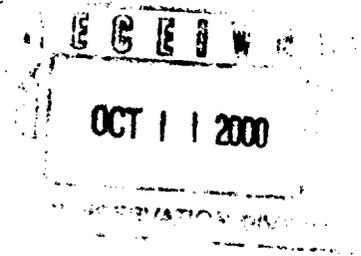


NSL 10/31/00  
29345825  
A. R. KENDRICK  
P. O. Box 516  
Aztec, New Mexico 87410

October 5, 2000



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  
Texakoma La Plata 17 #1, Basin Fruitland Coal Pool  
1244' FNL 1744' FWL, C-17-T31N-R13W

Dear Ms. Wrotenbery:

Texakoma Oil & Gas Corporation hereby requests approval for an off-pattern location for its Texakoma La Plata 17 #1 well to be located 1244 feet from the north line and 1744 feet from the west line of section 17, Township 31 North, Range 13 West, in the Basin Fruitland Coal Gas Pool, San Juan County, New Mexico because of geology.

The location is near the western edge of the productive area of the Fruitland Coal formation and considered a marginal economic venture.

Exhibit A shows ridge lines highlighted in yellow of the more competent sandstone beds within the Kirtland/Fruitland Shale formations due to the settling of the San Juan Basin and/or the uplift of Ute Dome. There are low-quality coalbed outcrops in Coalbank Canyon in sections 5, 6 and 31 at the points highlighted in pink. The outcrop of the Basal Fruitland Coal formation is in Range 14 West. The wells highlighted in green were developed by the Texakoma Oil & Gas Corporation.

Exhibit B shows all the wells of record in the Basin Fruitland Coal Gas Pool in Townships 31 and 32 North, Ranges 13 and 14 West. There are no Fruitland Coal wells in the southwestern quarter of Township 31 North, Range 13 West; the northwestern half of Township 32 North, Range 13 West; or in Range 14 West of this exhibit.

Exhibit C shows the gas production from the Fruitland Coal well in Township 31 North, Range 13 West. The upper number is the recent daily average rate, and the lower number shows the cumulative production - all in Mcf values from ONGARD on September 27, 2000. The values reduce significantly as one proceeds to the south and/or to the west. Zero values indicate wells that have not reported production either from not being completed, or by lack of pipeline connection.

Exhibit D shows the names and addresses of the designated operators of the offset leases, all of which have been notified by certified mail of this application by copies posted at the time of the mailing of this application.

Exhibit E is a copy of Form C-102, Well Location and Acreage Dedication Plat.

If there are questions, please contact me by phone or fax at (505) 334-2555.

