

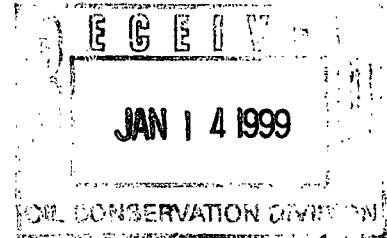
NSL 2/3/99

A. R. KENDRICK

Box 516
Aztec, New Mexico 87410
(505) 334-2555

January 12, 1999

Ms. Lori Wrotenbery
Director
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505



Re: Application for Non-Standard Location for
Texakoma Oil & Gas Corporation
La Plata 9 #1, Basin Fruitland Coal Pool
790' FNL 1850' FWL, C-9-T31N-R13W

Dear Ms. Wrotenbery:

Texakoma Oil and Gas Corporation hereby requests approval for an off-pattern location for its La Plata 9 #1 well to be located 805 feet from the north line and 2100 feet from the west line of section 9, Township 31 North, Range 13 West, in the Basin Fruitland Coal Gas Pool, San Juan County for geological reasons.

The well will be near the western edge of the productive area of the fruitland Coal formation and considered a marginal economic venture. An enclosed plat shows the wells completed in the Basin Fruitland Coal Gas Pool in Township 31 North, Range 13 West.

An attached plat shows the names and addresses of the designated operators of the offset leases, all of which have been notified by certified mail of this application by copies posted at the time this mailing.

If there are questions, please contact me.

Yours very truly,

A handwritten signature in cursive script that reads "A. R. Kendrick".

