



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

October 26, 1992

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

Bonneville Fuels Corporation
1660 Lincoln
Suite 1800
Denver, CO 80264

Attention: L.D. Lillo

Administrative Order NSL-2986-A

Dear Mr. Lillo:

Reference is made to your application dated September 29, 1992 for a non-standard coal gas well location for your existing Scott Federal 23 Well No. 42 which was drilled in February/March, 1991 and completed in the West Kutz-Pictured Cliffs Pool at a previously approved unorthodox gas well location (Division Administrative Order NSL-2986, dated January 31, 1991) located 1620 feet from the North line and 330 feet from the East line (Unit H) of Section 23, Township 27 North, Range 11 West, NMPM, Basin Fruitland Coal Gas Pool, San Juan County, New Mexico.

It is my understanding that the Pictured Cliffs zone will be properly plugged back and said well will be recompleted to the Basin-Fruitland Coal Gas Pool, which pursuant to the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool as promulgated by Division Order No. R-8768, as amended, is also unorthodox. Further, the E/2 of said Section 23 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 said Division Order No. R-8768, as amended, the above-described unorthodox coal gas well location is hereby approved.

Administrative Order NSL-2986-A

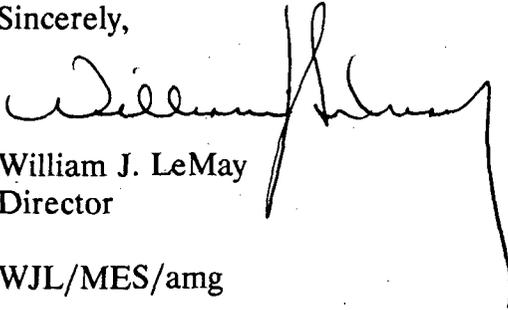
Bonneville Fuels Corporation

October 26, 1992

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Further, the original Division Administrative Order NSL-2986, dated January 31, 1991 is hereby placed in abeyance until further notice.

Sincerely,



William J. LeMay
Director

WJL/MES/amg

cc: Oil Conservation Division - Aztec
US Bureau of Land Management - Farmington
File: NSL-2986

NSL-2986-A



STATE OF NEW MEXICO
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

RECEIVED
'92 OCT 26 AM 10 01

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

Date: 10-23-92

attn: M. Stegner

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

RE: Proposed MC _____
Proposed NSL A _____
Proposed WFX _____
Proposed NSP _____

Proposed DHC _____
Proposed SWD _____
Proposed PMX _____
Proposed DD _____

Gentlemen:

I have examined the application received on 10-1-92
for the Bonneville Fuels Corp. Scott E. FE0-23#42
OPERATOR LEASE & WELL NO.

H-23-2027N-11W and my recommendations are as follows:
UL-S-T-R

Approve

Yours truly,

Ernie Bess

Bonneville Fuels Corporation
A Subsidiary of Bonneville Pacific Corporation

OIL CONSERVATION DIVISION
RECEIVED

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September 29, 1992

Mr. Michael Stogner
New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504

Re: Scott E. Federal #23-42 Well
(Fruitland Coal Formation Re-Completion)
1620' FNL, 330' FEL Section 23, T27N, R11W
San Juan County, New Mexico

Gentlemen:

Bonneville Fuels Corporation hereby respectfully requests administrative approval of a non-standard Basin Fruitland Coal formation gas well. Bonneville Fuels plans to re-complete the captioned Scott E. Federal #23-42 well in the Basin Fruitland Coal formation. The subject well is currently completed in the Pictured Cliffs formation.

Enclosed with this request in triplicate, is a land plat showing offsetting lease ownership/operators and existing Basin Fruitland Coal wells. Also enclosed is a C-102 form dedicating the E/2 of Section 23 as the 320-acre proration unit.

A copy of this letter is being submitted to all offset owners/operators by certified mail with the request that they furnish your Santa Fe office with an executed Waiver of Objection, and return one copy of the same to Bonneville Fuels.

If you have any questions or require anything further to process this request, please contact the undersigned at (303) 863-1555.

Very truly yours,



L. D. Lillo
Land Manager

LDL/dgp

Enclosure

Waiver of Objection

Meridian Oil Inc. hereby waives objection to Bonneville Fuels Corporation's application for the above non-standard Basin Fruitland Coal location for the Scott E. Federal #23-42 well.

