STATE OF NEW MEXICO



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION 2040 S. PACHECO SANTA FE, NEW MEXICO 87505 (505) 827-7131

March 11, 1996

Amoco Production Company P. O. Box 800 Denver, Colorado 80201 Attention: J. W. Hawkins

AMENDED Administrative Order DD-112

Dear Mr. Hawkins:

By Division Administrative Order DD-112(H), dated August 18, 1995, authorization was given Amoco Production Company ("Amoco") to recomplete its existing Scott "LS" Well No. 3 (API No. 30-045-11215), located at a standard gas well location 990 feet from the South line and 790 feet from the West line (Lot 7/Unit M) of Section 29, Township 32 North, Range 10 West, NMPM, San Juan County, New Mexico, by milling a window in the existing production casing at a depth of approximately 5,071 feet, kick-off from vertical in an easterly direction with a short radius curve (64 degrees per 100 feet or 90 foot radius), and continue drilling horizontally within the Mesaverde formation a lateral distance of approximately 700 feet in order to further develop the Blanco-Mesaverde Pool underlying an existing 324.44-acre standard gas spacing and proration unit ("GPU") comprising Lots 5, 6, 7, and 8 and the E/2 SW/4 and the W/2 SE/4 (S/2 equivalent) of said Section 29.

Reference is now made to your application dated December 6, 1995, to amend said Order DD-112(H), for authorization to recomplete said well with a high-angle (45 degrees) directionally drilled wellbore instead.

The Division Director Finds That:

- This amendment has been duly filed under the provisions of Rule 111.D and E of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10388, issued by the Oil Conservation Commission in Case 11,274 on June 13, 1995;
- (2) It is our understanding that Amoco now intends to kick-off from vertical at a depth of approximately 3,400 feet by milling a window in the existing production casing,

AMENDED Administrative Order DD-112 Amoco Production Company March 11, 1996 Page No. 2

drill in an easterly direction, build to an angle of approximately 45 degrees and continue to drill a slant hole in such a manner as to bottom back into the Blanco-Mesaverde Pool, with total horizontal displacement of said well to be approximately 917 feet;

- (3) A high angle wellbore as proposed should provide Amoco a better opportunity to encounter the naturally occurring fracture system in the Mesaverde formation, which should result in a higher production rate and an increased ultimate recovery of gas from this GPU;
- (4) The applicable drilling window or "producing area" for said wellbore will not change from that area prescribed in said original order DD-112(H), which includes that area within the SW/4 equivalent of said Section 29 that is no closer than 790 feet to any quarter section line; and,
- (5) It appearing the applicant has satisfied all of the appropriate requirements prescribed in said **Rule 111.D** and **E**, the subject application should be approved and the well should be governed by the provisions contained within this order and all other applicable provisions of Division General **Rule 111**.

IT IS THEREFORE ORDERED THAT:

(1) Decretory Paragraph (1) of Division Administrative Order DD-112(H) shall be amended to read in its entirety as follows:

"(1) The applicant, Amoco Production Company, is hereby authorized to recomplete its existing Scott "LS" Well No. 3 (API No. 30-045-11215), located at a standard gas well location 990 feet from the South line and 790 feet from the West line (Lot 7/Unit M) of Section 29, Township 32 North, Range 10 West, NMPM, San Juan County, New Mexico by milling a window in the existing production casing at a depth of approximately 3,400 feet, kick-off from vertical in an easterly direction, build to an angle of approximately 45 degrees and continue to drill a slant hole in such a manner as to bottom back into the Blanco-Mesaverde Pool, with total horizontal displacement of said well to be approximately 917 feet.

<u>PROVIDED_HOWEVER_THAT</u> prior to commencing directional drilling operations in said wellbore, the applicant shall

AMENDED Administrative Order DD-112 Amoco Production Company March 11, 1996 Page No. 3

establish the location of the kick-off point by means of a directional survey acceptable to the Division.

<u>PROVIDED FURTHER THAT</u> during or upon completion of directional drilling operations, the applicant shall conduct an accurate wellbore survey from the kick-off point to total depth in order that the subsurface bottomhole location, as well as the wellbore's true depth and course, may be determined."

(2) All other provisions of said Order DD-112(H), dated August 18, 1995, not in conflict with this change shall remain in full force and effect until further notice.

(3) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO OIL CONSERVATION D/IVISION

WILLIAM J. LEN Director

SEAL

WJL/MES/kv

cc: Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
File: DD-112(H)

Rec. 12/11/95 Susp. NA Relium 3-8-96

March 8, 1996

Amoco Production Company P. O. Box 800 Denver, Colorado 80201

DD-112, AMD

Attention: J. W. Hawkins

AMENDED Administrative Order DD-112

Dear Mr. Hawkins:

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- (2) It is our understanding that Amoco now intends to kick-off from vertical at a depth of approximately 3,400 feet by milling a window in the existing production casing, drill in an easterly direction, build to an angle of approximately 45 degrees and continue to drill a slant hole in such a manner as to bottom back into

AMENDED Administrative Order DD-112 Amoco Production Company March 8, 1996 Page No. 2

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the Blanco-Mesaverde Pool, with total horizontal displacement of said well to be approximately 917 feet;

- (3) A high angle wellbore as proposed should provide Amoco a better opportunity to encounter the naturally occurring fracture system in the Mesaverde formation, which should result in a higher production rate and an increased ultimate recovery of gas from this GPU;
- (4) The applicable drilling window or "producing area" for said wellbore will not change from that area prescribed in said original order DD-112(H), which includes that area within the SW/4 equivalent of said Section 29 that is no closer than 790 feet to any quarter section line; and,
- (5) It appearing the applicant has satisfied all of the appropriate requirements prescribed in said **Rule 111.D** and **E**, the subject application should be approved and the well should be governed by the provisions contained within this order and all other applicable provisions of Division General **Rule 111**.

