

OIL CONSERVATION DIVISION  
RECEIVED

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~~CNG PRODUCING COMPANY~~

P.O. BOX 15746  
PITTSBURG, PA 15244  
(412) 787-4109

JANUARY 29, 1991

MR. WILLIAM LeMAY  
NEW MEXICO OIL CONSERVATION DIVISION  
P.O. BOX 2088  
SANTA FE, NEW MEXICO 87501

RE: UNORTHODOX GAS WELL LOCATION  
BASIN FRUITLAND COAL  
634' FSL, 507' FWL, SEC 30, T32N, R7W  
SAN JUAN COUNTY, NEW MEXICO

DEAR MR. LeMAY:

CNG PRODUCING COMPANY REQUESTS ADMINISTRATIVE APPROVAL OF AN EXCEPTION TO THE FOOTAGE AND LOCATION REQUIREMENTS OF RULE 7, R-8768, FOR THE SUBJECT WELL LOCATED IN THE BASIN FRUITLAND COAL POOL.

THIS REQUEST IS FOR EXCEPTION DUE TO TOPOGRAPHY AND HIGH VISIBILITY (FROM NAVAJO LAKE). A VICINITY MAP, AREA MAP, LAND MAP AND C-102 ARE ATTACHED FOR YOUR REFERENCE.

CNG AND MARIAH ASSOCIATES, INC. (AN ENVIRONMENTAL ASSESSMENT COMPANY) INVESTIGATED THE POSSIBILITY OF A LOCATION AT THREE OTHER SITES. THESE WERE REJECTED BY THE BLM DUE TO THE SEVERITY OF THE TOPOGRAPHY (STEEP SLOPES) AND PROXIMITY TO NAVAJO LAKE (VISUAL CLASS 3). THIS LOCATION IS +/- 3000' FROM THE NEAREST FRUITLAND COAL WELL DRILLED BY CNG AND 507' FROM THE NEAREST OFFSET OPERATED PROPERTY LINE. THE SOUTH HALF OF SECTION 30, T32N, R7W WILL BE DEDICATED TO THIS WELL.

OFFSET OPERATORS HAVE BEEN NOTIFIED OF THIS REQUEST BY CERTIFIED MAIL.  
YOUR PROMPT CONSIDERATION OF THIS REQUEST IS APPRECIATED.

SINCERELY,

*W.B. Martin, Jr.*

W.B. MARTIN, JR.  
OPERATOR REPRESENTATIVE  
CNG PRODUCING COMPANY

ATTACHMENTS

CC: NMOCD AZTEC OFFICE  
NORTHWEST PIPELINE  
PHILLIPS PETROLEUM COMPANY  
MERIDIAN OIL, INC.

WAIVER:

WILLIAMS PRODUCTION Co (NWP) HEREBY WAIVES OBJECTION TO CNG  
PRODUCING COMPANY'S APPLICATION FOR AN UNORTHODOX LOCATION FOR THE  
GRASSY CANYON #2 AS PROPOSED ABOVE.

