

ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
- Engineering Bureau -

**ADMINISTRATIVE APPLICATION COVERSHEET**

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

**Application Acronyms:**

- [NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
- [DD-Directional Drilling] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

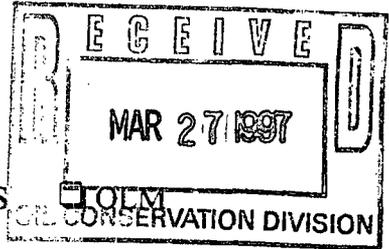
[1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**

- [A] Location - Spacing Unit - Directional Drilling  
 NSL     NSP     DD     SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement  
 DHC     CTB     PLC     PC     OLS     OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
 WFX     PMX     SWD     IPI     EOR     PPR



[2] **NOTIFICATION REQUIRED TO: - Check Those Which Apply, or  Does Not Apply**

- [A]  Working, Royalty or Overriding Royalty Interest Owners
- [B]  Offset Operators, Leaseholders or Surface Owner
- [C]  Application is One Which Requires Published Legal Notice
- [D]  Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E]  For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F]  Waivers are Attached

[3] **INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding**

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

**James Bruce**  
**P.O. Box 1056**  
**Santa Fe, NM 87504**  
 \_\_\_\_\_  
 Print or Type Name

*James Bruce*  
 \_\_\_\_\_  
 Signature

*Attorney*  
 \_\_\_\_\_  
 Title

3/20/97  
 \_\_\_\_\_  
 Date

**JAMES BRUCE**  
ATTORNEY AT LAW

POST OFFICE BOX 1056  
SANTA FE, NEW MEXICO 87504

SUITE B  
612 OLD SANTA FE TRAIL  
SANTA FE, NEW MEXICO 87501

(505) 982-2043  
(505) 982-2151 (FAX)

March 26, 1997

Hand Delivered

Michael E. Stogner  
New Mexico Oil Conservation Division  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

Dear Mr. Stogner:

Pursuant to Division Rule 104.F(2) and Rule 8 of the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool, NM&O Operating Company hereby applies for administrative approval of an unorthodox gas well location for the following well:

Invader Fed. Well No. 1  
1040 feet FNL & 850 feet FWL  
W $\frac{1}{2}$  S1, Township 24 North, Range 2 West, NMPM  
Rio Arriba County, New Mexico

The well was originally drilled and completed in the Gavilan-Mancos Pool, and has been recompleted in the Basin-Fruitland Coal Gas Pool. The well is unorthodox because it is the first coal gas well in the unit, but it is not in the SW $\frac{1}{4}$  of Section 1, as required by Order No. R-8768, as amended.

Based upon my examination of the records of the Bureau of Land Management and the Division, the offset operators or lessees entitled to receive notice of this application are as follows:

S $\frac{1}{2}$  S36-25N-2W: Dugan Production Company (operator)  
P.O. Box 420  
Farmington, New Mexico 87499

S $\frac{1}{2}$  S35-25N-2W: NM&O Operating Company (operator)

E $\frac{1}{2}$  S2-24N-2W: Floyd Oil Company (lessee)  
Suite 1740  
711 Louisiana  
Houston, Texas 77002

Benson-Montin-Greer Drilling Corp. (lessee)  
Suite 221  
501 Airport Drive  
Farmington, New Mexico 87401

Grand Valley Gas Company (lessee)  
Suite 600  
47 West 200 South  
Salt Lake City, Utah 84101

E½ §1-24N-2W: NM&O Operating Company (operator)

The above persons have been notified of this application by certified mail. A copy of the notice letter is attached hereto as Exhibit A.

This application is submitted in duplicate. Please call me if you need anything further on this matter.

Very truly yours,



James Bruce

Attorney for NM&O  
Operating Company

cc: Jan Shields

nmo-aap.u01

**JAMES BRUCE**  
ATTORNEY AT LAW

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SANTA FE, NEW MEXICO 87504

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(505) 982-2043  
(505) 982-2151 (FAX)

March 26, 1997

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Dugan Production Company  
P.O. Box 420  
Farmington, New Mexico 87499

Floyd Oil Company  
Suite 1740  
711 Louisiana  
Houston, Texas 77002  
Attn: W. Gregg Adkins

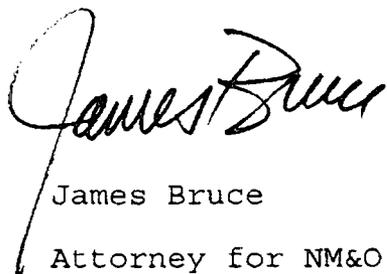
Benson-Montin-Greer  
Drilling Corporation  
Suite 221  
501 Airport Drive  
Farmington, New Mexico 87401

Grand Valley Gas Company  
Suite 600  
47 West 200 South  
Salt Lake City, Utah 84101

Dear Sirs:

NM&O Operating Company has filed an administrative application for an unorthodox gas well location with the New Mexico Oil Conservation Division regarding the W $\frac{1}{2}$  of Section 1, Township 24 North, Range 2 West, Rio Arriba County, New Mexico (Invader Fed. Well No. 1). A copy of the application is enclosed. If you have an objection to the application, you must notify the Division in writing no later than April 15, 1997. The Division's address is 2040 South Pacheco Street, Santa Fe, New Mexico 87505.

Very truly yours,

  
James Bruce  
Attorney for NM&O  
Operating Company



Sec : 01 Twp : 24N Rng : 02W Section Type : NORMAL

4 42.50  Federal owned  A	3 42.56  Federal owned	2 42.60  Federal owned	1 42.66  Federal owned
E 40.00  Federal owned	F 40.00  Federal owned	G 40.00  Federal owned	H 40.00  Fee owned

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PF01 HELP    PF02    PF03 EXIT    PF04 GoTo    PF05    PF06  
PF07 BKWD    PF08 FWD    PF09 PRINT    PF10 SDIV    PF11    PF12

82.50  
82.56  

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165.06  
82.6  

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247.66  
82.66  

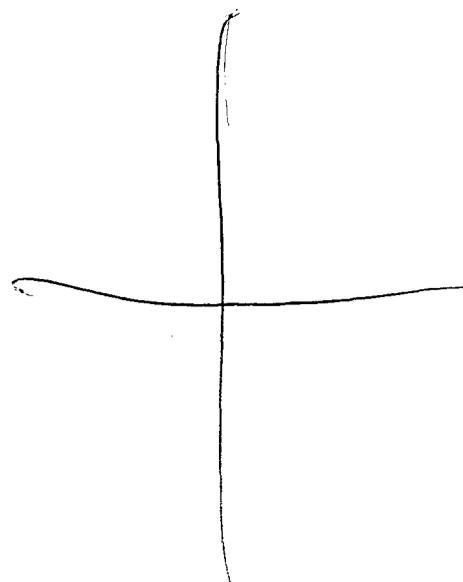
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330.32

165.06  
16  

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325.66



Sec : 01 Twp : 24N Rng : 02W Section Type : NORMAL

L 40.00  Federal owned	K 40.00  Federal owned	J 40.00  Fee owned	I 40.00  Fee owned
M 40.00  Fee owned	N 40.00  Fee owned	O 40.00  Fee owned	P 40.00  Fee owned

PF01 HELP    PF02            PF03 EXIT    PF04 GoTo    PF05            PF06  
PF07 BKWD    PF08 FWD       PF09 PRINT   PF10 SDIV     PF11            PF12