IT IS THEREFORE ORDERED THAT:

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<u>PROVIDED HOWEVER THAT</u> prior to commencing directional drilling operations in said wellbore, the applicant shall establish the location of the kick-off point by means of a directional survey acceptable to the Division.

AMENDED Administrative Order DD-112 Amoco Production Company March 8, 1996 Page No. 3

> <u>PROVIDED FURTHER THAT</u> during or upon completion of directional drilling operations, the applicant shall conduct an accurate wellbore survey from the kick-off point to total depth in order that the subsurface bottomhole location, as well as the wellbore's true depth and course, may be determined."

(2) All other provisions of said Order DD-112(H), dated August 18, 1995, not in conflict with this change shall remain in full force and effect until further notice.

(3) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

WILLIAM J. LEMAY Director

SEAL

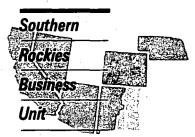
WJL/MES/kv

cc: Oil Conservation Division - Aztec U. S. Bureau of Land Management - Farmington File: DD-112(H)



OIL CONSERVE ON DIVISION RECE VED

'95 DE 11 AM 8 52



December 6, 1995

Mr. William J. LeMay, Director New Mexico Oil Conservation Division 2040 S. Pacheco Street Santa Fe, NM 87505

Notice of Change of Plans Barnes LS #6A Well - NMOCD Administrative Order DD-125(H) Scott LS #3 Well - NMOCD Administrative Order DD-112(H) **Blanco Mesaverde Pool** San Juan County, New Mexico

This letter is to notify you of a change in our plans for drilling two high angle/horizontal wells which have previously been approved by your office. Amoco Production Company is planning to drill the two above referenced wells as high angle (45 degree) directional wellbores as shown on the attached wellbore directional plats. The NMOCD orders referenced above approved these two wells as "horizontal" wellbores. This will require a change in the kick-off points and lateral length and angle that is set forth as condition (1) in the above referenced orders. All other conditions set forth in the orders regarding these wells will not be affected. It is our understanding that modifications of this nature are allowed by the division without requiring a new application filing or notice to offset operators.

We are providing information on each well for your files as follows:

1) a plat showing the well location, project area and producing area for the project well and the offset spacing units, their wells and operators;

2) a plat showing the directional wellbore plan in both the horizontal and vertical plan view; 3) a proposed direction plan for the wellbore.

Sincerely,

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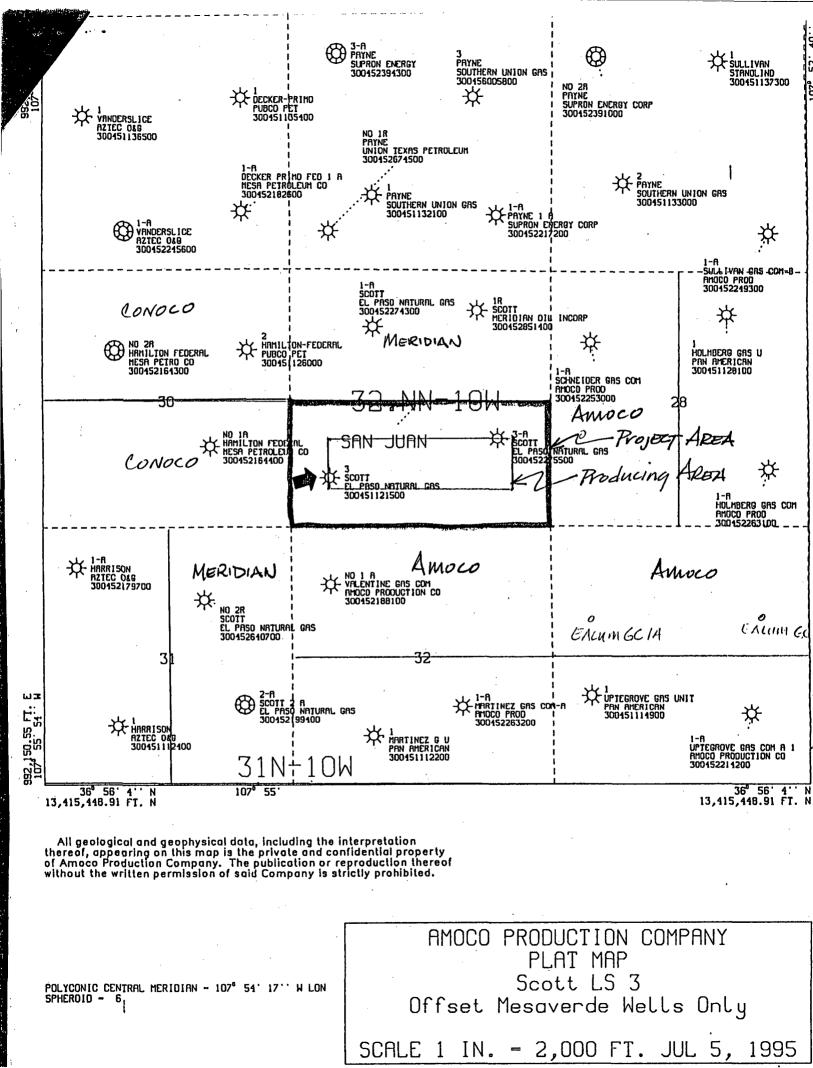
J. W. Hawkins

