

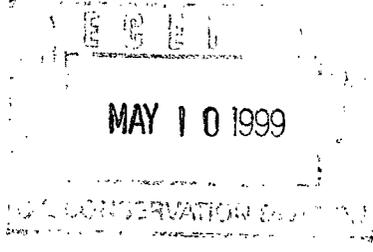
NSL

5/31/99

A. R. KENDRICK

Box 516
Aztec, New Mexico 87410
(505) 334-2555

May 6, 1999



Ms. Lori Wrotenbery
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: Application for Non-Standard Location for
Texakoma Oil & Gas Corporation
La Plata 7 #1, 790' FSL 650' FEL P-7-31N-13W
Basin Fruitland Coal Pool

Dear Ms. Wrotenbery:

Texakoma Oil and Gas Corporation hereby requests approval for an off-pattern location for its La Plata 7 #1 well to be located 790' FSL and 650' FEL of section 7, Township 31 North, Range 13 West, in the Basin Fruitland Coal Gas Pool, San Juan County for geological and topographic reasons.

The well will be near the western edge of the productive area of the fruitland Coal formation. A location in the northeast quarter would possibly result in a marginal well.

The move is an attempt to distance the well bore from the Fruitland Coal outcrop to the west which is a source of the water which percolates into the pay zone. Also, by moving the well as far south and east as possible in the section the depth of the pay zone will be increased by as much as 500 feet; thus, increasing the reservoir pressure.

The location at 790' FSL 790' FEL falls on the slope of a massive sandstone outcrop more than 40 feet in thickness, and where construction costs would be prohibitive. The location at 790' FSL 650' FEL is adjacent to the sandstone outcrop, and construction costs would be much less.

All offset operators or owners as shown on the enclosed exhibit were notified of this application by Certified Mail at the same time as the mailing of this application.

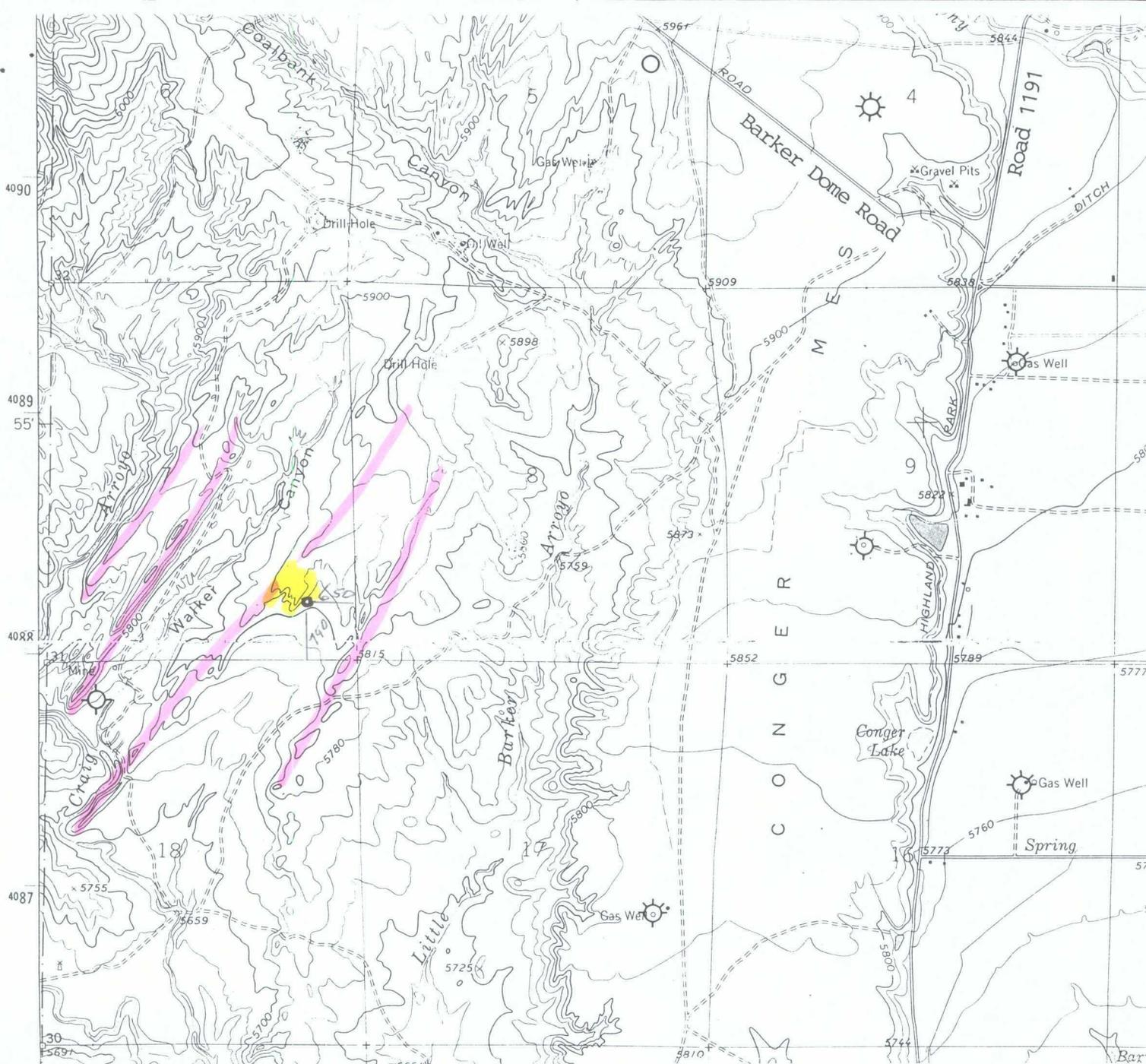
If there are questions, please contact me or Texakoma Oil and Gas Corporation.