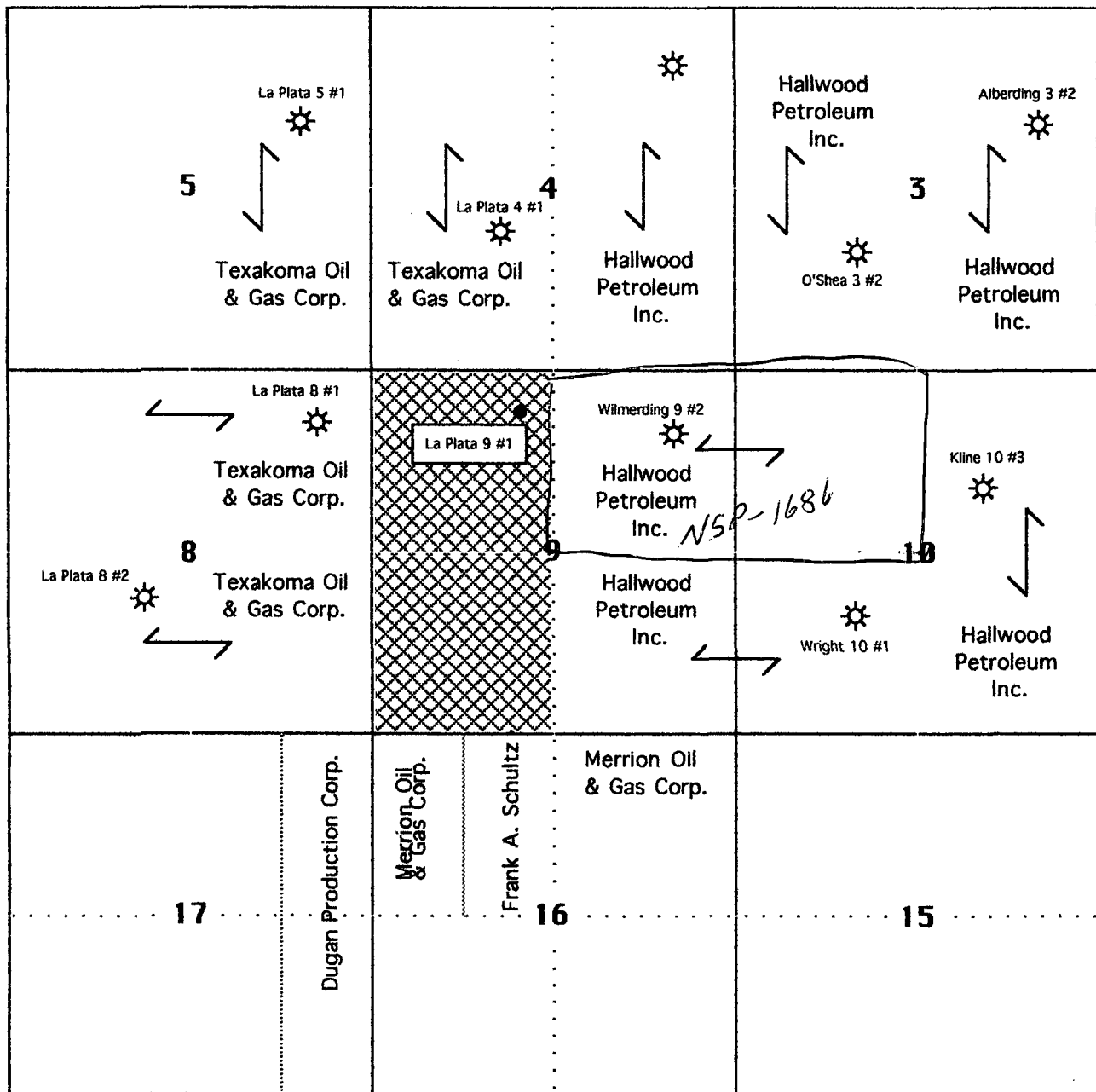
A. R. Kendrick

Attachments as stated

cc: Each offset operator by Certified Mail
OCD, Aztec, NM

OFFSET OPERATORS

Texakoma Oil & Gas Corporation
La Plata 9 #1
805' FNL 2100' FWL 9-T31N-R13W



OFFSET OPERATORS' NAMES AND ADDRESSES

Dugan Production Corp.
P. O. Box 420
Farmington, New Mexico 87499-0420

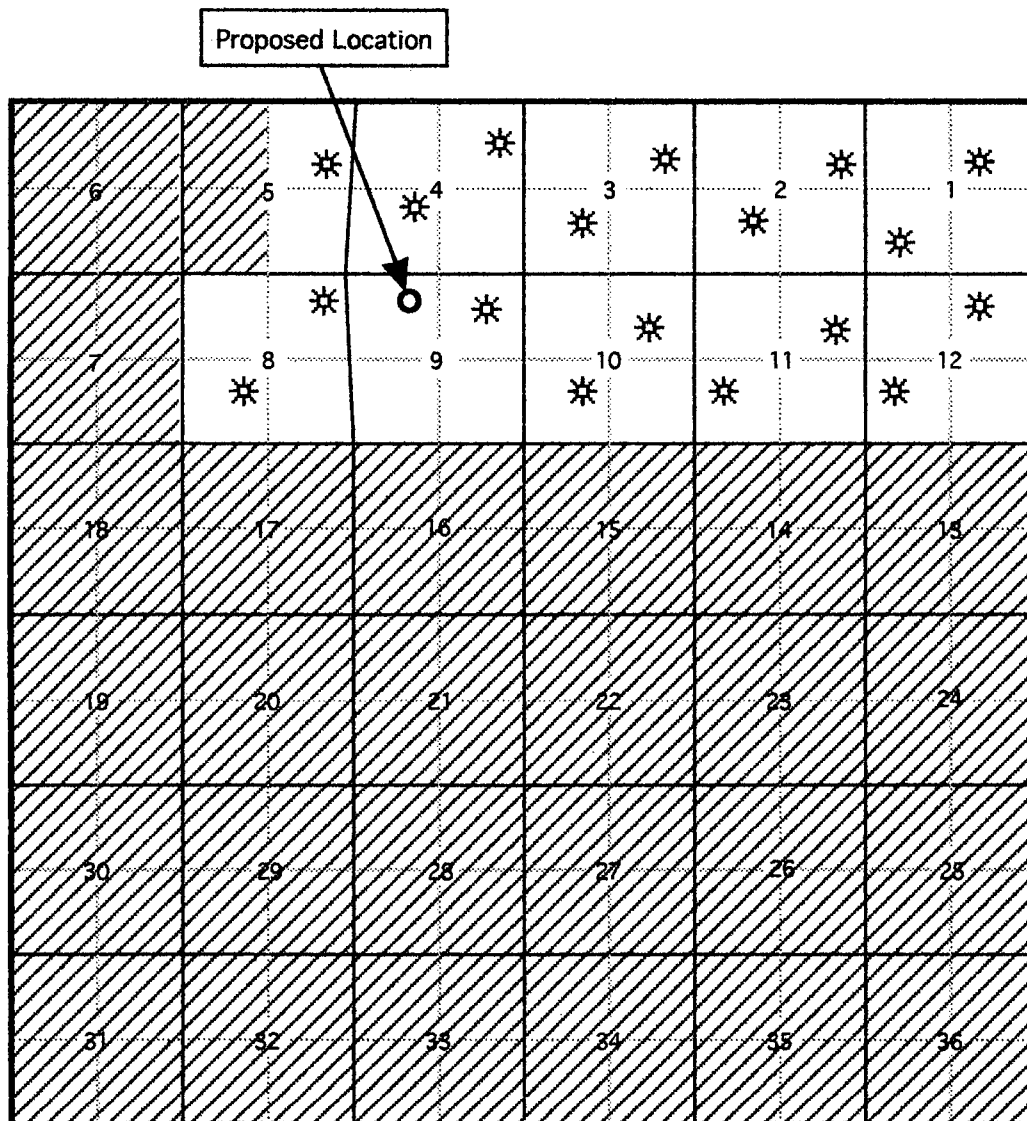
Hallwood Petroleum Inc.
4582 S. Ulster Parkway St. Suite 1700
Denver, Colorado 80237

Merrion oil & Gas Corp.
P. O. Box 840
Farmington, New Mexico 87499-0840

Frank A. Schultz
500 N. Akard, Suite 500, LB-1
Dallas, Texas 75201-3318

Basin Fruitland Coal Seam Wells

Township 31 N Range 13 W



NOTE:

There are no Fruitland Coal wells in sections 6, 7 or 13 through 36 of Township 31 North, Range 13 West, and none in Township 31 North, Range 14 West.

A. R. KENDRICK

Box 516
Aztec, New Mexico 87410
(505) 334-2555

