

NSL 3/23/99

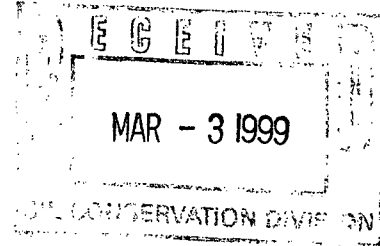
**RODDY PRODUCTION COMPANY, INC**

3100 NORTHRIDGE DRIVE  
P.O. BOX 2221  
FARMINGTON, NEW MEXICO 87499  
(505) 325-5750 Fax (505) 326-6814

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

February 26, 1999

Re: Administrative Approval Request for Unorthodox Location  
Roddy Production Company  
Yockey No. 6  
Basin Fruitland Coal Well  
1495' FSL & 1060' FEL  
Sec 20, T27N, R11W, NMPM  
San Juan County, New Mexico



Dear Ms. Wrotenbery:

Roddy Production Company respectfully requests that a non-standard location be administratively approved for the proposed Yockey No. 6.

Roddy Production Company seeks to drill the Yockey No. 6 in the Basin Fruitland Coal Gas Pool at an unorthodox location in the SE/4 being 1495' FSL and 1060' FEL of Section 20, T27N, R11W, NMPM, San Juan County, New Mexico and is to be dedicated to a 320 acre standard spacing unit consisting of the S/2 of Section 20.

This proposed location is standard as to the footage requirements but is unorthodox in that it is "off-pattern" for the Basin-Fruitland Coal Gas Pool being the first well drilled in this standard unit; it is located in the SE/4 of the section rather than the SW/4 of the section.

Due to a localized production trend and the proximity of offset operator's Basin Fruitland Coal wells present in the NE/NE Sec 29, SW/SW Sec 21 and SW/NE Sec 20 (See Exhibit 5), the proposed unorthodox location in the SE/4 is necessary for the applicant operator to economically exercise correlative rights to practicably obtain recoverable gas reserves under S/2 of Section 20 by avoiding the augmentation of risk and prevent possible economic loss from the drilling of an unnecessary well. For without approval of this application, the applicant operator, in order to protect his correlative rights to gas from under the S/2 of Section 20 – a portion of which is probably being produced by others, would first have to drill a well of substantially higher risk in the SW/4 of Section 20, then if non-commercial, either plug the well or shut the well in as a pressure observation well, then drill a second well – one in the SE/4 of Section 20, in order to recover Basin Fruitland Coal Gas Pool reserves that are present under the S/2 of Section 20.

The proposed unorthodox location is located within the "NAPI" Irrigation Project and has received preliminary approval from all necessary surface regulatory agencies including an on-site inspection conducted on February 17, 1999 with BLM and NAPI and an on-site inspection conducted on February 22, 1999 with BIA. The Bureau of Indian Affairs, Navajo Indian Irrigation Project has given Archeological and Historical Clearance for the location; BIA Case File #: N48-99-03; Date Reviewed: February 18, 1999.

To comply with New Mexico Oil Conservation Rules, Roddy Production Co is submitting the following data for your approval of the proposed unorthodox location.

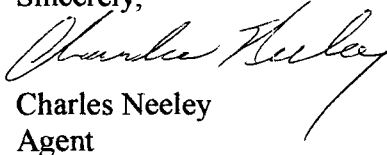
1. Copy of Notice of Staking to BLM.
2. Copy of C-102
3. Land plat showing offset operators and offsetting wells producing from the Basin Fruitland Coal Gas Pool.
4. Copy of Topographic Map with NAPI Farm Circles
5. Production Trend Map with 320 acre drainage circles for active wells producing from the Basin Fruitland Coal Gas Pool.

In accordance to New Mexico Conservation Division Rules, all offset operators are being notified of this application.

If additional information is needed, please feel free to contact me at 505-325-5220.

Your consideration of this application is appreciated.

Sincerely,



Charles Neeley  
Agent

CC: NMOCD-Aztec, Offset Operators & BLM

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

Re: Written Waiver for:  
Administrative Approval Request for Unorthodox Location:  
Roddy Production Company, Inc  
Yockey No. 6  
Basin Fruitland Coal Well  
1495' FSL and 1060' FEL  
Section 20, T27N, R11W, NMPM  
San Juan County, New Mexico

Dear Ms. Wrotenbery:

\_\_\_\_\_ hereby waives any objections to the above referenced  
Company Name  
well location in San Juan County, New Mexico.

Signed: \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_  
Printed Name Title

Date: \_\_\_\_\_

**PROPERTY MANAGEMENT & CONSULTING, INC.**

3100 NORTHRIDGE DRIVE

P.O. BOX 2596

FARMINGTON, NEW MEXICO 87499-2596

(505) 325-5220 FAX (505) 325-6090

RECEIVED

95 FEB 16 PM 3:36

070 FARMINGTON, NM

February 15, 1999

Bureau of Land Management  
Farmington District Office  
1235 La Plata Highway, Suite A  
Farmington, New Mexico 87401

RE: Notice of Staking (NOS) – Roddy Production Company – Yockey No. 6

To Whom It May Concern:

As part of their 1999 development program, Roddy Production Company has staked their Yockey No. 6, Basin Fruitland Coal well. The staked location is 1495' from the south section line and 1060' from the east section line in Section 20 of Township 27 North and Range 11 West, NMPM in San Juan County, New Mexico.