Yours very truly,

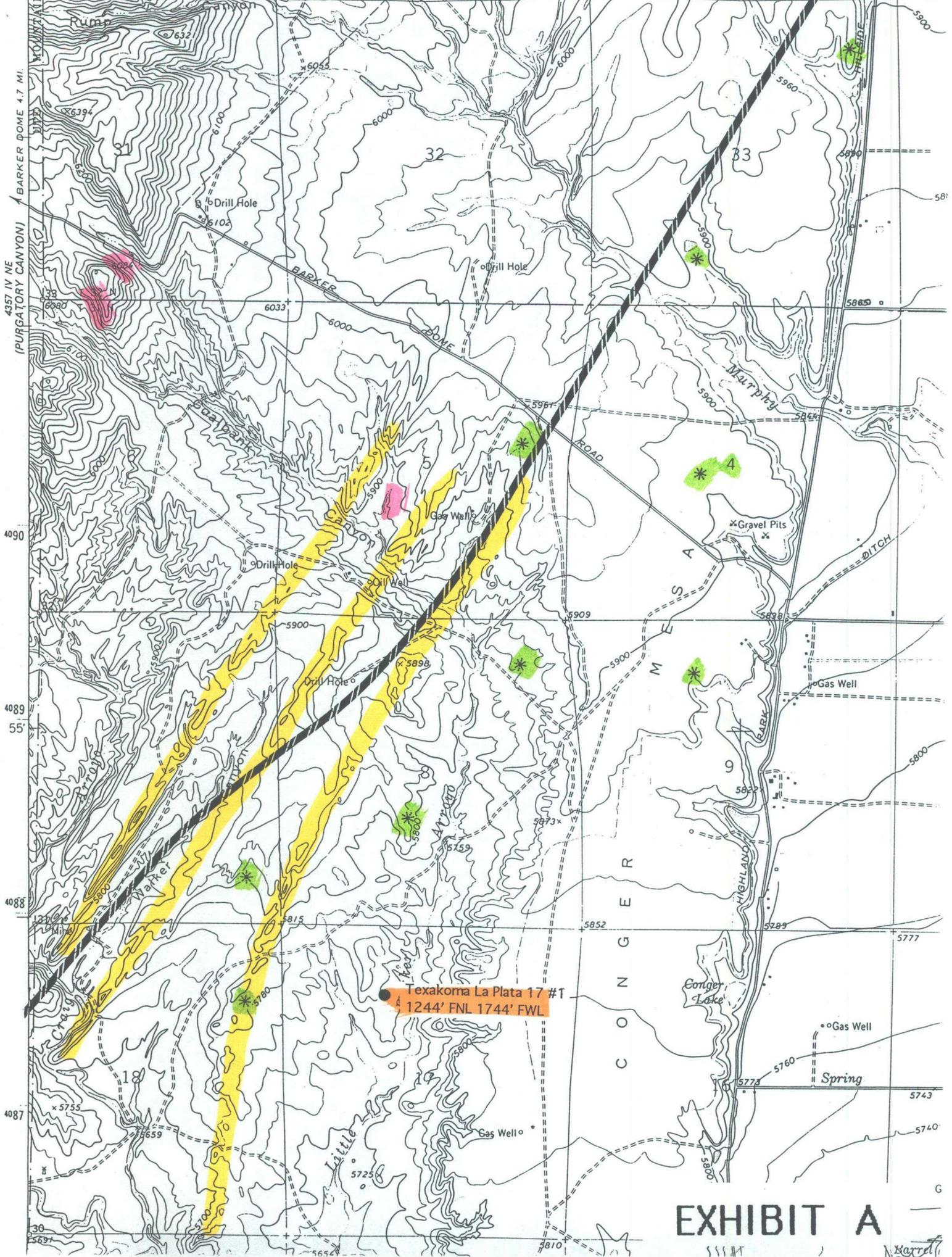


A. R. Kendrick  
Agent for ~~Texas~~ Oklahoma Oil & Gas Corporation

cc: Oil Conservation Division, 1000 Rio Brazos Road, Aztec, NM 87410  
Bureau of Land Management, 1235 La Plata Highway, Farmington, NM 87401

