

NSL 8/3/00

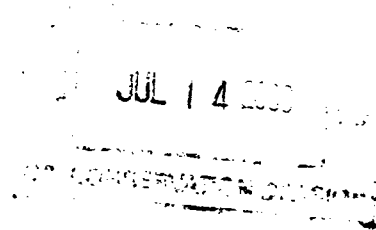


RICHARDSON OPERATING COMPANY

1700 Lincoln, Suite 1700
Denver, Colorado 80203 (303) 830-8000
FAX (303) 830-8009

#12478

July 11, 2000



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

Re: Application for Administrative Approval
Unorthodox Well Location
WF Federal 3-2 Well
NW/4SW/4-Section 3-T29N-R14W
San Juan County, New Mexico

Dear Ms. Wrotenbery:

Richardson Operating Company hereby requests administrative approval for an unorthodox location for the referenced well. Attached for your reference are the following exhibits:

1. Exhibit "A" - Plat showing spacing unit, proposed unorthodox well location and adjoining spacing units and wells
2. Exhibit "B" - Topographic map
3. Exhibit "C" - Well location and acreage dedication plat (Fruitland Coal formation)

The WF Federal 3-2 well was drilled 2495' FSL and 1290' FWL of Section 3, which is a standard location for a Fruitland Coal well, but 145' off the northern outer boundary rather than 660' permitted for a Pictured Cliffs well. With approval, we are interested in completing the well as a downhole commingled Fruitland Coal and Pictured Cliffs well.

The WF Federal 3-2 well will be tied into an existing gathering system in Section 34, T30N-R14W. The requested Pictured Cliffs exception location allows the well to be north of El Paso's high pressure gas lines and north of County Road 6480. Pipeline connection will not require boring under a major county road and interfering with existing pipeline rights-of-way.

The requested exception location will not affect future orderly development of the Pictured Cliffs formation in offsetting spacing units. Currently there is one other Pictured Cliffs well in Section 3. The WF Federal 3-1 well is located 1265' FNL and 1095' FWL, with a distance of 1540' between wells.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 12478 Exhibit No. 1
Submitted by:
Richardson Operating Company
Hearing Date: September 7, 2000

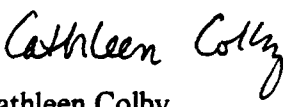
Ms. Lori Wrotenbery
New Mexico Oil Conservation Division
July 11, 2000
Page 2

Notice of this application has given by certified mail to the offsetting operator and mineral lessee, copies of which are attached.

Please advise if you need anything further in this regard.

Sincerely,

RICHARDSON OPERATING COMPANY


Cathleen Colby
Land Manager

Township 29 North Range 14 West County San Juan State New Mexico

A hand-drawn map of the Fort Belknap Reservation, showing a grid of land parcels. The map includes a north arrow pointing towards the top-left. Several parcels are labeled with company names and specific identifiers:

- Richardson Operating Company**: Labeled in the upper-middle section of the map.
- Richardson**: Labeled in the upper-right section, with a sub-label "WF Federal 3-1-PC".
- Richardson**: Labeled in the middle-right section, with sub-labels "WF Federal 3-2" and "Proposed FCR".
- Dugan Production Corp**: Labeled in the lower-middle section of the map.
- Energen Resources**: Labeled in the lower-right section, with sub-labels "Locke #2" and "Dakota".

The map is drawn on a grid of dashed lines, with a solid line indicating the boundary of the reservation. The text is handwritten in black ink.

Figure 2. Project Area
 USGS Youngs Lake, NM 7.5'
 T30N, R14W, Section 34
 T29N, R14W, Section 3
 San Juan County, New Mexico

