

*no RPA
4-9-91*

CNG PRODUCING COMPANY
P.O. BOX 15746
PITTSBURG, PA 15244
(412) 787-4109

JANUARY 28, 1991

MR. WILLIAM LEMAY
NEW MEXICO DIL CONSERVATION DIVISION
P.O. BOX 2089
SANTA FE, NEW MEXICO 87501

RE: UNORTHODOX GAS WELL LOCATION
BASIN FRUITLAND COAL
634' FSL, 507' FWL, SEC 30, T32N, R7W
SAN JUAN COUNTY, NEW MEXICO

DEAR MR. LEMAY:

CNG PRODUCING COMPANY REQUESTS ADMINISTRATIVE APPROVAL OF AN EXCEPTION TO THE FOOTAGE AND LOCATION REQUIREMENTS OF RULE 7, R-8760, FOR THE SUBJECT WELL LOCATED IN THE BASIN FRUITLAND COAL POOL.

THIS REQUEST IS FOR EXCEPTION DUE TO TOPOGRAPHY AND HIGH VISIBILITY (FROM NAVAJO LAKE). A VICINITY MAP, AREA MAP, LAND MAP AND C-102 ARE ATTACHED FOR YOUR REFERENCE.

CNG AND MARIAH ASSOCIATES, INC. (AN ENVIRONMENTAL ASSESSMENT COMPANY) INVESTIGATED THE POSSIBILITY OF A LOCATION AT THREE OTHER SITES. THESE WERE REJECTED BY THE BLM DUE TO THE SEVERITY OF THE TOPOGRAPHY (STEEP SLOPES) AND PROXIMITY TO NAVAJO LAKE (VISUAL CLASS 3). THIS LOCATION IS +/- 3000' FROM THE NEAREST FRUITLAND COAL WELL DRILLED BY CNG AND 500' FROM THE NEAREST OFFSET OPERATED PROPERTY LINE. THE SOUTH HALF OF SECTION 30, T32N, R7W WILL BE DEDICATED TO THIS WELL.

OFFSET OPERATORS HAVE BEEN NOTIFIED OF THIS REQUEST BY CERTIFIED MAIL.
YOUR PROMPT CONSIDERATION OF THIS REQUEST IS APPRECIATED.

SINCERELY,

W.B. Martin Jr.

W.B. MARTIN, JR.
OPERATOR REPRESENTATIVE
CNG PRODUCING COMPANY

ATTACHMENTS

CC: NMCD AZTEC OFFICE
NORTHWEST PIPELINE
PHILLIPS PETROLEUM COMPANY
MERIDIAN OIL, INC.

WAIVER:

_____ HEREBY WAIVES OBJECTION TO CNG
PRODUCING COMPANY'S APPLICATION FOR AN UNORTHODOX LOCATION FOR THE
GRASSY CANYON #2 AS PROPOSED ABOVE.