This well was staked in the NE/SE as a non-standard or an unorthodox location for geological reasons. Application is being made to the NMOCD for administrative approval of this unorthodox location.

Sincerely,

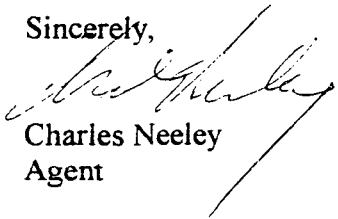
  
Charles Neeley  
Agent

Exhibit 1: Notice of Staking

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

*API Number		*Pool Code <b>71629</b>	*Pool Name <b>Basin Fruitland Coal</b>
*Property Code <b>14240</b>	*Property Name <b>YOCKEY</b>		*Well Number <b>6</b>
*OGRID No. <b>36845</b>	*Operator Name <b>RODDY PRODUCTION INC.</b>		*Elevation <b>6241</b>

<sup>10</sup> Surface Location

UL or lot no. <b>I</b>	Section <b>20</b>	Township <b>27N</b>	Range <b>11W</b>	Lot Idn	Feet from the <b>1495</b>	North/South line <b>SOUTH</b>	Feet from the <b>1060</b>	East/West line <b>EAST</b>	County <b>SAN JUAN</b>
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<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 <b>320</b>		<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

<sup>16</sup> <p>5274.72'</p> <p>20</p> <p>5274.05'</p> <p>1060'</p> <p>1495'</p>	<sup>17</sup> OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.   Signature <b>Charles Neeley</b> Printed Name <b>Agent</b> Title <b>February 15, 1999</b> Date
	<sup>18</sup> 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 belief.  <b>FEBRUARY 11, 1999</b> Date of Survey  Signature and Seal of Professional Surveyor  Certificate <b>6857</b>

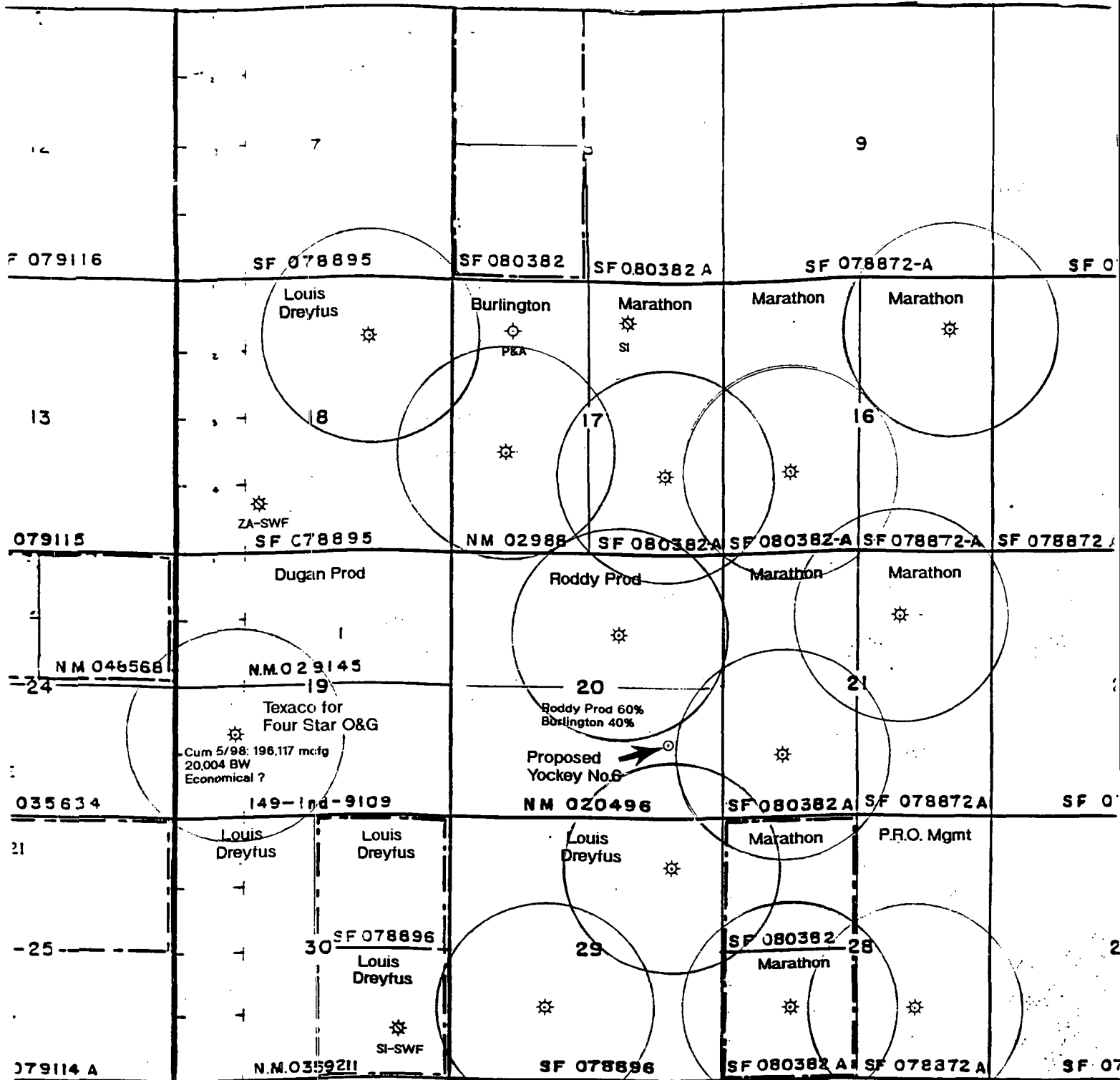
12	7			9		10
SF 079116	SF 078895	SF 080382	SF 080382 A	SF 078872-A		SF 07
	Louis Dreyfus	Burlington	Marathon	Marathon	Marathon	
		P&A	SI			
13	18		17		16	15
	ZA-SWF					
079115	SF 078895	NM 02988	SF 080382-A	SF 080382-A	SF 078872-A	SF 078872 A
	Dugan Prod	Roddy Prod	Marathon	Marathon		
NM 046568	N.M. 029145					
24	19	20	21			2
	Texaco for Four Star O&G	Roddy Prod 60% Burlington 40%				
035634	149-Ind-9109	Proposed Yockey No.6				
		NM 020496	SF 080382 A	SF 078872 A		SF 07
21	Louis Dreyfus	Louis Dreyfus	Marathon	P.R.O. Mgmt		
-25			SF 080382			27
	30	29	Marathon			
079114 A	N.M. 0359211	SF 078896	SF 080382 A	SF 078872 A		SF 07

