

8/20/97

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

July 30, 1997

Certified Mail - Return Receipt Requested #P 358638348

Mr. William J. LeMay, Chairman
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

RE: Request for Administrative Approval of a
Non-Standard Basin Fruitland Coal Location
M&G Drilling Company
Schlosser #97
623' FSL and 1347' FWL
Section 34, T28N R11W
San Juan County, New Mexico

Gentlemen:

KM Production Company is an agent for M&G Drilling Company. M&G Drilling Company requests approval of a non-standard gas well location for the drilling of their Schlosser #97 Basin Fruitland Coal well at 623' FSL and 1347' FWL of Section 34 of T28N R11W. Enclosed as Attachment #1 is a Well Location and Acreage Dedication Plat for this well. The topography in the SW ¼ of Section 34 is extremely rugged and the staked location for the Schlosser #97 is the only feasible place to drill a well in this quarter section. A topographic map is enclosed as Attachment #2 to demonstrate the rough terrain in this area.

Attachment #3 is a map showing the Fruitland Coal formation ownership of the leases surrounding the proposed Schlosser #97 well. This new well is located too close to the southern boundary of Section 34. You will note that M&G Drilling Company has ownership of the acreage to the south of this well which is being encroached upon. The remaining Fruitland Coal leases around this well are owned by Amoco Production Company and Marathon Oil Company. Copies of this letter have been sent by certified mail to these companies notifying them of this request. Copies of these return receipts are shown in Attachment #4. As per NMOCD regulations, by copy of this letter to offset leaseholders, M&G Drilling Company is asking offset leaseholders that they waive any objection to this Fruitland Coal formation non-standard location.

I believe this request provides all the information required by NMOCD regulations for administrative approval of this non-standard location request. If any other information is needed, please call. Your prompt response to this request is appreciated.

Sincerely,

Kevin H. McCord
Petroleum Engineer

Attachments

District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 PO Drawer DD, Artesia, NM 88211-0719
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

Form C-102
 Revised February 21, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name SCHLOSSER		⁶ Well Number 97
⁷ OGRID No.	⁸ Operator Name M & G DRILLING COMPANY, INC.		⁹ Elevation 5996

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	34	28 N	11 W		623	South	1347	West	San Juan

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><i>Kevin H. McCord</i></p> <p>Signature Kevin H. McCord Printed Name Agent - Petroleum Engineer Title 7/30/97 Date</p>
	<p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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 belief.</p> <p>Date of Survey</p> <p>Signature and Seal</p> <p>William E. Mann Certificate Number 8466</p>

6° 37' 30" 108° 00' 232000mE

233

234

235

57' 30"

