at Ca



#### STATE OF NEW MEXICO

## ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING GOVERNOR

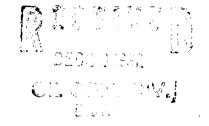
ANITA LOCKWOOD CABINET SECRETARY

December 17, 1992

POST OFFICE BOX 2086 STATE LAND OFFICE BUILDING SANTA FE. NEW MEXICO 87504 (505) 827-5800

Incline Reserves, Inc. 1603 S.W. 37th Street Topeka, KS 66611

Attention: J.P. Garrett



Administrative Order NSL-3209(NSP)

Dear Mr. Garrett:

Reference is made to your application dated November 19, 1992 for a non-standard coal gas well location for your Federal Com "7" Well No. 1 to be located 345 feet from the South line and 1025 feet from the West line (Unit M) of Irregular Section 7. Township 28 North, Range 8 West, NMPM, Basin Fruitland Coal Gas Pool, San Juan County, New Mexico. All of said Section 7 shall be dedicated to the well forming a non-standard 298.76-acre gas spacing and proration unit for said pool.

By the authority granted me under the provisions of Rules 6 and 8 of the Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool as promulgated by Division Order No. R-8768, as amended, the above-described unorthodox coal gas well location and non-standard gas proration unit are hereby approved.

Sincerely,

Director

William J. LeM

WJL/MES/amg

cc: Oil

Oil Conservation Division - Aztec

US Bureau of Land Management - Farmington



### STATE OF NEW MEXICO

# ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION AZTEC DISTRICT OFFICE

1000 RIO BRAZOS ROAD AZTEC, NEW MEXICO 87410 (505) 334-6178

Date	: 11-25-92	atteni Mike Stognico
P.O.	Conservation Division Box 2088 a Fe, NM 87504-2088	
RE:	Proposed MC Proposed NSL Proposed WFX Proposed NSP	Proposed DHCProposed SWDProposed PMXProposed DD
Gentlemen:		
I have examined the application received on 11-23-57		
for the INCLINE RESERVES, INC. FED COM 7#1		
M-7-22N-800 and my recommendations are as follows:		
4	aformer-	
	/	
Yours truly,		
	De Brass	

November 19, 1992

William J. Lemay, Director New Mexico Oil Conservation Division Post Office Box 2088 Santa Fe, NM 87504



Re: Application for Non-Standard Well Location Fed Com #7-1 345' FSL and 1025' FWL, Sec 7, T28N-R8W Basin Fruitland Coal Pool San Juan County, New Mexico

Incline Reserves, Inc. requests approval for a non-standard location for its Fed Com 7 No. 1 well at the location referenced above. In addition, this well will be dedicated to a non-standard unit consisting of all of Section 7, T28N-R9W. This is necessitated by the variation in legal subdivision of the U.S. Public Land Survey. The unit consists of an entire governmental section not less than 70% or more than 130% of a standard gas proration unit. A copy of form C-102 is attached showing this unit to consist of 299.22 acres. Under Rule 5 of Order R-8768-A this non-standard unit may be approved by the Supervisor of the Aztec District Office of the Division.

The circumstance which requires an unorthodox location is the presence of the Largo Canyon wash which transects this section from the northwest to the southeast, as shown on the attached topographic map. The well should be located in the SW/4 of this section to conform with the standard NE/SW pattern in the Fruitland Coal Pool. Local topography and the unconsolidated sands of the Largo Canyon wash dictate that the location chosen is the optimal solution to retaining the integrity of the pattern. Please note that a precedent has been set by the Amoco Warren LS 8, located approximately 400' to the northwest. The location was inspected by Mr. Ernie Bush of the Aztec District III office on November 16, 1992, at which time a verbal approval of the necessity for a non-standard location was given.

The offset mineral interests to the south are owned by Meridian Oil. Mr. John Zent of Meridian was verbally notified of this situation on November 11, 1992, and will receive a copy of this application by certified mail. If no objection is received within 20 days, Incline Reserves respectfully requests administrative approval for this non-standard location.