Yours very truly,

A. R. Kendrick
A. R. Kendrick

Enclosures

cc: OCD, Aztec, NM
Offset owners as listed via Certified Mail Return Receipt



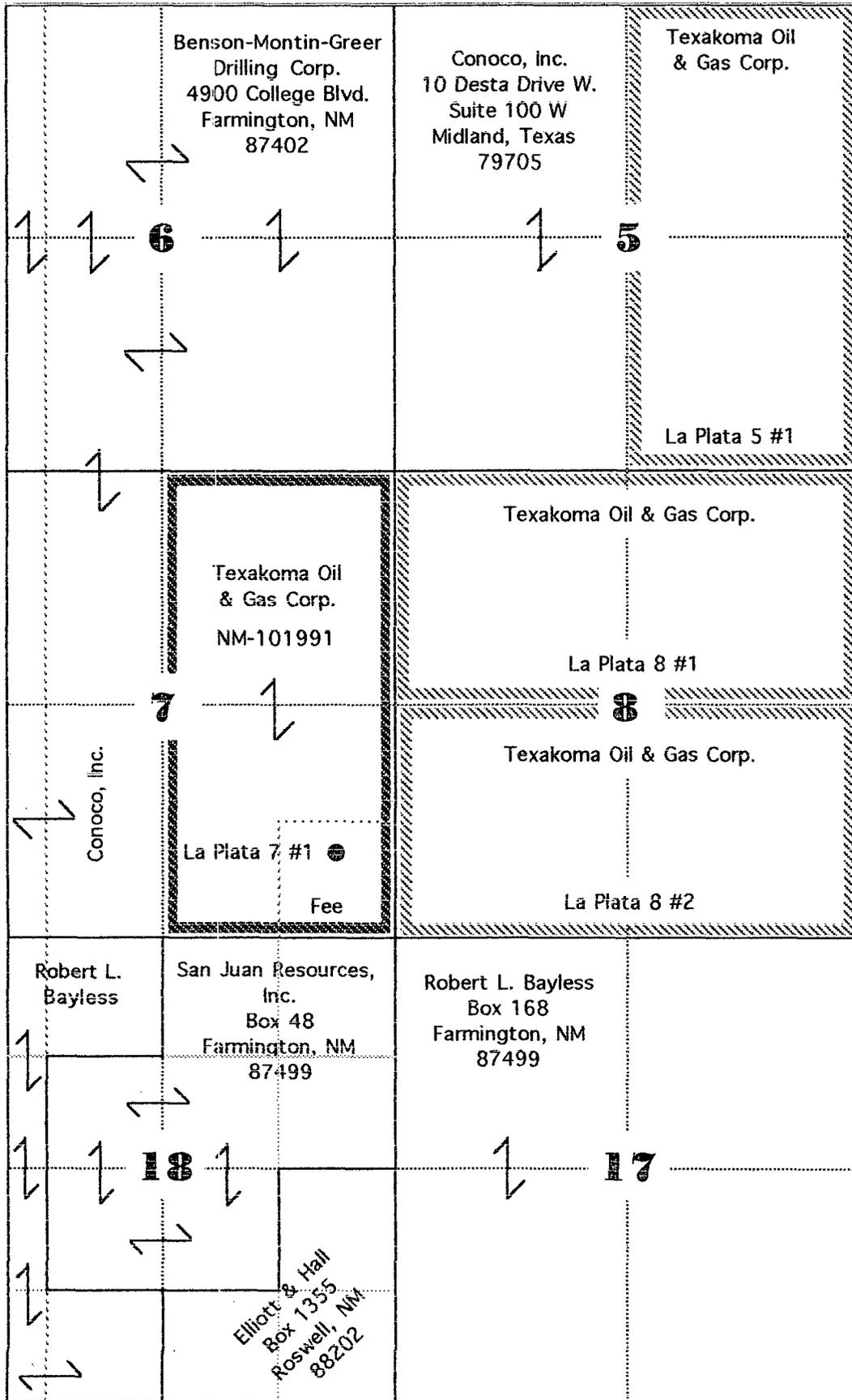
TOWNSHIP 31 NORTH, RANGE 13 WEST

The ridge lines highlighted in pink are possible results from the drainage pattern created by fracture lines formed by the subsidence of the San Juan Basin; thus, the formation of the Hogback to the northwest of this area. Dips as steep as sixty degrees (60°) have been reported in the steeper portion of the bending.

The area highlighted in yellow is a massive sandstone outcrop.

Texakoma Oil & Gas Corp. would like to move their new well in the east half of section 7 as far down-dip as possible for reasons stated in the cover letter.

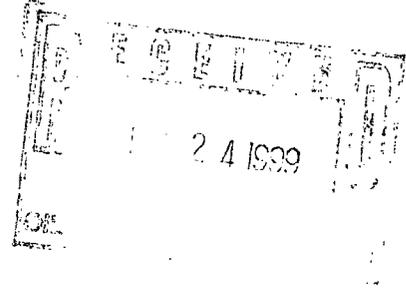
OFFSET OPERATORS OR OWNERS



A. R. KENDRICK

Box 516
Aztec, New Mexico 87410
(505) 334-2555

May 22, 1999



Ms. Lori Wrotenbery
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: Application for Non-Standard Location for
Texakoma Oil & Gas Corporation
La Plata 7 #1, 790' FSL 650' FEL P-7-31N-13W
Basin Fruitland Coal Pool

Dear Ms. Wrotenbery:

Enclosed are the Return Receipt Cards from the offset owners for the subject application.
If there are questions, please contact me or Texakoma Oil and Gas Corporation.

