

KELLAHIN, KELLAHIN and AUBREY

Attorneys at Law

El Patio - 117 North Guadalupe
Post Office Box 2265

Santa Fé, New Mexico 87504-2265

Telephone 982-4285
Area Code 505

Fax: 505/982-2047

W. Thomas Kellahin
Karen Aubrey

Jason Kellahin
Of Counsel

August 15, 1989

HAND-DELIVERED

Mr. William J. LeMay
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: Application of Quinoco Petroleum Inc.
for a Non-Standard Proration Unit,
Basin Fruitland Coal Gas Pool
Well Name: Quinoco State N Well #4
San Juan County, New Mexico

RECEIVED
AUG 16 1989
OIL CONSERVATION DIVISION

Case 9751

Dear Mr. LeMay:

On behalf of Quinoco Petroleum Inc. please find enclosed our application for a non-standard proration unit which we would request be set for hearing on the next available Examiner's docket now scheduled for September 6, 1989.

By copy of this letter to all parties to be pooled, we are notifying them by certified mail, return-receipt, that they have the right to appear at the hearing, to make a statement to the Division, to present evidence and cross-examine witnesses either in support of or in opposition to the application. Those parties are directed to contact the Division or the Applicant's attorney to determine what additional rights they may have.

Very truly yours,



W. Thomas Kellahin

WTK/rs
Encl.

cc: Quinoco Petroleum, Inc.
Ms. Kathleen Doyle

Certified Mail-Return Receipt
to all parties listed on Exhibit B
of the Application, w/encl.

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

Case 9751

IN THE MATTER OF THE APPLICATION OF
QUINOCO PETROLEUM INC. FOR APPROVAL OF A
NON-STANDARD PRORATION AND SPACING UNIT,
BASIN FRUITLAND COAL GAS POOL,
SAN JUAN COUNTY, NEW MEXICO

RECEIVED
AUG 16 1961
OIL CONSERVATION DIVISION

A P P L I C A T I O N

COMES NOW QUINOCO PETROLEUM INC., by and through its attorneys, Kellahin, Kellahin & Aubrey, and applies to the New Mexico Oil Conservation Division for approval of a non-standard spacing and proration unit in the Basin Fruitland Coal Gas Pool for the Quinoco State N Well #4 Well to be located in the SE/4 SW/4 of Section 2, T31N, R7W, San Juan County, New Mexico with the subject non-standard unit consisting of 310.88 acres, more or less being described as follows:

Section 2: S/2 NE/4
 SE/4
 E/2 SW/4
 S/2 NW/4

1. Applicant in a working interest owner and operator for the described non-standard proration and spacing unit.

2. As a result of governmental surveys, the northern side of Township 31 North, Range 7 West, consists of a series of irregular shaped lots each of which contains more or less than 40 acres resulting in the necessity of a proration and spacing unit for the described acreage consisting of part of two - one half sections contrary to Rule 6 of Order R-8768 for a Basin Fruitland Coal Gas Well.

3. The subject non-standard proration and spacing unit has been previously approved for Mesa Verde production.

4. Attached as Exhibit A is a plat showing the described acreage and the well location.

5. Attached as Exhibit B is a list of the offsetting interest owners who are required by Division rules to receive notification of this application.

6. Pursuant to Division notice rules, a copy of this application was mailed by certified mail, return-receipt to each of the parties listed on Exhibit B.

WHEREFORE, Applicant requests that after notice and hearing, the application will be granted.

Kellahin, Kellahin & Aubrey

By:


W. Thomas Kellahin

Post Office Box 2265
Santa Fe, New Mexico 87504

(505) 982-4285

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

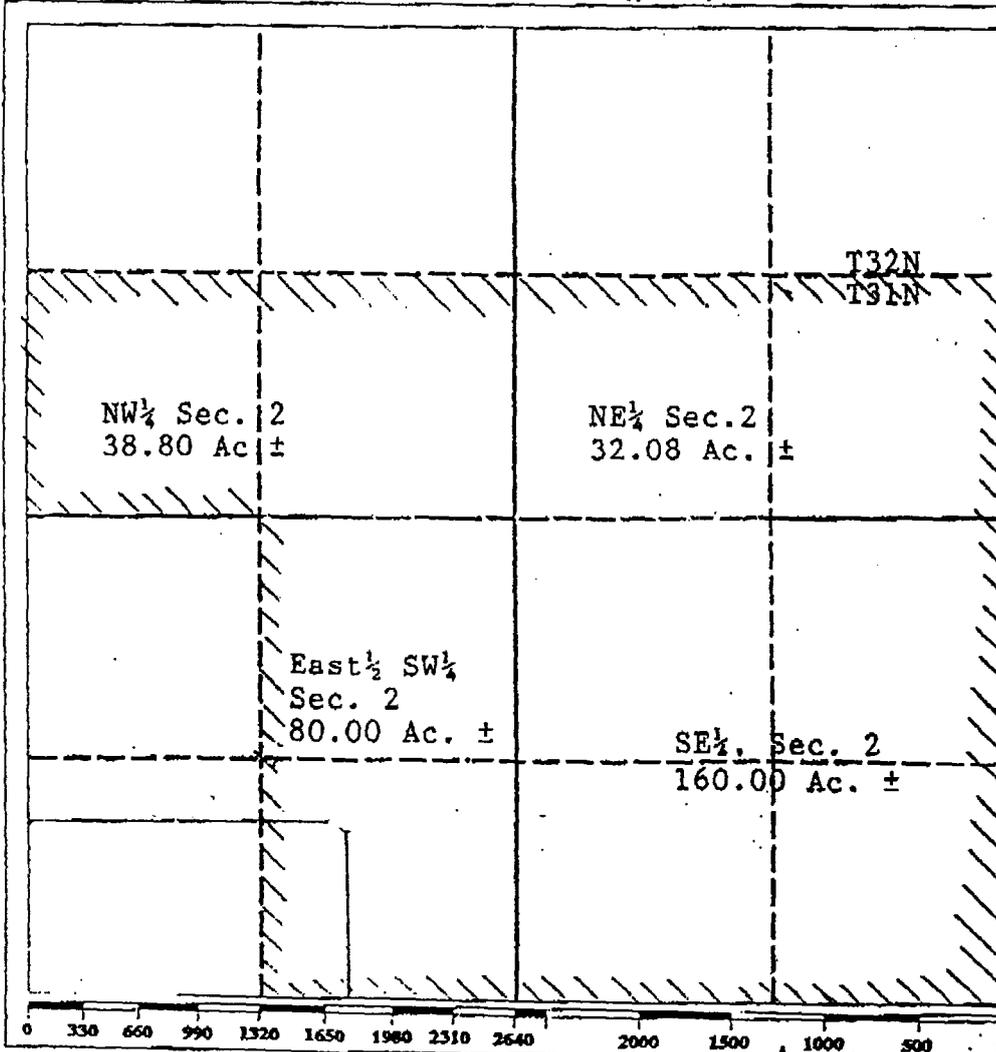
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator QUINOCO		Lease STATE		Well No. 5
Unit Letter N	Section 2	Township 31N	Range 7W	County SAN JUAN
Actual Footage Location of Well: 1020 feet from the South line and 1805 feet from the West line				
Ground level Elev. 6552	Producing Formation	Pool	Dedicated Acreage: Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
 - Yes No If answer is "yes" type of consolidation _____
 If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary).
 No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

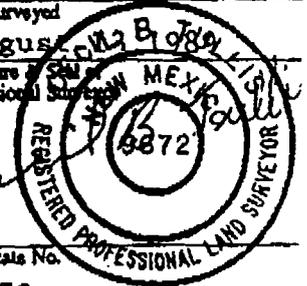
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