January 11, 1999

RECEIVED

JAN 15 1999

LAND

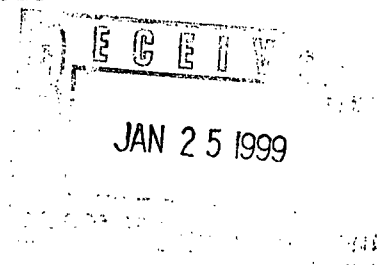
Dugan Production Corporation
P. O. Box 420
Farmington, New Mexico 87499-0420

Merrion Oil & Gas Corporation
P. O. Box 840
Farmington, New Mexico 87499-0840

Hallwood Petroleum, Inc.
4582 S. Ulster Parkway, Suite 1700
Denver, Colorado 80237

Frank A. Schultz
500 N. Akard, Suite 500, LB-1
Dallas, Texas 75201-3318

Re: Application for Unorthodox Location
Texakoma Oil & Gas Corp.
La Plata 9 #1, 805' FNL 2100' FWL
C-9-T31N-R13W, Basin Fruitland Coal Gas Pool



Dear Offset Operator:

Enclosed is a copy of the subject application being mailed this date.

Objections or requests for hearing should be filed with the Oil Conservation Division within twenty (20) days.

A waiver of objection may also be filed with the Oil Conservation Division at the discretion of the offset operator. Any such waivers will be appreciated.

