



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

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

August 22, 1990

McKenzie Methane Corp.
1625 Broadway, Suite 2580
Denver, CO 80202

RECEIVED
AUG 24 1990
OIL CON. DIV.
DIST. 3

Administrative Order NSL-2852

Dear Sir or Madam:

Reference is made to your application dated May 8, 1990 for a non-standard coal gas well location for your Angel Peak "14-L" Well No. 6 to be located 1835 feet from the South line and 640 feet from the West line (Unit L) of Section 14, Township 27 North, Range 10 West, NMPM, Basin Fruitland Coal (Gas) Pool, San Juan County, New Mexico. The S/2 of said Section 14 shall be dedicated to the well forming a standard 320-acre gas spacing and proration unit for said pool.

By the authority granted me under the provisions of Rule 8 of the Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool as promulgated by Division Order No. R-8768, the above-described unorthodox coal gas well location is hereby approved.

Sincerely,

William J. LeMay
Director

WJL/MES/ag

cc: Oil Conservation Division - Aztec
US Bureau of Land Management - Farmington
Case File 10025



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

REY CAPRUTHERS
GOVERNOR

1000 THE HIAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6170

Date: 7-5-90

Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504-2088

Re: Proposed HC _____
Proposed DHC _____
Proposed NSL X _____
Proposed SWD _____
Proposed WFX _____
Proposed PMX _____

Gentlemen:

I have examined the application dated 5-10-90
for the W. Kenzie McShane Corp. Angel Pool #6
Operator Lease & Well No.

L-14-27N-10W and my recommendations are as follows:
Unit, S-T-R

Approved for Hearing

Yours truly,

Ernest Bonach

RECEIVED

MAY 10 1990

OIL CON. DIV
DIST. 3

McKenzie Methane Corporation

May 8, 1990

Mr. Michael Stogner
New Mexico Oil Conservation Division
310 Old Santa Fe Trail
Box 2088
Santa Fe, NM 87504-2088

Re: Unorthodox Location
Angel Peak 14L #6
NW SW 14-T27N-R10W
San Juan County, NM

Dear Mr. Stogner,

We are seeking administrative approval for the referenced unorthodox location. Going by Division Memorandum No. 3-89, I have enclosed the following:

- A completed C-102
- An affidavit to Meridian & Amoco with return receipt cards
- A statement from our Field Engineer regarding the location
 - An outline of the orthodox drilling window
 - Land plat showing offset operators
 - Cut and fill diagram of our proposed location
 - A topo showing the orthodox drilling window
 - A topo showing the proposed location
 - An enlargement of the topo
 - Road map & enlargement
- El Paso's pipeline map for T27N-R10W

A cultural survey has already been conducted by the Division of Conservation Archaeology on February 12 and March 3, Technical Report #1850. Our Federal Application to Drill was submitted on March 17. The BLM has indicated that approval of our application is pending NMOCD's approval of this location.

This well was staked 1835' FSL and 640' FWL because of constraints established by the topography and the existing pipelines in the immediate area. Your consideration and approval of this location would be appreciated.

Very truly yours,



Heather Roark

enclosures



McKenzie Methane Corporation

May 2, 1990

Mr. Tom Hawkins
Meridian Oil, Inc.
3535 East 30th. Street
P.O. Box 4289
Farmington, New Mexico 87499

Re: Notice Of Application
For Unorthodox Location
Angel Peak 14L #6
Sec.14-T34N-R10W
San Juan County, N.M.

Sir:

The above referenced well is currently staked 640' FWL rather than the required 790' FWL making this an unorthodox location. McKenzie Methane realized an orthodox location in the 1/4 section would not be possible due to the combination of topography and an EPNG pipeline and chose this location for safety reasons.

The well is currently staked only 100' west of the pipeline, which parallels the road. Moving closer to the pipeline would still not allow an orthodox location and would place the pipeline on part of the well pad. Moving 150' further east would place the well only 25' from the pipeline, a distance McKenzie felt was unsafe.

Moving any further east is not possible due to the 220' cliff which parallels the road through this part of the section.

Since an orthodox location was not possible, it was decided that for safety reasons, the well should be staked so that the pipeline would not cross any part of the well pad.

Sincerely,

Sam Cady
McKenzie Methane Corporation

SC/me

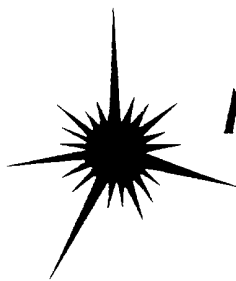
SENDER: Complete Items 1 and 2 when additional services are desired, and complete Items 3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.	
1. <input type="checkbox"/> Show to whom delivered, date, and addressee's address. ↑(Extra charge)↑	2. <input type="checkbox"/> Restricted Delivery ↑(Extra charge)↑
3. Article Addressed to: Mr. Tom Hawkins Meridian Oil, Inc. 3535 East 30th. St. P.O. Box 4289 Farmington, N.M. 87499	4. Article Number P 712 004 497 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail Always obtain signature of addressee or agent and DATE DELIVERED .
5. Signature — Addressee X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature — Agent X	
7. Date of Delivery 5-4-90	

PS Form 3811, Mar. 1987

★ U.S.G.P.O. 1987-178-268

DOMESTIC RETURN RECEIPT

6699 • Telecopier (303) 629-7908



McKenzie Methane Corporation

May 2, 1990

Ms. P.J. Woods
Room 2273
Amoco Production Company
P.O. Box 800
Denver, Colorado 80201

Re: Notice Of Application
For Unorthodox Location
Angel Peak 14L #6
Sec.14-T34N-R10W
San Juan County, N.M.