BY: Paul C. Thompson DATE: 1/30/91

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**

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

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

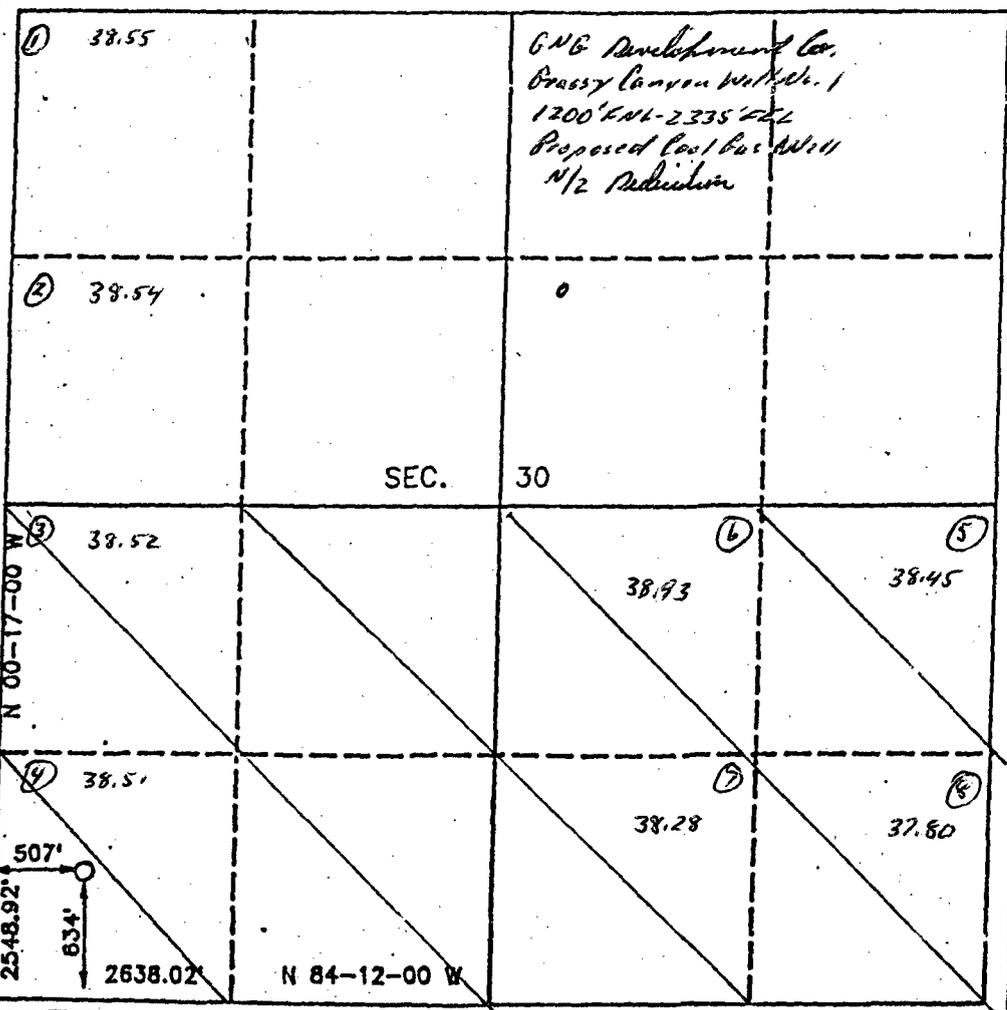
**DISTRICT II**  
 P.O. Drawer DD, Artesia, NM 88210

**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 <b>C.N.G. DEVELOPMENT CO.</b>		Lease <b>GRASSY CANYON</b>		Well No. <b>2</b>
Unit Letter <b>M</b>	Section <b>30</b>	Township <b>T.32 N.</b>	Range <b>R.7 W.</b>	County <b>SAN JUAN COUNTY</b>
Actual Footage Location of Well: <b>634</b> feet from the <b>SOUTH</b> line and <b>507</b> feet from the <b>WEST</b> line				
Ground Level Elev. <b>6930</b>	Producing Formation <b>FRUITLAND</b>	Pool <b>Basin Fruitland Coal</b>	Dedicated Acreage: <b>310</b> Acres	
<p>1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.</p> <p>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).</p> <p>3. 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.?  <input type="checkbox"/> Yes    <input type="checkbox"/> No    If answer is "yes" type of consolidation _____</p> <p>If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)</p> <p>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.</p>				



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

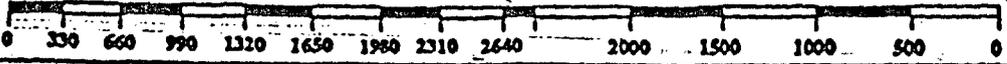
Signature: *W.B. Martin Jr.*  
 Printed Name: **W.B. MARTIN JR.**  
 Position: **Operators Representative**  
 Company: \_\_\_\_\_  
 Date: **1/28/91**

