

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION  
 - Engineering Bureau -  
 1220 South St. Francis Drive, Santa Fe, NM 87505



**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

**Application Acronyms:**

- [NSL-Non-Standard Location]** **[NSP-Non-Standard Proration Unit]** **[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 - Simultaneous Dedication  
 NSL  NSP  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

- [D] Other: Specify \_\_\_\_\_

JUL 17 2002

[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] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

**Note: Statement must be completed by an individual with managerial and/or supervisory capacity.**

TOM SPRINKLE  
 Print or Type Name

*Tom Sprinkle*  
 Signature

DRILLING MANAGER  
 Title

JULY 12, 2002  
 Date

tls2@airmail.net  
 e-mail Address



**EXPLORATION & PRODUCTION**

July 12, 2002

Ms. Lori Wrotenbery  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Re: Application For Non-Standard Location  
Texakoma Oil & Gas Corporation  
USA 23 No. 2  
Basin Fruitland Coal Pool (71629)  
312' FSL & 2019' FWL, N-23-T32N-R13W  
San Juan County, New Mexico

Dear Ms. Wrotenbery:

Texakoma Oil & Gas Corporation hereby requests approval for an off-pattern location for its USA 23 No. 2 well, to be located 312 feet from the south line and 2019 feet from the west line of Section 23, Township 32 North, Range 13 West, in the Basin Fruitland Coal Gas Pool (71629), San Juan County, New Mexico because of geology.

The location is near the northwestern edge of the productive area of the Fruitland Coal formation. The area is still considered a marginal economic venture because of the initial high volume water production and the unknown amount of dewatering before economic gas production is attained.

Exhibit A shows the wells of record in the offset sections, the Fruitland Coal Outcrop Boundary and the structural contours of the base of the Basal Fruitland Coal. The wells shallower and closer to the outcrop (such as Texakoma's Powell #1 & Havasu#1) produce large volumes of water per day (300-500 bwpd) with 10-210 Mcfd coal gas volumes. It appears that the shallower wells are closer to the recharge zone and therefore will have a much larger dewatering volume than wells deeper in this part of the basin. The Exhibit A structure contours are on the Base of the Basal Fruitland Coal and indicate that the SESW Section 23 location is at the "elbow" of the rapidly increasing dip rate and that economic production to date has only been found at locations at this structural level or lower.

Exhibit B is a plat which shows the operators of the offset leases.

Exhibit C is a list of offset operators names and addresses notified of this application by Certified Mail on this same date.

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

If there are questions, please contact me by phone at the number below or by fax at 972-701-9056.

Sincerely,

  
Tom Sprinkle  
Drilling Manager

Cc: Oil Conservation Division, 1000 Brazos Road, Aztec, NM 87410  
Offset Operators as per Exhibit C by Certified Mail

**ONE LINCOLN CENTRE**  
**5400 LBJ FREEWAY • SUITE 500 • DALLAS, TEXAS • 75240**  
**972-701-9106**



**Production Data Through 11/01**

Current Gas Rate (MCFD)	Current Water Rate (BWPD)
Cumulative Gas (MMCF)	First Production Date

