

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☒ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners**
- [B] ☐ Offset Operators, Leaseholders or Surface Owner**
- [C] ☐ Application is One Which Requires Published Legal Notice**
- [D] ☐ Notification and/or Concurrent Approval by BLM or SLO**
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,**
- [F] ☐ Waivers are Attached**

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Print or Type Name

Signature

Title

Date

e-mail Address

M & G DRILLING COMPANY
c/o Mike Pippin LLC
3104 N. Sullivan Avenue
Farmington, NM 87401
505-327-4573 (phone) **505-564-8656 (fax)
Email: mpippin@ddbroadband.net

September 23, 2004

CERTIFIED MAIL:
Mr. Michael E. Stogner
New Mexico Oil Conservation Division
1220 S. Saint Francis Drive
Santa Fe, New Mexico 87504

RECEIVED

SEP 24 2004

RE: Application for Administrative Approval of Unorthodox Location
M & G Drilling Company's Schlosser 3 #101 Well NM OGRID#: 141852
2400' FNL and 1305' FWL Unit E, Section 3, T27N, R11W
San Juan County, New Mexico
Basin Fruitland Coal

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

Dear Mr. Stogner:

M & G Drilling Company hereby requests administrative approval for an unorthodox location for the above referenced well. Attached for your reference are the following exhibits:

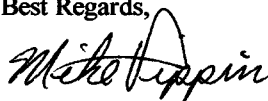
1. Copy of Federal APD (BLM Form 3160-3)
2. Well location plat (NMOCD Form C-102)
3. List of Offset Operators
4. Ownership map
5. Topographic map
6. Production map
7. Directions to proposed well pad
8. Copy of letter to offset operators and certified mail receipt

The rules state that the well should not be closer than 660 feet to the South and North lines nor closer than 660 feet to the East and West lines of a Gas Proration Unit. In this case, the referenced well is a 320 acre lay-down proration unit. We encountered enormous topographic problems trying to stake this well. With the exception of the wellpad for Conoco's Schlosser Fed #2E DK (805' FNL & 1520' FWL Section 3 T27N R11W), a suitable standard location for this well could not be found in the northwest quarter of Section 3 due to the topography. We staked the well in the only relatively flat area available. Unfortunately, that relatively flat area is only 240' from the center of the section line. M & G Drilling Company has the offset lease directly to the south.

We do not believe that drilling a Fruitland Coal well on the same wellpad as the Schlosser Fed. #2E DK would be a good geological location. Coal thickness increases from only 25 feet of coal in the Schlosser #97 PC (623' FSL & 1347' FWL Section 34 T28N R11W) to 50 feet of coal in the Bolack 4 #2 (2225' FNL & 1660' FEL Section 4 T27N R11W). It is therefore our desire to be as far from the #97 as possible and near the Bolack 4 #2. See the attached log sections from these wells.

By certified mail, a copy of this application and request for administrative approval has been sent to all of the Basin Fruitland Coal working interest owners and offset operators listed on the attached list. M & G Drilling Company requests your Administrative Approval for the unorthodox location based on the above information. Should you need any additional information please feel free to contact me at (505) 327-4573.

Best Regards,



Mike Pippin
Petroleum Engineer
Agent - M & G Drilling Company

Enclosures

cc: Steve Hayden

Ex #1

Form 3160-3
(August 1999)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED

OMB No. 1004-0136

Expires November 30, 2000

5. Lease Designation and Serial No.

NM-078673

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement, Name and No.

8. Lease Name and Well No.

SCHLOSSER 3 #101

9. API Well No.

10. Field and Pool, or Exploratory

Basin Fruitland Coal

11. Sec., T., R., M., or Blk. and Survey or Area

Sec 3, T-27-N, R-11-W

12. County or Parish,

San Juan

13. State

New Mexico

17. Spacing Unit dedicated to this well

320 Acres N/2

1a. Type of Work ☒ DRILL ☐ REENTER

1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☐ Single Zone ☐ Multiple Zone

2. Name of Operator

M&G Drilling Company Inc.

NM OGRID # 141852

3a. Address c/o Mike Pippin LLC

3104 N. Sullivan, Farmington, NM 87401

3b. Phone Number

(505) 327-4573

4. Location of Well (Footage, Sec, T. R., M, or Survey Description)

At surface: Unit E, 2400' FNL, 1305' FWL

At proposed prod. Zone: Same

14. Distance in miles and direction from nearest town or post office*

9 Miles South of Bloomfield, NM

15. Distance from proposed*

location to nearest 1305'

property or lease line, ft.

(Also to nearest drlg. Unit line, if any)

16. No of Acres in lease

2560

18. Distance from proposed*

location to nearest well 1550'

19. Proposed Depth

2100'

20. BLM/BIA Bond No. on file

21. Elevation (Show whether DF, KDB, RT, GL, etc.)

6168'

22. Approximate date work will start*

January 2, 2005

23. Estimated duration

30 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.

2. A Drilling Plan

3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office.

4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).