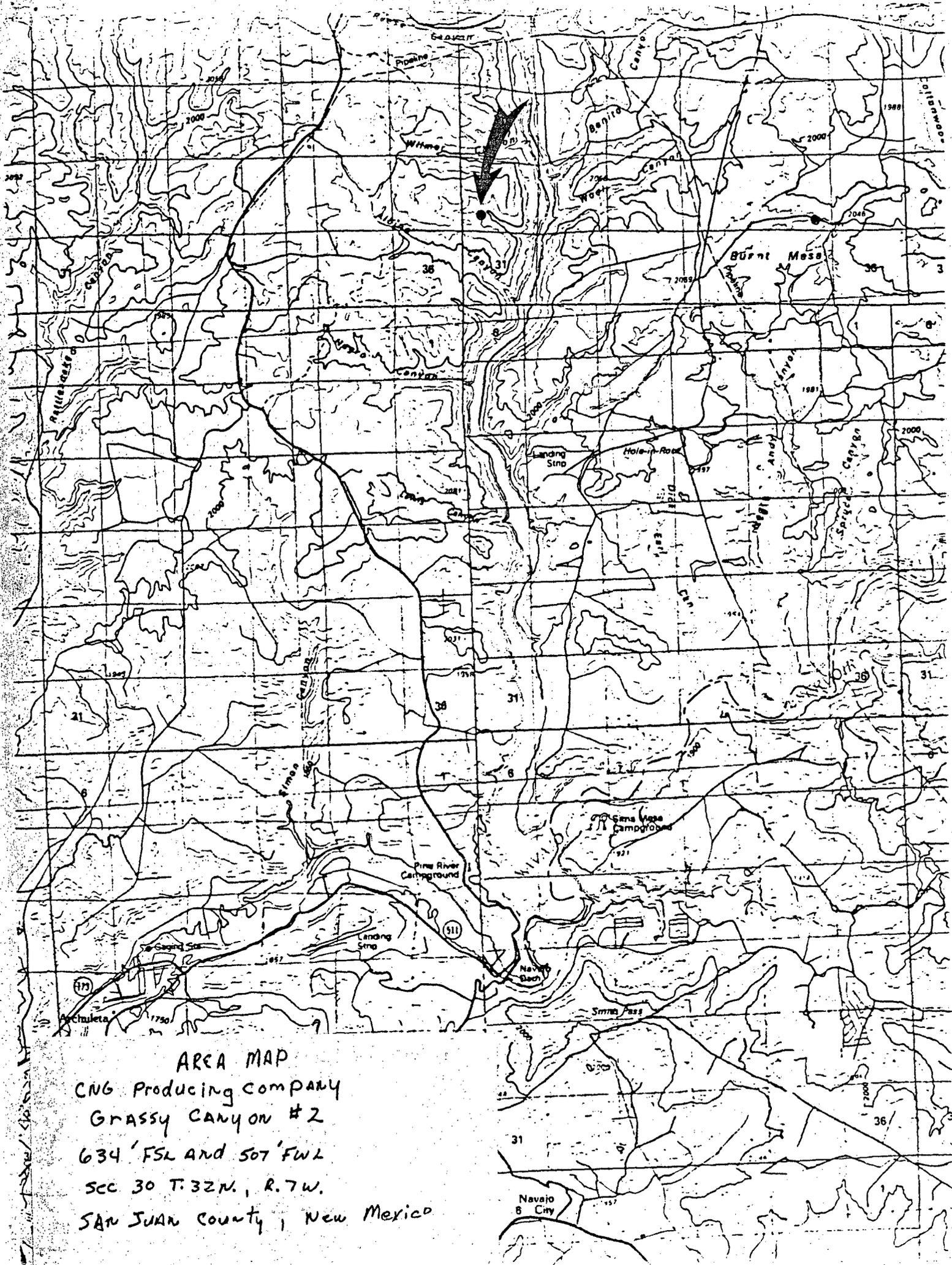
**SURVEYOR CERTIFICATION**  
 I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: **SEPTEMBER 21, 1990**