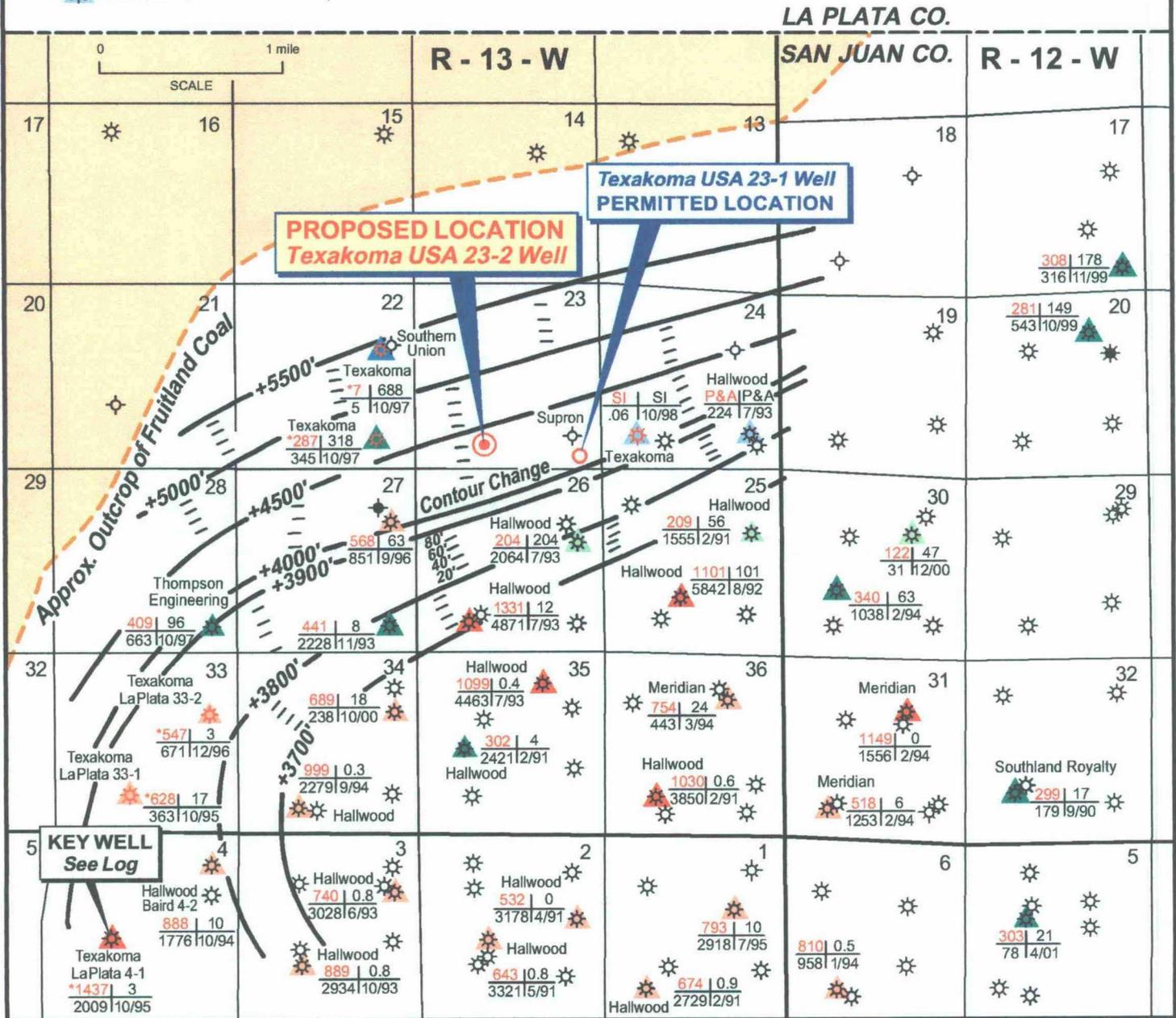
Current production rates were calculated by taking the last month of available production data and dividing by the number of days produced during the period. Data was obtained through Dwrights Energydata, Inc. and the New Mexico Oil Conservation Commission.

\* Production Data Through 3/02

**AREA PRODUCTION MAP**  
**With Structure Contours (Sea Level Datum)**  
**Base Fruitland Coal**  
**Texakoma USA 23-2 Prospect**  
**San Juan County, New Mexico**

**LEGEND**

- Fruitland Coal Well 250-499 MCFGPD
- Fruitland Coal Well 100-249 MCFGPD
- Fruitland Coal Well 0-99 MCFGPD
- Fruitland Coal Well Never Produced
- Well Shut In
- Texakoma USA 23-2 Proposed Location
- Texakoma USA 23-1 Permitted Location
- Drilled & Abandoned Well
- Gas Well
- Texakoma Gas Well
- Oil and Gas Well
- Plugged & Abandoned Oil Well
- MCFD** Thousand Cubic Feet Gas Daily
- MMCF** Million Cubic Feet Gas
- BWPD** Barrels of Water Per Day
- SI** Shut In