BY: _____ DATE: _____

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

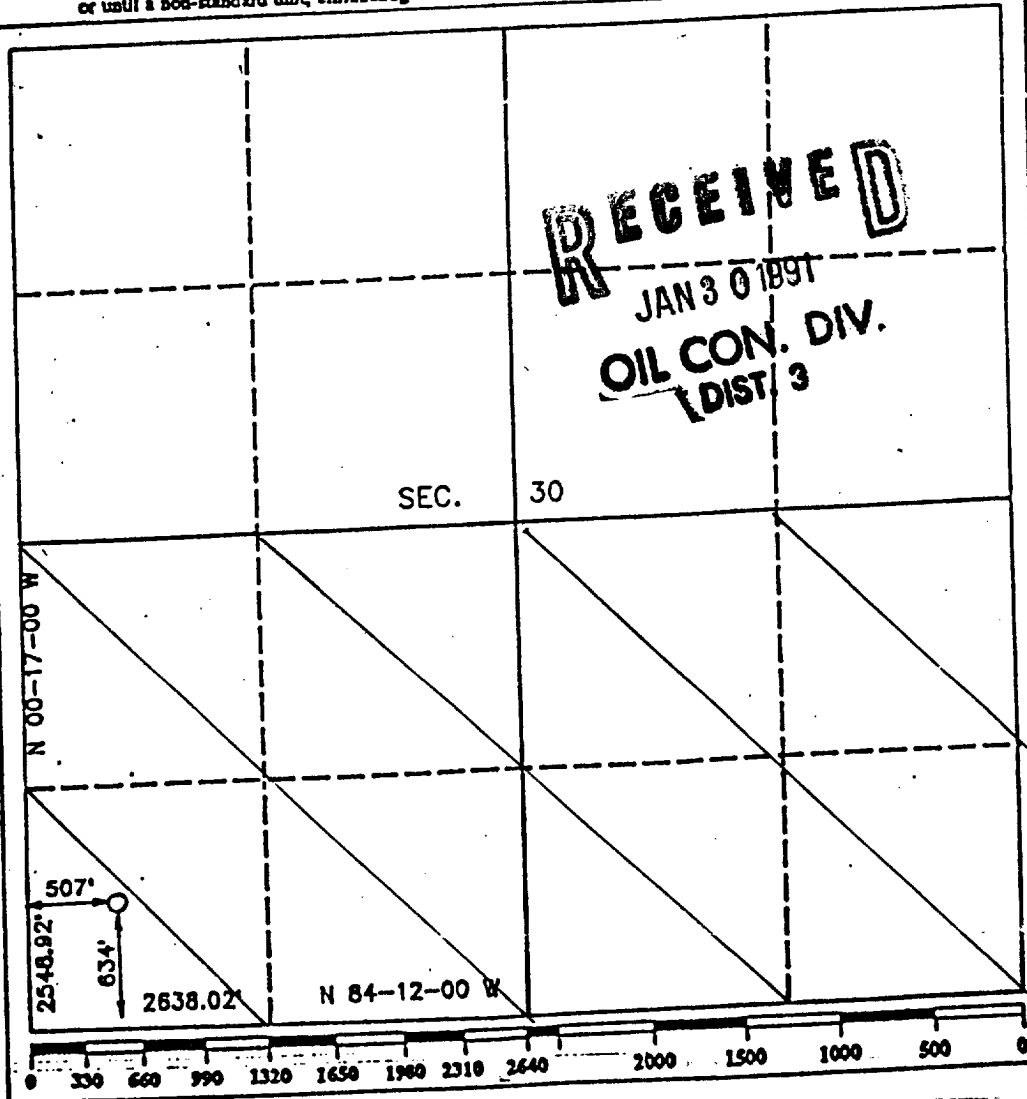
Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT
All Distances must be from the outer boundaries of the section

Operator C.N.G. DEVELOPMENT CO.		Lease GRASSY CANYON		Well No. 2
Unit Letter M	Section 30	Township T.32 N.	Range R.7 W.	County SAN JUAN COUNTY
Actual Footage Location of Well: 634 feet from the SOUTH line and 507 feet from the WEST line				
Ground level Elev. 6930	Producing Formation Fruitland		Pool Basin Fruitland Coal	Dedicated Acreage: 310 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
- ☐ Yes ☐ No If answer is "yes" type of consolidation _____
- If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____
- No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, 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
W.B. Martin Jr.
Printed Name
W.B. MARTIN JR.
Position
Operators Representative
Company