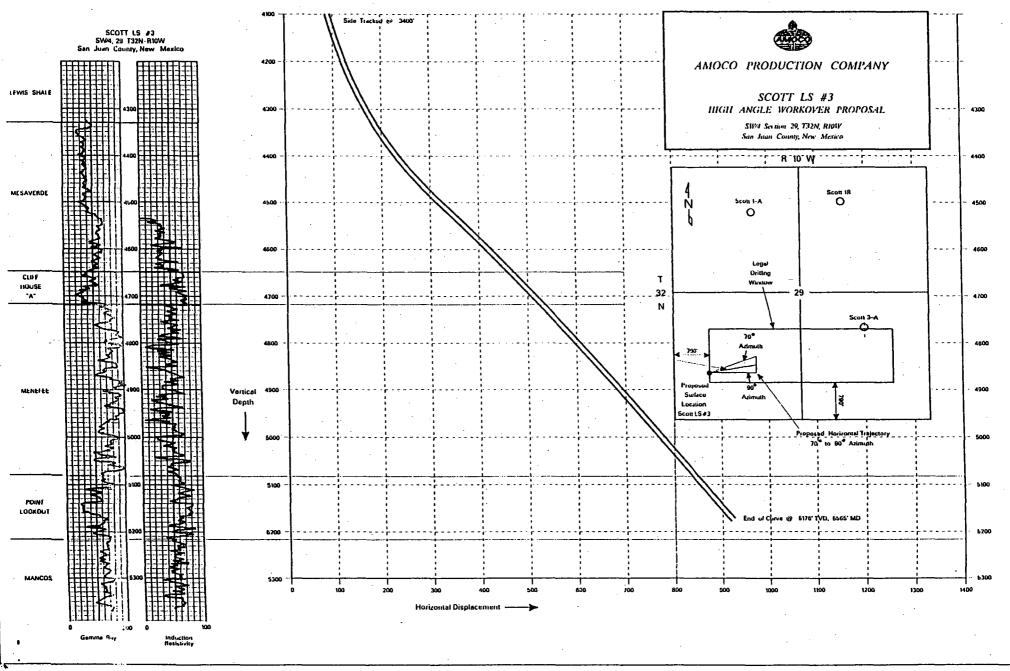
Jack St. John cc:

Gail Jefferson

Frank Chavez, Supervisor NMOCD District III 1000 Rio Brazos Road Aztec, NM 87410

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50077 20 Hi Angle 11/01/95 (13:35hrs)

Units are FEET

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	3600.00	7,00	20.00	3599.55	10.65		5.93	11	20	4.0
	3700.00	12.00 11.00	20.00	3698.15	26.15	9.52	14.56	28	20	5.0
	3800.00	15.00	20.00	3795.38	48.09	17.50	26.77	51	20	3.0
	3900.00	18.00	20.00	3891.25	74.77	27.21	41.62	80	20	3.0
	4000.00	21.00	20.00	3985.50	106.14	38.63	59.08	113	20	3.0
	4100.00	24.00	20.00	4077.88	142.09	51.72	79.10	151	20	3.0
	4200.00	27.00	30.00	4168.17	180.89	70.04	104.81	194	21	5.2
	4300.00	30.00	40.00	4256.09	219.73	97.48	139.47	240	24	5.6
	4400.00	35.00	50.00	4340.47	257.37	135.57	184.32	291	28	7.3
	4500.00	40.00	60.00	4419.85	291.92	185.45	240.11	346	32	7.9
	4600.00	45.00	70.00	4493.64	320.14	246.62	305.68	404	38	8.4
	4700.00	45.00	80.00	4564.44	338.39	314.74	376.08	462	43	7.1
	4800.00	45.00	90.00	4635.24	344.54	385.01	446.15	517	48	7.1
	4821.00	45.00	92.00	4650.09	344.28	399.85	460.65	528	49	6.7
	4900.00	45.00	100.00	4706.00	338.45	455.32	513.83	567	53	7.2
	5000.00	45.00	110.00	4776.80	320.19	523.44	576.92	614	59	7.1
	5100.00	45.00	110.00	4847.51	296.01	589.89	637.19	660	63	.0
	5200.00	45.00	110.00	4918.22	271.83	656.34	697.45	710	68	.0
	5300.00	45.00	110.00	4988.93	247.64	722.78	757.72	764	71	.0
	5400.00	45.00	110.00	5059.64	223.46	789.23	817.98	820	74	.0
	5500.00	45.00	110.00	5130.35	199.27	855.68	878.24	879	77	.0
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990'FSL -184' 806' + 184' 1174'FSL 790' FWL + 899' 1689' FWL



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION 2040 S. PACHECO SANTA FE, NEW MEXICO 87505 (505) 827-7131

August 18, 1995

Amoco Production Company P. O. Box 800 Denver, Colorado 80201

Attention: J. W. Hawkins

Administrative Order DD-112(H) High Angle/Horizontal Wellbore

Dear Mr. Hawkins:

Reference is made to Amoco Production Company's application dated July 7, 1995 for authorization to recomplete its existing Scott "LS" Well No. 3 (API No. 30-045-11215) by side tracking off of the vertical wellbore and drill horizontally in order to further develop the Blanco-Mesaverde Pool underlying its existing 324.44-acre standard gas spacing and proration unit ("GPU") comprising Lots 5, 6, 7, and 8 and the E/2 SW/4 and the W/2 SE/4 (S/2 equivalent) of Section 29, Township 32 North, Range 10 West, NMPM, San Juan County, New Mexico.