TEXAKOMA USA 23 NO. 2  
 BASIN-FRUITLAND COAL WELL  
 W/2 SEC. 23-T32N-R13W  
 SAN JUAN COUNTY, NEW MEXICO  
 OPERATOR-TEXAKOMA OIL & GAS CORPORATION  
 BASIN-FRUITLAND COAL OFFSET OPERATORS/WIO

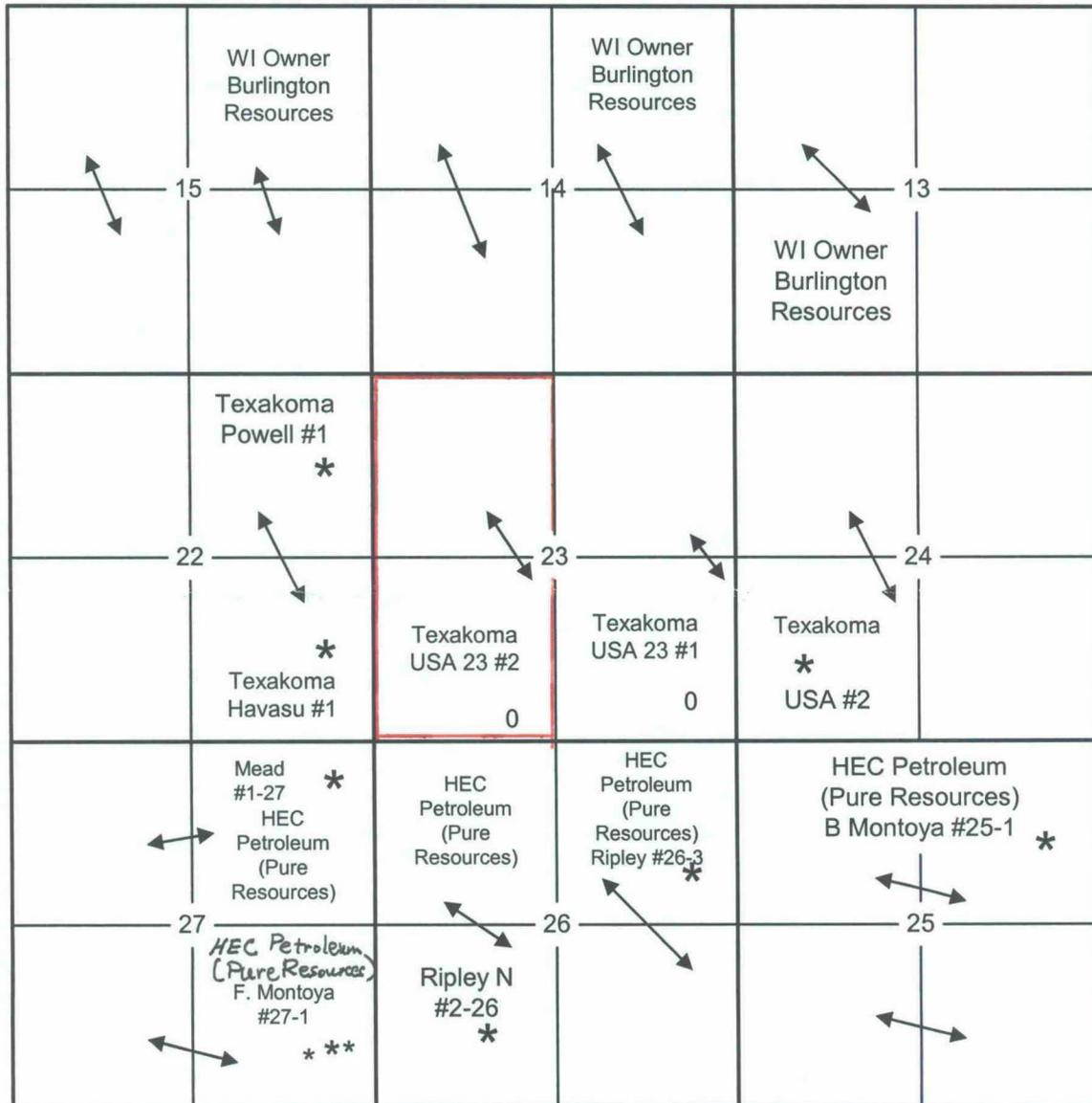


EXHIBIT B

## OFFSET OPERATORS

### NAME , ADDRESS , PHONE NUMBER

Burlington Resources  
San Juan Division  
3401 East 30<sup>th</sup> Street  
Farmington, New Mexico 87402  