5. Operator certification.

6. Such other site specific information and/or plans as may be required by the authorized officer

Size of Hole	Grade, Size of Casing	Weight per Foot	Setting Depth	Quantity of Cement
12-1/4"	8-5/8" LS	23#	200'	140 Sxs, 165 ft3 - 100% Excess
6-1/4"	4-1/2" K-55	10.5#	2100'	163 Sxs, 312 ft3 - 45% Excess

The on-site inspection was on 7/1/04 by Brice Barlan

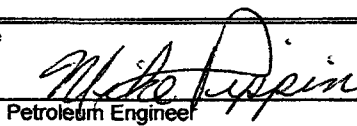
Archy is by DCA.

EA & TE are by Permits West

SEE ATTACHED APD INFORMATION

Latitude: 36 Deg, 36 Min, 18 Sec N
Longitude: 107 Deg, 59 Min, 45 Sec W

25. Signature



Name(Printed/Typed)

Mike Pippin

Date

September 11, 2004

Title Petroleum Engineer

Approved by (Signature)

Name(Printed/Typed)

Date

Title

Office

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on reverse)

Ex #2

DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised August 15, 2000

DISTRICT II
811 South First, Artesia, N.M. 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number		*Pool Code	*Pool Name
		71629	BASIN FRUITLAND CORL
*Property Code	*Property Name		*Well Number
	SCHLOSSER 3		101
*GRID No.	*Operator Name		*Elevation
141852	M & G DRILLING COMPANY INC.		6168'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	3	27-N	11-W		2400	NORTH	1305	WEST	SAN JUAN

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres			¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.		
320 N/2			Y						

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

FD. 2 1/2" BC. 1913 GLO	S 89-52-44 W 5289.6' (C)		CALC'D COR. BY SNGL PROP. METHOD
LOT 4	LOT 3	LOT 2	LOT 1
N 00-00-07 E 2656.0' (M)	LAT. = 36°36'18" N. (NAD 83) LONG. = 107°59'45" W. (NAD 83)		
2400'	1305'		

17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein
is true and complete to the best of my knowledge and
belief.

Mike Pippin
Signature

MIKE PIPPIN
Printed Name

AGENT-PETR. ENGR.
Title

9-11-04
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.

MAY 13

Date of Survey

Signature and Seal of Professional Surveyor

JOHN A. VUKONICH
148314
REGISTERED PROFESSIONAL SURVEYOR

Certificate Number

M & G DRILLING COMPANY
c/o Mike Pippin
3104 N. Sullivan Avenue
Farmington, NM 87401
505-327-4573 (phone) **505-564-8656 (fax)
Email: mpippin@ddbroadband.net

**OFFSET OPERATORS AND OWNERS NOTIFICATION LIST
SCHLOSSER 3 #101 FRTC**

OFFSET OPERATORS:

XTO ENERGY INC.
2700 Farmington Avenue
Building K, Suite 1
Farmington, NM 87401

Burlington Resources Oil & Gas
Attention: Linda Dean
P.O. Box 4289
Farmington, NM 87499-4289

WORKING INTEREST OWNERS:

M & G Drilling Company
c/o Mike Pippin LLC
3104 N. Sullivan
Farmington, NM 87401

OWNERSHIP MAP

SCHLOSSER 3 #101 FRTC

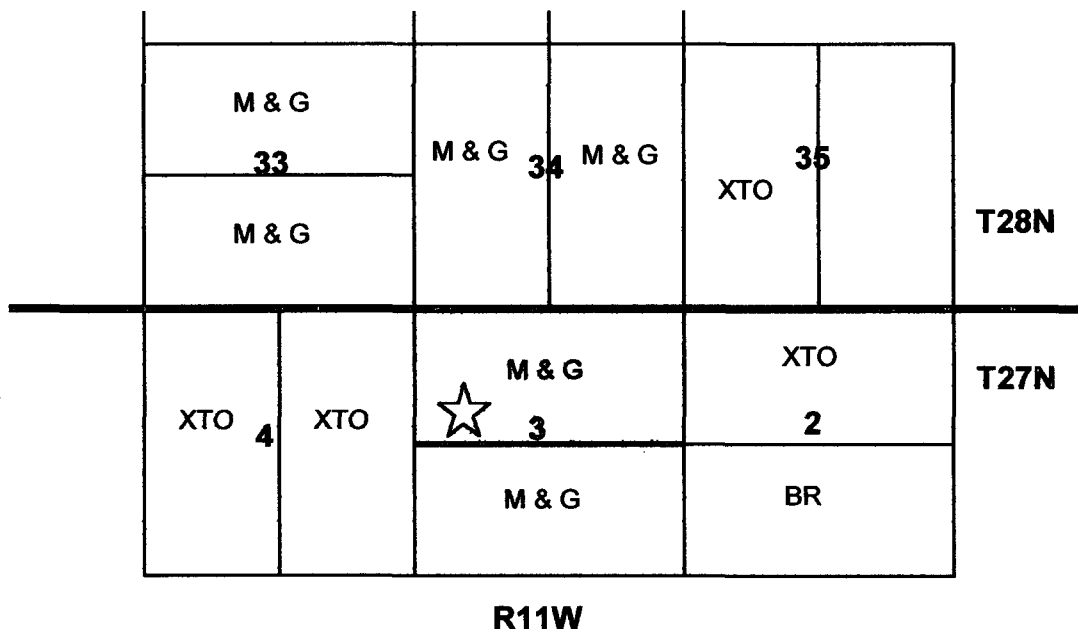
2400' FNL & 1305' FWL

(E) Sec. 3 T27N R11W

San Juan County, NM

Spacing: North Half

Operator: M & G Drilling Company



XTO Energy Inc.
2700 Farmington Ave.
Building K, Suite 1
Farmington, NM 87401

M & G Drilling Company
c/o Mike Pippin LLC
3104 N. Sullivan
Farmington, NM 87401

Burlington Resources
P.O. Box 4289
Farmington, NM 87499



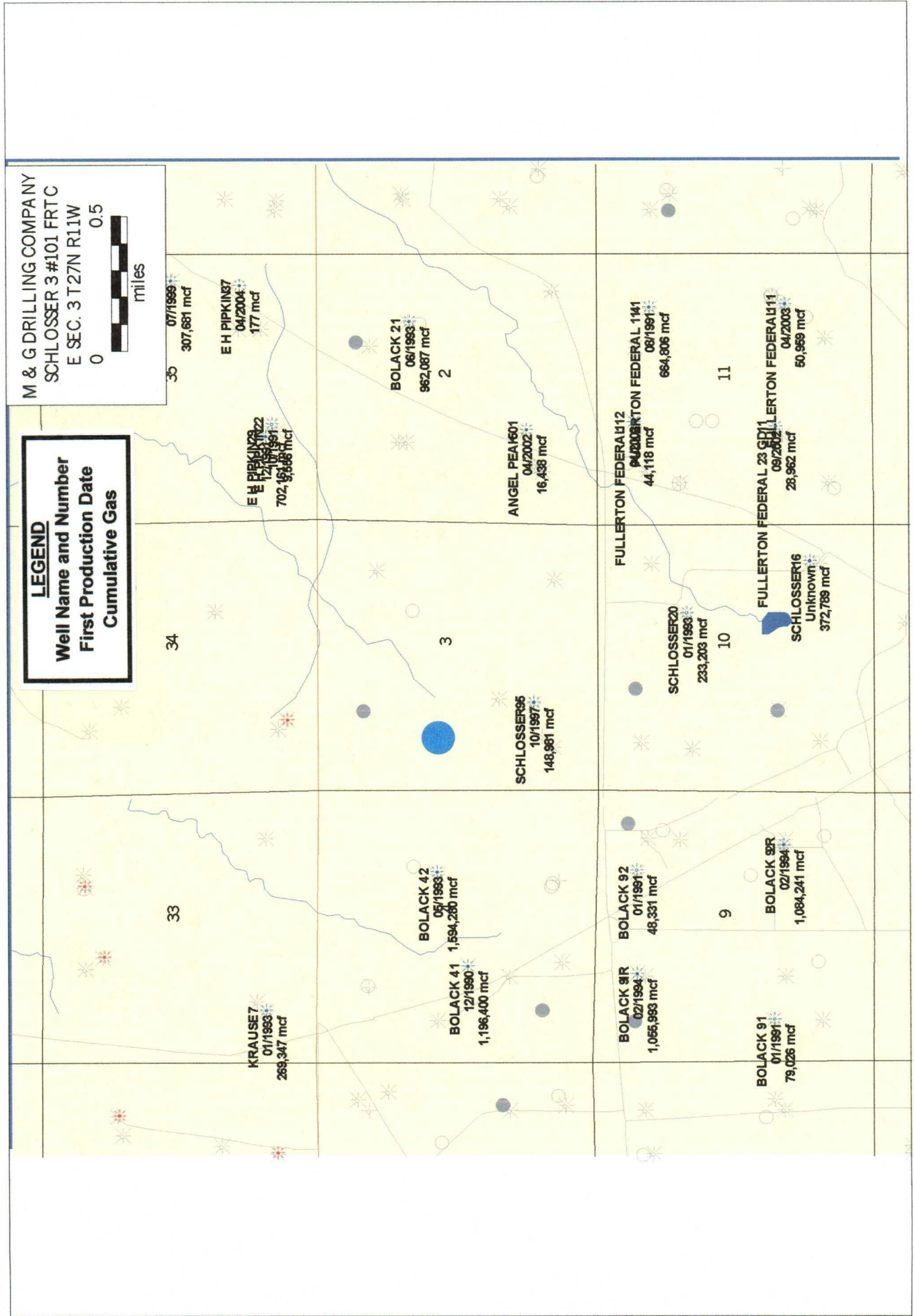
PowerTools Map

Lease Name: CORNELL (100)
County, ST: SAN JUAN, NM
Location: 10 29N 12W SE NW NE

Project: C:\Program Files\HS Energy\PowerTools v6.0\Projects\ALL M&G.MDB

Date: 9/21/2004
Time: 2:54 PM

Operator: BURLINGTON RESOURCES O&G CO LP
Field Name: BASIN



Ex#6

M & G DRILLING COMPANY
c/o Mike Pippin LLC
3104 N. Sullivan Avenue
Farmington, NM 87401
505-327-4573 (phone) **505-564-8656 (fax)
Email: mpippin@ddbroadband.net

DIRECTIONS TO SCHLOSSER 3 #101 FRTC

The location is approximately 8.8 miles south of Bloomfield, NM.
From the intersection of Hwy 550 & Hwy 64 in Bloomfield:

Take Hwy 550 south 7.8 miles to the NAPI sign.