Yours very truly,


A. R. Kendrick

Enclosure

Z 437 491 195

US Postal Service
Receipt for Certified Mail

No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

Sent to Robert L. Bayless	
Street & Number P. O. Box 168	
Post Office, State, & ZIP Code Farmington, NM 87499-0168	
Postage	\$ 33
Certified Fee	140
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	125
Return Receipt Showing to Whom, Date, & Addressee's Address	91
TOTAL Postage & Fees	\$ 298
Postmark or Date	

PS Form 3800, April 1995

Z 437 491 196

US Postal Service
Receipt for Certified Mail

No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

Sent to Benson-Montin-Greer Drlg.	
Street & Number 4900 College Blvd.	
Post Office, State, & ZIP Code Farmington, NM 87402	
Postage	\$ 33
Certified Fee	140
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	125
Return Receipt Showing to Whom, Date, & Addressee's Address	98
TOTAL Postage & Fees	\$ 298
Postmark or Date	

PS Form 3800, April 1995

Z 437 491 197

US Postal Service
Receipt for Certified Mail

No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

Sent to Conoco, Inc.	
Street & Number 10 Desta Drive W, Ste 100W	
Post Office, State, & ZIP Code Midland, TX 79705	
Postage	\$ 33
Certified Fee	140
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	125
Return Receipt Showing to Whom, Date, & Addressee's Address	98
TOTAL Postage & Fees	\$ 298
Postmark or Date	

PS Form 3800, April 1995

Z 437 491 198

US Postal Service
Receipt for Certified Mail

No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

Sent to Elliott & Hall	
Street & Number P.O. Box 1355	
Post Office, State, & ZIP Code Roswell, NM 88202-1355	
Postage	\$ 33
Certified Fee	140
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	125
Return Receipt Showing to Whom, Date, & Addressee's Address	98
TOTAL Postage & Fees	\$ 298
Postmark or Date	

PS Form 3800, April 1995

Z 437 491 200

US Postal Service
Receipt for Certified Mail

No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

Sent to Merrion Oil & Gas Corp.	
Street & Number 610 Reilly Avenue	
Post Office, State, & ZIP Code Farmington, NM 87401	
Postage	\$ 55
Certified Fee	140
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	125
Return Receipt Showing to Whom, Date, & Addressee's Address	98
TOTAL Postage & Fees	\$ 320
Postmark or Date	

PS Form 3800, April 1995

Z 437 488 444

US Postal Service
Receipt for Certified Mail

No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

Sent to San Juan Resources, Inc.	
Street & Number One Broadway, Ste 330-A	
Post Office, State, & ZIP Code Denver, CO 80203	
Postage	\$.33
Certified Fee	140
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	125
Return Receipt Showing to Whom, Date, & Addressee's Address	98
TOTAL Postage & Fees	\$ 298
Postmark or Date	

PS Form 3800, April 1995

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

05/17/99 08:08:41
OGOMES -TPNX
PAGE NO: 1

Sec : 07 Twp : 31N Rng : 13W Section Type : NORMAL

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2 5.95 Federal owned	F 40.00 Federal owned	G 40.00 Federal owned	H 40.00 Federal owned

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PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

05/17/99 08:08:59
OGOMES -TPNX
PAGE NO: 2

Sec : 07 Twp : 31N Rng : 13W Section Type : NORMAL

3 6.05 Federal owned	K 40.00 Federal owned	J 40.00 Federal owned	I 40.00 Federal owned
4 6.15 Federal owned	N 40.00 Federal owned	O 40.00 Federal owned	P 40.00 Federal owned A

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

CMD : ONGARD 05/17/99 08:09:14
OG6C101 C101-APPLICATION FOR PERMIT TO DRILL OGOMES -TPNX

OGRID Idn : 22521 API Well No: 30 45 29920 APD Status(A/C/P): A
Opr Name, Addr: TEXAKOMA OIL & GAS CORP Aprvl/Cncl Date : 05-05-1999
5400 LBJ FRWY
STE 500
DALLAS, TX 75240

Prop Idn: 24583 LA PLATA 7 Well No: 1

	U/L	Sec	Township	Range	Lot Idn	North/South	East/West
	---	---	-----	-----	-----	-----	-----
Surface Locn : P	7	31N	13W		FTG 790 F S	FTG 650 F E	
OCD U/L : P		API County :	45				