The Division Director Finds That:

- (1) The application has been duly filed under the provisions of Rule 111(D) and (E) of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10388, issued by the Oil Conservation Commission in Case 11,274 on June 13, 1995;
- (2) The Scott "LS" Well No. 3, located at a standard gas well location 990 feet from the South line and 790 feet from the West line (Lot 7/Unit M) of said Section 29, was originally drilled and completed in 1952 as an initial Blanco-Mesaverde gas well, and was assigned the above-described 324.44-acre GPU;
- (3) By Order No. R-8170, as amended, the Division promulgated the "General Rules For The Prorated Gas Pools of New Mexico/Special Rules and Regulations For The Blanco-Mesaverde Pool", which includes provisions for 320-acre gas spacing and proration units and well location requirements whereby the initial well drilled on a GPU shall be located be no closer than 790 feet to the outer boundary of the quarter section on which the well is located and not closer than 130 feet to any quarter-quarter section line or subdivision inner boundary;

- (4) The "project area" for the proposed high angle/horizontal wellbore is to correspond with the subject GPU;
- (5) Within this GPU, or "project area", Amoco is also producing Blanco-Mesaverde gas from its Scott "LS" Well No. 3-A (API No. 30-045-22755), located at a standard infill gas well location 1800 feet from the South line and 1090 feet from the East line (Lot 5/Unit I) of said Section 29;
- (6) A high angle/horizontal wellbore should provide Amoco a better opportunity to encounter the naturally occurring fracture system in the Mesaverde formation, which should result in a higher production rate and an increased ultimate recovery of gas from this well;
- (7) The applicant/operator proposes to kick-off from vertical at a depth of approximately 5,071 feet by milling a window in the existing production casing, drill in an easterly direction with a short radius curve (64 degrees per 100 feet or 90 foot radius), and drill horizontally within the Mesaverde formation a lateral distance of approximately 700 feet;
- (8) The applicable drilling window or "producing area" for said wellbore should include that area within the SW/4 equivalent of said Section 29 that is no closer than 790 feet to the quarter section line; and,
- (9) It appearing the applicant has satisfied all of the appropriate requirements prescribed in said Rule 111.D and E, the subject application should be approved and the well should be governed by the provisions contained within this order and all other applicable provisions of Division General Rule 111.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Amoco Production Company, is hereby authorized to recomplete its existing Scott "LS" Well No. 3, located at a standard gas well location 990 feet from the South line and 790 feet from the West line (Lot 7/Unit M) of Section 29, Township 32 North, Range 10 West, NMPM, San Juan County, New Mexico by milling a window in the existing production casing at a depth of approximately 5,071 feet, kick-off from vertical in an easterly direction with a short radius curve (64 degrees per 100 feet or 90 foot radius), and continue drilling horizontally within the Mesaverde formation a lateral distance of approximately 700 feet.

<u>PROVIDED HOWEVER THAT</u> prior to commencing directional drilling operations in said wellbore, the applicant shall establish the location of the kick-off point by means of a directional survey acceptable to the Division.

Administrative Order DD-112(H) Amoco Production Company August 18, 1995 Page No. 3

<u>PROVIDED FURTHER THAT</u> during or upon completion of directional drilling operations, the applicant shall conduct an accurate wellbore survey from the kick-off point to total depth in order that the subsurface bottomhole location, as well as the wellbore's true depth and course, may be determined.

(2) The applicant shall notify the supervisor of the Aztec district office of the Division of the date and time said wellbore surveys are to be conducted so that they may be witnessed. The applicant shall further provide a copy of said wellbore surveys to the Santa Fe and Aztec offices of the Division upon completion.

(3) The "project area" for said horizontal well shall correspond with the existing 324.44-acre standard gas spacing and proration unit ("GPU") comprising Lots 5, 6, 7, and 8 and the E/2 SW/4 and the W/2 SE/4 (S/2 equivalent) of said Section 29, whereby both the subject well and Amoco's Scott "LS" Well No. 3-A (API No. 30-045-22755), located at a standard gas well location 1800 feet from the South line and 1090 feet from the East line (Lot 5/Unit I) of said Section 29, are both to be simultaneously dedicated.

(4) The drilling window or "producing area" for said wellbore shall include that area within the SW/4 equivalent of said Section 29 that is no closer than 790 feet to the quarter section line.

(5) The operator shall comply with all requirements and conditions set forth in Division General Rule 111.E(2) and any applicable requirements in 111.D and F and Order No. R-8170, as amended.

(6) Form C-105 shall be filed in accordance with Division Rule 1105 and the operator shall indicate thereon true vertical depth in addition to measured depths.

(7) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

WILLIAM J. LEMAY Director

SEAL

Administrative Order DD-112(H) Amoco Production Company August 18, 1995 Page No. 4

WJL/MES/kv

cc: Oil Conservation Division - AztecU. S. Bureau of Land Management - FarmingtonFile: Case 11,274



Received : July 12, 1985 Suspence Date : Aug. 1, 1995 Released i Aug. 18, 1995

DD-AMOC.1

August 18, 1995

Amoco Production Company P. O. Box 800 Denver, Colorado 80201

Attention: J. W. Hawkins

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Administrative Order DD-****(H) Amoco Production Company August 18, 1995 Page No. 2

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IT IS THEREFORE ORDERED THAT:

(1) The applicant, Amoco Production Company, is hereby authorized to recomplete its existing Scott "LS" Well No. 3, located at a standard gas well location 990 feet from the South line and 790 feet from the West line (Lot 7/Unit M) of Section 29, Township 32 North, Range 10 West, NMPM, San Juan County, New Mexico by milling a window in the existing production casing at a depth of approximately 5,071 feet, kick-off from vertical in an easterly direction with a short radius curve (64 degrees per 100 feet or 90 foot radius), and continue drilling horizontally within the Mesaverde formation a lateral distance of approximately 700 feet.

