) 827-5800.

Please call me if you have any questions.

Sincerely,



Brian Wood

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3. Article Addressed to: Fred Engle PO Box 26245 Milwaukee, WI 53226		4a. Article Number P 783957 722	
Signature (Addressee) Fred Engle		4b. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise	
Signature (Agent) Lawrence Wilson		7. Date of Delivery	
		8. Addressee's Address (Only if requested and fee is paid)	

Thank you for using Return Receipt Service.

March 19, 1994

Alan Emmendorfer
 Giant Exploration & Production
 P.O. Box 2810
 Farmington, NM 87499

Dear Alan,

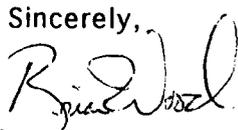
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Applicant's Address: 5400 LBJ Freeway, Suite 500, Dallas, Tx. 75240

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Please call me if you have any questions.

Sincerely,

 Brian Wood

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3. Article Addressed to: Alan Emmendorfer Giant Expl & Prod P.O. Box 2810 Farmington, NM 87499		4a. Article Number P 783 957 727	
5. Signature (Addressee) [Signature]		4b. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input checked="" type="checkbox"/> Return Receipt for Merchandise	
6. Signature (Agent) [Signature]		7. Date of Delivery [Stamp: MAR 21 1994]	
8. Addressee's Address (Only if requested and fees is paid)		[Stamp: NM OIL CONSERVATION DIVISION]	

Thank you for using Return Receipt Service

March 19, 1994

Rev. E. F. Hixon Trust
 Winifred S. Chumney
 W. T. Chumney, Jr.
 R. P. Brewer III
 Marigny I. Brewer
 Betty B. Brewer
 40 NE Loop 410
 San Antonio, Tx. 78216

As required by NM Oil Conservation Division Rules; I am notifying you of the following well, a non-standard location. This letter is a notice only. No action need be taken unless you have questions or objections. Two quarter mile radius center pivot irrigation plots planned by the Navajo Indian Irrigation Project will use the entire east half of Section 20 and the entire orthodox drilling window. The proposed well is ≈600' from the closest lease line and over a mile from the closest producing well.

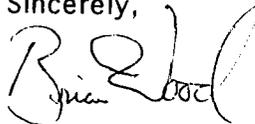
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Approximate Location: 23 air miles south of Farmington, NM.

Applicant Name: Texakoma Oil and Gas Corporation (214) 701-9106
Applicant's Address: 5400 LBJ Freeway, Suite 500, Dallas, Tx. 75240

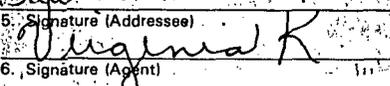
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Please call me if you have any questions.

Sincerely,



Brian Wood

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3. Article Addressed to: Chumney, Brewer, et al c/o W.T. Chumney, Jr. 40 NE Loop 410, #200 San Antonio, Tx. 78216		4a. Article Number P 327 263 385	
5. Signature (Addressee) 		4b. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise	
6. Signature (Agent)		7. Date of Delivery	
8. Addressee's Address (Only if requested and fee is paid)		Thank you for using Return Receipt Service.	
PS Form 3811, December 1991 *U.S. GPO: 1992-323-402			

PERMITS WEST, INC.

PROVIDING PERMITS for the ENERGY INDUSTRY
17 Verano Loop, Santa Fe, New Mexico 87505 (505) 984-8120

March 19, 1994

Mary Patton
Texakoma Oil and Gas Corporation
5400 LBJ Freeway, Suite 500
Dallas, Tx. 75240

Dear Mary,

As required by NM Oil Conservation Division Rules; I am notifying you of the following well, a non-standard location. This letter is a notice only. No action need be taken unless you have questions or objections. Two quarter mile radius center pivot irrigation plots planned by the Navajo Indian Irrigation Project will use the entire east half of Section 20 and the entire orthodox drilling window. The proposed well is \approx 600' from the closest lease line and over a mile from the closest producing well.

Well Name: Mustang Flats #1 coal gas well, proposed TD of \approx 1400'
Legal Location: 600' FNL & 600' FEL Sec. 20, T. 25 N., R. 13 W., San Juan County, NM (see attached map) on Federal lease NM-87300
Approximate Location: 23 air miles south of Farmington, NM.

Applicant Name: Texakoma Oil and Gas Corporation (214) 701-9106
Applicant's Address: 5400 LBJ Freeway, Suite 500, Dallas, Tx. 75240

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Please call me if you have any questions.

