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August 15, 1989

HAND-DELIVERED

RECEIVED

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

AUG 18 1989

OIL CONSERVATION DIVISION

Re: Application of Quinoco Petroleum Inc.
for Approval of a non-standard proration
and spacing unit, Basin Fruitland
Coal Gas Pool
Well Name: Federal G Well No. 4
San Juan County, New Mexico

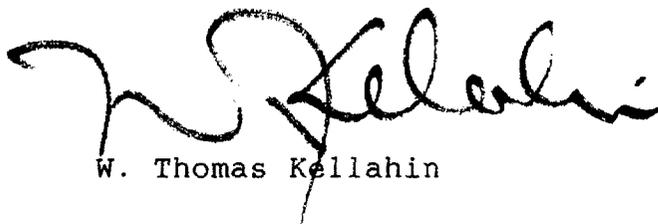
Case 9752

Dear Mr. LeMay:

On behalf of Quinoco Petroleum Inc. please find enclosed our referenced application 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 Company
Attn: 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

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

Case 9752
RECEIVED
JUL 16 1977
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 Federal G Well No. 4 located at a standard location in the SW/4NE/4 of Section 10, T31N, R7W, San Juan County, New Mexico with the subject non-standard unit consisting of 319.91 acres, more or less being described as follows:

Section 2: W/2 SW/4
Section 3: E/2 SE/4
Section 10: NE/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 lots each of which contains more or less than 40 acres resulting the necessity of a proration and spacing unit for the described acreage being portions of 3 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

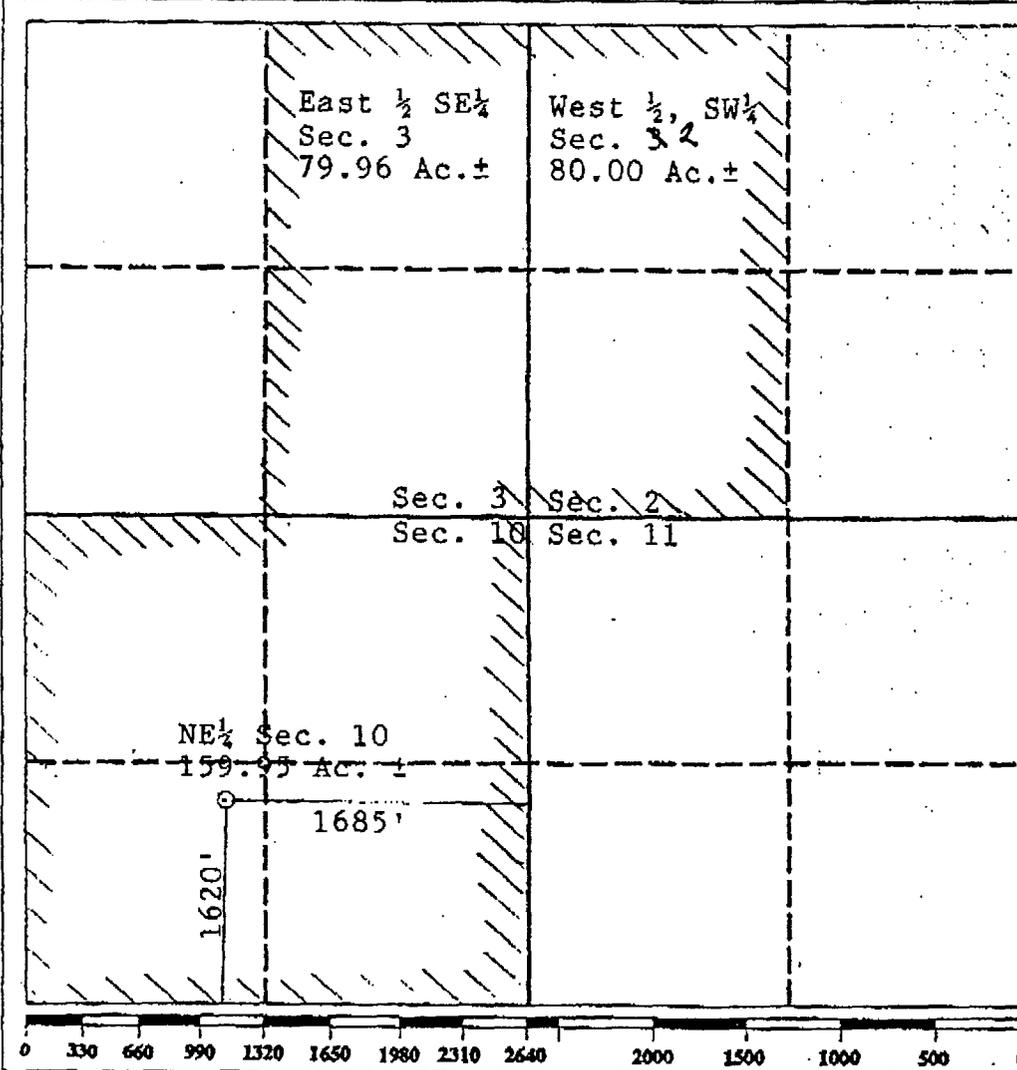
DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