By: _____

Title: _____

Date: _____

cc: Meridian Oil, Inc./El Paso Production Co.
P.O. Box 4289
Farmington, NM 87499-4289
Attn: Mr. C.R. Owen
Regional Manager

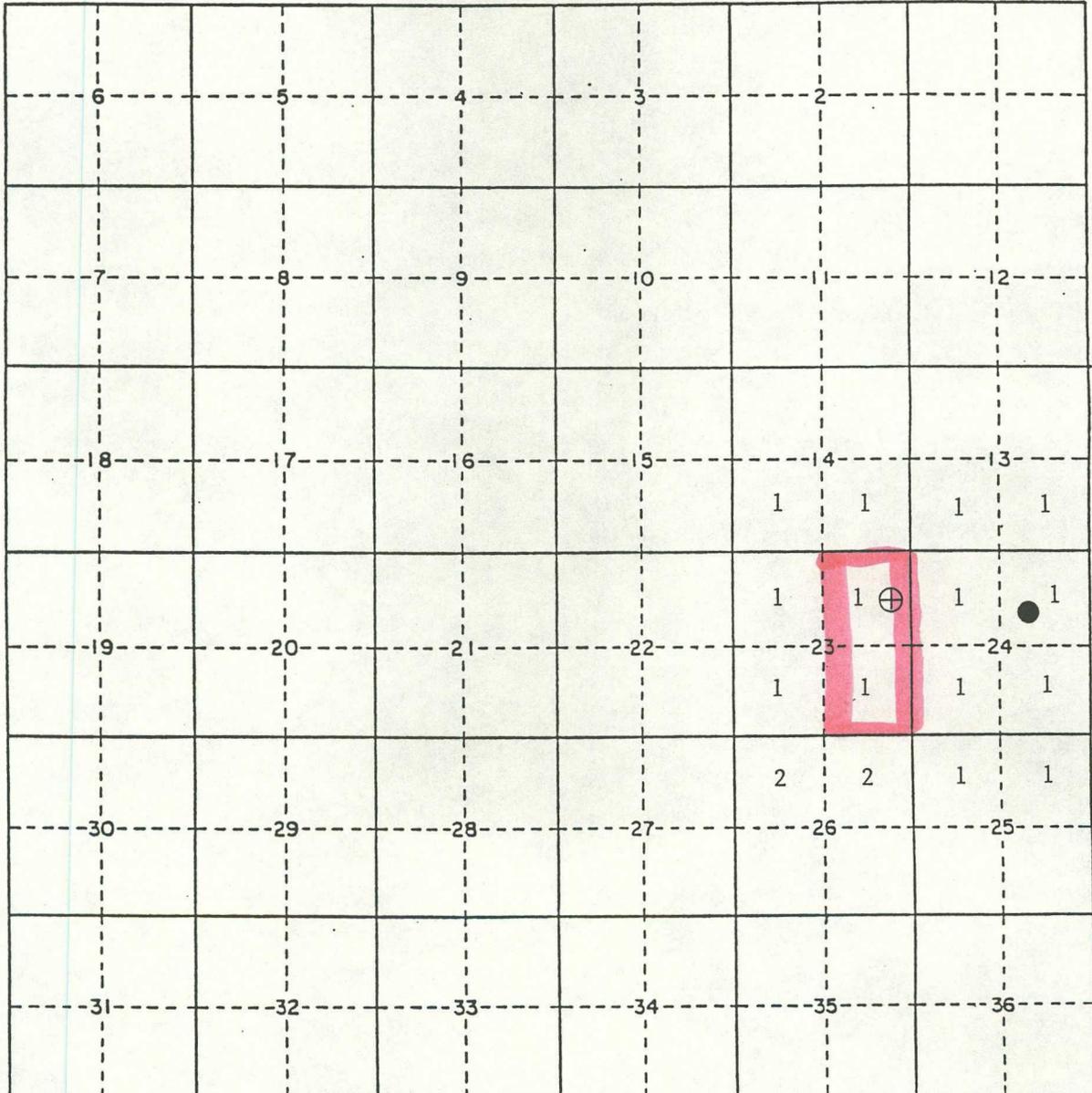
Oil Conservation Division
100 Rio Brazos
Aztec, NM 87410

APPLICATION FOR NON-STANDARD LOCATION

Scott E. Federal #23-42 Well

1620' FNL, 330' FEL Section 23 Township 27 North Range 11 West

County San Juan State New Mexico



SCALE: 1 inch = 1 mile

- 1. Bonneville Fuels Corporation
- 2. El Paso Production Co./Meridian Oil Inc.
- Existing Fruitland Coal Wells

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

DISTRICT I
 P.O. Box 1980, Hobbs, NM 88240

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT II
 P.O. Drawer DD, Artesia, NM 88210