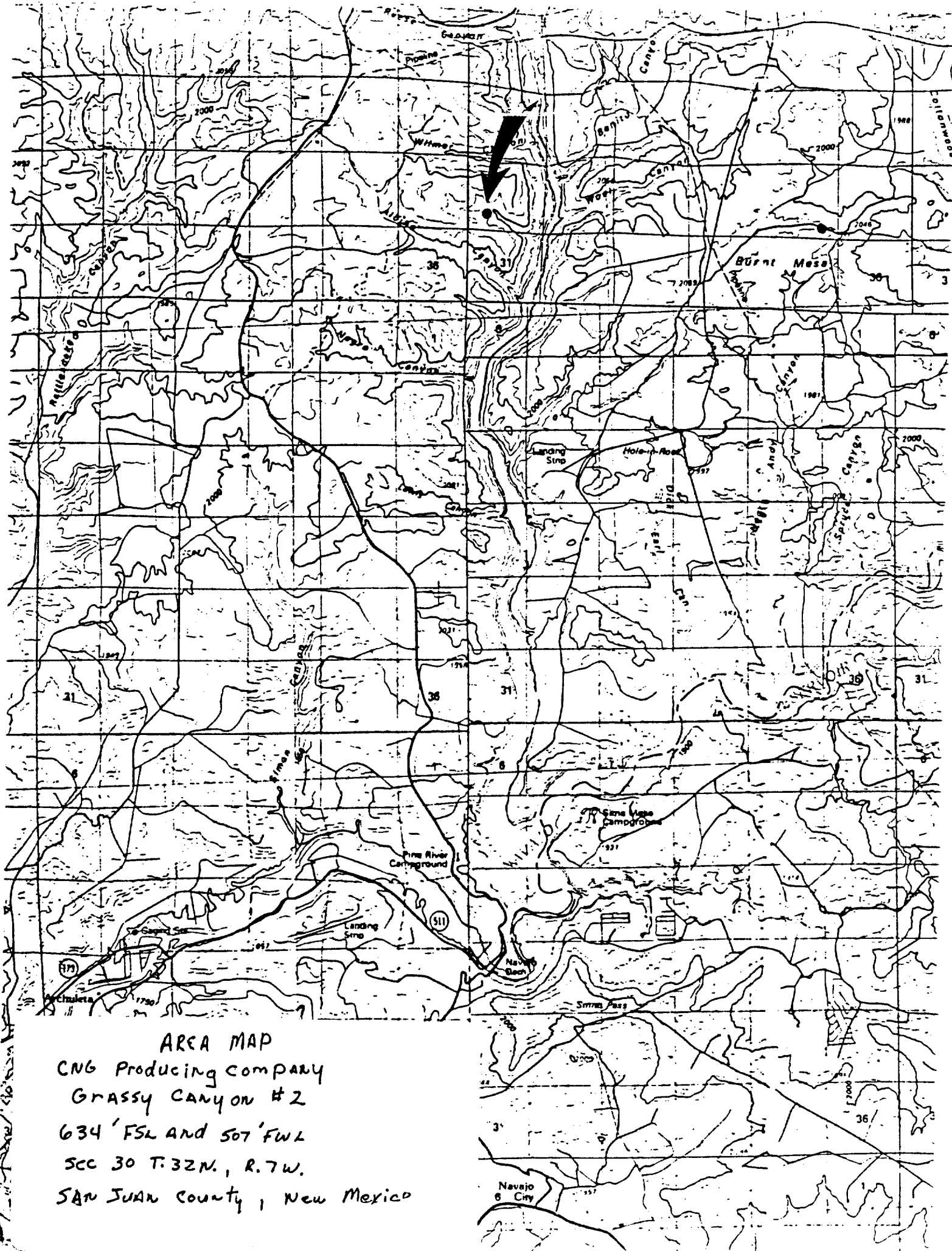
Date
1/22/91

SURVEYOR CERTIFICATION

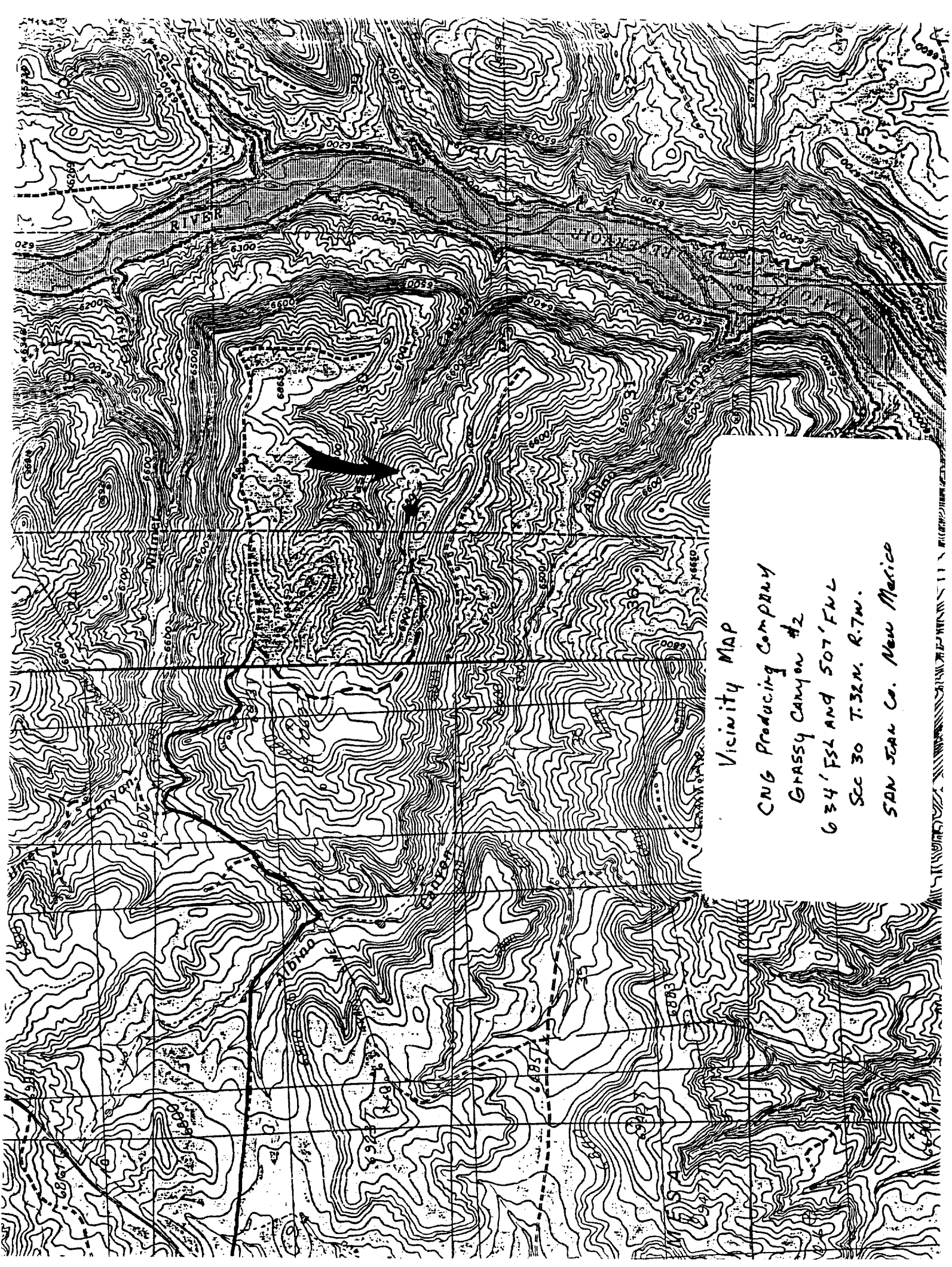
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
SEPTEMBER 21, 1990

Signature & Seal
R. Howard Duggett
R. HOWARD DUGGETT
Professional Surveyor
Certificate No. **2670**
Registered Professional
Land Surveyor



AREA MAP
CNG Producing Company
Grassy Canyon #2
634' FSL and 507' FWL
SEC 30 T. 32N., R. 7W.
SAN JUAN County, New Mexico



Vicinity Map

CNG Producing Company

Grassy Canyon #2

634' FSL and 507' FWL

Sec 30 T.32N. R.7W.

SAN JUAN Co. New Mexico

(SCALE 1 IN. = 1 MI.) ISLAND TOWNSHIP

SAN JUAN REPRODUCTION CO
135 Airport Drive
Farmington, New Mexico 87401
Tel. 325-3111

	36	31	32	33	34	35	36	31
	1	6	5	4	3	2	1	6
	12	7	8	9	10	11	12	7
	13	18	17	16	15	14	13	18
	24	19	20	21	22	23	24	19
Meridian	NWP	CNG	Phillips					
	25	30	29	28	27	26	25	30
Meridian	NWP	CNG	Phillips					
	36	31	32	33	34	35	36	31
		O GC #2						
Unleased	Phillips	Phillips						
	1	6	5	4	3	2	1	6

TOWNSHIP 32 N RANGE 7W COUNTY SAN JUAN STATE New Mexico

REMARKS: Grassy Canyon #2
634' FSL, 507' FAL Sec 30 T.32N., R.7W.
SAN JUAN county New Mexico

COMPANY CNG Producing company