



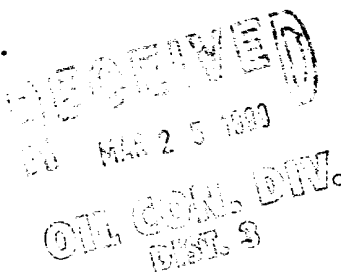
NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

March 23, 1999

Roddy Production Company, Inc.
P. O. Box 2221
Farmington, New Mexico 87499
Attention: Charles Neeley

Telefax No. (505) 326-6814



Administrative Order NSL-4239

Dear Mr. Neeley:

Reference is made to your application dated February 26, 1999, which was received by the Division on March 3, 1999, for an off-pattern non-standard Basin-Fruitland coal gas well location for Roddy Production Company, Inc.'s proposed Yockey Well No. 6 to be drilled 1495 feet from the South line and 1060 feet from the East line (Unit I) of Section 20, Township 27 North, Range 11 West, NMPM, San Juan County, New Mexico. The S/2 of Section 20 is to be dedicated to this well in order to form a standard 320-acre lay-down gas spacing and proration unit for the Basin-Fruitland Coal (Gas) Pool.

The application has been duly filed under the provisions of Rule 104.F of the Rules and Regulations of the New Mexico Oil Conservation Division ("Division") and Rule 8 of the "Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool," as promulgated by Division Order No. R-8768, as amended.

By the authority granted me under the provisions of these special pool rules and Division Rule 104.F (2), the above-described unorthodox coal gas well location is hereby approved.

Sincerely,

Lori Wrotenberg
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U.S. Bureau of Land Management - Farmington

RODDY PRODUCTION COMPANY, INC

3100 NORTHRIDGE DRIVE

P.O. BOX 2221

FARMINGTON, NEW MEXICO 87499

(505) 325-5750 Fax (505) 326-6814

Ms. Lori Wrotenbery
New Mexico Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

February 26, 1999

Re: Administrative Approval Request for Unorthodox Location
Roddy Production Company
Yockey No. 6
Basin Fruitland Coal Well
1495' FSL & 1060' FEL
Sec 20, T27N, R11W, NMPM
San Juan County, New Mexico

RECEIVED
MAR - 3 1999
NEW MEXICO OIL CONSERVATION DIVISION
SANTA FE, NEW MEXICO

Dear Ms. Wrotenbery:

Roddy Production Company respectfully requests that a non-standard location be administratively approved for the proposed Yockey No. 6.

Roddy Production Company seeks to drill the Yockey No. 6 in the Basin Fruitland Coal Gas Pool at an unorthodox location in the SE/4 being 1495' FSL and 1060' FEL of Section 20, T27N, R11W, NMPM, San Juan County, New Mexico and is to be dedicated to a 320 acre standard spacing unit consisting of the S/2 of Section 20.

This proposed location is standard as to the footage requirements but is unorthodox in that it is "off-pattern" for the Basin-Fruitland Coal Gas Pool being the first well drilled in this standard unit; it is located in the SE/4 of the section rather than the SW/4 of the section.

Due to a localized production trend and the proximity of offset operator's Basin Fruitland Coal wells present in the NE/NE Sec 29, SW/SW Sec 21 and SW/NE Sec 20 (See Exhibit 5), the proposed unorthodox location in the SE/4 is necessary for the applicant operator to avoid the augmentation of risk and prevent possible economic loss from the drilling of an unnecessary well and to exercise correlative rights to practicably obtain recoverable gas reserves under S/2 of Section 20. For without approval of this application the applicant operator, in order to protect his correlative rights to gas most probably being produced by others from under the S/2 of Section 20, would first have to drill a well of substantially higher risk in the SW/4 of Section 20, then if non-commercial, either plug the well or shut the well in as a pressure observation well, then drill a well in the SE/4 of Section 20, all being in order to obtain recoverable reserves under the S/2 of Section 20.

The proposed unorthodox location is located within the "NAPI" Irrigation Project and has received preliminary approval from all necessary surface regulatory agencies including an on-site inspection conducted on February 17, 1999 with BLM and NAPI and an on-site inspection conducted on February 22, 1999 with BIA. The Bureau of Indian Affairs, Navajo Indian Irrigation Project has given Archeological and Historical Clearance for the location; BIA Case File #: N48-99-03; Date Reviewed: February 18, 1999.

