

8/20/97

KM PRODUCTION COMPANY  
P. O. Box 2406  
Farmington, NM 87499-2406  
(505) 325-6900

July 30, 1997

**Certified Mail - Return Receipt Requested #P 358638348**

Mr. William J. LeMay, Chairman  
New Mexico Oil Conservation Division  
2040 South Pacheco  
Santa Fe, New Mexico 87505

RE: Request for Administrative Approval of a  
Non-Standard Basin Fruitland Coal Location  
M&G Drilling Company  
Schlosser #97  
623' FSL and 1347' FWL  
Section 34, T28N R11W  
San Juan County, New Mexico

Gentlemen:

KM Production Company is an agent for M&G Drilling Company. M&G Drilling Company requests approval of a non-standard gas well location for the drilling of their Schlosser #97 Basin Fruitland Coal well at 623' FSL and 1347' FWL of Section 34 of T28N R11W. Enclosed as Attachment #1 is a Well Location and Acreage Dedication Plat for this well. The topography in the SW ¼ of Section 34 is extremely rugged and the staked location for the Schlosser #97 is the only feasible place to drill a well in this quarter section. A topographic map is enclosed as Attachment #2 to demonstrate the rough terrain in this area.

Attachment #3 is a map showing the Fruitland Coal formation ownership of the leases surrounding the proposed Schlosser #97 well. This new well is located too close to the southern boundary of Section 34. You will note that M&G Drilling Company has ownership of the acreage to the south of this well which is being encroached upon. The remaining Fruitland Coal leases around this well are owned by Amoco Production Company and Marathon Oil Company. Copies of this letter have been sent by certified mail to these companies notifying them of this request. Copies of these return receipts are shown in Attachment #4. As per NMOCD regulations, by copy of this letter to offset leaseholders, M&G Drilling Company is asking offset leaseholders that they waive any objection to this Fruitland Coal formation non- standard location.

I believe this request provides all the information required by NMOCD regulations for administrative approval of this non-standard location request. If any other information is needed, please call. Your prompt response to this request is appreciated.

Sincerely,

Kevin H. McCord  
Petroleum Engineer

Attachments

District I  
PO Box 1980, Hobbs, NM 88241-1980  
District II  
PO Drawer DD, Artesia, NM 88211-0719  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
PO Box 2088  
Santa Fe, NM 87504-2088

Form C-102  
Revised February 21, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number		<sup>2</sup> Pool Code	<sup>3</sup> Pool Name
<sup>4</sup> Property Code	<sup>5</sup> Property Name SCHLOSSER		<sup>6</sup> Well Number 97
<sup>7</sup> OGRID No.	<sup>8</sup> Operator Name M & G DRILLING COMPANY, INC.		<sup>9</sup> Elevation 5996

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	34	28 N	11 W		623	South	1347	West	San Juan