**THE FOLLOWING OFFSET OWNERS BY CERTIFIED MAIL:**

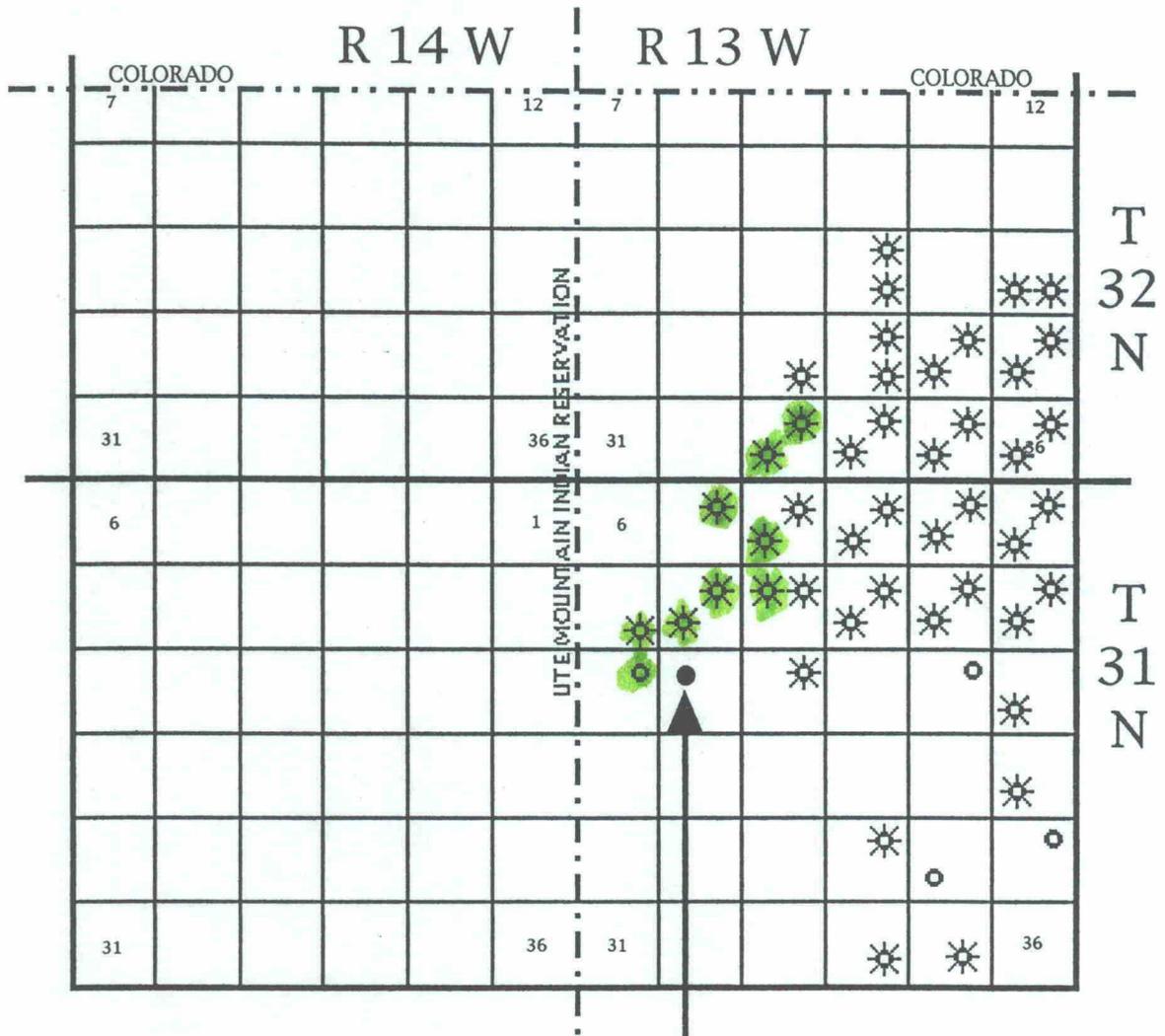
Dugan Production Corporation, P.O. Box 420, Farmington, NM 87499-0420  
Robert L. Bayless, Producer, LLC., P.O. Box 168, Farmington, NM 87499-0168  
Fuller Production Inc., P.O. Box 11327, Midland, TX 79702  
Bruce Henderson, 5005 Woodway #300, Houston, TX 77056  
Sensor Oil Company, 204 N. Robinson #950, Oklahoma City, OK 73102  
John Beard Trust, 3030 NW Expressway #1405, Oklahoma City, OK 73112  
Elliott and Hall, P.O. Box 1355, Roswell, NM 88202.-1355



# EXHIBIT A

N. Barrett

# Fruitland Coal Wells



Texakoma Oil & Gas Corporation  
Texakoma La Plata 17 #1  
1244' FNL 1744' FWL  
C-17-31N-13W

# PRODUCTION HISTORY

## Basin Fruitland Coal Wells

Township 31 N, Range 13 W

	26 34039	1122 1299965	983 2601353	719 2862303	1205 2433927
6	5	4 1465 1168789	3 1168 2469053	2 896 2937033	1 790 2334821
7	8 49 37411 6 1779	9 123 34553 276 250714	10 786 1618850 643 513649	11 565 1130681 Zone Abandon	12 1144 1505485 427 118166
18 0	17 	16 4 24	15	14	13 13 803
19	20	21	22	23	24 53 5872
30	29	28	27 51 13149	26 0	25 0
31	32	33	34 0	35 0	36