Dear Ms. Woods:

The above referenced well is currently staked 640' FWL rather than the required 790' FWL making this an unorthodox location. McKenzie Methane realized an orthodox location in the 4 section would not be possible due to the combination of topography and an EPNG pipeline and chose this location for safety reasons.

The well is currently staked only 100' west of the pipeline, which parallels the road. Moving closer to the pipeline would still not allow an orthodox location and would place the pipeline on part of the well pad. Moving 150' further east would place the well only 25' from the pipeline, a distance McKenzie felt was unsafe.

Moving any further east is not possible due to the 220' cliff which parallels the road through this part of the section.

Since an orthodox location was not possible, it was decided that for safety reasons, the well should be staked so that the pipeline would not cross any part of the well pad.

Sincerely,

Sam Cady

Sam Cady
McKenzie Methane Corporation

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Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. <input type="checkbox"/> Show to whom delivered, date, and addressee's address. †(Extra charge)†	2. <input type="checkbox"/> Restricted Delivery †(Extra charge)†
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3. Article Addressed to:
Ms. P.J. Woods (Room 2273)
Amoco Production Company
P.O. Box 800
Denver, Co. 80201

4. Article Number
P 712 004 368

Type of Service:
☐ Registered
☒ Certified
☐ Express Mail
☐ Insured
☐ COD

Always obtain signature of addressee or agent and **DATE DELIVERED.**

5. Signature — Addressee
X

6. Signature — Agent
X *[Signature]*

7. Date of Delivery
5/3/90

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

PS Form 3811, Mar. 1987 ★ U.S.G.P.O. 1987-178-268 DOMESTIC RETURN

•6699 • Telecopier (303) 629-7908

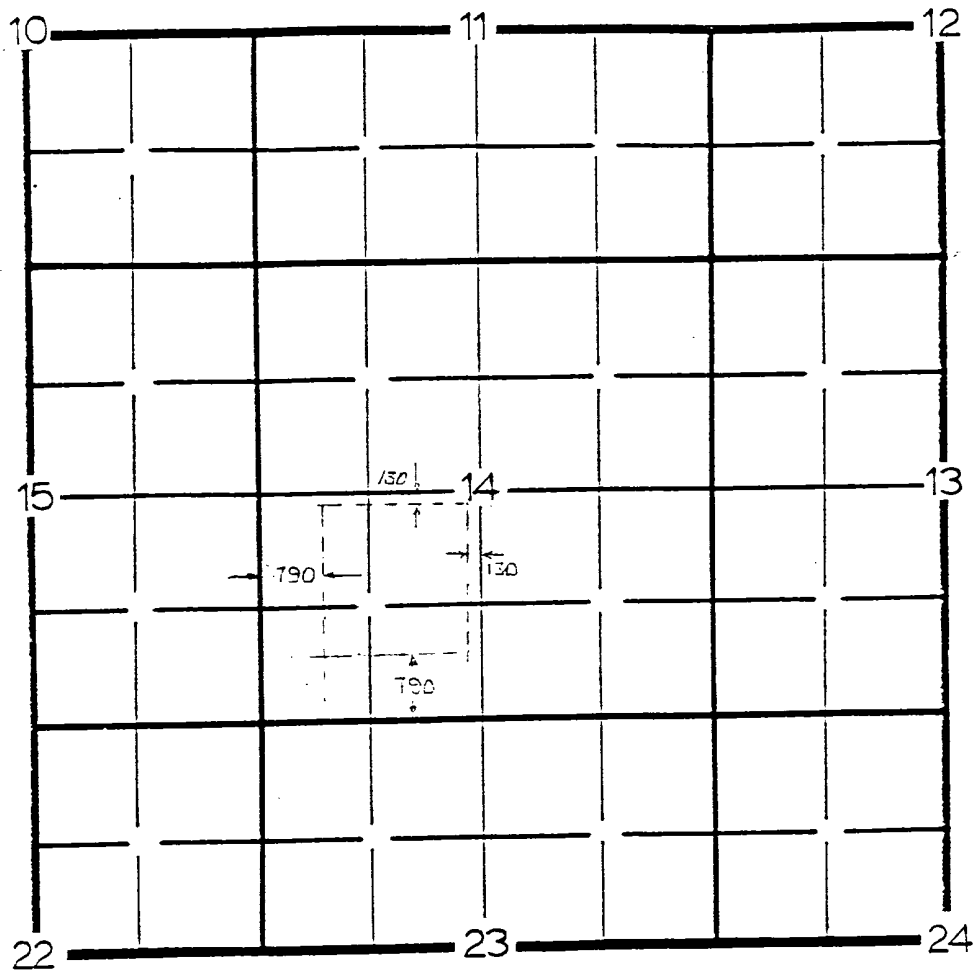
The well is currently staked 640' FWL rather than the required 790' FWL making this an unorthodox location. McKenzie Methane realized an orthodox location in this $\frac{1}{4}$ section would not be possible due to the combination on topography and an EPNG pipeline and chose this location for safety reasons.