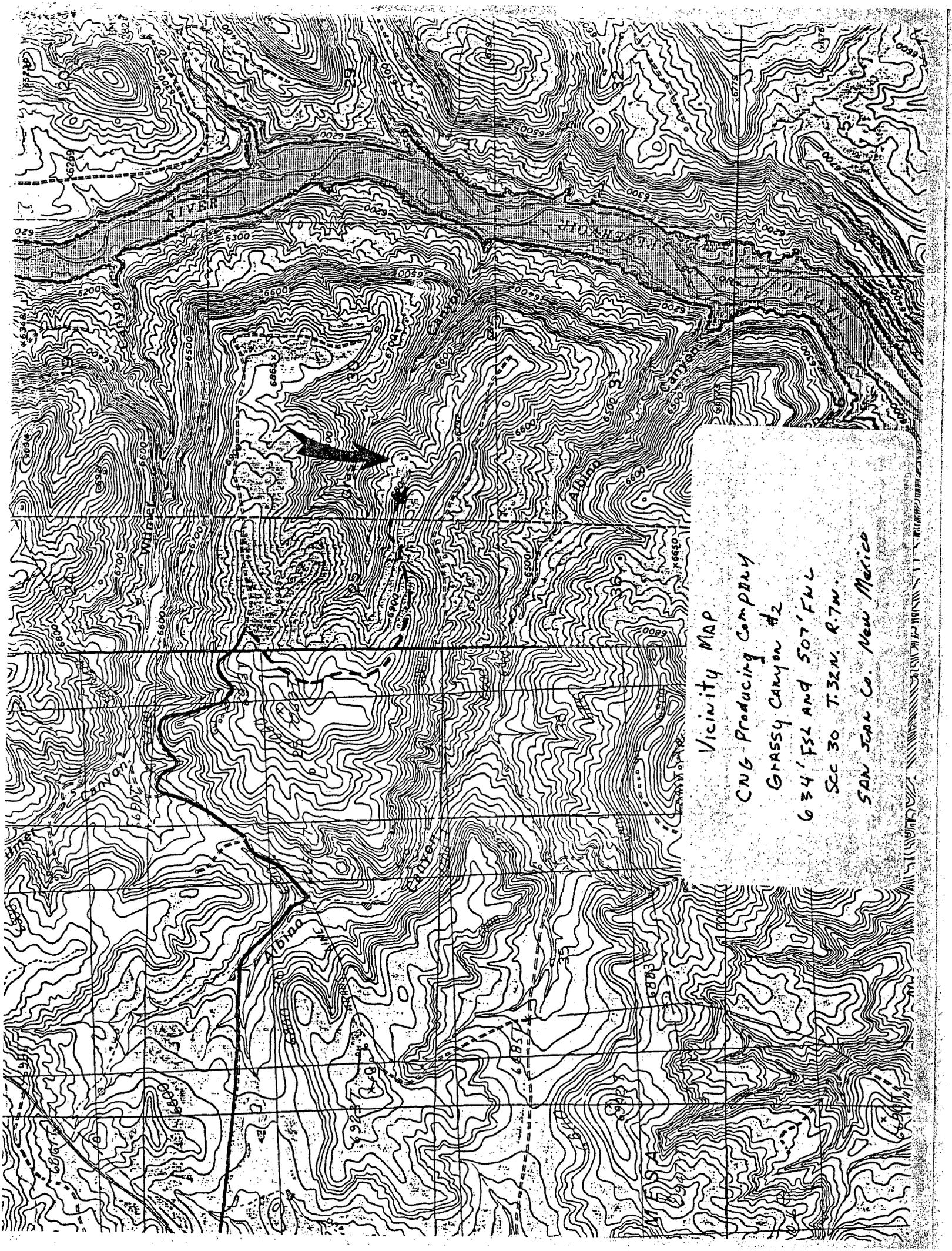
Signature & Seal: *R. Howard Daggert*  
 Professional Surveyor  
 R. HOWARD DAGGETT  
 9878  
 PROFESSIONAL LAND SURVEYOR

Certificate No. **9679**  
 Registered Professional Land Surveyor





AREA MAP  
 CNG Producing Company  
 GRASSY CANYON #2  
 634' FSL AND 507' FWL  
 SEC 30 T.32N., R.7W.  
 SAN JUAN County, New Mexico



Vicinity MAP

CNG Producing Company

GRASSY CANYON #2

634' FSL AND 507' FWL

Sec 30 T.32N. R.7W.