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Administrative Order DD-****(H) Amoco Production Company August 18, 1995 Page No. 3

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(4) The drilling window or "producing area" for said wellbore shall include that area within the SW/4 equivalent of said Section 29 that is no closer than 790 feet to the quarter section line.

(5) The operator shall comply with all requirements and conditions set forth in Division General Rule 111.E(2) and any applicable requirements in 111.D and F and Order No. R-8170, as amended.

(6) Form C-105 shall be filed in accordance with Division Rule 1105 and the operator shall indicate thereon true vertical depth in addition to measured depths.

(7) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

WILLIAM J. LEMAY Director

SEAL

WJL/MES/kv

Administrative Order DD-****(H) Amoco Production Company August 18, 1995 Page No. 4

cc: Oil Conservation Division - Aztec U. S. Bureau of Land Management - Farmington File: Case 11,274



OIL CONSERVATION DIVISION RECEIVED

'95 JU_18 RM 8 52

July 7, 1995

Mr. William J. LeMay, Director New Mexico Oil Conservation Division 2040 S. Pacheco Street P.O. Box 6429 Santa Fe, NM 87505

Application to Drill a Directional Well Rule 111 as Amended by Order No. R-10388 Scott LS 3 Well 990' FSL, 790' FWL, Section 29-T32N-R10W Blanco Mesaverde Pool San Juan County, New Mexico

Amoco Production Company hereby requests administrative approval to enter the existing wellbore in the Scott LS 3 well referenced above and directionally drill the well as a high angle / horizontal well in the Blanco Mesaverde Pool. The well is currently completed as a producing well in the Blanco Mesaverde Pool, however Amoco believes that directionally drilling the well will provide a better opportunity to encounter the naturally occurring fracture system in the Mesaverde formation which will increase the producing rate and ultimate recovery of gas for this well.

In accordance with Rule 111-D.(2), attached to aid in your review are: 1) a plat showing the well location, project area and producing area for the project well and the offset spacing units, their wells and operators;

2) a vertically oriented plan view for the project well showing top and bottom of the pool, degree of angle to be built, kickoff point, penetration point and lateral length;

3) a horizontal plan view for the project well showing the project area, producing area, estimated azimuth and maximum length of the lateral;

4) a type log section identifying the top and bottom of the pool.

As notification, a copy of this application will be sent by certified mail return receipt requested to the offset operators shown on the attached list advising them that if they have any objection, it must be filed in writing within twenty (20) days of the date notice was sent.

Sincerely

W. Hawkins

CC:

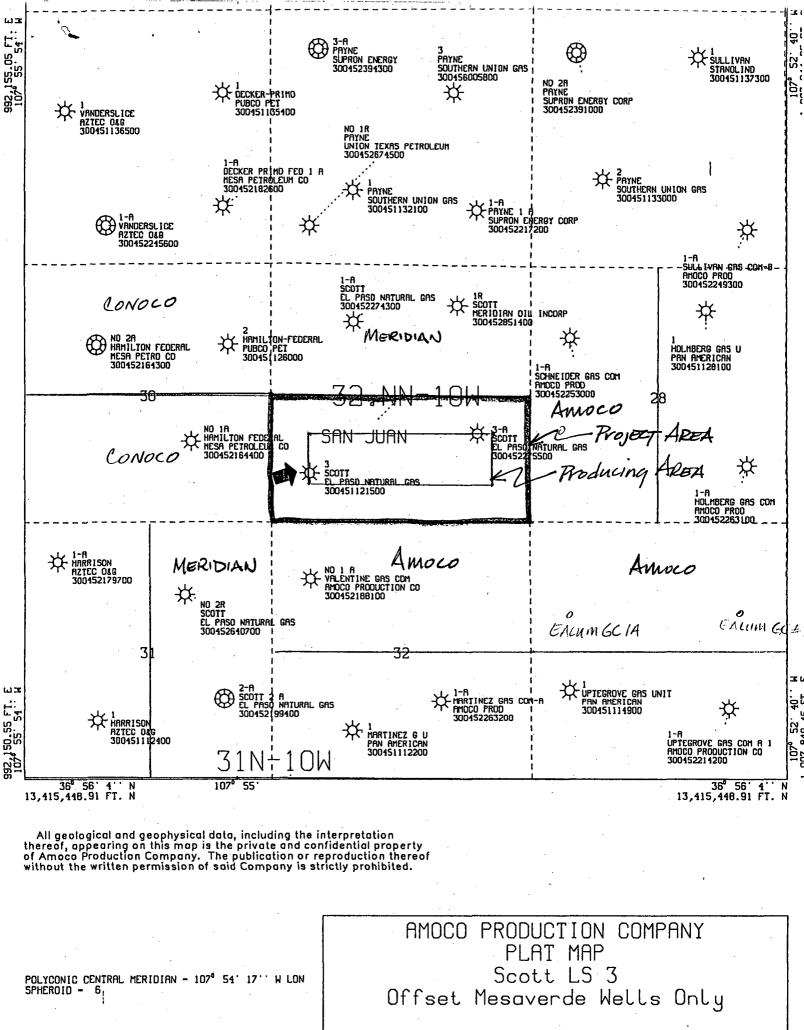
Jack St. John Gail Jefferson Frank Chavez, Supervisor NMOCD District III 1000 Rio Brazos Road Aztec, NM 87410