Turn left & go east for 0.5 mile.

Turn left & go north for 0.5 mile to the new location.

M & G DRILLING COMPANY
c/o Mike Pippin LLC
3104 N. Sullivan Avenue
Farmington, NM 87401
505-327-4573 (phone) **505-564-8656 (fax)
Email: mpippin@ddbroadband.net

September 23, 2004

CERTIFIED MAIL:
Burlington Resources Oil & Gas
P.O. Box 4289
Farmington, NM 87499-4289

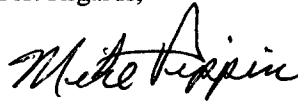
Attention: Linda Dean

RE: Application for Administrative Approval of Unorthodox Location
M & G Drilling Company's Schlosser 3 #101 Well
2400' FNL and 1305' FWL
Unit E, Section 3, T27N, R11W
San Juan County, New Mexico
Basin Fruitland Coal

Dear Sir or Madam:

Enclosed please find a copy of the above captioned application that has been sent to the NMOCD for administrative approval. Should you not agree with the request, please notify the NMOCD within 20 days of the date of this application. Any questions you may have concerning the operations, please feel free to contact me at (505) 327-4573.

Best Regards,



Mike Pippin
Petroleum Engineer
Agent – M & G Drilling Company

Enclosures

M & G DRILLING COMPANY
c/o Mike Pippin LLC
3104 N. Sullivan Avenue
Farmington, NM 87401
505-327-4573 (phone) **505-564-8656 (fax)
Email: mpippin@ddbroadband.net

September 23, 2004

CERTIFIED MAIL:
XTO Energy Inc.
2700 Farmington Avenue
Building K, Suite 1
Farmington, NM 87401

RE: Application for Administrative Approval of Unorthodox Location
M & G Drilling Company's Schlosser 3 #101 Well
2400' FNL and 1305' FWL
Unit E, Section 3, T27N, R11W
San Juan County, New Mexico
Basin Fruitland Coal

Dear Sir or Madam:

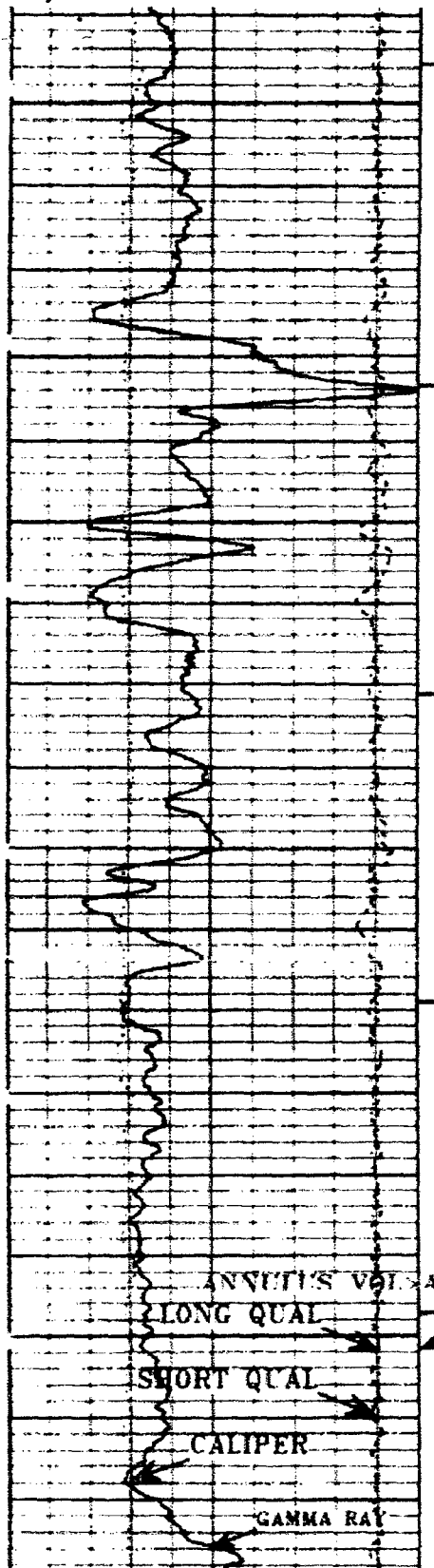
Enclosed please find a copy of the above captioned application that has been sent to the NMOCD for administrative approval. Should you not agree with the request, please notify the NMOCD within 20 days of the date of this application. Any questions you may have concerning the operations, please feel free to contact me at (505) 327-4573.