SAN JOAN Co. New Mexico

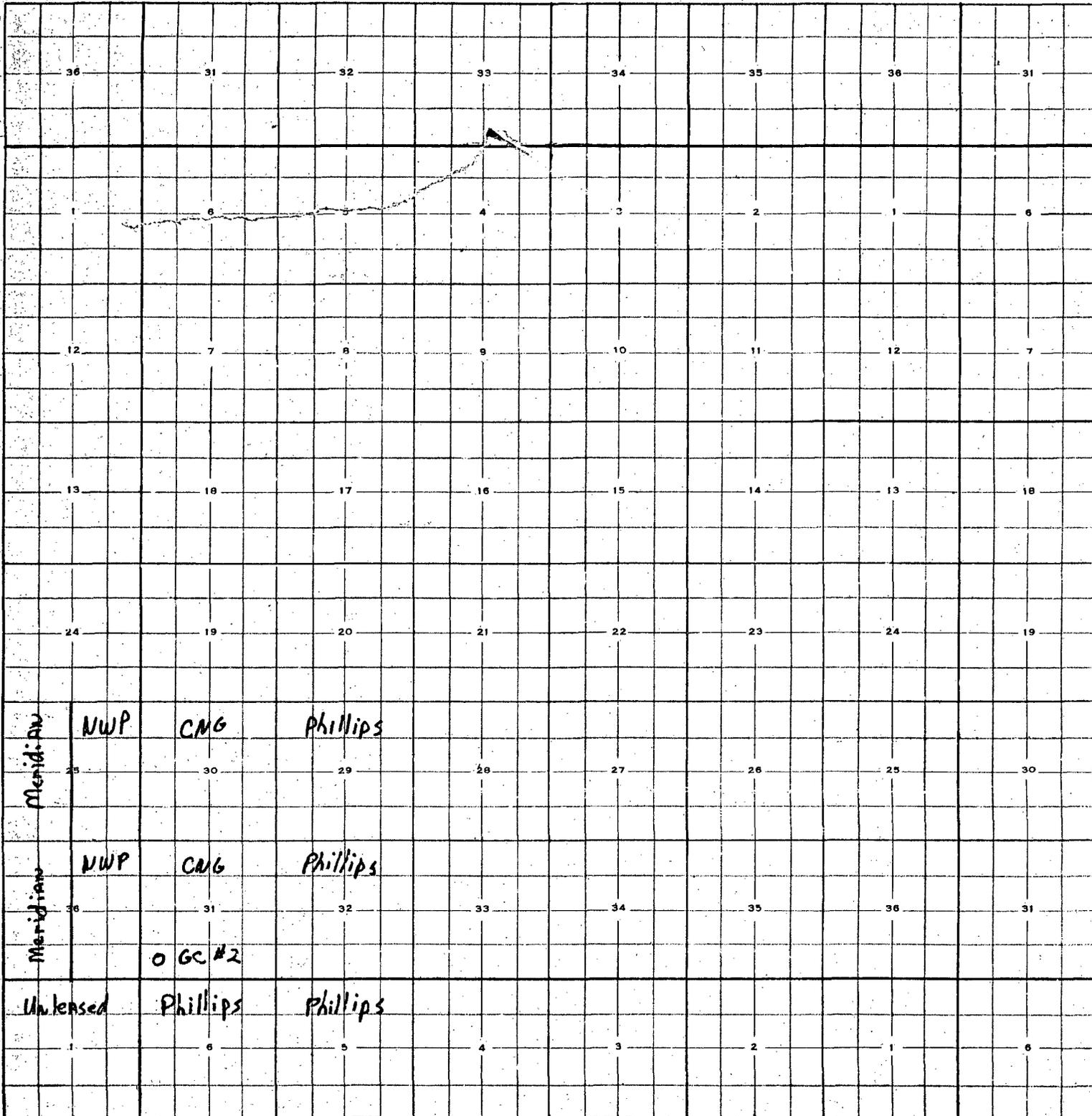
**SAN JUAN REPRODUCTION CO**

135 Airport Drive

Farmington, New Mexico 87401

Tel. 325-3111

(SCALE 1 IN. = 1 MI.) ISLAND TOWNSHIP



TOWNSHIP	32 N	RANGE	7W	COUNTY	SAN JUAN	STATE	New Mexico
REMARKS:	Grassy Canyon #2 634' FSL, 507' FAL Sec 30 T.32N., R.7W. SAN JUAN COUNTY New Mexico					COMPANY	CNG Producing Company

OFFSET OPERATORS HAVE BEEN NOTIFIED OF THIS REQUEST BY CERTIFIED MAIL.  
YOUR PROMPT CONSIDERATION OF THIS REQUEST IS APPRECIATED.

SINCERELY,

*W.B. Martin Jr.*

W.B. MARTIN, JR.  
OPERATOR REPRESENTATIVE  
CNG PRODUCING COMPANY

ATTACHMENTS

CC: NMCD AZTEC OFFICE  
NORTHWEST PIPELINE  
PHILLIPS PETROLEUM COMPANY  
MERIDIAN OIL, INC.

WAIVER:

Phillips Petroleum Company HEREBY WAIVES OBJECTION TO CNG  
PRODUCING COMPANY'S APPLICATION FOR AN UNORTHODOX LOCATION FOR THE  
GRASSY CANYON #2 AS PROPOSED ABOVE.

BY: *A. J. Kielke* DATE: 2-1-91  
*A. J. Kielke*  
*Area Landman*

OIL CONSERVATION DIVISION  
RECEIVED

'91 FEB 5 AM 9 42

CNG PRODUCING COMPANY  
P.O. BOX 15746  
PITTSBURG, PA 15244  
(412) 787-4109

JANUARY 29, 1991

✓  
MR. WILLIAM LeMAY  
NEW MEXICO OIL CONSERVATION DIVISION  
P.O. BOX 2088  
SANTA FE, NEW MEXICO 87501

RE: UNORTHODOX GAS WELL LOCATION  
BASIN FRUITLAND COAL  
634' FSL, 507' FWL, SEC 30, T32N, R7W  
SAN JUAN COUNTY, NEW MEXICO