Attn: Mr. James Strickler  
(T) 505-326-9756

HEC/Pure Resources  
Formerly Hailwood Energy  
500 West Illinois Avenue  
Midland, Texas 79701  
Attn: Mr. Robert Ready  
(T) 915-498-8600

## EXHIBIT C

EXHIBIT D

State of New Mexico  
Energy, Minerals & Mining Resources Department

Form C - 1C

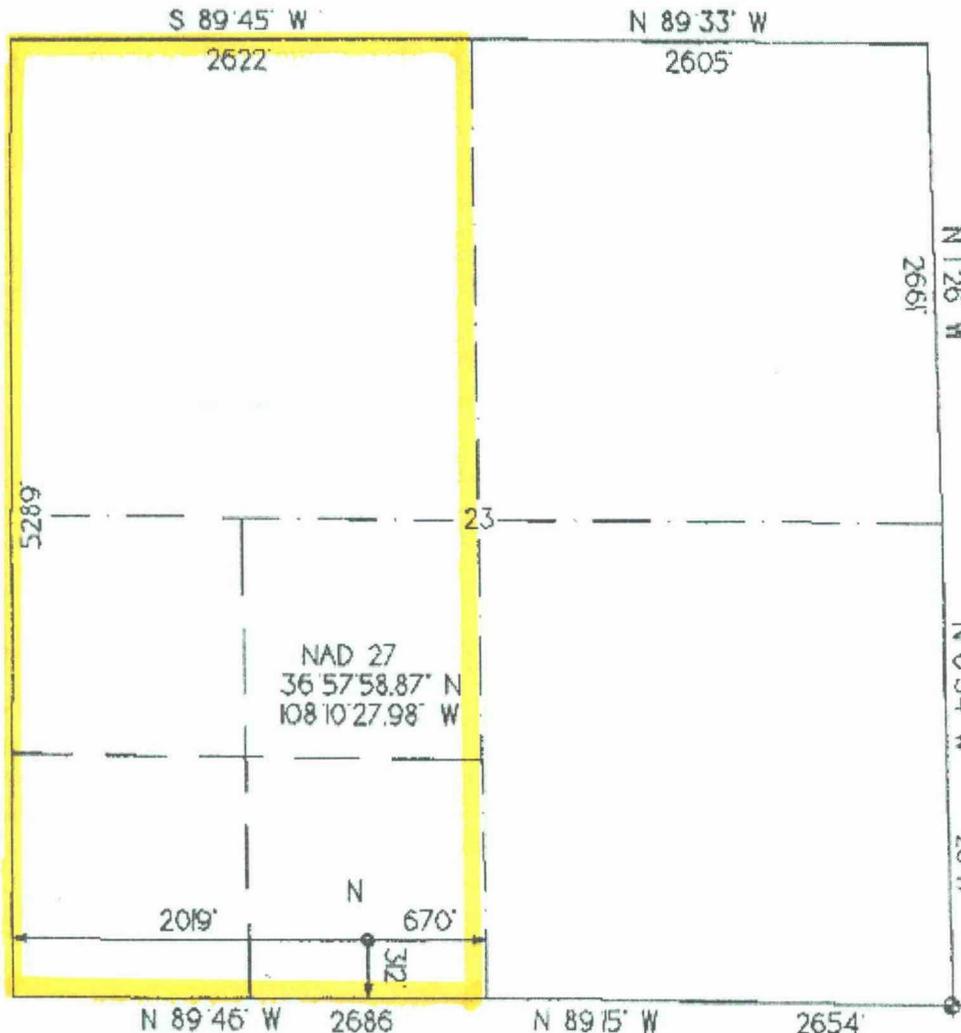
OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