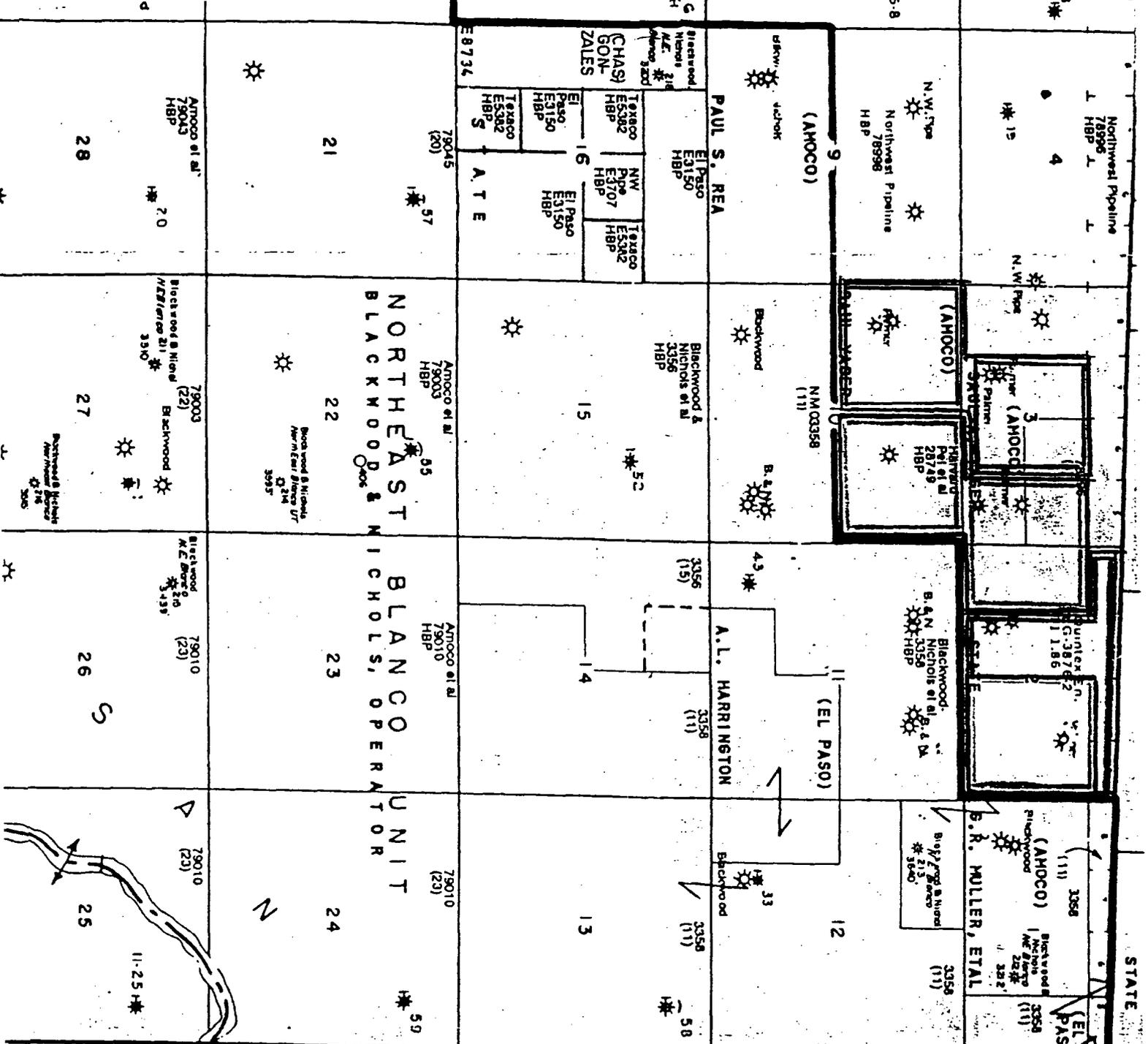
Signature _____
 Printed Name _____
 Position _____
 Company _____
 Date _____

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes actual surveys made by me or under supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed **August 14, 1989**
 Signature of Professional Surveyor _____
 Registered Professional Land Surveyor
 Certificate No. **9672**





T. 31 N.

SAN JUAN
N.M. 31N-7W

- Yager 1 & 1-B
320 acres Mesa Verde
WI: 49.2188 NRI: 24 1172
- Yager 3
160 acres Fruittland
WI: 42.1875 NRI: 20.6719
- Yager 4
160 acres Fruittland
WI: 56.25 NRI: 27.5625 APO
- State 1 & 1-A
310.48 acres Mesa Verde
WI: 100.00 NRI: 85.5
- State 2
150.48 acres Fruittland
WI: 100.00 NRI: 85.5
- State 3
160 acres Fruittland
WI: 100.00 NRI: 85.5
- Federal 2 & 2-A
320 acres Mesa Verde
WI: 57.0312 NRI: 46.1953
- Federal 3
160 acres Fruittland
WI: 50.00 NRI: 42.75
- Federal 4
160 acres Fruittland
WI: 160.00 NRI: 160.00

Exhibit "B"

Blackwood and Nichols Co. Ltd.
Box 1237
Durango, Colorado 81302
Attn: Mr. Bill Clark

Northwest Pipeline Corporation
Box 8900
Salt Lake City, Utah 84108-0900