Best Regards,

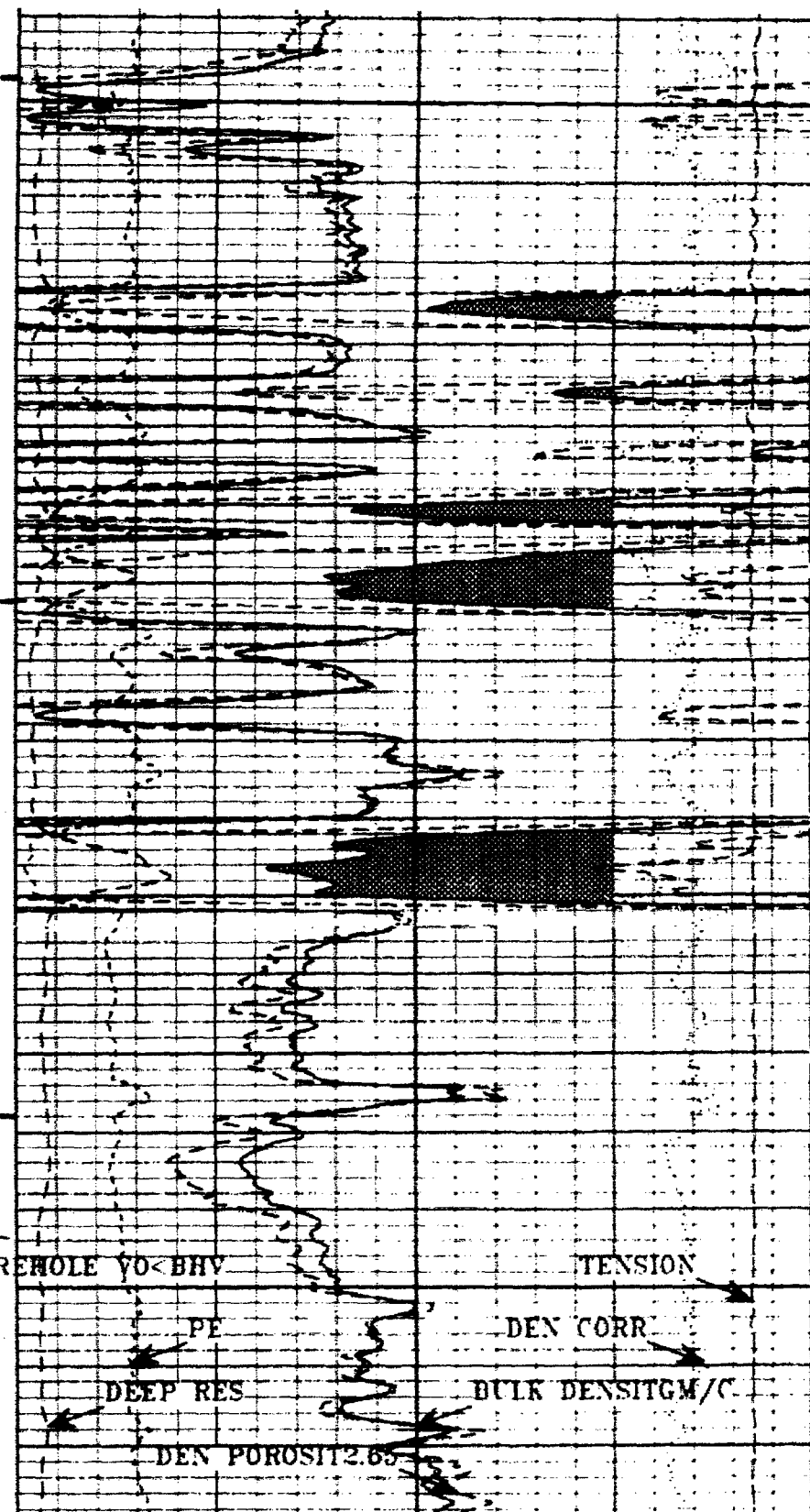


Mike Pippin
Petroleum Engineer
Agent - M & G Drilling Company

Enclosures



1800



SCHLOSSER #97 PC N 34 28 11

BASE OF COAL ~1852'