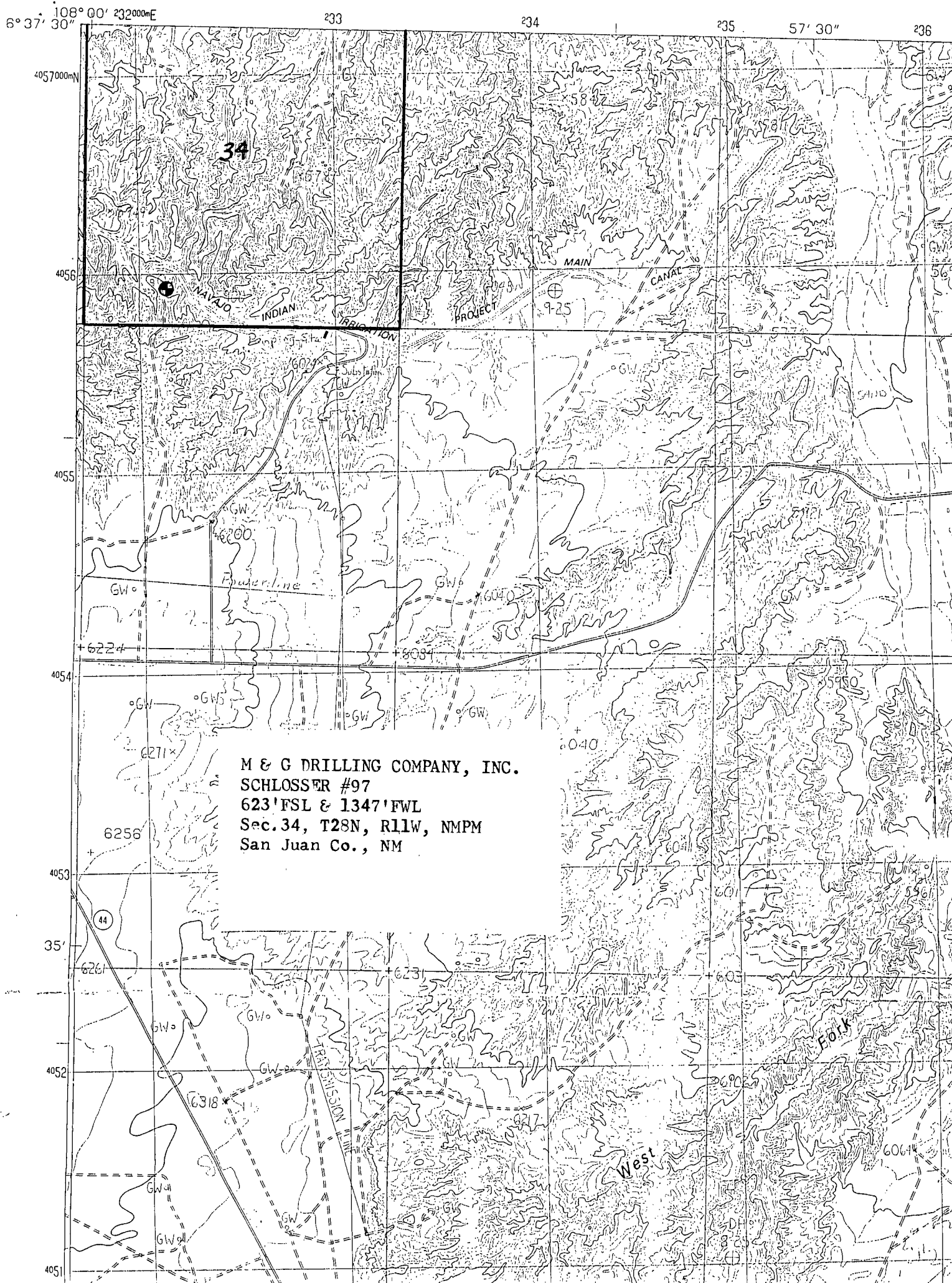
<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

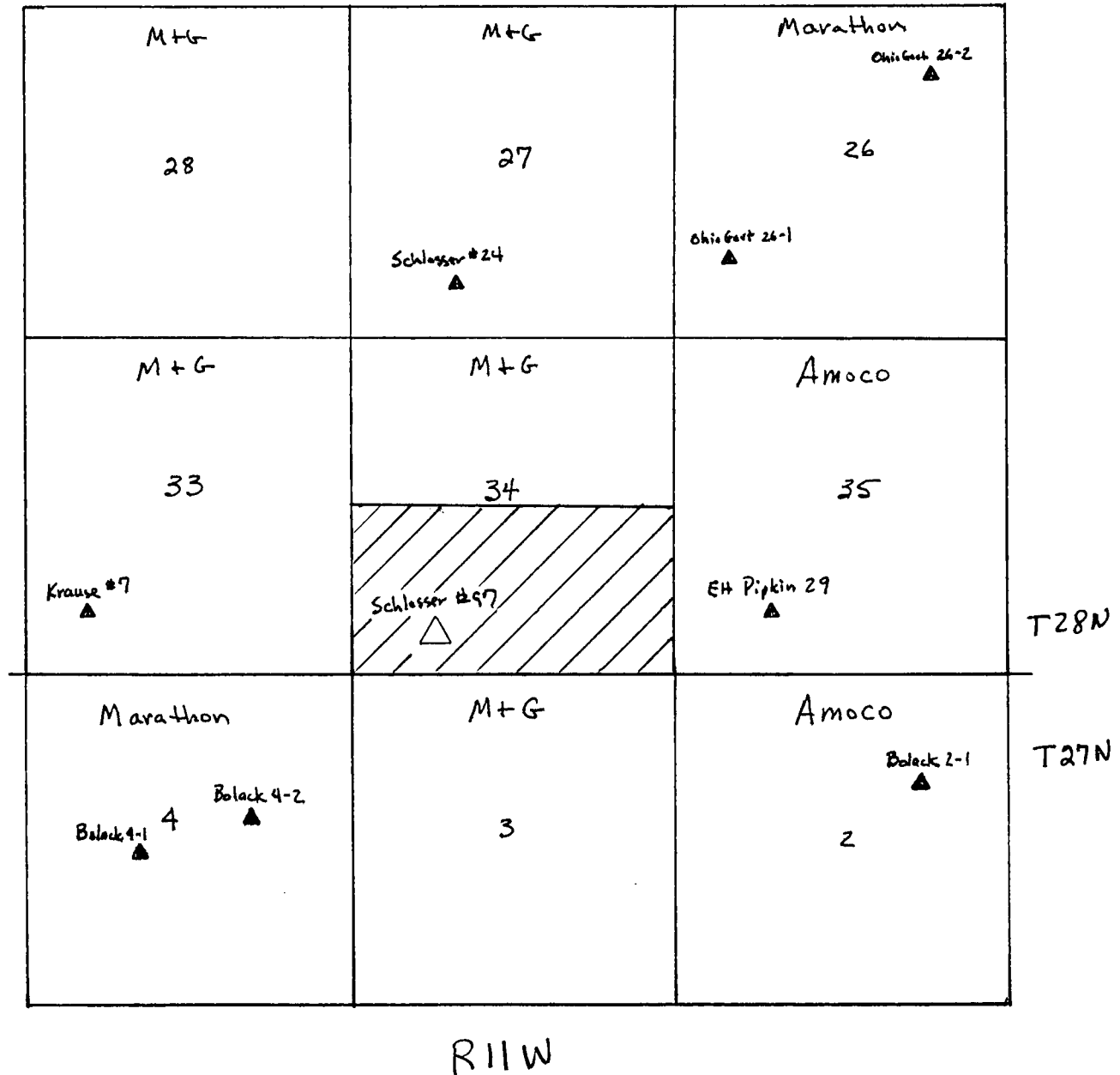
<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p><sup>17</sup> OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><i>Kevin H. McCord</i></p> <p>Signature <u>Kevin H. McCord</u></p> <p>Printed Name <u>Agent - Petroleum Engineer</u></p> <p>Title <u>7/30/97</u></p> <p>Date</p>	
	<p><sup>18</sup> SURVEYOR CERTIFICATION</p> <p>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 belief.</p> <p>Date of Survey <u>7/30/97</u></p> <p>Signature and Seal of Surveyor</p> <p> </p> <p>William E. Thomas</p> <p>Certificate Number <u>8466</u></p>	