DEAR MR. LeMAY:

CNG PRODUCING COMPANY REQUESTS ADMINISTRATIVE APPROVAL OF AN EXCEPTION TO THE FOOTAGE AND LOCATION REQUIREMENTS OF RULE 7, R-8768, FOR THE SUBJECT WELL LOCATED IN THE BASIN FRUITLAND COAL POOL.

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~~CNG-PRODUCING COMPANY~~  
P.O. BOX 15746  
PITTSBURG, PA 15244  
(412) 787-4109

JANUARY 29, 1991

MR. ERNIE BUSH  
NEW MEXICO OIL CONSERVATION DIVISION  
1000 RIO BROZOS ROAD  
AZTEC, NEW MEXICO 87410

DEAR MR. BUSH:

ENCLOSED YOU WILL FIND, FOR YOUR RECORDS, A COPY OF AN APPLICATION FOR  
AN UNORTHODOX LOCATION FOR CNG PRODUCING COMPANY'S GRASSY CANYON #2.  
WAVIERS WERE SENT TO OFFSET OPERATORS BY CERTIFIED MAIL ON

1/29/91

SINCERELY,

*W.B. Martin Jr.*

W.B. MARTIN, JR.  
OPERATOR REPRESENTATIVE

CNG PRODUCING COMPANY  
P.O. BOX 15746  
PITTSBURG, PA 15244  
(412) 787-4109

JANUARY 29, 1991

PEGGY BRADFORD  
MERIDIAN OIL, INC.  
P.O. BOX 4289  
FARMINGTON, NEW MEXICO 87499-4289

RE: UNORTHODOX GAS WELL LOCATION  
BASIN FRUITLAND COAL  
634' FSL, 507' FWL, SEC 30, T32N, R7W  
SAN JUAN COUNTY, NEW MEXICO

DEAR MS. BRADFORD:

ENCLOSED ARE COPIES OF A LETTER AND APPLICATION CNG PRODUCING COMPANY HAS SENT TO THE NEW MEXICO OIL CONSERVATION DIVISION REQUESTING ADMINISTRATIVE APPROVAL OF AN UNORTHODOX WELL LOCATION FOR THE GRASSY CANYON WELL #2.

