

KELLAHIN, KELLAHIN and AUBREY

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August 15, 1989

HAND-DELIVERED

Case 9753

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

RECEIVED

AUG 16 1989

Re: Application of Quinoco Petroleum Inc.  
for a non-standard proration  
and spacing unit, Basin Fruitland  
Coal gas pool,  
Well Name: Quinoco N No. 5 Well  
San Juan County, New Mexico

OIL CONSERVATION DIVISION

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, 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 9753

RECEIVED

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

AUG 16 1979  
OIL CONSERVATION DIVISION

A P P L I C A T I O N

COMES NOW QUINOCO PETROLEUM INC., by and through it 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 N No. 5 Well located at a standard location in the SE/4SW/4 of Section 3, T31N, R7W, San Juan County, New Mexico with the subject non-standard unit consisting of 319.75 acres, more or less being described as follows:

Section 3:       W/2 SE/4  
                  E/2 SW/4

Section 10:      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 the necessity of a proration and spacing unit for the described acreage consisting of parts of two 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

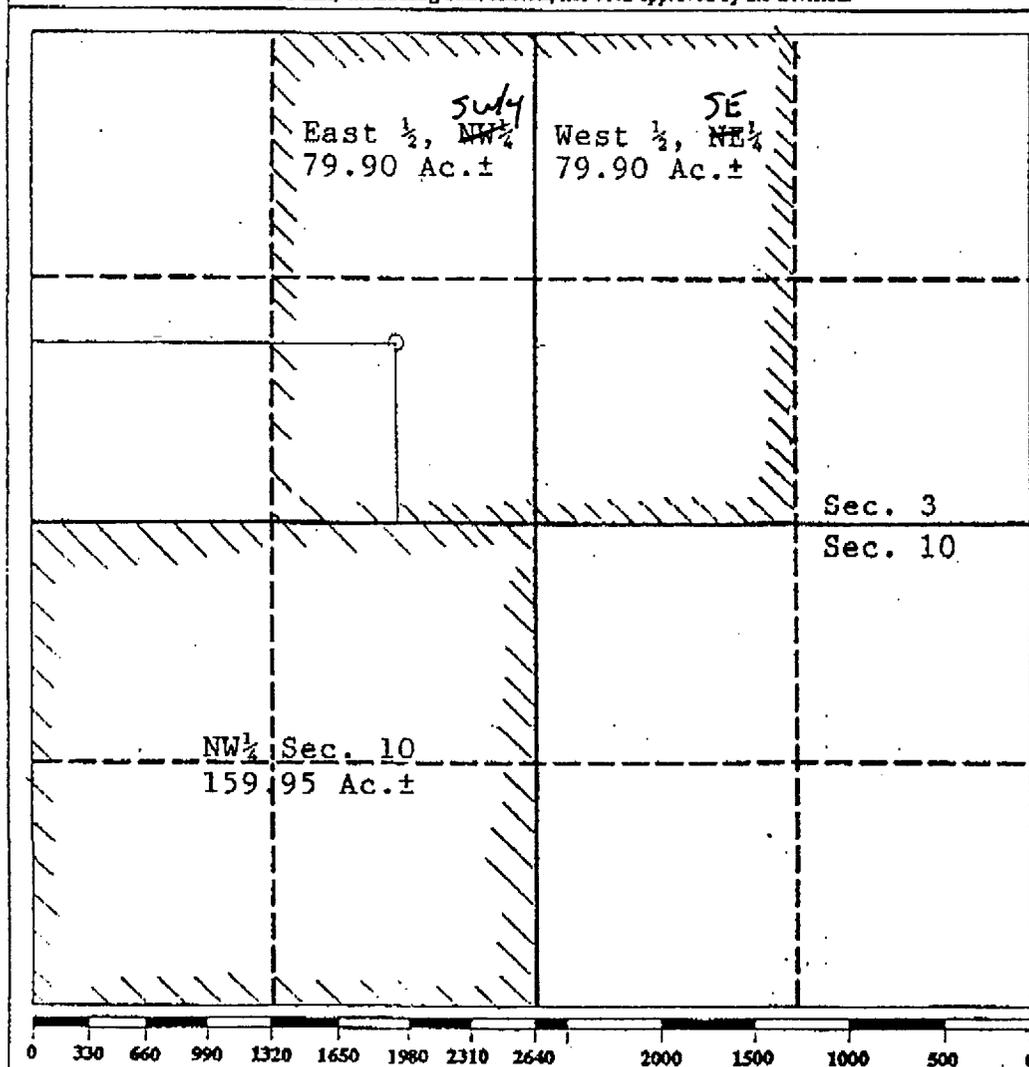
Operator <b>QUINOCO</b>		Lease <b>YAGER</b>		Well No. <b>5</b>
Unit Letter <b>N</b>	Section <b>3</b>	Township <b>31N</b>	Range <b>7W</b>	County <b>NMPM</b>
Actual Footage Location of Well: <b>1030</b> feet from the <b>South</b> line and <b>2015</b> feet from the <b>West</b> line				
Ground level Elev. <b>6571</b>	Producing Formation	Pool	Dedicated Acreage: <b>Acres</b>	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure 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.