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C): G Cable/Rotary (C/R) : F
Lease typ(F/S/P/N/J/U/I): P Ground Level Elevation : 5805

State Lease No: Multiple Comp (Y/N) : N
Prpsd Depth : 2000 Prpsd Frmtn : BASIN FRUITLAND COAL

E0009: Enter data to modify record

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06 CONFIRM
PF07	PF08	PF09 PRINT	PF10 C102	PF11 HISTORY	PF12



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

April 16, 1999

Texakoma Oil & Gas Corporation
c/o A. R. Kendrick
Box 516
Aztec, New Mexico 87410

Re: *Administrative application dated April 19, 1999 for an unorthodox off-pattern Basin-Fruitland Coal gas well location for Texakoma Oil & Gas Corporation's La Plata "7" Well No. 1 to be drilled in the SE/4 of Section 7, Township 31 North, Range 13 West, NMPM, San Juan County, New Mexico.*

Dear Mr. Kendrick:

I am returning the subject application as incomplete. Should you wish to resubmit this application, please include a copy of this well's APD and Form C-102. Also, Rule 8 of the "*Special Rules and Regulations of the Basin-Fruitland Coal (Gas) Pool*" provides that all off-set operators or owners of undrilled tracts are to be notified (see copy of Order No. R-8768, as amended, attached). It does not appear that this was attempted.

Should you have any questions concerning this matter please contact me in Santa Fe at (505) 827-8185.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner".

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Aztec
Kathy Valdes, NMOCD - Santa Fe

NSL 5/5/99

A. R. KENDRICK

Box 516
Aztec, New Mexico 87410
(505) 334-2555

April 19, 1999

Ms. Lori Wrotenbery
Director
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

APR 21 5 10 PM '99
OIL CONSERVATION DIVISION

Re: Application for Non-Standard Location for
Texakoma Oil & Gas Corporation
La Plata 7 #1, Basin Fruitland Coal Pool

Dear Ms. Wrotenbery:

Texakoma Oil and Gas Corporation hereby requests approval for an off-pattern location for its La Plata 7 #1 well to be located at a legal-footage location within the southeast quarter of section 8, Township 31 North, Range 13 West, in the Basin Fruitland Coal Gas Pool, San Juan County for geological reasons.

The well will be near the western edge of the productive area of the fruitland Coal formation and considered a marginal economic venture.

The reason for this request is because of geology. The move is an attempt to distance the well bore from the Fruitland Coal outcrop to the northwest which is a source of the water percolating into the pay zone. Due to the steep dip of the target formation, the depth will be increased by approximately 500 feet by moving from a legal location in the northeast quarter to as far southeast as possible in the section; thus increasing the reservoir pressure (hydrostatic head) in the pay zone at the well. It is believed that this will increase the gas recovery from a very marginal well.

There are no offset wells operated by others than Texakoma as shown on the enclosed plat.

If there are questions, please contact me.

