

State of New Mexico
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT
Santa Fe, New Mexico 87505



OIL CONSERVATION DIVISION



February 1, 1995

RECEIVED
FEB 13 1995
OIL CON. DIV.
DIST. 3

Consolidated Oil & Gas, Inc.
410 17th Street - Suite 2300
Denver, Colorado 80202

Attention: Alan C. Harrison

RE: Federal "32-6-9" Well No. 1 (API No. 30-045-27535)
Section 9, Township 32 North, Range 6 West, NMPM, San
Juan County, New Mexico.

Dear Mr. Harrison:

Reference is made to your letter dated October 28, 1994 seeking an exception to the "deviation well test" requirements of Division General Rule 111.A and to your Form C-104, *"Request for Allowable and Authorization to Transport"*, dated October 17, 1994. Said rule specifies that a tabulation of all deviation tests run on a well, sworn to and notarized, be filed with the C-104 before authorization to transport hydrocarbon production is allowed. After an extensive search by Consolidated Oil & Gas, Inc. ("Consolidated") of all known records filed by the previous operator of this well, Richmond Petroleum, Inc., and by Division personnel of the well files in the Aztec District and Santa Fe offices of the Division, no such records have been found.

The surface location of this well, being 510 feet from the North line and 210 feet from the East line (Lot 1/Unit A) of said Section 9, can be considered a somewhat extreme unorthodox coal gas well location, and was the subject of two previously approved Division Orders, R-9033, dated November 3, 1989, and NSL-2720, dated December 1, 1989.

Considering the efforts of Consolidated in attempting to locate these records and due to the extreme nature of the surface location of this well a complete exception to this requirement would not be considered a prudent course of action and could possibly result in the violation of correlative rights to the off-setting interest owners. Instead Consolidated should afford the immediate off-set operators/mineral interest owners an opportunity to either object to this request or seek relief pursuant to Division General Rule 104.B.

THEREFORE, Consolidated shall notify, by certified or registered mail, any operator of a Basin-Fruitland Coal (Gas) Pool spacing unit or owner of an undrilled lease which adjoins the subject spacing unit to the north and east and to the northeast corner of the spacing unit for this well. Consolidated shall provide both the Aztec and Santa Fe Division offices a plat showing these off-setting parties who were notified, copies of said notices, and copies of such return receipts. The C-104 may be approved upon receipt of waivers from said parties or if objection has been received within 20 days after said parties received notice. Should any objection be filed with the Division said well shall be shut-in until such time as this matter is resolved.

VILLAGRA BUILDING - 408 Galisteo
Forestry and Resources Conservation Division
P.O. Box 1948 87504-1948
827-5830
Park and Recreation Division
P.O. Box 1147 87504-1147
827-7465

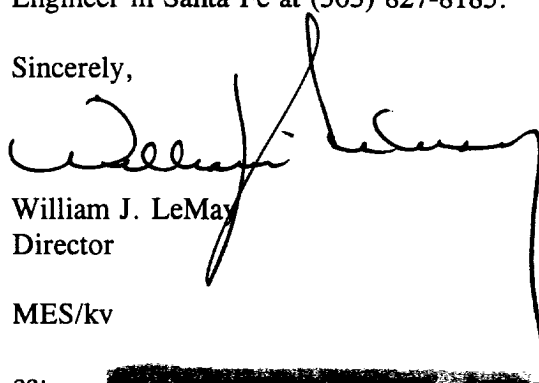
2040 South Pacheco
Office of the Secretary
827-5950
Administrative Services
827-5925
Energy Conservation & Management
827-5900
Mining and Minerals
827-5970
Oil Conservation
827-7131

FURTHER, this letter shall serve as a temporary authorization to transport production for a period not to exceed 45-days from the date of this letter.

HOWEVER, should Consolidated elect to run a deviation survey on this well the Form C-104 can be released and the provisions of this letter can be dismissed.

Should you have any questions concerning this matter, please contact Michael E. Stogner, Engineer in Santa Fe at (505) 827-8185.

Sincerely,



William J. LeMay
Director

MES/kv

cc:

Michael E. Stogner, OCD - Santa Fe