Offset Operator List Scott LS 3 Well

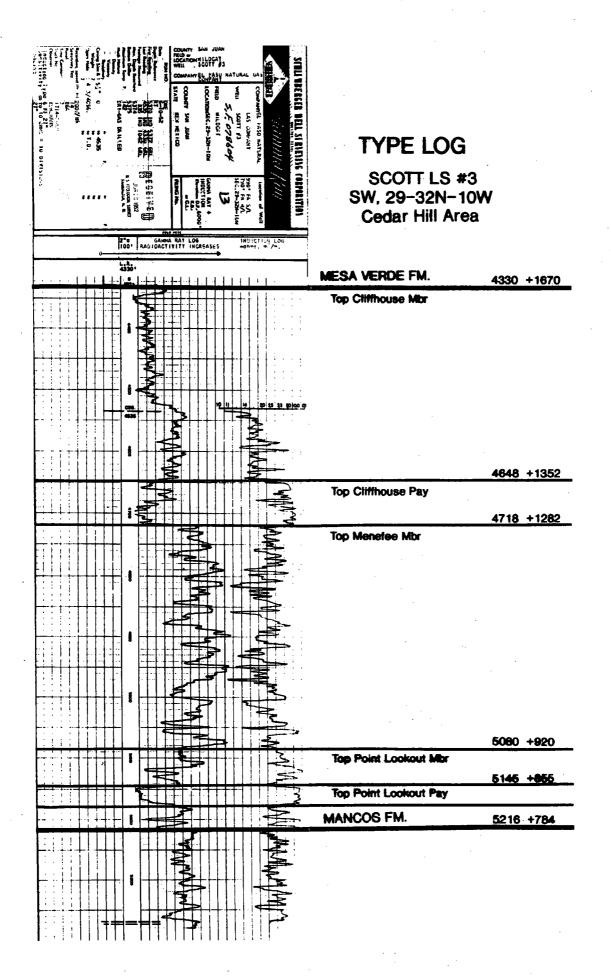
Conoco Inc. 10 Desta Dr., Ste 100W Midland TX 79705-4500 Attn: Jerry Hoover

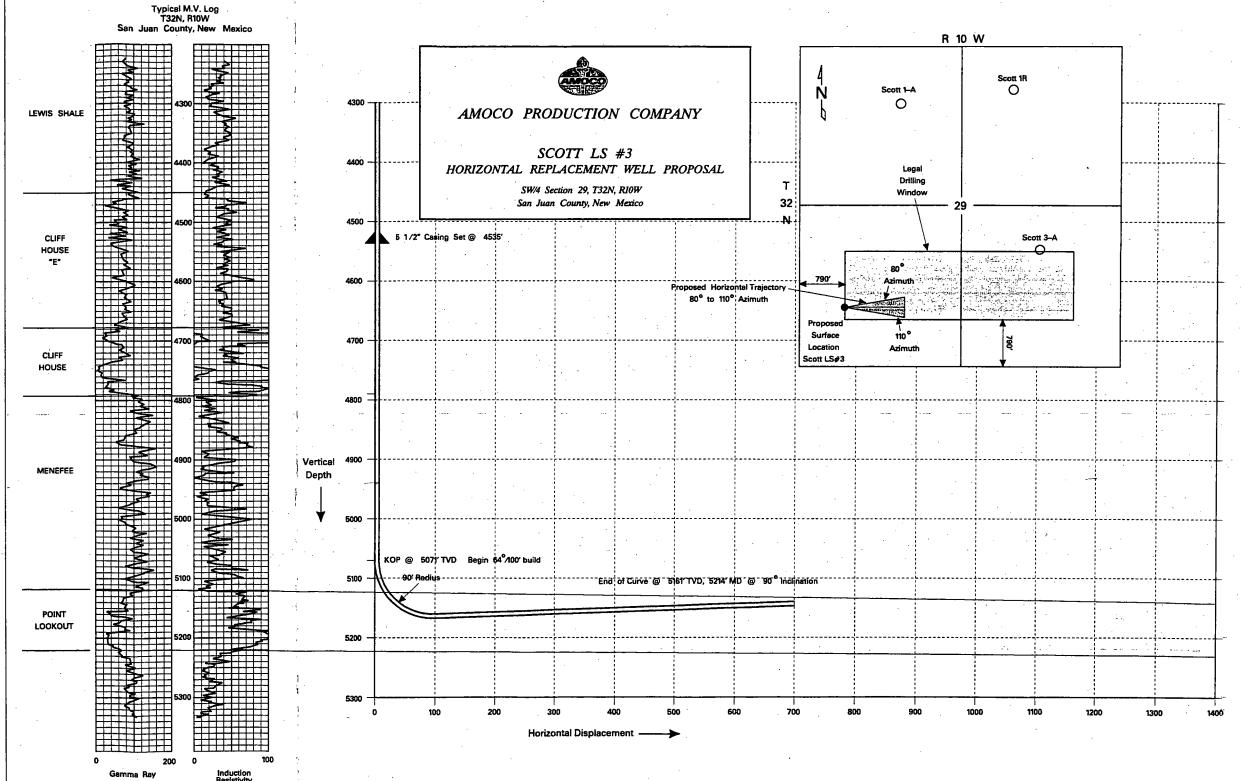
Meridian Oil Inc. PO Box 4289 Farmington NM 87499 Attn: Alan Alexander



SCALE 1 1

IN. = 2,000 FT. JUL 5, 1995





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July 7, 1995

Mr. William J. LeMay, Director New Mexico Oil Conservation Division 2040 S. Pacheco Street P.O. Box 6429 Santa Fe, NM 87505

Application to Drill a Directional Well Rule 111 as Amended by Order No. R-10388 Scott LS 3 Well 990' FSL, 790' FWL, Section 29-T32N-R10W Blanco Mesaverde Pool San Juan County, New Mexico

Amoco Production Company hereby requests administrative approval to enter the existing wellbore in the Scott LS 3 well referenced above and directionally drill the well as a high angle / horizontal well in the Blanco Mesaverde Pool. The well is currently completed as a producing well in the Blanco Mesaverde Pool, however Amoco believes that directionally drilling the well will provide a better opportunity to encounter the naturally occurring fracture system in the Mesaverde formation which will increase the producing rate and ultimate recovery of gas for this well.