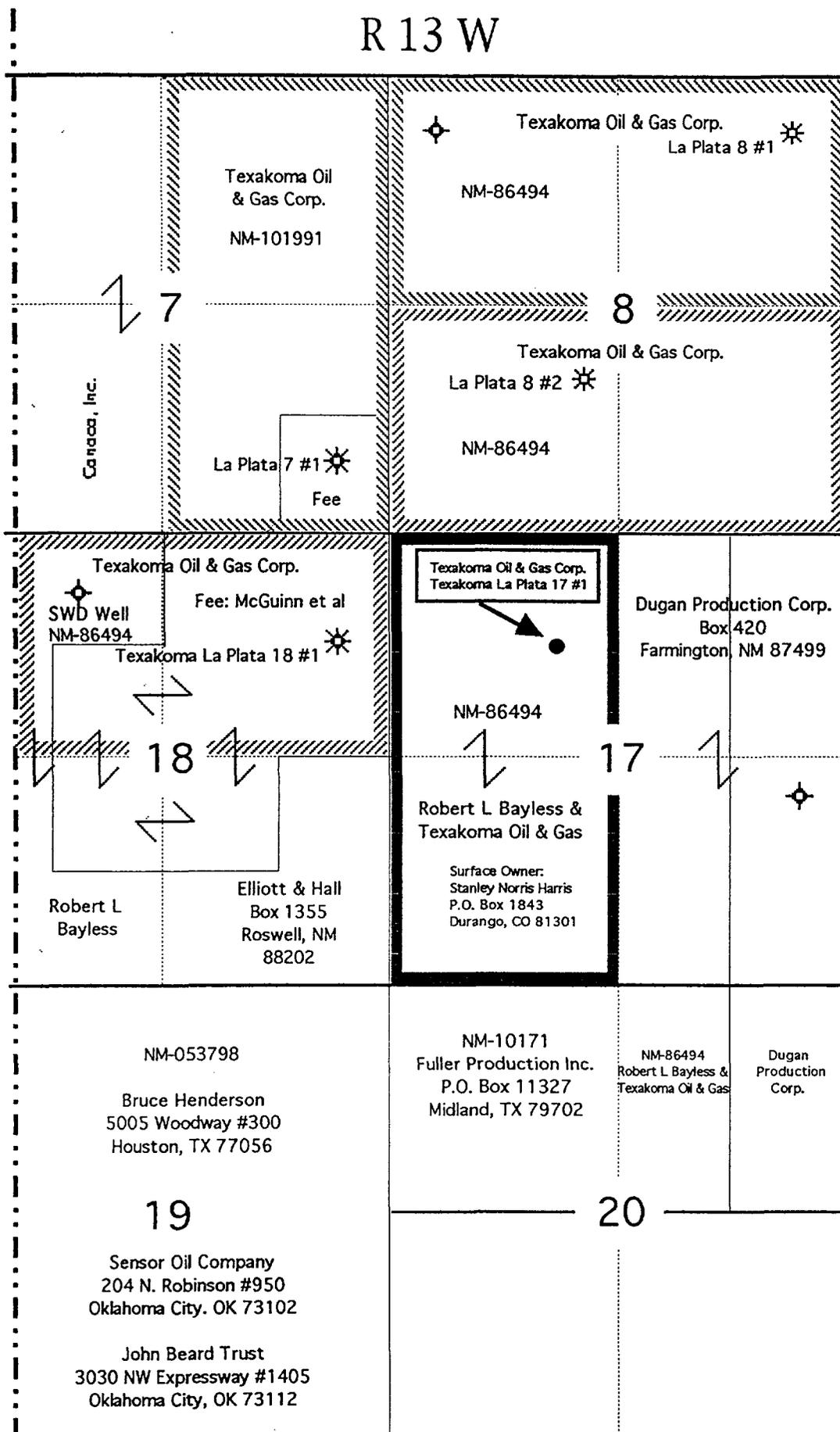
Texakoma Oil & Gas Corporation  
 Texakoma La Plata 17 #1  
 1244' FNL 1744' FWL  
 C-17-31N-13W