If there are questions, please contact me.

Yours very truly,

A. R. Kendrick
Agent for Texakoma Oil & Gas Corp.

Enclosure

WAIVER OF OBJECTION

We, the undersigned, hereby waive objection to the above referenced application:

Dugan Production Corp. by _____ Date _____

Hallwood Petroleum, Inc. by Greg J. Dieter Date 1-20-99

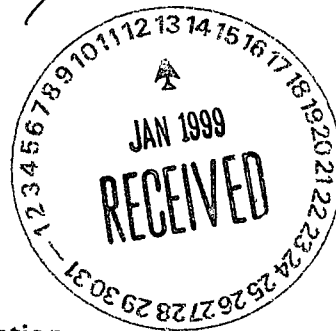
Merrion Oil & Gas Corp. by _____ Date _____

Frank A. Schultz by _____ Date _____

Mike Stogner
A. R. KENDRICK

Box 516
Aztec, New Mexico 87410
(505) 334-2555

January 11, 1999



Dugan Production Corporation
P. O. Box 420
Farmington, New Mexico 87499-0420

Merrion Oil & Gas Corporation
P. O. Box 840
Farmington, New Mexico 87499-0840

Hallwood Petroleum, Inc.
4582 S. Ulster Parkway, Suite 1700
Denver, Colorado 80237

Frank A. Schultz
500 N. Akard, Suite 500, LB-1
Dallas, Texas 75201-3318

Re: Application for Unorthodox Location
Texakoma Oil & Gas Corp.
La Plata 9 #1, 805' FNL 2100' FWL
C-9-T31N-R13W, Basin Fruitland Coal Gas Pool

RECEIVED
JAN 14 1999

OIL CON. DIV.
DIST. 3

Dear Offset Operator:

Enclosed is a copy of the subject application being mailed this date.

Objections or requests for hearing should be filed with the Oil Conservation Division within twenty (20) days.

A waiver of objection may also be filed with the Oil Conservation Division at the discretion of the offset operator. Any such waivers will be appreciated.

If there are questions, please contact me.

Yours very truly,

A. R. Kendrick

A. R. Kendrick
Agent for Texakoma Oil & Gas Corp.

Enclosure

WAIVER OF OBJECTION

We, the undersigned, hereby waive objection to the above referenced application:

Dugan Production Corp. by Thomas A. Rugg Date 1-13-99

Hallwood Petroleum, Inc. by _____ Date _____

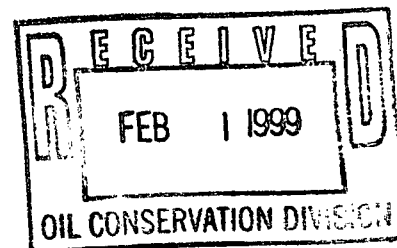
Merrion Oil & Gas Corp. by _____ Date _____

Frank A. Schultz by _____ Date _____

A. R. KENDRICK

Box 516
Aztec, New Mexico 87410
(505) 334-2555

January 27, 1999



Ms. Lori Wrotenbery
Director
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: Return Receipt Cards
Application for Non-Standard Location for
Texakoma Oil & Gas Corporation
La Plata 9 #1, Basin Fruitland Coal Pool
790' FNL 1850' FWL, C-9-T31N-R13W

Dear Ms. Wrotenbery:

Enclosed are the original Return Receipt Cards along with copies of the receipts showing that notice of the subject application was received by the offset operators.

If there are questions, please contact me.

Yours very truly,

A handwritten signature in cursive script, appearing to read "A. R. Kendrick".