APA Number		Pool Code		Pool Name					
		71629		BASIN FRUITLAND COAL					
Property Code		Property Name						Well Number	
		TEXAKOMA USA 23						2	
OGRD No.		Operator Name						Elevation	
022521		TEXAKOMA OIL & GAS CORPORATION						5970'	
Surface Location									
UL or Lot	Sec.	Twp.	Rge.	Lot Idn.	Feet from >	North/South	Feet from >	East/West	County
N	23	32 N.	13 W.		312'	SOUTH	2019'	WEST	SAN JUAN
Bottom Hole Location if Different From Surface									
UL or Lot	Sec.	Twp.	Rge.	Lot Idn.	Feet from >	North/South	Feet from >	East/West	County
Dedication		Joint ?		Consolidation		Order No.			
W/320									

NO ALLOWABLE WILL ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT 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: *Tom Sprinkle*

Printed Name: **TOM SPRINKLE**

Title: **DRILLING MGR.**

Date: **7-9-2002**

**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: \_\_\_\_\_

Signature and Seal: *Antonio Estacion*

Professional Surveyor

6844

REGISTERED LAND SURVEYOR

## Stogner, Michael

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**From:** Tommy Sprinkle [tls2@airmail.net]  
**Sent:** Thursday, July 18, 2002 7:20 AM  
**To:** Stogner, Michael  
**Subject:** Texakoma's USA 23 #2 Exception Location Filing



USA23#2EXB.tif



USA23#2EXC.tif

Re: Exception Location, SW/4 Section 23-T32N-13W, San Juan

County, NM,

Basin Fruitland Coal objective. This location is located closer to the south lease than 660' because of surface constraints also, including the Trans Colorado Pipeline ROW and the BHP Mining Plant Boundary.

Attached please find revised Exhibits B and C which add Conoco to the offset owner list for notification purposes. We sent certified notices on 7-17-02 to the offset owners.