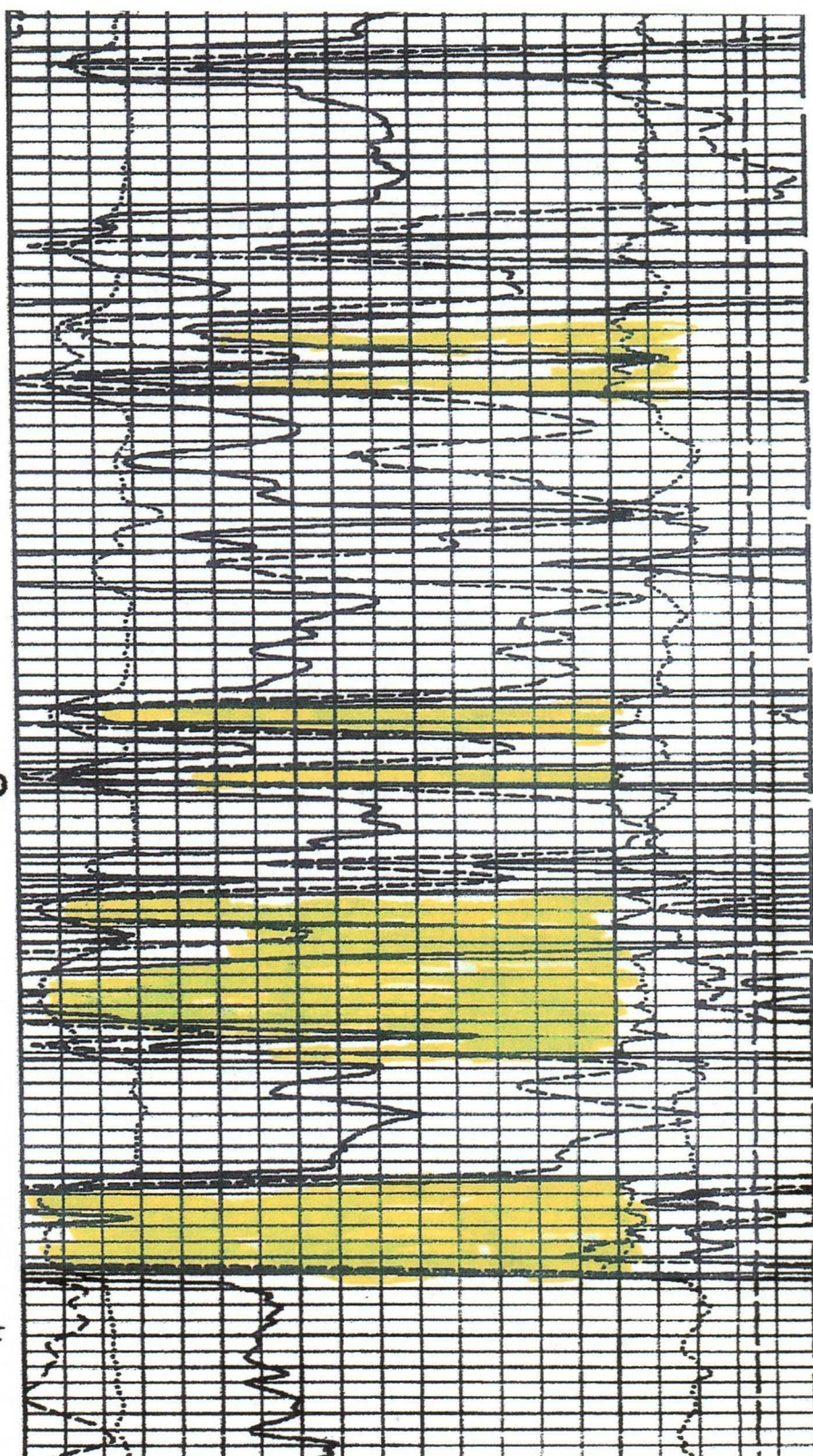
TOP OF PC ~1855'

TOTAL COAL ~25'



1900

4SPF



G 4 27 11

155K#Q

270MCF/D

COALS

TOTAL COAL $\approx 50'$

BOLACK 4#2 FRTC

1594MMCF

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

MR. MICHAEL STOGNER
NM OIL CONSERVATION DIV.
1220 S. ST. FRANCIS DR
SANTA FE NM 87504

2. Article Number

(Transfer from service label)

7004 1160 0005 1590 2090

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☐ No

3. Service Type

☐ Certified Mail☐ Express Mail☐ Registered☐ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

XTO ENERGY
2700 FARMINGTON AVE
BLDG K STE 1
FARMINGTON NM
87401

2. Article Number

(Transfer from service label)

7004 1160 0005 1590 2083

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☐ No

3. Service Type

☐ Certified Mail☐ Express Mail☐ Registered☐ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

BURLINGTON RESOURCES
PO BOX 4289
FARMINGTON NM 87499

2. Article Number

(Transfer from service label)

7004 1160 0005 1590 2076

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☐ No

3. Service Type

☐ Certified Mail☐ Express Mail☐ Registered☐ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

Sec : 03 Twp : 27N Rng : 11W Section Type : NORMAL

4 40.65 Federal owned	3 40.71 Federal owned	2 40.77 Federal owned	1 40.83 Federal owned
E 40.00 Federal owned	F 40.00 Federal owned	G 40.00 Federal owned	H 40.00 Federal owned
C			
L 40.00 Federal owned	K 40.00 Federal owned	J 40.00 Federal owned	I 40.00 Federal owned
A			
M 40.00 Federal owned	N 40.00 Federal owned	O 40.00 Federal owned	P 40.00 Federal owned
A			