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

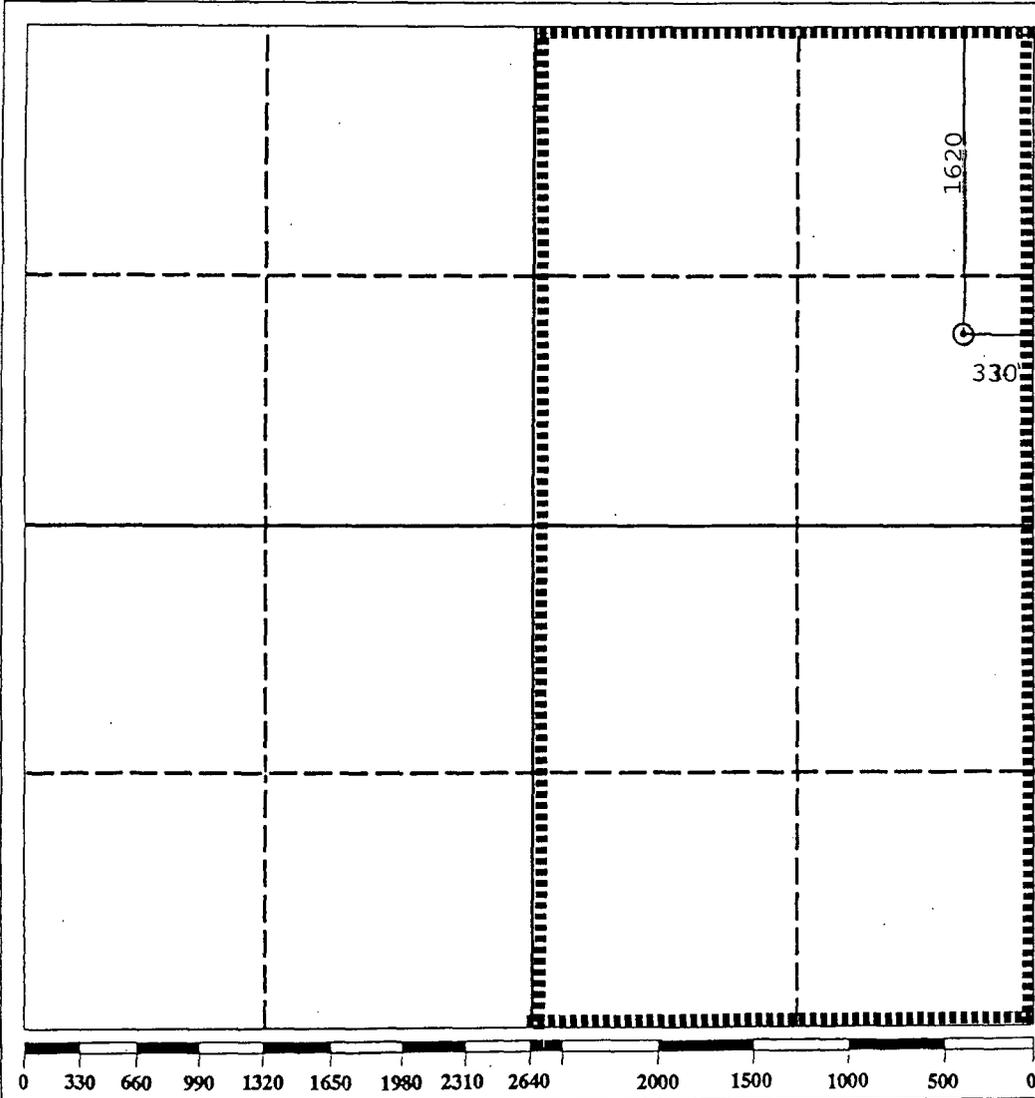
All Distances must be from the outer boundaries of the section

Operator Bonneville Fuels Corporation			Lease Federal Lease No. SF-078089		Well No. Scott E. Federal #23-42
Unit Letter H	Section 23	Township 27 North	Range 11 West	County NMPM San Juan	

Actual Footage Location of Well:
1620 feet from the **North** line and **330** feet from the **East** line

Ground level Elev. 6136'	Producing Formation Basin Fruitland Coal	Pool Basin Fruitland Coal	Dedicated Acreage: E/2 320 Acres
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- Outline the acreage dedicated to the subject well by colored pencil or hachure 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). **N/A**
- 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.? **N/A**
 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 *Lawrence D. Lillo*
 Printed Name **Lawrence D. Lillo**
 Position **Land Manager**
 Company **Bonneville Fuels Corporation**
 Date **September 29, 1992**

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 knowledge and belief.

Date Surveyed _____
 Signature & Seal of Professional Surveyor _____
 Certificate No. _____