Yours very truly,

A. R. Kendrick
A. R. Kendrick

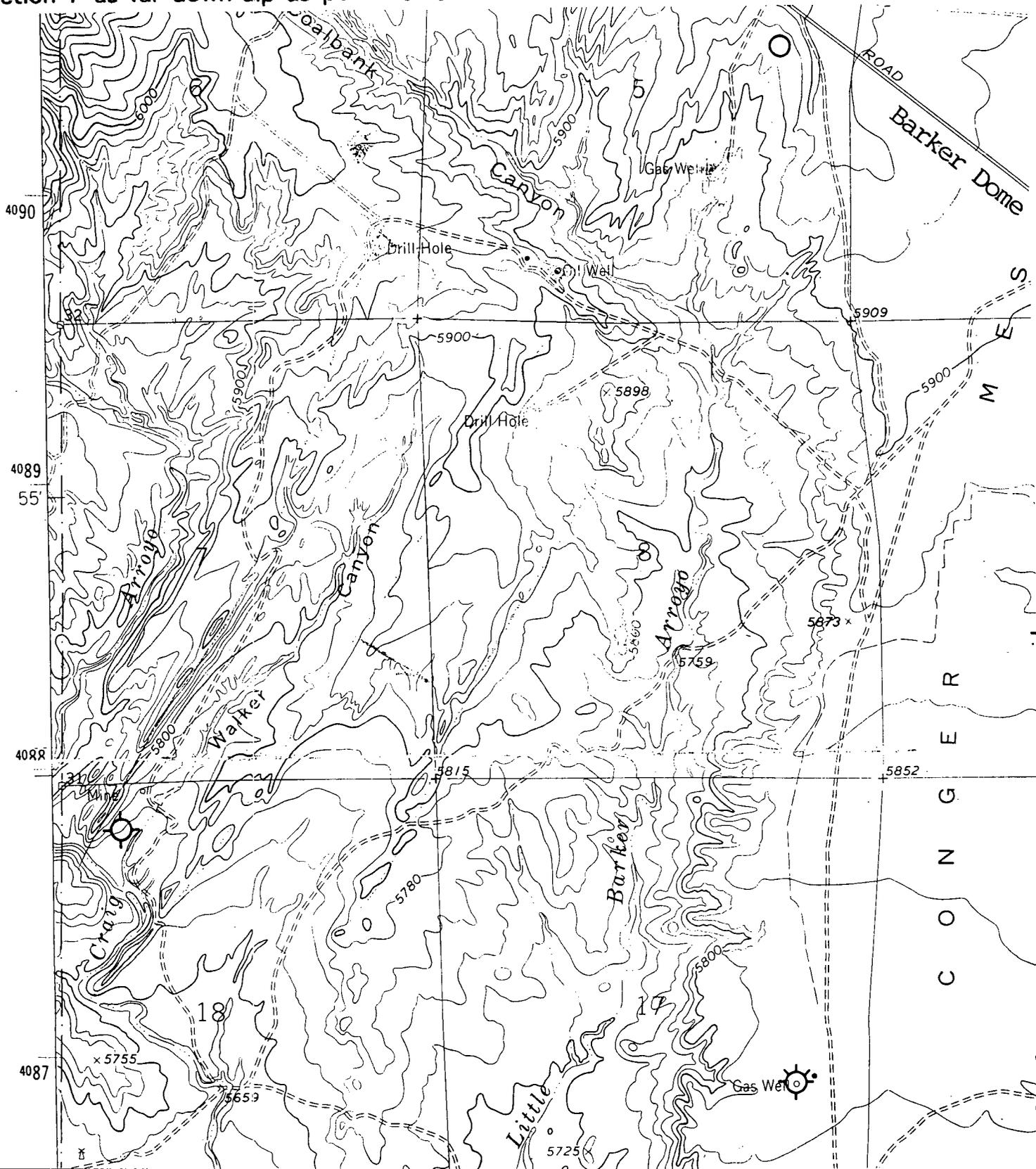
Attachments as stated

cc: OCD, Aztec, NM

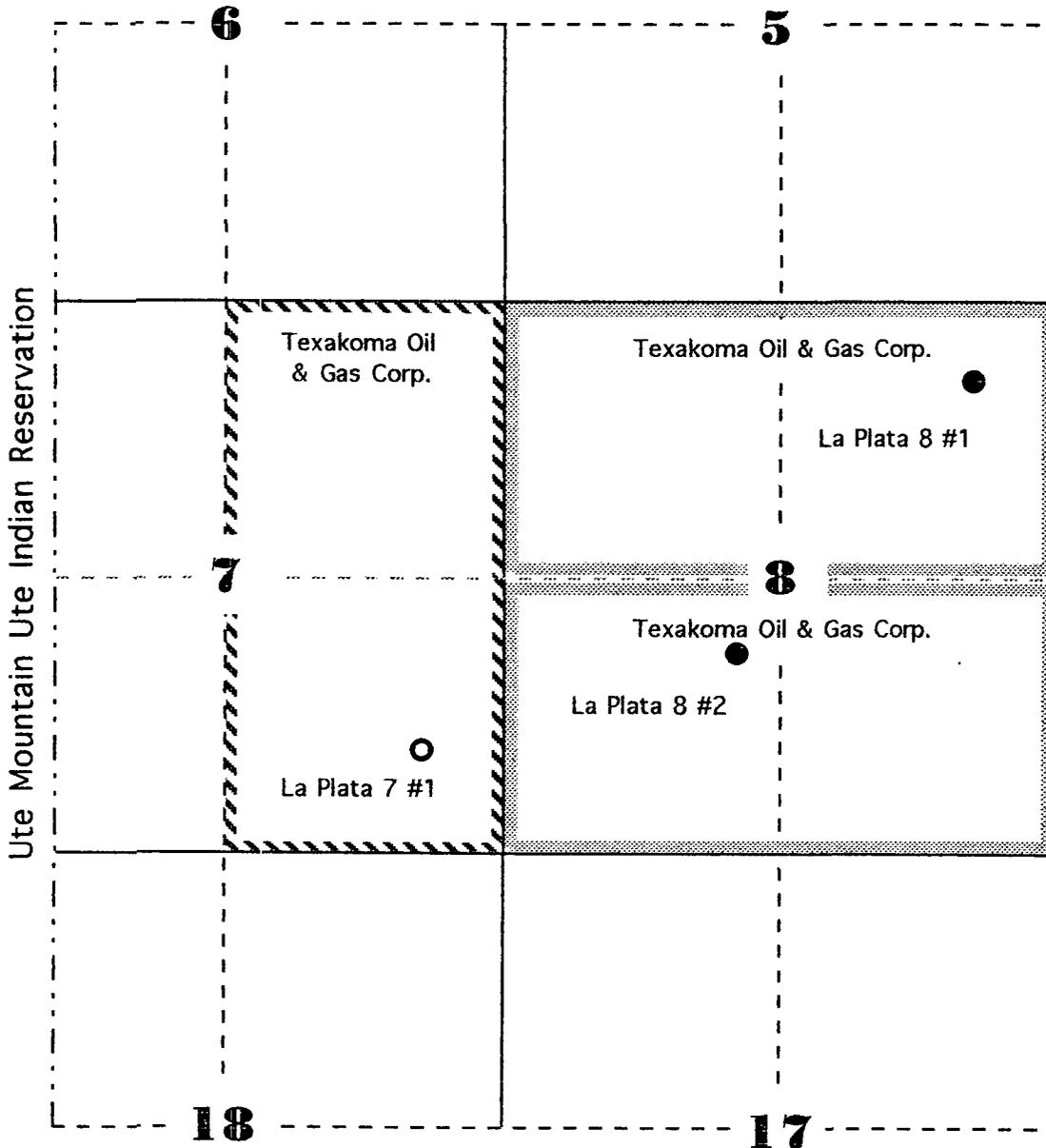
TOWNSHIP 31 NORTH, RANGE 13 WEST

The ridge lines highlighted in red are possible results from the drainage pattern created by fracture lines formed by the subsidence of the San Juan Basin; thus, the formation of the Hogback to the northwest of this area. Dips as steep as sixty degrees (60°) have been reported in the steeper portion of the bending.

Texakoma Oil & Gas Corp. would like to move their new well in the east half of section 7 as far down-dip as possible for reasons stated in the cover letter.



OFFSET OPERATORS
Texakoma Oil & Gas Corporation
La Plata 7 #1
SE/4 7-T31N-R13W



CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

04/16/99 10:21:44
OGOMES -TPV5
PAGE NO: 1

Sec : 09 Twp : 31N Rng : 13W Section Type : NORMAL

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E 40.00 Fee owned	F 40.00 Fee owned	G 40.00 Fee owned	H 40.00 Fee owned

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

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

04/16/99 10:21:56
OGOMES -TPV5
PAGE NO: 2

Sec : 09 Twp : 31N Rng : 13W Section Type : NORMAL

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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