To comply with New Mexico Oil Conservation Rules, Roddy Production Co is submitting the following data for your approval of the proposed unorthodox location.

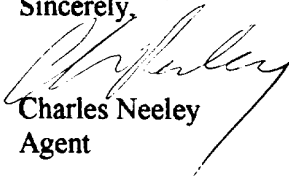
1. Copy of Notice of Staking to BLM.
2. Copy of C-102
3. Land plat showing offset operators and offsetting wells producing from the Basin Fruitland Coal Gas Pool.
4. Copy of Topographic Map with NAPI Farm Circles
5. Production Trend Map with 320 acre drainage circles for active wells producing from the Basin Fruitland Coal Gas Pool.

In accordance to New Mexico Conservation Division Rules, all offset operators are being notified of this application.

If additional information is needed, please feel free to contact me at 505-325-5220.

Your consideration of this application is appreciated.

Sincerely,



Charles Neeley
Agent

CC: NMOCD-Aztec, Offset Operators & BLM

PROPERTY MANAGEMENT & CONSULTING, INC.

3100 NORTHRIDGE DRIVE

P.O. BOX 2596

FARMINGTON, NEW MEXICO 87499-2596

(505) 325-5220 FAX (505) 325-6090

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070 E. ...

February 15, 1999

Bureau of Land Management
Farmington District Office
1235 La Plata Highway, Suite A
Farmington, New Mexico 87401

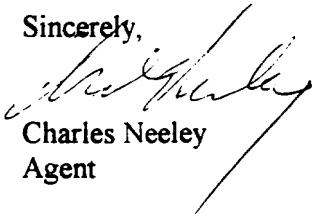
RE: Notice of Staking (NOS) – Roddy Production Company – Yockey No. 6

To Whom It May Concern:

As part of their 1999 development program, Roddy Production Company has staked their Yockey No. 6, Basin Fruitland Coal well. The staked location is 1495' from the south section line and 1060' from the east section line in Section 20 of Township 27 North and Range 11 West, NMPM in San Juan County, New Mexico.

This well was staked in the NE/SE as a non-standard or an unorthodox location for geological reasons. Application is being made to the NMOCD for administrative approval of this unorthodox location.

Sincerely,



Charles Neeley
Agent

Exhibit 1: Notice of Staking

District I
PO Box 1980, Hobbs, NM 88241-1980

District II
PO Drawer 00, Artesia, NM 88211-0719

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

District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code 71629	Pool Name Basin Fruitland Coal
Property Code 14240	Property Name YOCKEY		Well Number 6
GRID No. 36845	Operator Name RODDY PRODUCTION INC.		Elevation 6241'