CMD : ONGARD 10/05/04 10:04:55
 OG6C101 C101-APPLICATION FOR PERMIT TO DRILL OGO MES -TPGM

OGRID Idn : 141852 API Well No: 30 45 29486 APD Status(A/C/P): C
 Opr Name, Addr: M & G DRLG CO INC Aprvl/Cncl Date : 09-08-1997

PO BOX 2406
 FARMINGTON, NM 87499

Prop Idn: 16599 SCHLOSSER Well No: 96

U/L	Sec	Township	Range	Lot	Idn	North/South	East/West
Surface Locn	: G	3	27N	11W		FTG 1850 F N	FTG 1735 F E
OCD U/L	: G	API County : 45					

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C): G Cable/Rotary (C/R) : R
 Lease typ(F/S/P/N/J/U/I): F Ground Level Elevation : 6062

State Lease No: Multiple Comp (S/M/C) : N
 Prpsd Depth : 2050 Prpsd Frmtn : BASIN FT COAL (ABL 3-19-99)

E6927: Well is cancelled

PF01 HELP	PF02	PF03 EXIT	PF04 GOTO	PF05	PF06 CONFIRM
PF07	PF08	PF09 PRINT	PF10 C102	PF11 HISTORY	PF12

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*
(Other Instructions on
reverse side)
RECEIVED
BLM

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN 9:54

1A. TYPE OF WORK

DRILL ☒

DEEPEN ☐

B. TYPE OF WELL

OIL
WELL ☐

GAS
WELL ☒

OTHER

SINGLE
ZONE ☒

MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

M & G DRILLING COMPANY C/O KM PRODUCTION COMPANY

3. ADDRESS AND TELEPHONE NO.

PO BOX 2406 FARMINGTON, NM 87499 (505)325-6900

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At surface

1850 FNL & 1735 FEL

At proposed prod. zone

SAME

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

1735'

16. NO. OF ACRES IN LEASE

2560

17. NO. OF ACRES ASSIGNED
TO THIS WELL

N/320 96

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

1100'

19. PROPOSED DEPTH

2050

20. ROTARY OR CABLE TOOLS

ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

6062' GL

This action is subject to technical and
procedural review pursuant to 43 CFR 3165.3
and appeal pursuant to 43 CFR 3165.4.

22. APPROX. DATE WORK WILL START*

ASAP

23. PROPOSED CASING AND CEMENTING PROGRAM
DRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO COMPLIANCE WITH ATTACHED
GENERAL REQUIREMENTS

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPT	CEMENT
12 1/4"	8 5/8"	24#/ft	120'	75 sx (88 ft ³)
6 3/4"	5 1/2"	14#/ft	2050	190 sx (310 ft ³)

Will drill 12 1/4" hole to 120 ft and set 8 5/8" 24# J55 ST&C used casing and cement with 75 sx (88 ft³) of Class B cement, circulated to surface. Will drill 6 3/4" hole to 2050 ft with circulating medium of clear water, natural mud, and water loss control additives. No abnormal temperatures or pressures are anticipated. Induction and density logs will be run. Will run 2050 ft of 5 1/2" 14#/ft J55 ST&C new casing. Will cement with 190 sx (310 ft³) cement, circulated to surface.

FORMATION TOPS

Ojo Alamo 780
Kirtland 875
Fruitland 1595
Pictured Cliffs 1900

RECEIVED
SEP 10 1997

OIL CON. DIV.
DIST. 3

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

Kevin H. McQuinn

TITLE Agent-Petroleum Engineer

DATE 7/30/97

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

SEP 08 1997

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

/s/ Duane W. Spencer

TITLE

Team Lead

DATE

SEP - 8 1997

*See Instructions on Reverse Side

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, 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

1 API Number <u>30-045-29486</u>		2 Pool Code <u>716 29</u>		3 Pool Name <u>Basin Grutland Coal</u>		
4 Property Code <u>16599</u>		5 Property Name <u>SCHLOSSER</u>			6 Well Number <u>96</u>	
7 OGRID No. <u>141852</u>		8 Operator Name <u>M & G DRILLING COMPANY, INC.</u>			9 Elevation <u>6062</u>	

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	3	27 N	11 W		1850	North	1735	East	San Juan