The well is currently staked only 100' west of the pipeline which parallels the road as shown on the attached survey plat. Moving closer to the pipeline would still not allow an orthodox location and would place the pipeline on part of the well pad. Moving 150' further east would place the well only 25' from the pipeline, a distance which McKenzie felt was unsafe.

Moving any further east is not possible ^{over} to the 220' cliff which parallels the road through this part of the section.

Since an orthodox location was not possible, it was decided that for safety reasons the well should be staked so that the pipeline would not cross any part of the well pad.

PLEASE SEE ATTACHED TOPO AND MAP.



Specs for Drithodex
Drilling Window

1/2 sec - 790' to the
proposed
unit

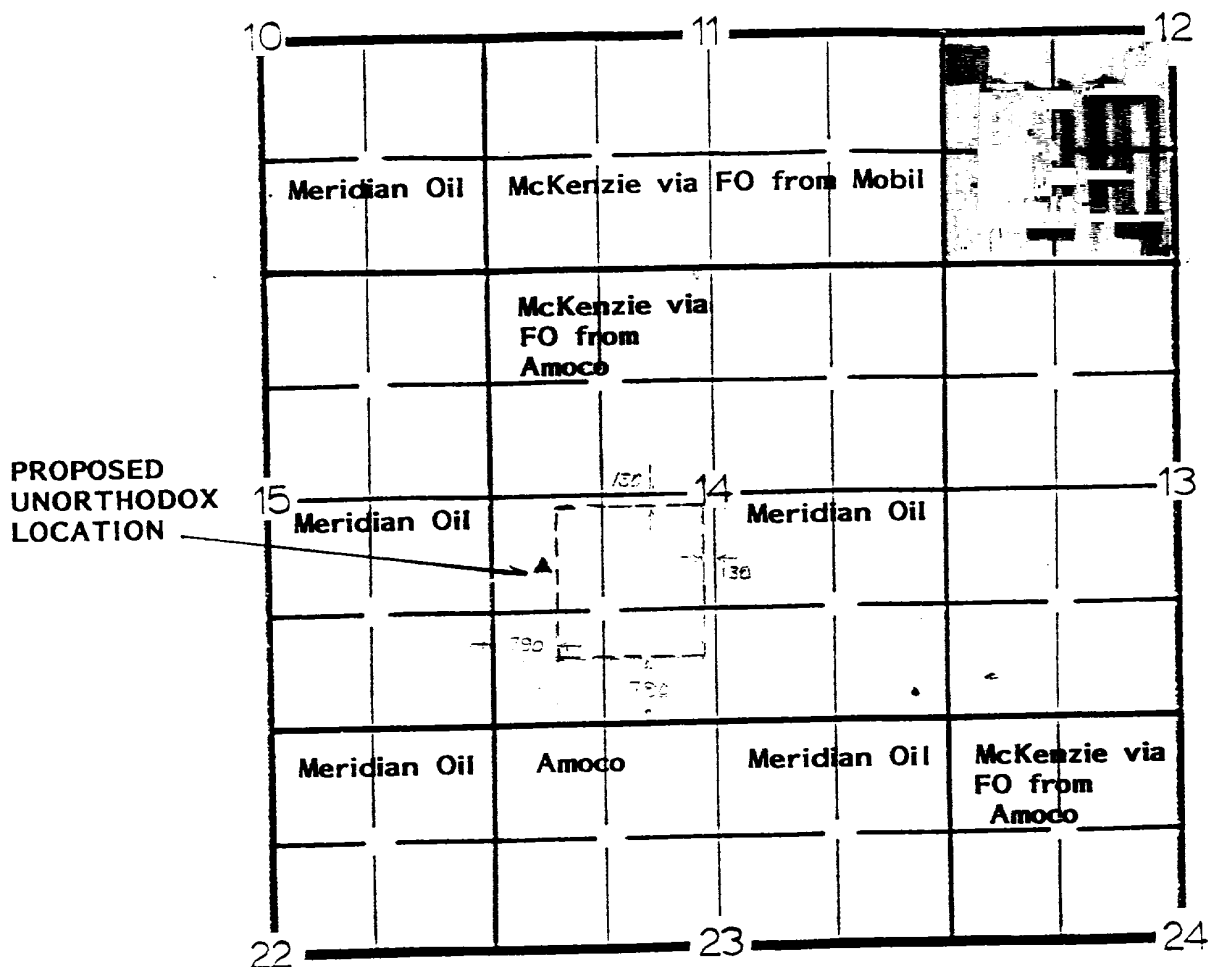
1/4 sec - 10' to 40ac.
(spacing?)