¹⁰ Surface Location

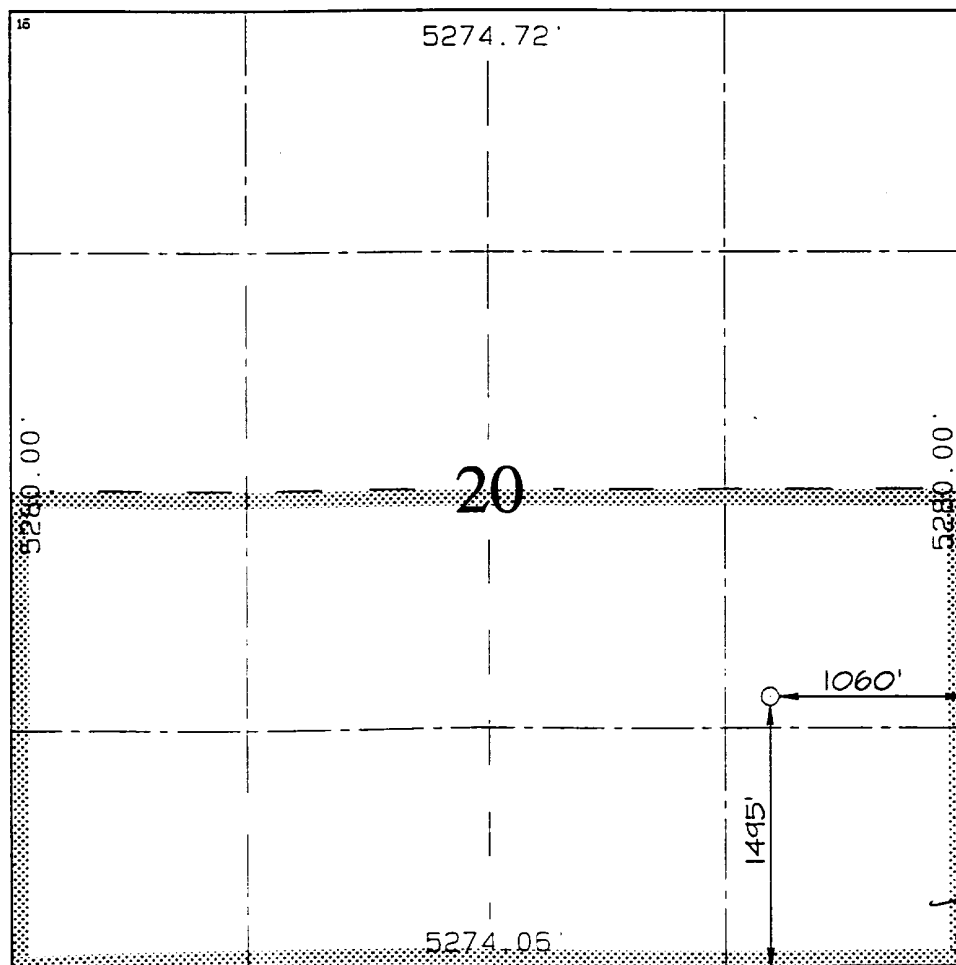

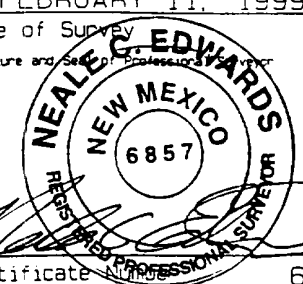
U. or lot no.	Section	Township	Range	Lot 100	Feet from the	North/South line	Feet from the	East/West line	County
I	20	27N	11W		1495	SOUTH	1060	EAST	SAN JUAN

¹¹ Bottom Hole Location If Different From Surface

U. or lot no.	Section	Township	Range	Lot 100	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

¹⁶ 	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature Charles Neeley Printed Name Agent Title February 15, 1999 Date
	¹⁸ 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 belief. FEBRUARY 11, 1999 Date of Survey  Signature and Seal of Professional Surveyor NEALE C. EDWARDS NEW MEXICO 6857 Certificate No. 6857

079116	SF 078895	SF 080382	SF 080382 A	SF 078872-A	SF 07	IC
13	Louis Dreyfus ☼ 18	Burlington ☼ P&A ☼ 17	Marathon ☼ SI ☼ 17	Marathon ☼ 16	Marathon ☼ 15	
079115	ZA-SWF SF C78895	NM 02988	SF 080382-A	SF 080382-A	SF 078872-A	SF 078872 A
NM 046568	Dugan Prod 1	Roddy Prod ☼ 20	Marathon	Marathon ☼ 21		22
035634	Texaco for Four Star O&G ☼ 19	Roddy Prod 60% Burlington 40% Proposed Yockey No.6 ☼ NM 020496	☼ SF 080382 A	SF 078872 A	SF 07	
21	Louis Dreyfus	Louis Dreyfus	Louis Dreyfus ☼ 29	Marathon SF 080382 Marathon ☼ 28	P.R.O. Mgmt ☼ 27	
-25-	30 SF 078896 Louis Dreyfus ☼ SI-SWF	SF 078896	SF 080382 A	SF 078372 A	SF 07E	
079114 A	N.M.0359211					

Roddy Production Company
 Exhibit 3: Land Plat of Basin Fruitland Coal Operators
 Sec 16, 17, 18, 19, 20, 21, 28, 29 & 30, T27N, R11W, NMPM
 San Juan County, New Mexico

To the best of my knowledge, this information is current and correct.

Signed: Charles H. Hickey, agent.