PLEASE REVIEW THIS MATERIAL AND THEN SIGN THE WAIVER OF OBJECTION AND RETURN A COPY TO MR. LeMAY IN SANTA FE AND TO CNG OFFICE IN PITTSBURG. THE COPY OF THE APPLICATION IS FOR YOUR FILES.

YOUR COOPERATION IN THIS MATTER IS GREATLY APPRECIATED.

SINCERELY,

*W.B. Martin Jr.*

W.B. MARTIN, JR.  
OPERATOR REPRESENTATIVE

~~CNG PRODUCING COMPANY~~  
P.O. BOX 15746  
PITTSBURG, PA 15244  
(412) 787-4109

JANUARY 29, 1991

ROY LYONS  
PHILLIPS PETROLEUM  
300 WEST ARRINGTON  
FARMINGTON, NEW MEXICO 87401

RE: UNORTHODOX GAS WELL LOCATION  
BASIN FRUITLAND COAL  
634' FSL, 507' FWL, SEC 30, T32N, R7W  
SAN JUAN COUNTY, NEW MEXICO

DEAR MR. LYONS:

ENCLOSED ARE COPIES OF A LETTER AND APPLICATION CNG PRODUCING COMPANY HAS SENT TO THE NEW MEXICO OIL CONSERVATION DIVISION REQUESTING ADMINISTRATIVE APPROVAL OF AN UNORTHODOX WELL LOCATION FOR THE GRASSY CANYON WELL #2.

PLEASE REVIEW THIS MATERIAL AND THEN SIGN THE WAIVER OF OBJECTION AND RETURN A COPY TO MR. LEMAY IN SANTA FE AND TO CNG OFFICE IN PITTSBURG. THE COPY OF THE APPLICATION IS FOR YOUR FILES.

YOUR COOPERATION IN THIS MATTER IS GREATLY APPRECIATED.

SINCERELY,

*W.B. Martin Jr.*  
W.B. MARTIN, JR.  
OPERATOR REPRESENTATIVE

~~CNG PRODUCING COMPANY~~  
P.O. BOX 15746  
PITTSBURG, PA 15244  
(412) 767-4109

JANUARY 29, 1991

MR. PAUL THOMPSON  
NORTHWEST PIPELINE CORP.  
3539 EAST 30TH STREET  
FARMINGTON, NEW MEXICO 87401

RE: UNORTHODOX GAS WELL LOCATION  
BASIN FRUITLAND COAL  
634' FSL, 507' FWL, SEC 30, T32N, R7W  
SAN JUAN COUNTY, NEW MEXICO

DEAR PAUL:

ENCLOSED ARE COPIES OF A LETTER AND APPLICATION CNG PRODUCING COMPANY HAS SENT TO THE NEW MEXICO OIL CONSERVATION DIVISION REQUESTING ADMINISTRATIVE APPROVAL OF AN UNORTHODOX WELL LOCATION FOR THE GRASSY CANYON WELL #2.

PLEASE REVIEW THIS MATERIAL AND THEN SIGN THE WAIVER OF OBJECTION AND RETURN A COPY TO MR. LEMAY IN SANTA FE AND TO CNG OFFICE IN PITTSBURG. THE COPY OF THE APPLICATION IS FOR YOUR FILES.

YOUR COOPERATION IN THIS MATTER IS GREATLY APPRECIATED.

SINCERELY,

*W.B. Martin Jr.*

W.B. MARTIN, JR.  
OPERATOR REPRESENTATIVE