McKenzie Methane Corps
HOUSTON • BIRMINGHAM • DENVER • FARMING

Drithodex Drilling Window
Sec. 14 - T27N-R10W

&
NO closer than 130'
to the dividing line
btw 1/4 sections



The above plat indicates the current ownership of Fruitland Operating Rights as I believe them to be this 1st day of May, 1990

Howard W. Dennis

Howard W. Dennis, Vice President

McKenzie Methane Corporation

HOUSTON • BIRMINGHAM • DENVER • FARMINGTON

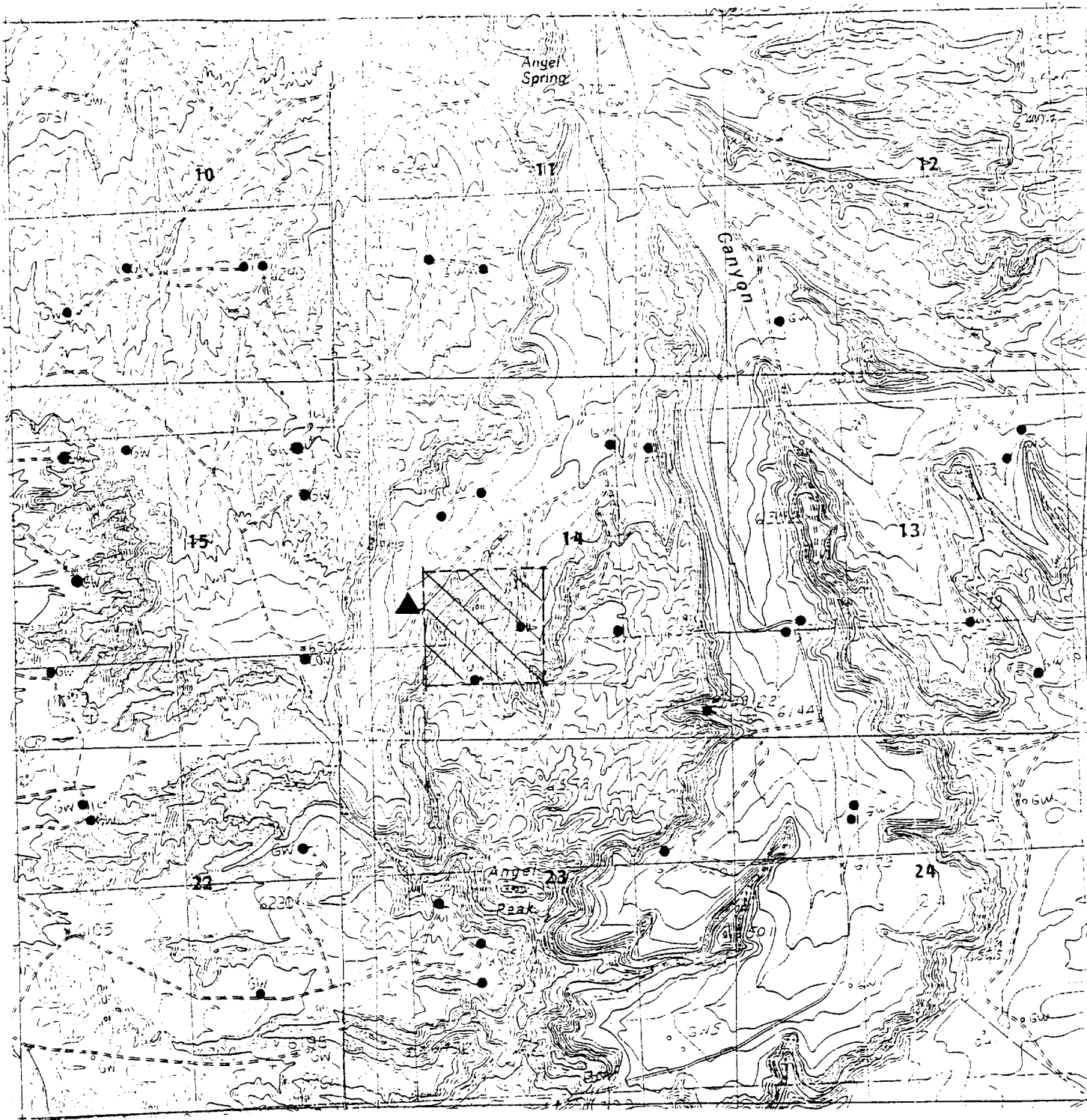
FRUITLAND OPERATING RIGHTS

SURROUNDING SECTION 14-T27N-R10W

ANGEL PEAK 14L #6

1835' FSL, 640' FWL

San Juan County, New Mexico



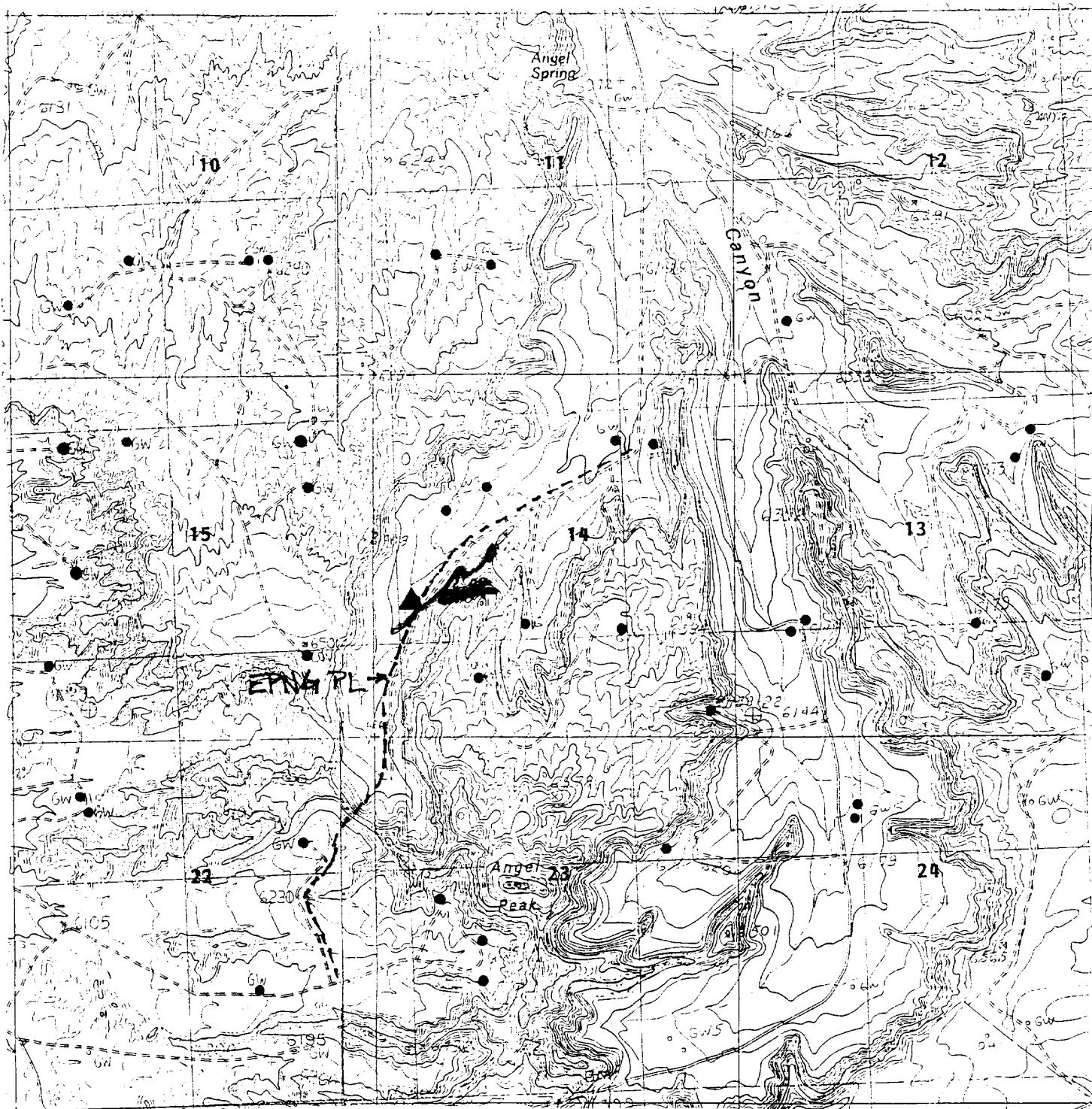
SEE ATTACHED BLOWN UP TOPO



McKenzie Methane Corporation

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ANGEL PEAK 14L #6
Sw $\frac{1}{4}$ Section 14
Township 27 North, Range 10 West
San Juan County, New Mexico