236

4057000mN

4056

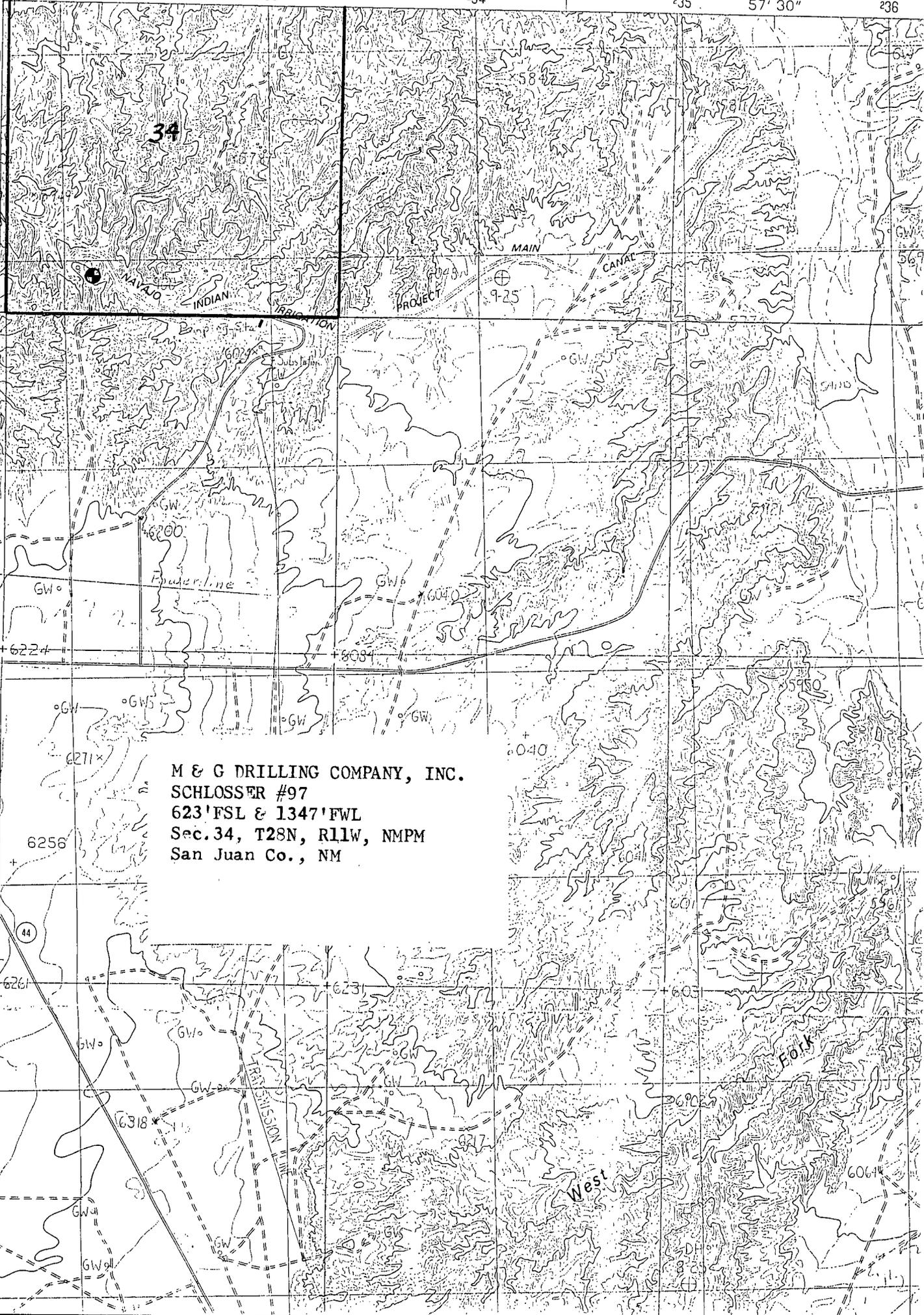
4055

4054

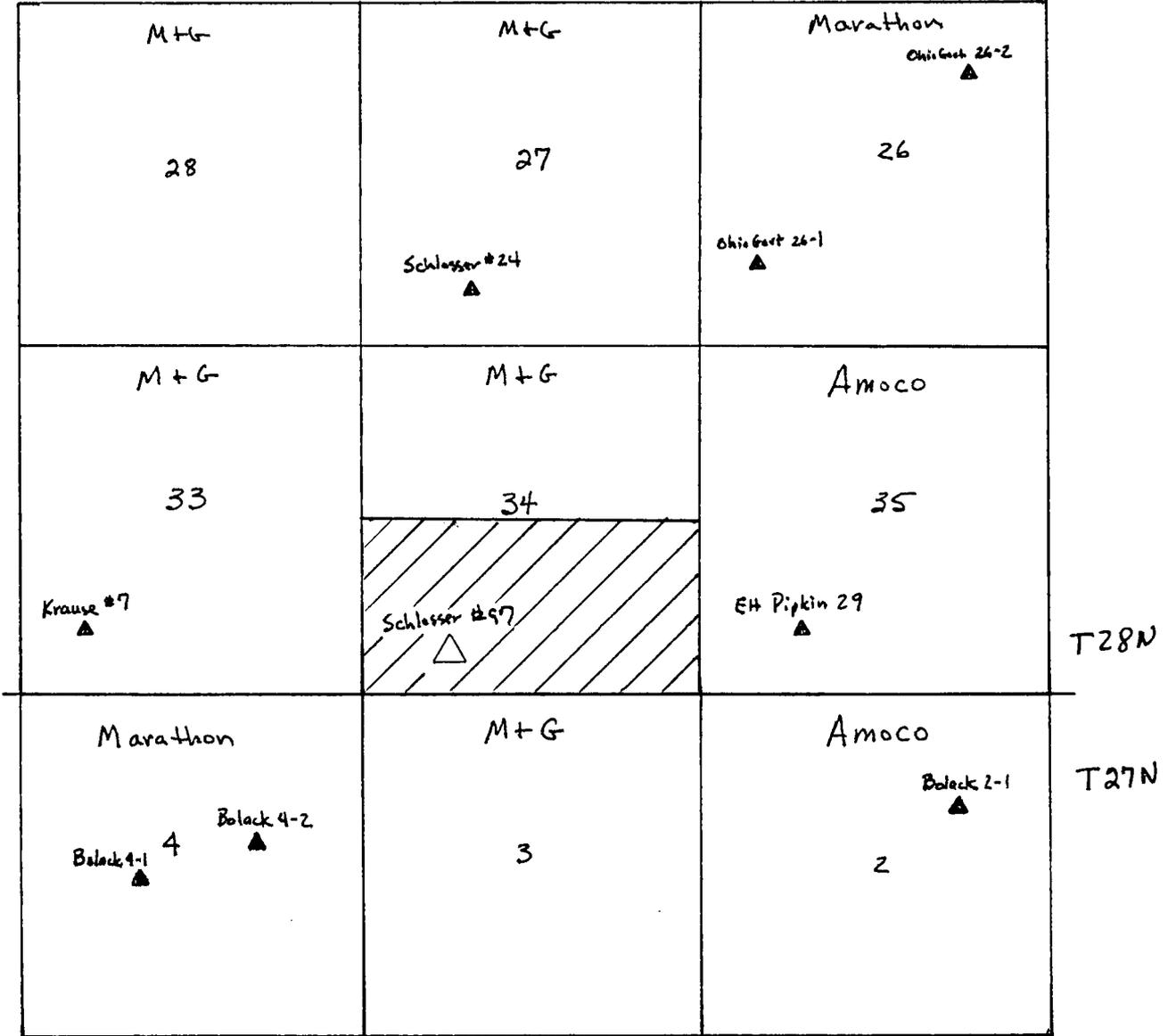
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4051



Fruitland Coal Formation Ownership in the
Vicinity of the Schlosser #97 Well
S 1/2 Section 34, T28N R11W



P 386 810 294

US Postal Service
Receipt for Certified Mail
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Sent to Amoco	
Street & Number Po Box 800	
Post Office, State, & ZIP Code Denver, Co 80201-0800	
Postage	\$ 1.01
Certified Fee	1.10
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 3.21
Postmark or Date 7-30-97	

PS Form 3800, April 1995

Fold at line over top of envelope to the right of the return address

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MAIL

P 386 810 293

US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided.
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Sent to Marathon Oil Company	
Street & Number Po Box 2330	
Post Office, State, & ZIP Code Casper, Wyo 82602	
Postage	\$ 1.01
Certified Fee	1.10
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 3.21
Postmark or Date 7-30-97	

PS Form 3800, April 1995

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P 386 810 293

MAIL

Sec : 34 Twp : 28N Rng : 11W Section Type : **NORMAL**

D 40.00 Federal owned	C 40.00 Federal owned	B 40.00 Federal owned	A 40.00 Federal owned A
E 40.00 Federal owned	F 40.00 Federal owned A	G 40.00 Federal owned	H 40.00 Federal owned

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

Sec : 34 Twp : 28N Rng : 11W Section Type : **NORMAL**

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

PF01 **HELP** PF02
PF07 **BKWD** PF08 **FWD** PF03 **EXIT** PF04 **GoTo** PF05
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