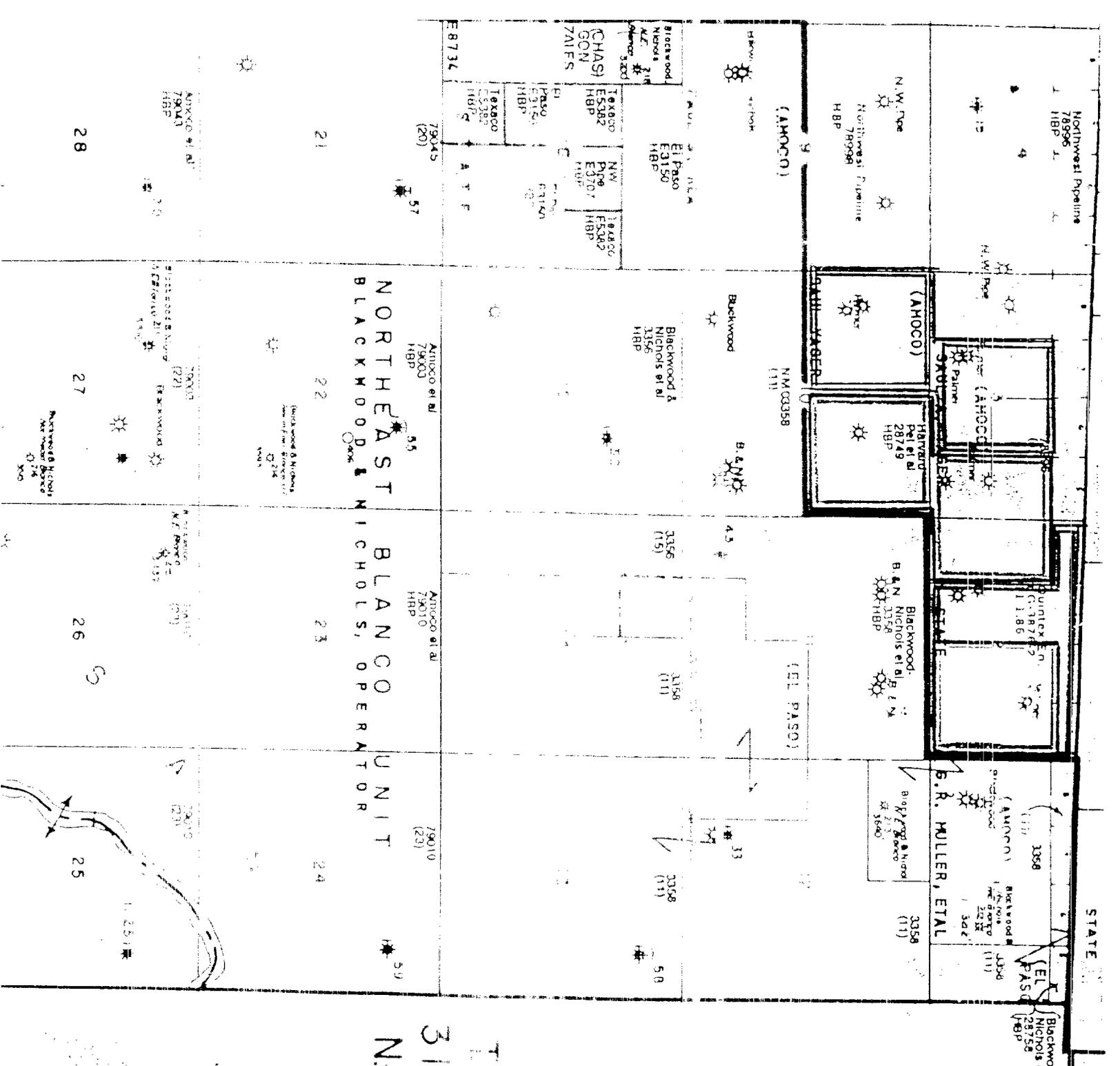
Signature \_\_\_\_\_  
 Printed Name \_\_\_\_\_  
 Position \_\_\_\_\_  
 Company \_\_\_\_\_  
 Date \_\_\_\_\_

**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**  
 Signature of Professional Surveyor *Cecil B. Hollis*  
 Certificate No. **9672**

**CECIL B. HOLLIS**  
 REGISTERED PROFESSIONAL LAND SURVEYOR  
 NEW MEXICO  
 9672

*Exhibit A*



T  
31  
N.

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

Yager 1 & 1-B  
320 acres  
Mesa Verde  
WI: 49,2188 MRI: 24,1172

Yager 3  
160 acres  
Fruitland  
Pictured Cliffs

Yager 4  
160 acres  
Fruitland  
Pictured Cliffs  
WI: 59.25 MRI: 27,5625 APD

State 1  
150.48 acres  
Fruitland  
Pictured Cliffs  
WI: 100.00 MRI: 85.5

State 2  
150.48 acres  
Fruitland  
Pictured Cliffs  
WI: 100.00 MRI: 85.5

State 3  
160 acres  
Fruitland  
Pictured Cliffs  
WI: 100.00 MRI: 85.5

Federal 2 & 2-A  
320 acres  
Mesa Verde  
WI: 57.0312 MRI: 46,1953

Federal 3  
160 acres  
Fruitland  
Pictured Cliffs  
WI: 50.00 MRI: 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