Sincerely,  
Tom Sprinkle

TEXAKOMA USA 23 NO. 2  
 BASIN-FRUITLAND COAL WELL  
 W/2 SEC. 23-T32N-R13W  
 SAN JUAN COUNTY, NEW MEXICO  
 OPERATOR-TEXAKOMA OIL & GAS CORPORATION  
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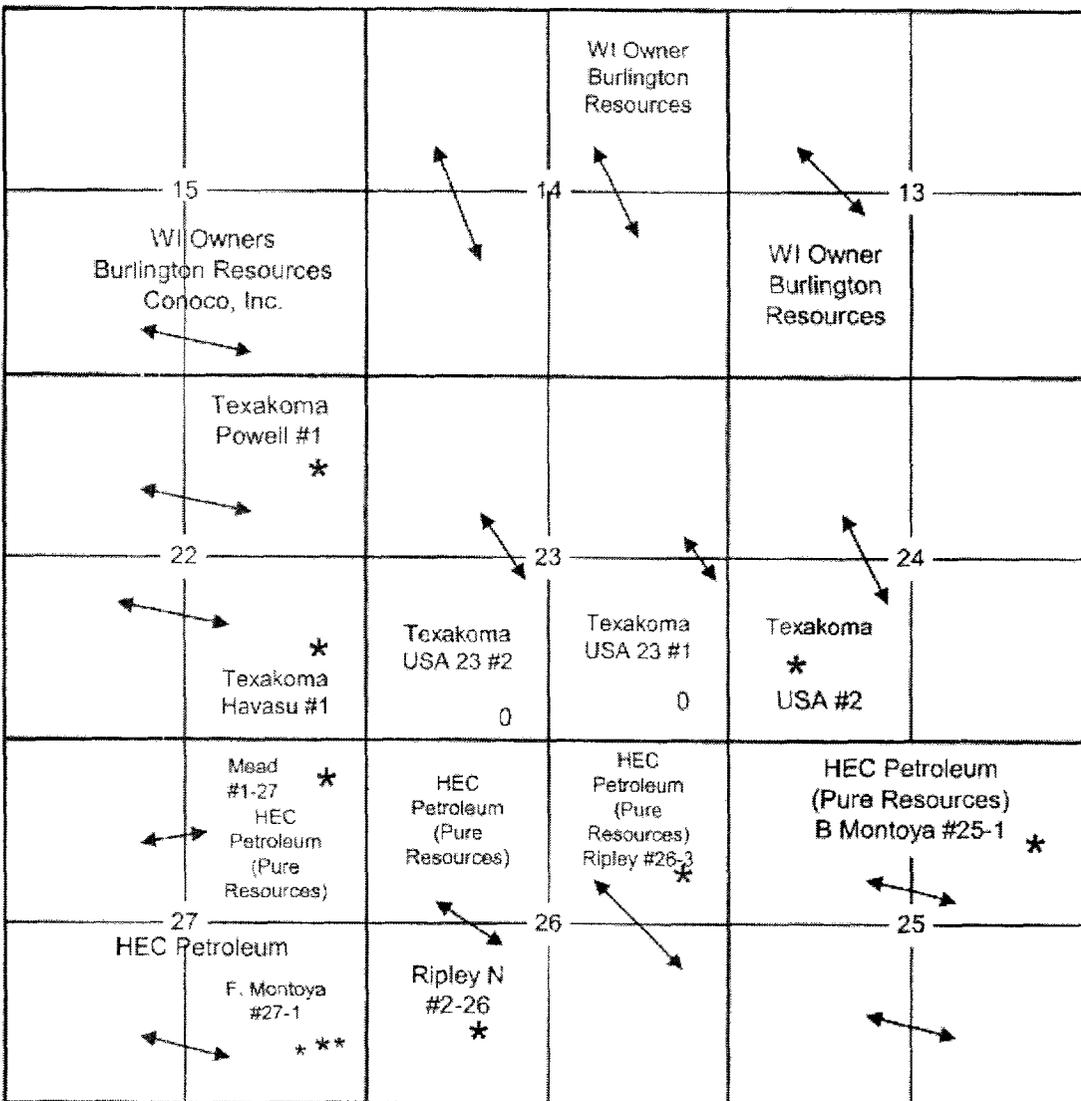


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Attn: Mr. James Strickler  
(T) 505-326-9756

HEC/Pure Resources  
Formerly Hallwood Energy  
500 West Illinois Avenue  
Midland, Texas 79701  
Attn: Mr. Robert Ready  
(T) 915-498-8600

Conoco, Inc.  
Exploration Production – USA  
600 N. Dairy Ashford (77079-1175)  
P. O. Box 2197  
Houston, TX 77252-2197  
Attn: Mr. Harry E. Nowak  
(T) 281-293-1106

## EXHIBIT C

CMD : ONGARD 07/22/02 10:10:17  
 OG5SECT INQUIRE LAND BY SECTION OGOMES -TPIW  
 PAGE NO: 1

Sec : 23 Twp : 32N Rng : 13W Section Type : NORMAL

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

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

CMD : ONGARD 07/22/02 10:10:20  
 OG5SECT INQUIRE LAND BY SECTION OGOMES -TPIW  
 PAGE NO: 2

Sec : 23 Twp : 32N Rng : 13W Section Type : NORMAL

L 40.00 Federal owned	K 40.00 Federal owned	J 40.00 Federal owned	I 40.00 Federal owned
M 40.00 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