Sincerely,

J.P. Garrett Vice President

Attachments

cc: John Zent

Meridian Oil 3535 E. 30th St. P.O. Box 4289

Farmington, NM 87401

Aztec District III Ernie Bush 1000 Rio Brazos Rd. Aztec, NM 87410

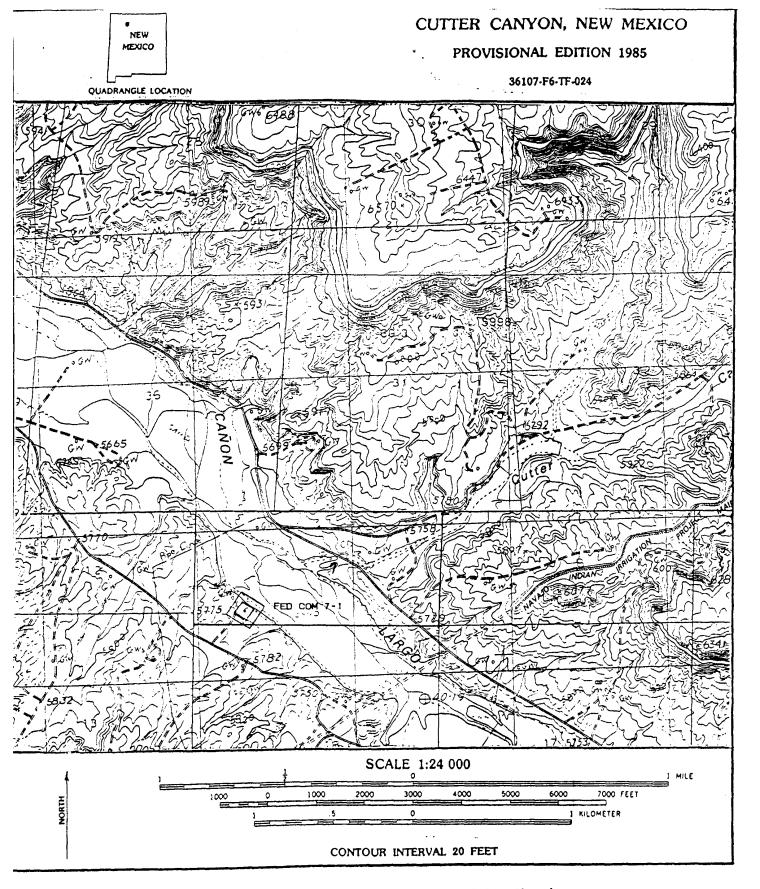


Figure 2. Location map for Incline Reserves Inc. Fed. Com 7-1 well pad.

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

### State of New Mexico Energy, Minerals and Natural Resources Department

Form C 102 Restant L. L. KY

### OIL CONSERVATION DIVISION

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

DISTRICT II
P.O. Drawer DD, Arteela, NM \$8210

DISTRICT I

DISTRICT III
1000 Rio Brissos Rd., Aziec, NM \$7410

1650

1960

2310 2640

1320

440

# WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer bounds are of the nection Wall No INCLINE RESERVES. FED COM County Unit Latter Section Township SAN JUAN CO. 28N NATPAT Actual Footage Location of Well: 345 feet from the Feet from the SOU
Producing Formation Dedicated Acrease Ground level Elev. 200.22 5748 1. Outline the acreage dedicated to the subject well by colored pencil or hachine marks on the plat below. 2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty). 3. If more than one lease of different ownership is deducated to the well, have the interest of all owners been consolidated by communitation, unitization, force pooling, etc.7 If answer is "yes" type of consulidation If sanwer is "no" list the owners and tract descriptions which have actually been consolidated. (Use revene side of this form if neccessary. No allowable will be assigned to the well until all interests have been conscilidated (by continuitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, elimnosting such interest, has been approved by the Division **OPERATOR CERTIFICATION** I hereby certify that the information contained herein in true and complete to the best of my knowledge and belief. Signature Printed Name J.P. Garrett Pocition Vice President Company Incline Reserves, Date November 19, 1992 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was platted from field notes of actual surveys made by me or water my supervison, and that the same is true and my knowledge and Sign J n 4 1025' T2'W Certificate No. 9672 1500 500

2000