Sincerely,



Brian Wood

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3. Article Addressed to: Mary Patton Texakoma Oil Corp 5400 LBJ Freeway #500 Dallas, TX 75240		4a. Article Number P 183-957-728	Thank you for using Return Receipt Service
4b. Service Type <input checked="" type="checkbox"/> Registered <input type="checkbox"/> Insured <input type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise			
5. Signature (Addressee): Mary Patton		7. Date of Delivery 3-24-94	
6. Signature (Agent): [Signature]		8. Addressee's Address (Only if requested and fee is paid)	

PS Form 3811, December 1991 U.S. EPO: 1992-323-402 DOMESTIC RETURN RECEIPT

March 19, 1994

Leo Soukup
 NIIP
 304 North Auburn, Suite B
 Farmington, NM 87401

Dear Leo:

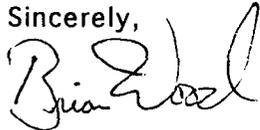
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Applicant Name: Texakoma Oil and Gas Corporation (214) 701-9106
Applicant's Address: 5400 LBJ Freeway, Suite 500, Dallas, Tx. 75240

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Please call me if you have any questions.

Sincerely,

 Brian Wood

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3. Article Addressed to: Leo Soukup - NIIP 304 N. Auburn #B Farmington NM 87401		4a. Article Number P 783 951 730	
5. Signature (Addressee)		4b. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise	
6. Signature (Agent) Ernest Jella Sr.		7. Date of Delivery 3-22-94	
		8. Addressee's Address (Only if requested and fee is paid)	

Thank you for using Return Receipt Service

March 19, 1994

Floyd Prando
 NM State Land Office
 P.O. Box 1148
 Santa Fe, NM 87504

Dear Mr. Prando:

As required by NM Oil Conservation Division Rules; I am notifying you of the following well, a non-standard location. This letter is a notice only. No action need be taken unless you have questions or objections. Two quarter mile radius center pivot irrigation plots planned by the Navajo Indian Irrigation Project will use the entire east half of Section 20 and the entire orthodox drilling window. The proposed well is ≈600' from the closest lease line and over a mile from the closest producing well.

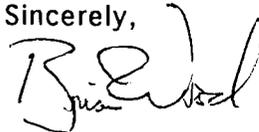
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Please call me if you have any questions.

Sincerely,



Brian Wood

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3. Article Addressed to: Floyd Prando State Land Office P.O. Box 1148 Santa Fe, NM 87504		4a. Article Number 327 263 383	
5. Signature (Addressee) Mike J.		4b. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise	
6. Signature (Agent)		8. Addressee's Address (Only if requested and fee is paid)	

Thank you for using Return Receipt Service.

March 19, 1994

Billie Robinson
 P.O. Box 1281
 Santa Fe, NM 87504

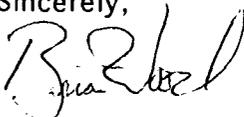
As required by NM Oil Conservation Division Rules; I am notifying you of the following well, a non-standard location. This letter is a notice only. No action need be taken unless you have questions or objections. Two quarter mile radius center pivot irrigation plots planned by the Navajo Indian Irrigation Project will use the entire east half of Section 20 and the entire orthodox drilling window. The proposed well is ≈600' from the closest lease line and over a mile from the closest producing well.

Well Name: Mustang Flats #1 coal gas well, proposed TD of ≈1400'
Legal Location: 600' FNL & 600' FEL Sec. 20, T. 25 N., R. 13 W., San Juan County, NM (see attached map) on Federal lease NM-87300
Approximate Location: 23 air miles south of Farmington, NM.

Applicant Name: Texakoma Oil and Gas Corporation (214) 701-9106
Applicant's Address: 5400 LBJ Freeway, Suite 500, Dallas, Tx. 75240

Submittal Information: An application for an exception location will be filed with the NM Oil Conservation Division before the end of March. If they determine the application complies with the applicable regulations, then it will be approved. The NM Oil Conservation Division address is P.O. Box 2088, Santa Fe, NM 87504. Their phone number is (505) 827-5800.

Please call me if you have any questions.

Sincerely,

 Brian Wood

SENDER: * Complete items 1 and/or 2 for additional services. * Complete items 3, and 4a & b. * Print your name and address on the reverse of this form so that we can return this card to you. * Attach this form to the front of the mailpiece, or on the back if space does not permit. * Write "Return Receipt Requested" on the mailpiece below the article number. * The Return Receipt will show to whom the article was delivered and the date delivered.		I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fees.	
3. Article Addressed to: Billie Robinson P.O. Box 1281 Santa Fe, NM 87504		4a. Article Number P 183 957 721	
5. Signature (Addressee) Billie Robinson		4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Insured <input type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise	
6. Signature (Agent)		Date of Delivery 3/19/94	
		8. Addressee's Address (Only if requested and fee is paid)	

Thank you for using Return Receipt Service.