Average Daily Rate (MCF Last six months)  
 Cumulative (MCF)

EXHIBIT C

# OFFSET OPERATORS

## R 13 W



State of New Mexico  
Energy, Minerals & Mining Resources Department

Form C - 102

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

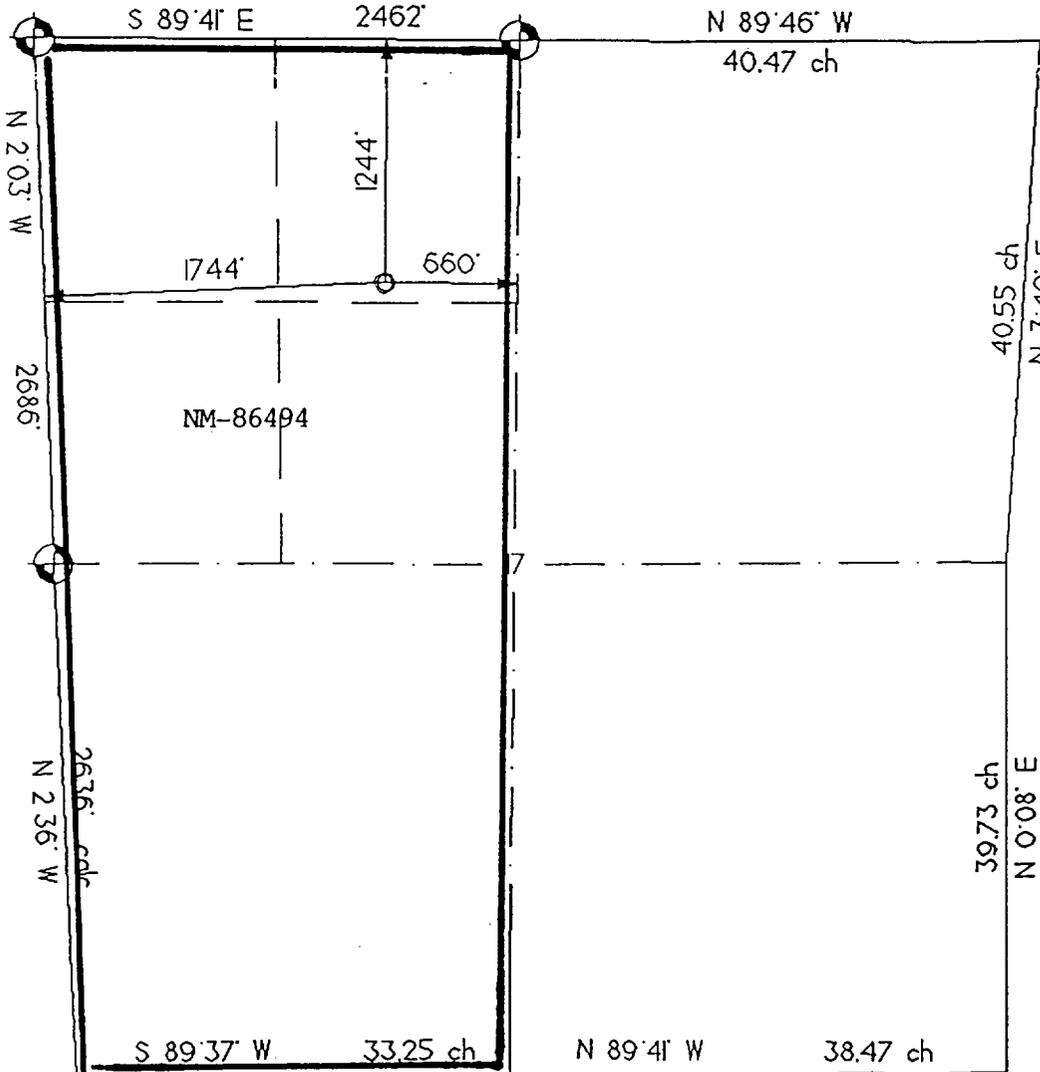
APA Number		Pool Code 71629	Pool Name Basin Fruitland Coal
Property Code	Property Name TEXAKOMA - LA PLATA 17		Well Number 1
OGRID No. 22521	Operator Name TEXAKOMA OIL & GAS CORPORATION		Elevation 5755'

