

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
[DD-Directional Drilling] [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 - Directional Drilling
☒ NSL ☐ NSP ☐ DD ☐ SD

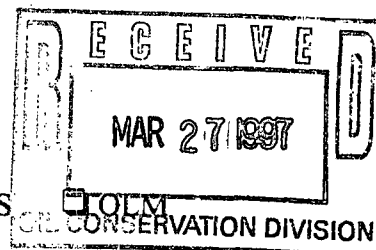
Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement

☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR



[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] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

James Bruce
P.O. Box 1056
Santa Fe, NM 87504

Note: Statement must be completed by an individual with supervisory capacity.

Print or Type Name

Signature

Title

Date

James Bruce

Attorney

3/26/97

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

SUITE B
612 OLD SANTA FE TRAIL
SANTA FE, NEW MEXICO 87501

(505) 982-2043
(505) 982-2151 (FAX)

March 26, 1997

Hand Delivered

Michael E. Stogner
New Mexico Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Dear Mr. Stogner:

Pursuant to Division Rule 104.F(2) and Rule 8 of the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool, NM&O Operating Company hereby applies for administrative approval of an unorthodox gas well location for the following well:

Invader Fed. Well No. 1
1040 feet FNL & 850 feet FWL
W $\frac{1}{2}$ S1, Township 24 North, Range 2 West, NMPM
Rio Arriba County, New Mexico

The well was originally drilled and completed in the Gavilan-Mancos Pool, and has been recompleted in the Basin-Fruitland Coal Gas Pool. The well is unorthodox because it is the first coal gas well in the unit, but it is not in the SW $\frac{1}{4}$ of Section 1, as required by Order No. R-8768, as amended.

Based upon my examination of the records of the Bureau of Land Management and the Division, the offset operators or lessees entitled to receive notice of this application are as follows:

S $\frac{1}{2}$ S36-25N-2W: Dugan Production Company (operator)
P.O. Box 420
Farmington, New Mexico 87499

S $\frac{1}{2}$ S35-25N-2W: NM&O Operating Company (operator)

E $\frac{1}{2}$ S2-24N-2W: Floyd Oil Company (lessee)
Suite 1740
711 Louisiana
Houston, Texas 77002

Benson-Montin-Greer Drilling Corp. (lessee)
Suite 221
501 Airport Drive
Farmington, New Mexico 87401

Grand Valley Gas Company (lessee)
Suite 600
47 West 200 South
Salt Lake City, Utah 84101

E½ §1-24N-2W: NM&O Operating Company (operator)

The above persons have been notified of this application by certified mail. A copy of the notice letter is attached hereto as Exhibit A.

This application is submitted in duplicate. Please call me if you need anything further on this matter.

Very truly yours,



James Bruce

Attorney for NM&O
Operating Company

cc: Jan Shields

nmo-aap.uol

JAMES BRUCE
ATTORNEY AT LAW

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March 26, 1997

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Dugan Production Company
P.O. Box 420
Farmington, New Mexico 87499

Floyd Oil Company
Suite 1740
711 Louisiana
Houston, Texas 77002
Attn: W. Gregg Adkins

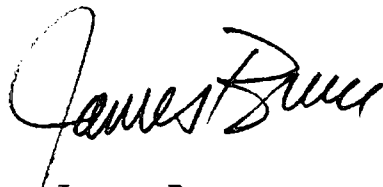
Benson-Montin-Greer
Drilling Corporation
Suite 221
501 Airport Drive
Farmington, New Mexico 87401

Grand Valley Gas Company
Suite 600
47 West 200 South
Salt Lake City, Utah 84101

Dear Sirs:

NM&O Operating Company has filed an administrative application for an unorthodox gas well location with the New Mexico Oil Conservation Division regarding the W $\frac{1}{2}$ of Section 1, Township 24 North, Range 2 West, Rio Arriba County, New Mexico (Invader Fed. Well No. 1). A copy of the application is enclosed. If you have an objection to the application, you must notify the Division in writing no later than April 15, 1997. The Division's address is 2040 South Pacheco Street, Santa Fe, New Mexico 87505.

Very truly yours,


James Bruce
Attorney for NM&O
Operating Company



CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

04/02/97 06:26:09
OGOMES -EMEI
PAGE NO: 1

Sec : 01 Twp : 24N Rng : 02W Section Type : NORMAL

4 42.50 Federal owned A	3 42.56 Federal owned	2 42.60 Federal owned	1 42.66 Federal owned
E 40.00 Federal owned	F 40.00 Federal owned	G 40.00 Federal owned	H 40.00 Fee owned

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

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82.56

165.06

82.6

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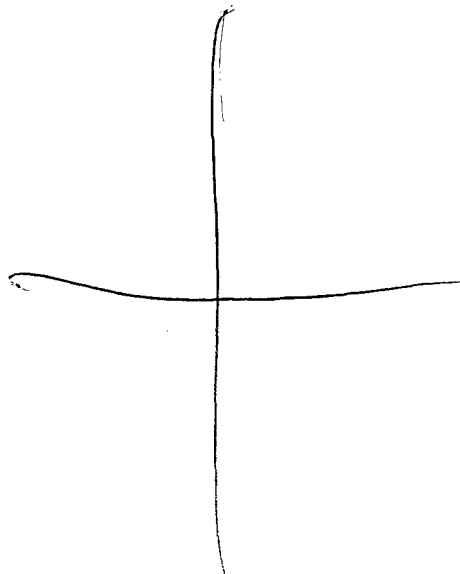
82.66

330.32

165.06

16

325.66



CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

04/02/97 03:15:33
OGOMES -EME1
PAGE NO: 2

Sec : 01 Twp : 24N Rng : 02W Section Type : NORMAL

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M 40.00 Fee owned	N 40.00 Fee owned	O 40.00 Fee owned	P 40.00 Fee owned

PF01 HELP
PF07 BKWD

PF02
PF08 FWD

PF03 EXIT
PF09 PRINT

PF04 GoTo
PF10 SDIV

PF05
PF11

PF06
PF12