March 19, 1994

Steve Speer
 Speerex Ltd. Partnership
 P.O. Box 266
 Roswell, NM 88202

Dear Steve,

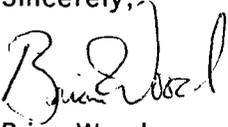
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3. Article Addressed to:	4a. Article Number	4b. Service Type	7. Date of Delivery
Steve Speer Speerex Ltd Partnership P.O. Box 266 Roswell, NM 88202	P 783 957 723	<input type="checkbox"/> Registered <input type="checkbox"/> Insured <input type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise	3-24-94
Signature (Addressee) Steve W. Speer	8. Addressee's Address (Only if requested and fee is paid)		

Thank you for using Return Receipt Service.

1" equals 1,000'

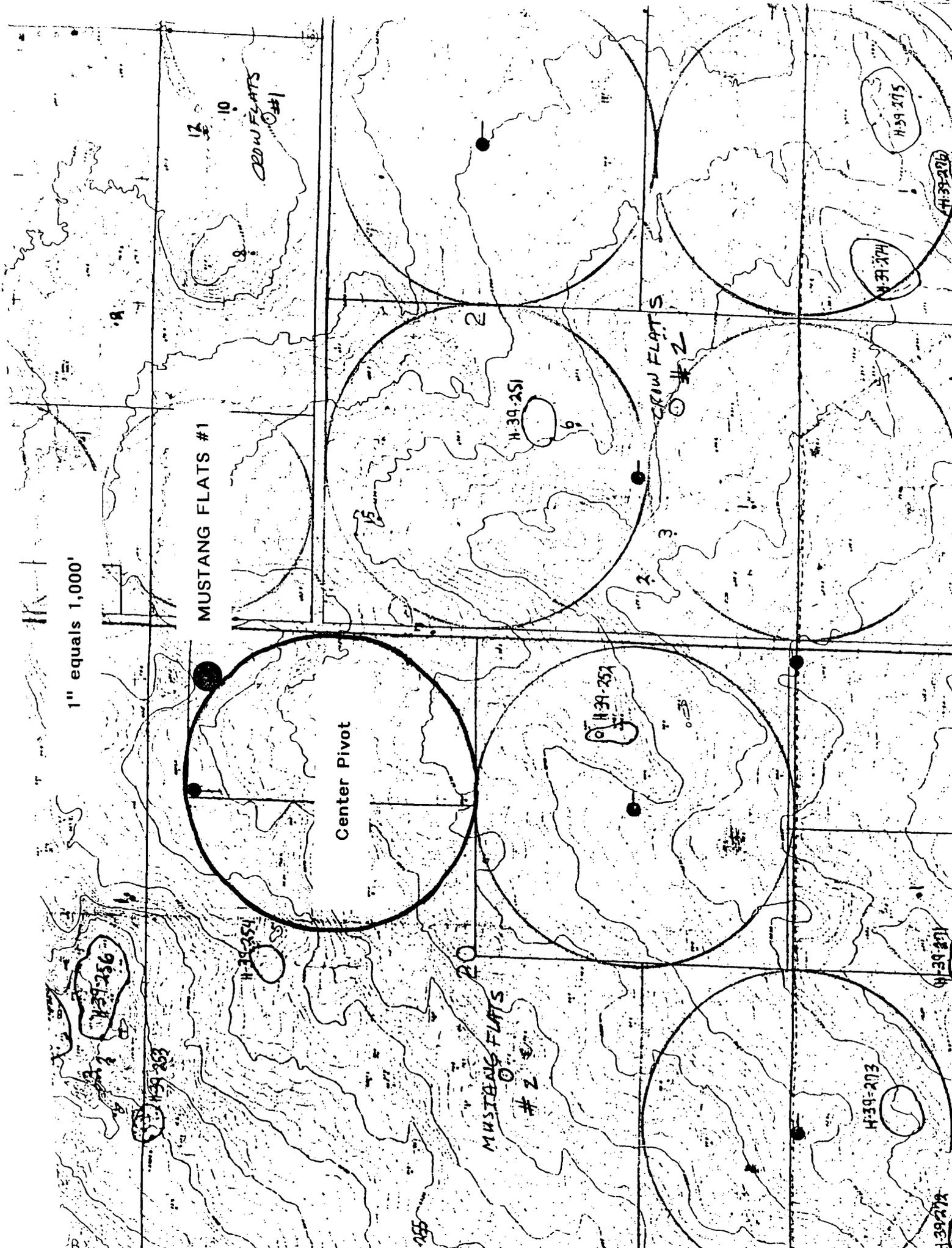
MUSTANG FLATS #1

Center Pivot

MUSTANG FLATS #2

CROW FLATS #2

CROW FLATS #1



H-39-256

H-39-251

H-39-257

H-39-251

H-39-203

H-39-274

H-39-275

H-39-274

H-39-274