Surface Location									
UL or Lot	Sec.	Trp.	Rge.	Lot Lh.	Feet from >	North/South	Feet from >	East/West	County
C	17	31 N.	13 W.		1244	NORTH	1744	WEST	SAN JUAN

Bottom Hole Location If Different From Surface									
UL or Lot	Sec.	Trp.	Rge.	Lot Lh.	Feet from >	North/South	Feet from >	East/West	County

Dedication W-320	Joint ? N	Consolidation	Order No.
---------------------	--------------	---------------	-----------

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



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

Signature: *A R Kendrick*  
Printed Name: A R Kendrick  
Title: Agent  
Date: 9/28/00

**SURVEYOR CERTIFICATION**  
I hereby certify that the well location 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.  
Date of Survey: SEPT. 2000

Signature and Seal of Professional Surveyor:  
*GERALD S. BUDDLESTON*  
Professional Surveyor No. 6844  
NEW MEXICO SURVEYORS ASSOCIATION

EXHIBIT E

CMD :  
OG5SECT

ONGARD  
INQUIRE LAND BY SECTION

11/13/00 11:25:42  
OGOMES -TP7A  
PAGE NO: 1

Sec : 17 Twp : 31N Rng : 13W Section Type : NORMAL

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

11/13/00 11:25:47  
OGOMES -TP7A  
PAGE NO: 2

Sec : 17 Twp : 31N Rng : 13W Section Type : NORMAL

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

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**  
 ■ Complete items 1 and/or 2 for additional services.  
 ■ Complete items 3, 4a, and 4b.  
 ■ 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.  Addressee's Address  
 2.  Restricted Delivery  
 Consult postmaster for fee.

3. Article Addressed to:  
 John M Beard Trust  
 12460 Saint Andrews Dr. #B  
 Oklahoma City, OK 73120-8601

4a. Article Number  
 7000 0520 0018 0515 1636

4b. Service Type  
 Registered  Certified  
 Express Mail  Insured  
 Return Receipt for Merchandise  COD

7. Date of Delivery  
 10/27

5. Received By: (Print Name)  
 Dr. ELLY BEARD

6. Signature: (Addressee or Agent)  
 x Ely Beard

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994 102595-98-B-0229 Domestic Return Receipt

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**  
 ■ Complete items 3, 4a, and 4b.  
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I also wish to receive the following services (for an extra fee):  
 1.  Addressee's Address  
 2.  Restricted Delivery  
 Consult postmaster for fee.

3. Article Addressed to:  
 Sensor Oil Company  
 204 N. Robinson #950  
 Oklahoma City, OK 73102

4a. Article Number  
 7000 0520 0020 4945 2251

4b. Service Type  
 Registered  Certified  
 Express Mail  Insured  
 Return Receipt for Merchandise  COD

7. Date of Delivery  
 10-11-00

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)  
 x Will Little

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994 102595-98-B-0229 Domestic Return Receipt

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

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 ■ 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.  Addressee's Address  
 2.  Restricted Delivery  
 Consult postmaster for fee.

3. Article Addressed to:  
 Bruce Henderson  
 5005 Woodway #300  
 Houston, Texas 77056

4a. Article Number  
 7000 0520 0020 4945 2244

4b. Service Type  
 Registered  Certified  
 Express Mail  Insured  
 Return Receipt for Merchandise  COD

7. Date of Delivery

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)  
 x [Signature]

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994 102595-98-B-0229 Domestic Return Receipt

Thank you for using Return Receipt Service.