A. R. Kendrick

Enclosures

cc: Texakoma Oil & Gas Corporation
OCD, Aztec, NM

A. R. KENDRICK

Box 516
Aztec, New Mexico 87410
(505) 334-2555



January 11, 1999

Dugan Production Corporation
P. O. Box 420
Farmington, New Mexico 87499-0420

Merrion Oil & Gas Corporation
P. O. Box 840
Farmington, New Mexico 87499-0840

Hallwood Petroleum, Inc.
4582 S. Ulster Parkway, Suite 1700
Denver, Colorado 80237

Frank A. Schultz
500 N. Akard, Suite 500, LB-1
Dallas, Texas 75201-3318

Re: Application for Unorthodox Location
Texakoma Oil & Gas Corp.
La Plata 9 #1, 805' FNL 2100' FWL
C-9-T31N-R13W, Basin Fruitland Coal Gas Pool

Dear Offset Operator:

Enclosed is a copy of the subject application being mailed this date.

Objections or requests for hearing should be filed with the Oil Conservation Division within twenty (20) days.

A waiver of objection may also be filed with the Oil Conservation Division at the discretion of the offset operator. Any such waivers will be appreciated.

If there are questions, please contact me.

Yours very truly,

A. R. Kendrick
Agent for Texakoma Oil & Gas Corp.

Enclosure

WAIVER OF OBJECTION

We, the undersigned, hereby waive objection to the above referenced application:

Dugan Production Corp. by _____ Date _____

Hallwood Petroleum, Inc. by _____ Date _____

Merrion Oil & Gas Corp. by George Sharpe Date 1-15-98

Frank A. Schultz by _____ Date _____

Z 776 136 898



Receipt for Certified Mail

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

PS Form 3800, March 1993

| | |
|---|---------------|
| Sent to Dugan Production Corp. | |
| Street and No. Box 420 | |
| P.O., State and ZIP Code Farmington, NM 87499 | |
| Postage | \$ 33 |
| Certified Fee | 140 |
| Special Delivery Fee | |
| Restricted Delivery Fee | |
| Return Receipt Showing to Whom & Date Delivered | 125 |
| Return Receipt Showing to Whom, Date, and Addressee's Address | 98 |
| TOTAL Postage & Fees | \$ 288 |
| Postmark or Date JAN 11 1999 AZTEC NM 87410 | |

Z 776 136 900



Receipt for Certified Mail

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

PS Form 3800, March 1993

| | |
|---|---------------|
| Sent to Hallwood Petroleum, Inc. | |
| Street and No. 4582 S. Ulster Pkwy 1700 | |
| P.O., State and ZIP Code Denver, CO 80237 | |
| Postage | \$ 33 |
| Certified Fee | 140 |
| Special Delivery Fee | |
| Restricted Delivery Fee | |
| Return Receipt Showing to Whom & Date Delivered | 125 |
| Return Receipt Showing to Whom, Date, and Addressee's Address | 98 |
| TOTAL Postage & Fees | \$ 288 |
| Postmark or Date JAN 11 1999 AZTEC NM 87410 | |

Z 776 136 899



Receipt for Certified Mail

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

PS Form 3800, March 1993

| | |
|---|---------------|
| Sent to Merrion Oil & Gas Corp. | |
| Street and No. Box 840 | |
| P.O., State and ZIP Code Farmington, NM 87499 | |
| Postage | \$ 33 |
| Certified Fee | 140 |
| Special Delivery Fee | |
| Restricted Delivery Fee | |
| Return Receipt Showing to Whom & Date Delivered | 125 |
| Return Receipt Showing to Whom, Date, and Addressee's Address | 98 |
| TOTAL Postage & Fees | \$ 288 |
| Postmark or Date JAN 11 1999 AZTEC NM 87410 | |

Z 776 136 901



Receipt for Certified Mail

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

PS Form 3800, March 1993

| | |
|---|---------------|
| Sent to Frank A. Schultz | |
| Street and No. 500 N. Akard #500 LB-1 | |
| P.O., State and ZIP Code Dallas, TX 75201-3318 | |
| Postage | \$ 33 |
| Certified Fee | 140 |
| Special Delivery Fee | |
| Restricted Delivery Fee | |
| Return Receipt Showing to Whom & Date Delivered | 125 |
| Return Receipt Showing to Whom, Date, and Addressee's Address | 98 |
| TOTAL Postage & Fees | \$ 288 |
| Postmark or Date JAN 11 1999 AZTEC NM 87410 | |