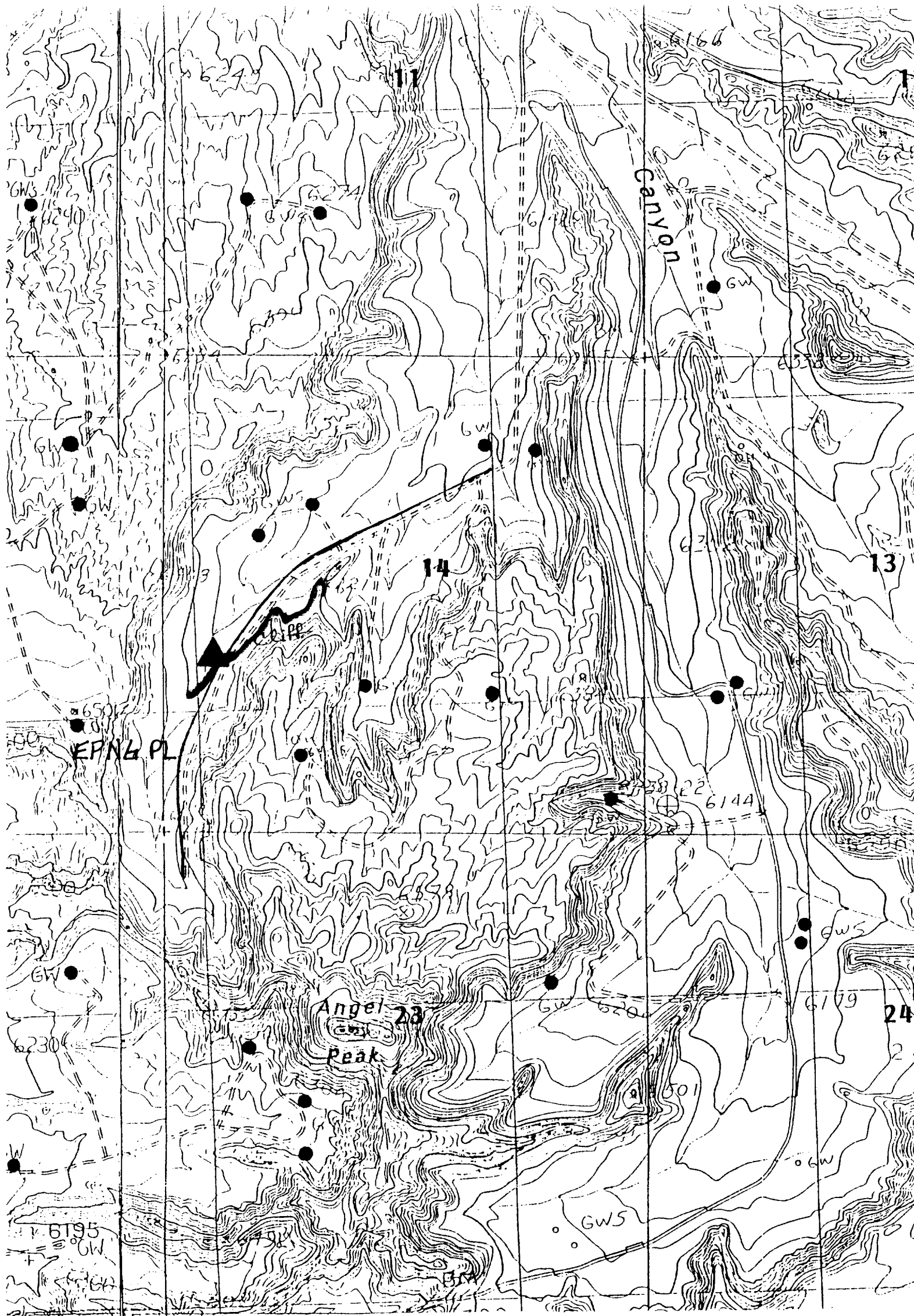
SEE ATTACHED BLOWN UP TOPO

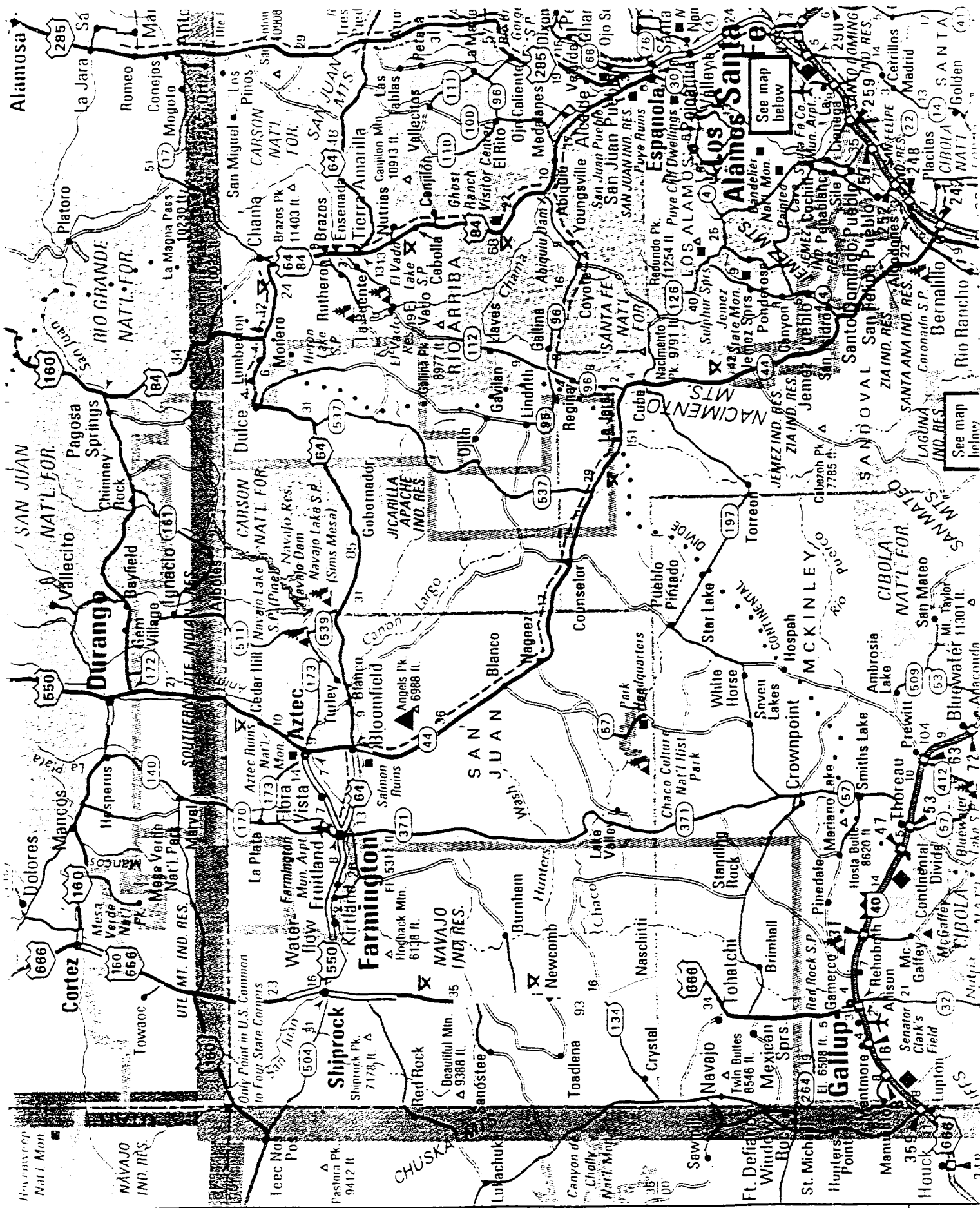


McKenzie Methane Corporation

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ANGEL PEAK 14L #6
Sw $\frac{1}{4}$ Section 14
Township 27 North, Range 10 West
San Juan County, New Mexico