In accordance with Rule 111-D.(2), attached to aid in your review are: 1) a plat showing the well location, project area and producing area for the project well and the offset spacing units, their wells and operators;

2) a vertically oriented plan view for the project well showing top and bottom of the pool, degree of angle to be built, kickoff point, penetration point and lateral length;

3) a horizontal plan view for the project well showing the project area, producing area, estimated azimuth and maximum length of the lateral;

4) a type log section identifying the top and bottom of the pool.

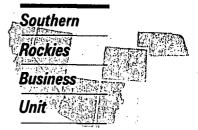
As notification, a copy of this application will be sent by certified mail return receipt requested to the offset operators shown on the attached list advising them that if they have any objection, it must be filed in writing within twenty (20) days of the date notice was sent.

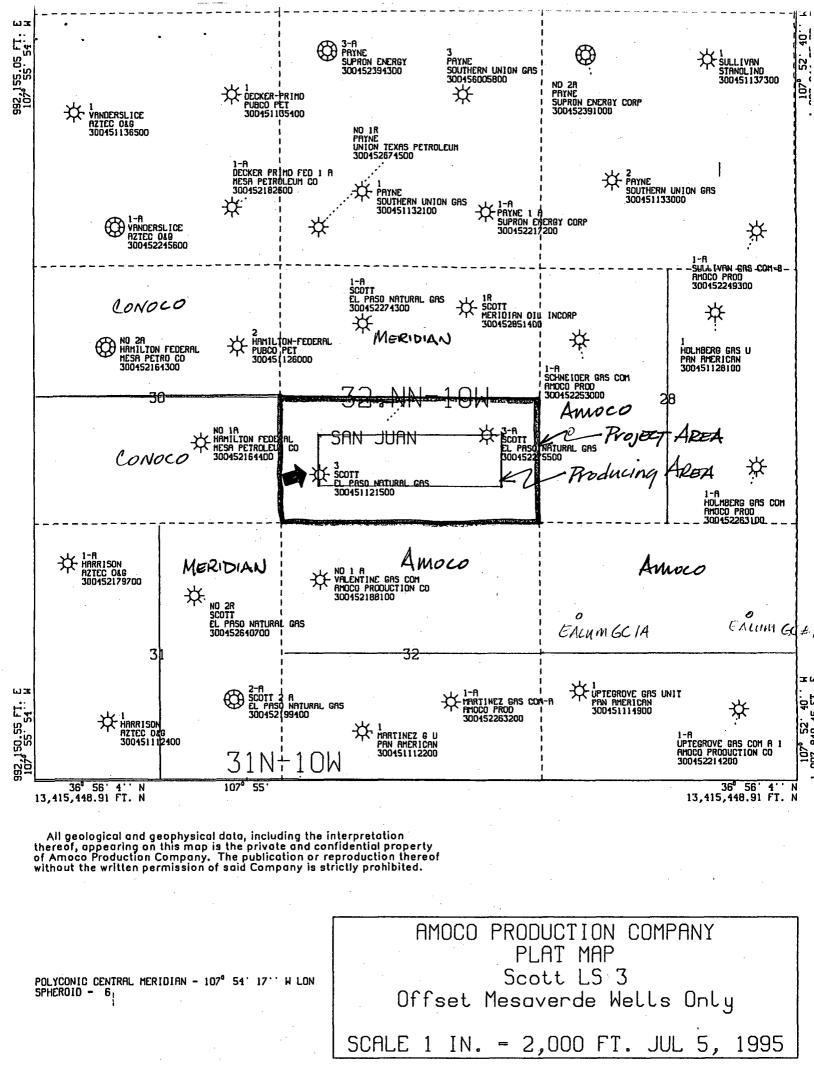
Sincerel

I. W. Hawkins

cc:

Jack St. John Gail Jefferson Frank Chavez, Supervisor NMOCD District III 1000 Rio Brazos Road Aztec, NM 87410