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I also wish to receive the following services (for an extra fee):

- 1.  Addressee's Address
  - 2.  Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:  
 Elliott and Hall  
 P.O. Box 1355  
 Roswell, NM 88202

4a. Article Number  
 7000 0520 0020 4945 2282

4b. Service Type  
 Registered  Certified  
 Express Mail  Insured  
 Return Receipt for Merchandise  COD

7. Date of Delivery  
 10/10/00

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

X *[Signature]*

PS Form 3811, December 1994

102595-98-B-0229

Domestic Return Receipt

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I also wish to receive the following services (for an extra fee):

- 1.  Addressee's Address
  - 2.  Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:  
 Fuller Production Company  
 P.O. Box 11327  
 Midland, Texas 79702

4a. Article Number  
 7000 0520 0020 4945 2237

4b. Service Type  
 Registered  Certified  
 Express Mail  Insured  
 Return Receipt for Merchandise  COD

7. Date of Delivery  
 OCT 10 2000

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

X *[Signature]*

PS Form 3811, December 1994

102595-98-B-0229

Domestic Return Receipt

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- 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.  Addressee's Address
  - 2.  Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:  
 Robert L Bayless, Producer, LLC.  
 P.O. Box 168  
 Farmington, New Mexico 87499

4a. Article Number  
 7000 0520 0020 4945 2220

4b. Service Type  
 Registered  Certified  
 Express Mail  Insured  
 Return Receipt for Merchandise  COD

7. Date of Delivery

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

X *[Signature]*

PS Form 3811, December 1994

102595-98-B-0229

Domestic Return Receipt

Thank you for using Return Receipt Service.

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**SENDER:**

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- Complete items 3, 4a, and 4b.
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- 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.  Addressee's Address
2.  Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:  
**Dugan Production Corp.**  
**P.O. Box 420**  
**Farmington, New Mexico 87499**

4a. Article Number  
**7000 0520 0020 4945 2213**

4b. Service Type

<input type="checkbox"/> Registered	<input checked="" type="checkbox"/> Certified
<input type="checkbox"/> Express Mail	<input type="checkbox"/> Insured
<input type="checkbox"/> Return Receipt for Merchandise	<input type="checkbox"/> COD

7. Date of Delivery  
**10-7-00**

5. Received By: (Print Name)  
**Tom Dugan**

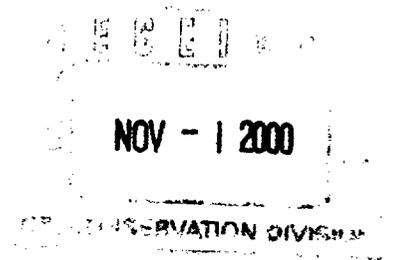
8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)  
**X** *Tom Dugan*

Thank you for using Return Receipt Service.

A. R. KENDRICK  
P. O. Box 516  
Aztec, New Mexico 87410

October 30, 2000



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

Re: Return Receipt Cards for  
Application for Non-Standard Location  
Texakoma Oil & Gas Corporation  
Texakoma La Plata 17 #1, Basin Fruitland Coal Pool

Dear Ms. Wrotenbery:

Enclosed are the Return Receipt Cards from the offset operators proving their receipt of a copy of the subject application.

The operators are:

Dugan Production Corporation, P.O. Box 420, Farmington, NM 87499-0420

Robert L. Bayless, Producer, LLC., P.O. Box 168, Farmington, NM 87499-0168

Fuller Production Inc., P.O. Box 11327, Midland, TX 79702

Bruce Henderson, 5005 Woodway #300, Houston, TX 77056

Sensor Oil Company, 204 N. Robinson #950, Oklahoma City, OK 73102

\*John Beard Trust, 12460 Saint Andrews Dr. #B, Oklahoma City, OK 73120-8601

Elliott and Hall, P.O. Box 1355, Roswell, NM 88202.-1355

\* Corrected address

Please add these to the file for this application.

Yours very truly,

  
A. R. Kendrick

Enclosures