CMD : ONGARD 01/22/99 07:20:17
 OG6ACRE C102-DEDICATE ACREAGE OGOMES -TPFN
 Page No : 1

API Well No : 30 45 29028 Eff Date : 04-11-1994
 Pool Idn : 71629 BASIN FRUITLAND COAL (GAS)
 Prop Idn : 13525 WILMERDING 9 Well No : 002
 Spacing Unit : 42163 OCD Order : Simultaneous Dedication: N
 Sect/Twp/Rng : Acreage : 320.00 Revised C102? (Y/N) :
 Dedicated Land:

| S | Base | U/L | Sec | Twp | Rng | Acreage | L/W | Ownership | Lot | Idn |
|---|------|-----|-----|-------|-----|---------|-----|-----------|-----|-----|
| A | 9 | 31N | 13W | 40.00 | N | FE | | | | |
| B | 9 | 31N | 13W | 40.00 | N | FE | | | | |
| G | 9 | 31N | 13W | 40.00 | N | FE | | | | |
| H | 9 | 31N | 13W | 40.00 | N | FE | | | | |
| C | 10 | 31N | 13W | 40.00 | N | FE | | | | |
| D | 10 | 31N | 13W | 40.00 | N | FE | | | | |
| E | 10 | 31N | 13W | 40.00 | N | FE | | | | |
| F | 10 | 31N | 13W | 40.00 | N | FE | | | | |

E0005: Enter data to modify or PF keys to scroll

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
 PF07 BKWD PF08 FWD PF09 PF10 LAND PF11 NXTSEC PF12 RECONF

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

01/22/99 07:19:35
OGOMES -TPFN
PAGE NO: 2

Sec : 09 Twp : 31N Rng : 13W Section Type : NORMAL

| | | | |
|-----------------------------|--------------------------------------|-----------------------------|-----------------------------|
| L 40.00 Fee owned | K 40.00 Fee owned A | J 40.00 Fee owned | I 40.00 Fee owned |
| M 40.00 Fee owned | N 40.00 Fee owned | O 40.00 Fee owned | P 40.00 Fee owned |

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

CMD :
OG5SECTONGARD
INQUIRE LAND BY SECTION01/22/99 07:18:45
OGOMES -TPFN
PAGE NO: 1

Sec : 09 Twp : 31N Rng : 13W Section Type : NORMAL

| | | | |
|-----------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| D 40.00 Fee owned | C 40.00 Fee owned A | B 40.00 Fee owned A | A 40.00 Fee owned A |
| E 40.00 Fee owned | F 40.00 Fee owned | G 40.00 Fee owned | H 40.00 Fee owned |

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

CMD : ONGARD 01/22/99 07:18:54
OG6C101 C101-APPLICATION FOR PERMIT TO DRILL OGOMES -TPFN

OGRID Idn : 22521 API Well No: 30 45 29778 APD Status(A/C/P): A
Opr Name, Addr: TEXAKOMA OIL & GAS CORP Aprvl/Cncl Date : 01-14-1999
5400 LBJ FRWY
STE 500
DALLAS, TX 75240

Prop Idn: 24119 LA PLATA 9 Well No: 1

| | U/L | Sec | Township | Range | Lot | Idn | North/South | East/West |
|----------------|-----|-----|--------------|-------|-------|-------|-------------|--------------|
| | --- | --- | ----- | ----- | ----- | ----- | ----- | ----- |
| Surface Locn : | C | 9 | 31N | 13W | | | FTG 805 F N | FTG 2100 F W |
| OCD U/L : | C | | API County : | 45 | | | | |

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C): G Cable/Rotary (C/R) : F
Lease typ(F/S/P/N/J/U/I): P Ground Level Elevation : 5881