Fruitland Coal Formation Ownership in the  
Vicinity of the Schlosser #97 Well  
S ½ Section 34, T28N R11W



P 386 810 294

US Postal Service

**Receipt for Certified Mail**

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to	
Amoco	
Street & Number	
Po Box 800	
Post Office, State, & ZIP Code	
Denver, Co 80201-0800	
Postage	\$ 1.01
Certified Fee	1.10
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, & Addressee's Address	
<b>TOTAL Postage &amp; Fees</b>	<b>\$ 3.21</b>
Postmark or Date	
7-30-97	

PS Form 3800, April 1995

Fold at line over top of envelope to the right of the return address

**CERTIFIED**

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**MAIL**

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US Postal Service

**Receipt for Certified Mail**

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to	
Marathon Oil Company	
Street & Number	
Po Box 2330	
Post Office, State, & ZIP Code	
Casper, WY 82602	
Postage	\$ 1.01
Certified Fee	1.10
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, & Addressee's Address	
<b>TOTAL Postage &amp; Fees</b>	<b>\$ 3.21</b>
Postmark or Date	
7-30-97	

PS Form 3800, April 1995

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**CERTIFIED**

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**MAIL**

CMD :  
OG5SECT

ONGARD  
INQUIRE LAND BY SECTION

08/11/97 16:46:41  
OGOMES -EMDX  
PAGE NO: 1

Sec : 34 Twp : 28N Rng : 11W Section Type : NORMAL

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

PF01 HELP  
PF07 BKWD

PF02  
PF08 FWD

PF03 EXIT  
PF09 PRINT

PF04 GoTo  
PF10 SDIV

PF05  
PF11

PF06  
PF12

CMD :  
OG5SECT

ONGARD  
INQUIRE LAND BY SECTION

08/11/97 16:46:52  
OGOMES -EMDX  
PAGE NO: 2

Sec : 34 Twp : 28N Rng : 11W Section Type : **NORMAL**

L 40.00  Federal owned	K 40.00  Federal owned	J 40.00  Federal owned A	I 40.00  Federal owned
M 40.00  Federal owned A	N 40.00  Federal owned	O 40.00  Federal owned	P 40.00  Federal owned

PF01 **HELP**  
PF07 **BKWD**

PF02  
PF08 **FWD**

PF03 **EXIT**  
PF09 **PRINT**

PF04 **GoTo**  
PF10 **SDIV**

PF05  
PF11

PF06  
PF12