Roddy Production Company  
 Exhibit 3: **Land Plat** of Basin Fruitland Coal Operators  
 Sec 16, 17, 18, 19, 20, 21, 28, 29 & 30, T27N, R11W, NMPM  
 San Juan County, New Mexico

To the best of my knowledge, this information is current and correct.

Signed: *Paul H. Hickey*, agent.

Topographic map of the Yockey No. 6 SE Drill Window area. The map shows various well locations (e.g., 5-17B, 5-17A, 5-16B, 5-16A, 5-15, 5-14, 5-22A, 5-22B, 5-23B, 5-23A, 5-24, 5-25, 5-30, 5-29B, 5-29A, 5-28, 5-31, 5-32, 5-33B, 5-33A, 5-34B, 5-37B, 5-37A, 5-36B, 5-38, 5-39, 5-40, 5-41B, 5-44) and geological features like NAPI Farming Circles and a Proration Unit. The map includes contour lines, section lines, and labels for gas wells and proposed drilling windows.



Roddy Production Company  
 Exhibit 5: Production Trend with Active Well 320 Acre Drainage Circles  
 Basin Fruitland Coal Gas Pool  
 Sec 16, 17, 18, 19, 20, 21, 28, 29 & 30, T27N, R11W, NMPM  
 San Juan County, New Mexico



P 863 184 118

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

PS Form 3800, JUNE 1991

Sent to <i>Howe Stac O. I. &amp; Gas Co.</i>	
Street and No.	
P.O., State and ZIP Code	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

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

**CERTIFIED**

P 863 184 118

MAIL

P 863 184 115

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(See Reverse)

PS Form 3800, JUNE 1991

Sent to <i>Howe Stac O. I. &amp; Gas Co.</i>	
Street and No.	
P.O., State and ZIP Code	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

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P 863 184 115

MAIL

P 863 184 114

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Street and No.	
P.O., State and ZIP Code	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

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P 863 184 114

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P 863 184 117

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Street and No.	
P.O., State and ZIP Code	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

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**CERTIFIED**

P 863 184 117

MAIL

P 863 184 116



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

Sent to  
*Wigan Production Corp*

Street and No.

P.O., State and ZIP Code

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

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

**CERTIFIED**

P 863 184 116

MAIL

CMD :  
OG5SECT

ONGARD  
INQUIRE LAND BY SECTION

03/04/99 14:01:50  
OGOMES -TP0H  
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E 40.00  Federal owned	F 40.00  Federal owned  A	G 40.00  Federal owned  A A	H 40.00  Federal 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 SECTION03/04/99 14:01:57  
OGOMES -TP0H  
PAGE NO: 2

Sec : 20 Twp : 27N Rng : 11W Section Type : NORMAL

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

PF01 HELP  
PF07 BKWDPF02  
PF08 FWDPF03 EXIT  
PF09 PRINTPF04 GoTo  
PF10 SDIVPF05  
PF11PF06  
PF12