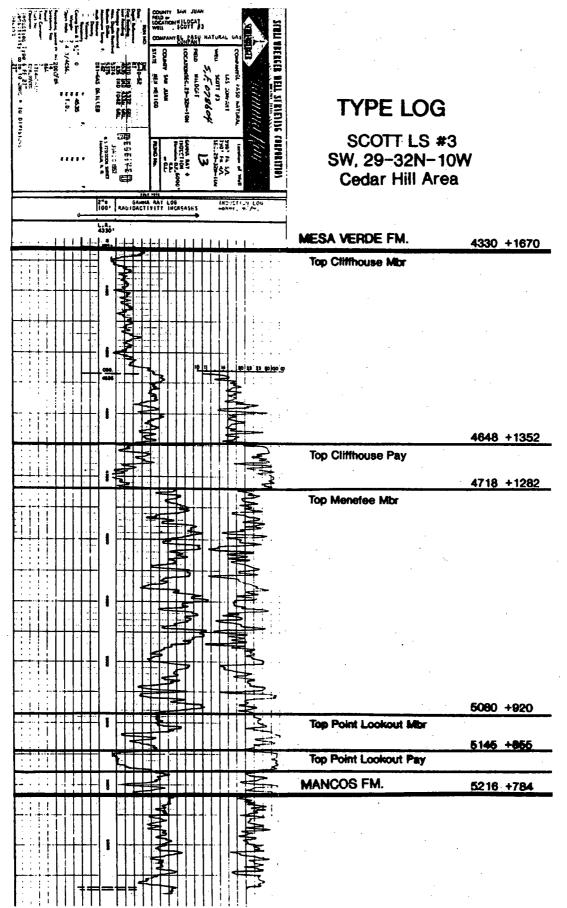


Offset Operator List Scott LS 3 Well

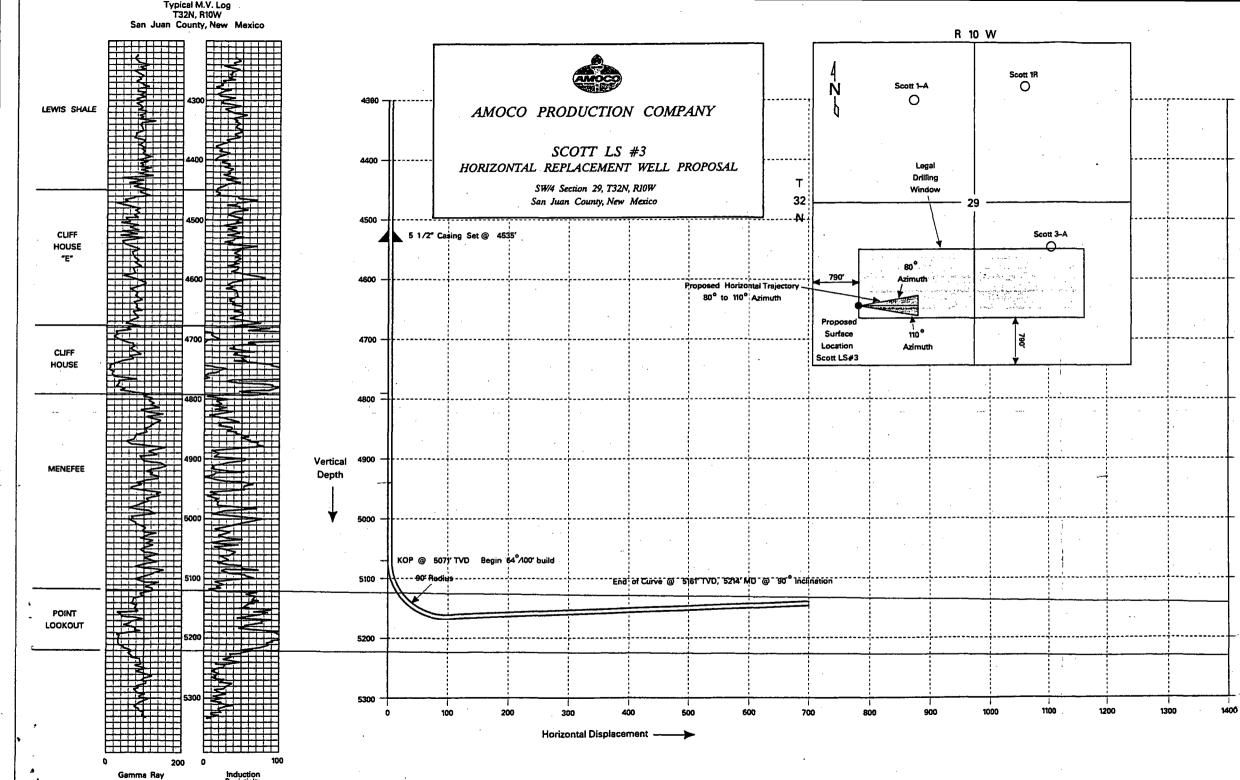
Conoco Inc. 10 Desta Dr., Ste 100W Midland TX 79705-4500 Attn: Jerry Hoover

Meridian Oil Inc. PO Box 4289 Farmington NM 87499 Attn: Alan Alexander

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CMD : ÓG5SECT Sec : 29 Twp : 32N	ONGARD INQUIRE LAND F Rng : 10W Section	08/17/95 15:24:13 OGOMES -EMEG PAGE NO: 2		
61	K	J	5	
41.27	40.00	40.00	40.54	
Federal owned	Fee owned	Fee owned	Federal owned	
			А	
7	N	0	8	
41.68	40.00	40.00	40.95	
Federal owned	Fee owned	Fee owned	Federal owned	
Α	А			
PF01 HELP PF02 PF07 BKWD PF08 FWI	PF03 EXIT PI D PF09 PRINT PI	F04 GoTo PF05 F10 SDIV PF11	PF06 PF12	
82.95	80	80	81.49	

162.95

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161.49

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324,44

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CMD : OG5SECT Sec : 29 Twp : 32N	ONGARD INQUIRE LAND F Rng : 10W Section	08/17/95 15:24:04 OGOMES -EMEG PAGE NO: 1			
D 40.00	C 40.00	2 39.95	1 39.71		
40.00	40.00	37.73	33.71		
Federal owned	Federal owned	Federal owned	Federal owned		
	А	A A			
E	F	3	4		
40.00	40.00	40.37	40.13		
Federal owned	Federal owned	Federal owned	Federal owned		
А		A	A A		
PF01 HELP PF02 PF07 BKWD PF08 FW		F04 GoTo PF05 F10 SDIV PF11	PF06 PF12		

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