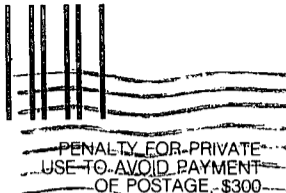
State Lease No: Multiple Comp (Y/N) : N
Prpsd Depth : 2300 Prpsd Frmtn : BASIN FRUITLAND COAL

E0009: Enter data to modify record

| | | | | | |
|-----------|------|------------|-----------|--------------|--------------|
| PF01 HELP | PF02 | PF03 EXIT | PF04 GoTo | PF05 | PF06 CONFIRM |
| PF07 | PF08 | PF09 PRINT | PF10 C102 | PF11 HISTORY | PF12 |

UNITED STATES POSTAL SERVICE

Official Business



Print your name, address and ZIP Code here

A. R. Kendrick

Box 516

Aztec, New Mexico 87410

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address

2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Dugan Production Corp.
Box 420
Farmington, NM 87499-0420

4a. Article Number

Z 776 136 898

4b. Service Type

☐ Registered

☐ Insured

☒ Certified

☐ COD

☐ Express Mail

☐ Return Receipt for Merchandise

7. Date of Delivery

1-13-99

5. Signature (Addressee)

TOANY SUTTON

6. Signature (Agent)

[Signature]

8. Addressee's Address (Only if requested and fee is paid)

Thank you for using Return Receipt Service.

UNITED STATES POSTAL SERVICE

Official Business



PENALTY FOR PRIVATE
USE TO AVOID PAYMENT
OF POSTAGE, \$300



Print your name, address and ZIP Code here

A. R. Kendrick
Box 516
Aztec, New Mexico 87410

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Hallwood Petroleum, Inc.
4528 S. Ulster Pkwy Ste 1700
Denver, CO 80237

4a. Article Number

Z 776 136 900

4b. Service Type

- ☐ Registered ☐ Insured
- ☒ Certified ☐ COD
- ☐ Express Mail ☐ Return Receipt for Merchandise

7. Date of Delivery

5. Signature (Addressee)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Agent)

UNITED STATES POSTAL SERVICE

Official Business



PENALTY FOR PRIVATE
USE TO AVOID PAYMENT
OF POSTAGE, \$300



Print your name, address and ZIP Code here

A. R. Kendrick
Box 516
Aztec, New Mexico 87410

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Merrion Oil & Gas Corp.
Box 840
Farmington, NM 87499-0840

4a. Article Number

Z 776 136 899

4b. Service Type

- | | |
|---|---|
| <input type="checkbox"/> Registered | <input type="checkbox"/> Insured |
| <input checked="" type="checkbox"/> Certified | <input type="checkbox"/> COD |
| <input type="checkbox"/> Express Mail | <input type="checkbox"/> Return Receipt for Merchandise |

7. Date of Delivery

5. Signature (Addressee)

P. Garcia

6. Signature (Agent)

P. Garcia

8. Addressee's Address (Only if requested and fee is paid)

Thank you for using Return Receipt Service.

UNITED STATES POSTAL SERVICE



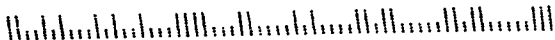
Official Business

PENALTY FOR PRIVATE
USE TO AVOID PAYMENT
OF POSTAGE, \$300



Print your name, address and ZIP Code here

A. R. Kendrick
Box 516
Aztec, New Mexico 87410



SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Frank A. Schultz
500 N. Akard, Ste 500 LB-1
Dallas, Texas 75201-3318

4a. Article Number

Z 776 136 901

4b. Service Type

- | | |
|---|---|
| <input type="checkbox"/> Registered | <input type="checkbox"/> Insured |
| <input checked="" type="checkbox"/> Certified | <input type="checkbox"/> COD |
| <input type="checkbox"/> Express Mail | <input type="checkbox"/> Return Receipt for Merchandise |

7. Date of Delivery

JAN 19 1999

5. Signature (Addressee)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Agent)

Stallerson