11 Bottom Hole Location If Different From Surface

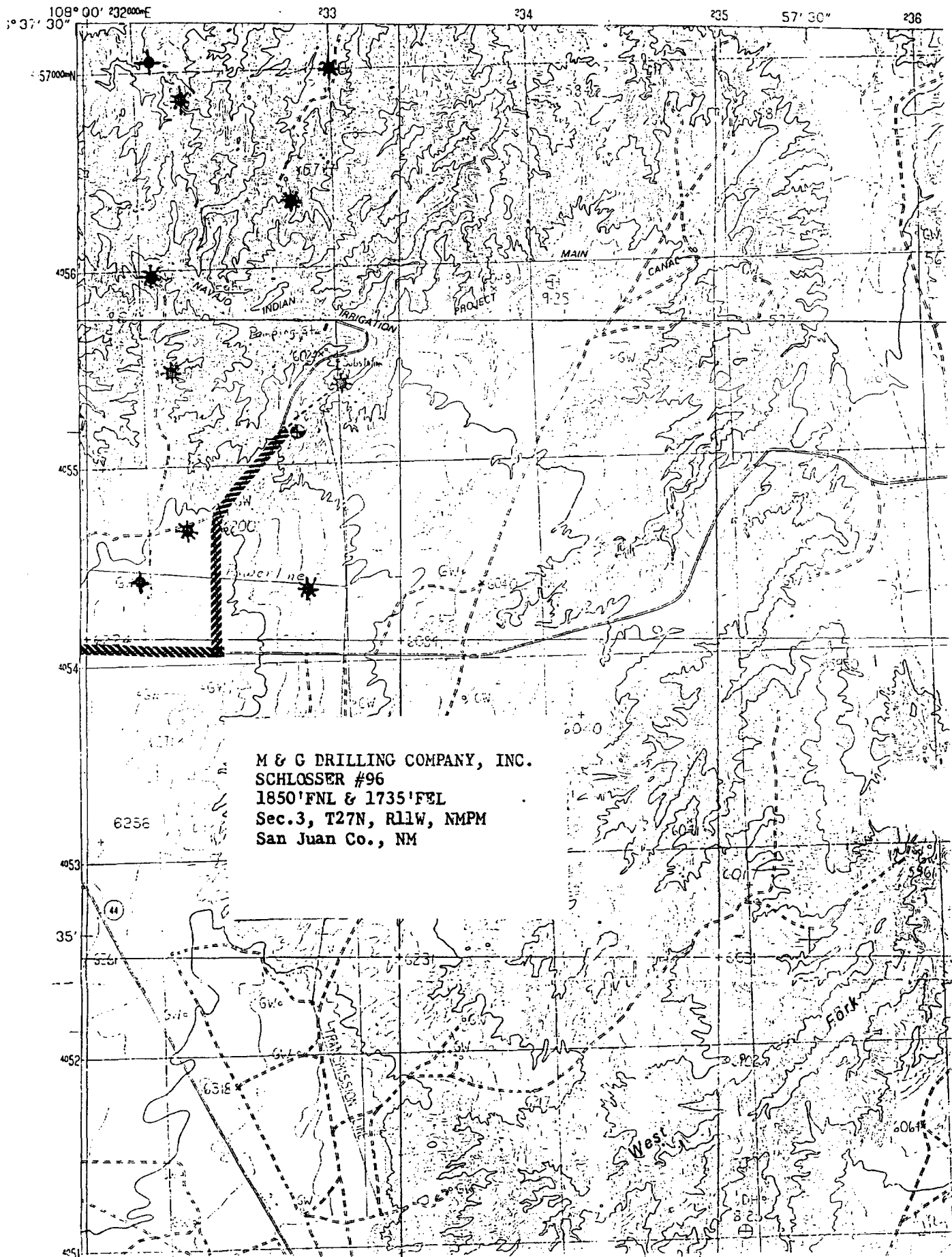
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres <u>1/322.96</u>	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

<p>RECEIVED SEP 10 1997 OIL CON. DIV. DIST. 3</p>	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief <u>Kevin H. McCord</u> Signature <u>Kevin H. McCord</u> Printed Name <u>Agent - Petroleum Engineer</u> Title <u>7/30/97</u> 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 <u>William S. Mahnke II</u> Date of Survey Signature and Seal of Professional Surveyor <u>8466</u> Certificate Number	
	RECEIVED SEP 10 1997 OIL CON. DIV. DIST. 3	
	NEW MEXICO REGISTERED PROFESSIONAL LAND SURVEYOR <u>William S. Mahnke II</u> Certificate Number <u>8466</u>	

DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY





United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington Field Office
1235 La Plata Highway, Suite A
Farmington, New Mexico 87401

IN REPLY REFER TO:

NMSF-078673 (WC)
3162.3-4 (7100)

Mr. Kevin McCord
M & G Drilling Co.
%KM Production Co.
PO Box 2406
Farmington, NM 87499

MAR 19 1999

RECEIVED
MAR 22 1999
OIL CON. DIV.
DIST. 3

Dear Mr. McCord:

Reference is made to your Applications for Permit to Drill (APD) for the following wells located in the San Juan County, New Mexico, Lease NMSF-078673:

- 1) No. 96 Schlosser, 1850' FNL & 1735' FEL sec. 3, T. 27 N., R. 11 W. *045-29486*
- 2) No. 98 Schlosser, 1720' FNL & 1245' FEL sec. 34, T. 28 N., R. 11 W. *045-29487*

The above mentioned enclosed APDs are hereby rescinded due to not being drilled within the one year approval date and/or approved extensions.

You are also required to request surface rehabilitation instructions from this office if construction activities occurred on the referenced drill sites. If this office does not receive comment within 20 days, it will presume that no construction occurred and proceed accordingly. Later discovery that construction activities have in fact occurred, will result in an assessment.

Sincerely,

/S/ Duane W. Spencer

Duane Spencer
Team Leader; Petroleum Management Team

Enclosure

cc:
NMOCD