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 FEDERAL			Well No. 5		
Unit Letter G	Section 10	Township 31N	Range 7W	County NMPM SAN JUAN				
Actual Footage Location of Well:								
1620 feet from the North line and			1685 feet from the East line					
Ground level Elev. 6505			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 _____

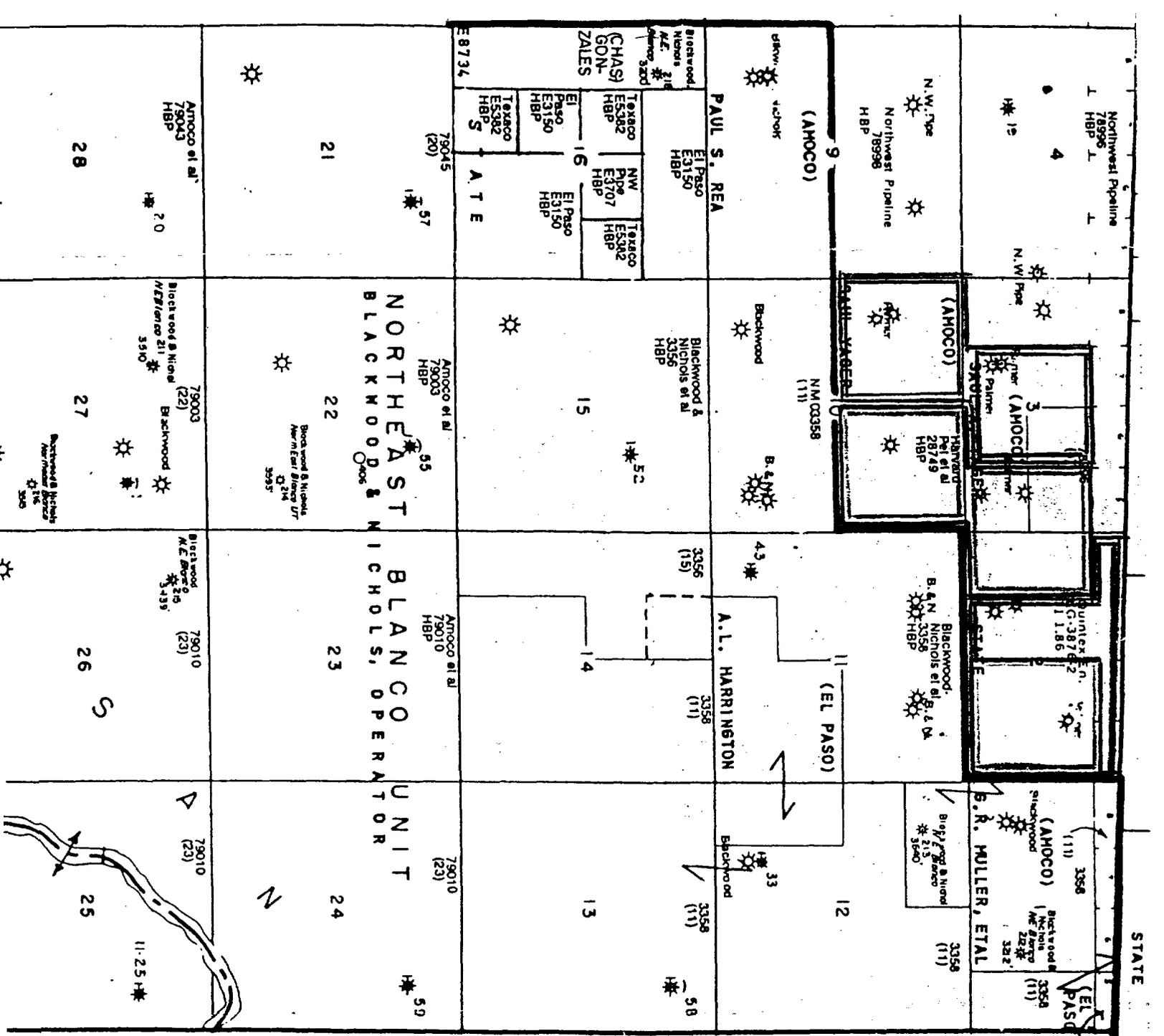
SURVEYOR CERTIFICATION

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

Date Surveyed
August
 Signature of Professional Land Surveyor


Certificate No.
9672

Exhibit A



T. 31 N.

STATE
 Blackwood & SAN JUAN
 Nichols et al
 NMS
 28750
 31N-7W

- Yager 1 & 1-B
 320 acres Mesa Verde
 WI: 49,2188 NRI: 24,1172
- Yager 3
 160 acres Fruitland
 Pictured Cliffs
 WI: 42,1875 NRI: 20,6719
- Yager 4
 160 acres Fruitland
 Pictured Cliffs
 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 Fruitland
 Pictured Cliffs
 WI: 100.00 NRI: 85.5
- State 3
 160 acres Fruitland
 Pictured Cliffs
 WI: 100.00 NRI: 85.5
- Federal 2 & 2-A
 320 acres Mesa Verde
 WI: 57,0312 NRI: 46,1953
- Federal 3
 160 acres Fruitland
 Pictured Cliffs
 WI: 50.00 NRI: 42.75
- Federal 4
 160 acres Fruitland
 Pictured Cliffs

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