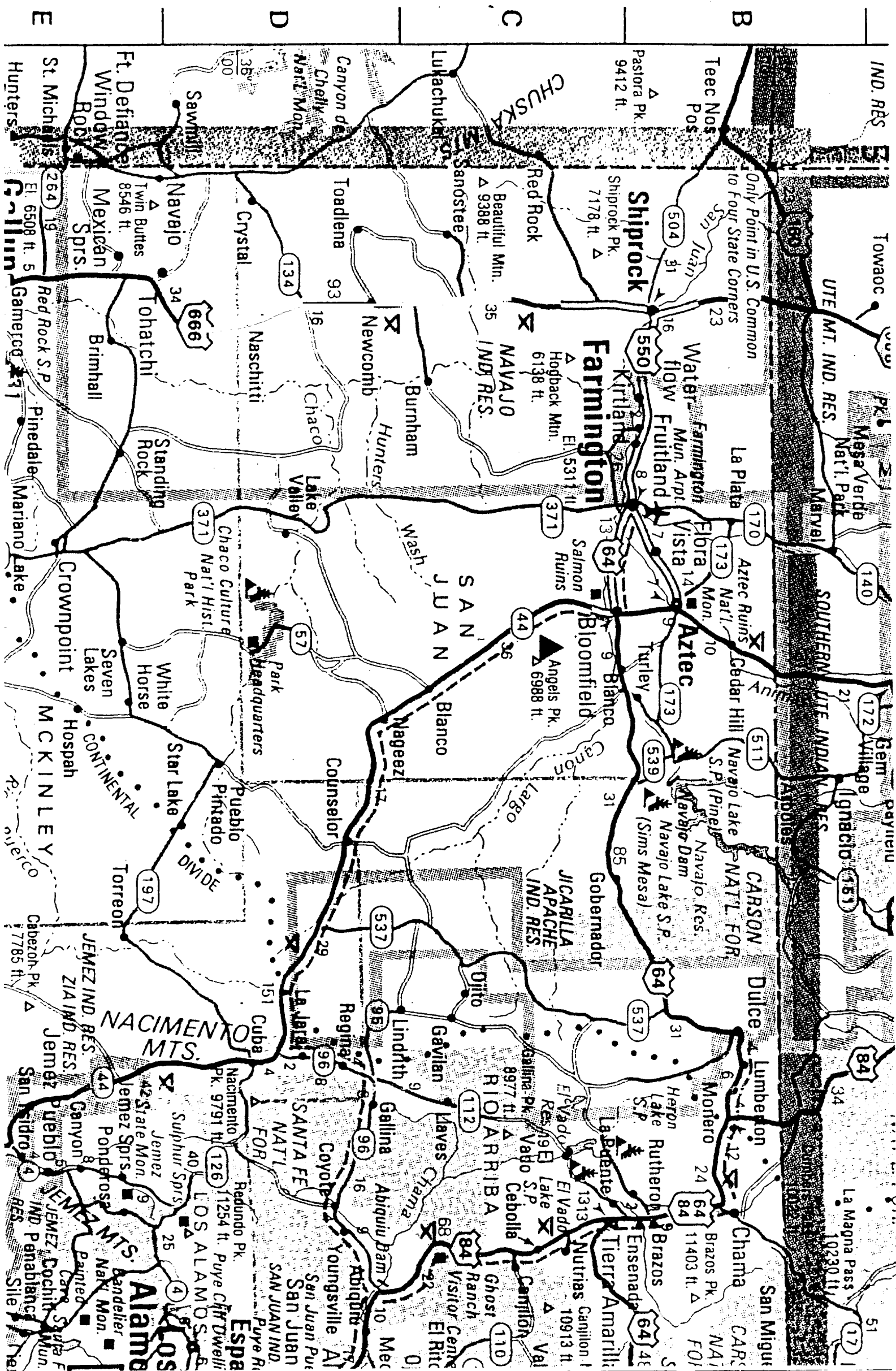
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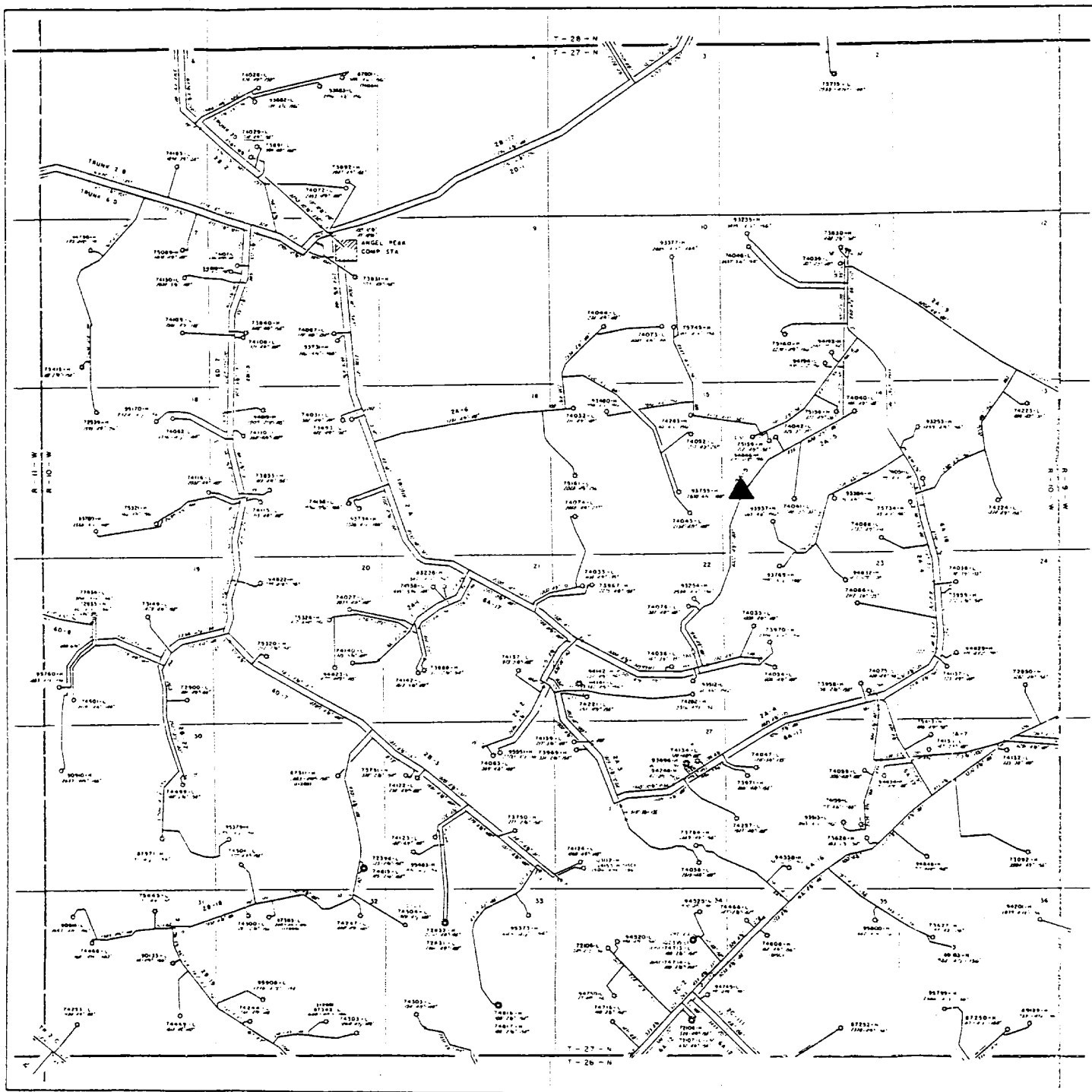
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T-27-N, R-10-W N. MEX.