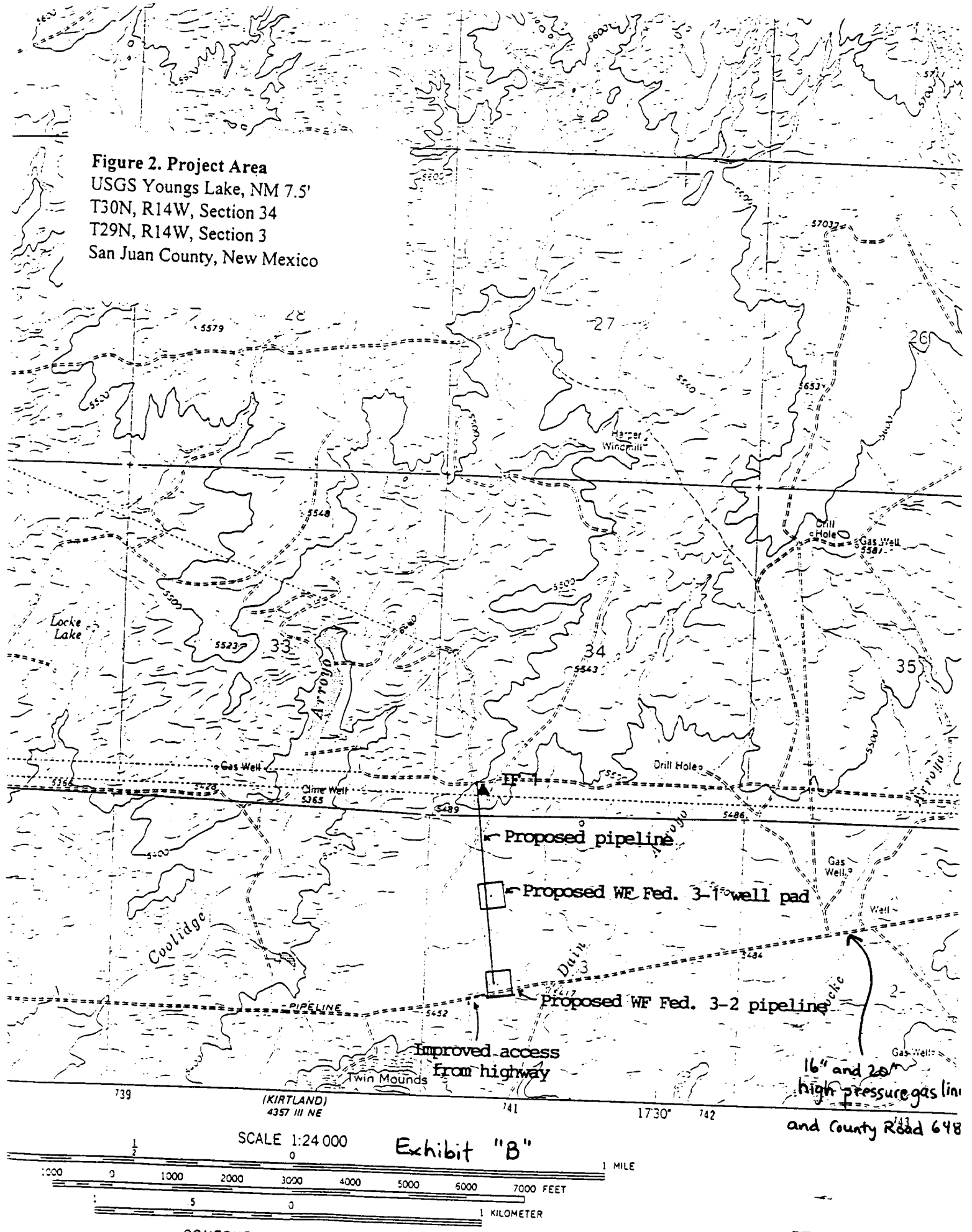
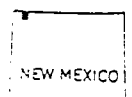


Exhibit "B"

16" and 20" high pressure gas line and County Road 648

CONTOUR INTERVAL 20 FEET
 NATIONAL GEODETIC VERTICAL DATUM OF 1929



Division II

PO Drawer DD, Artesia, NM 88211-0719

District III

1000 Rio Hondo Rd., Aztec, NM 87410

District IV

PO Box 2088, Santa Fe, NM 87504-2088

OIL CONSERVATION DIVISION

PO Box 2088

Santa Fe, NM 87504-2088

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	* Pool Name
		71629	BASIN FRUITLAND COAL
* Property Code	* Property Name		* Well Number
.	WF Federal		3-2
* OGRID No.	* Operator Name		* Elevation
019219	RICHARDSON OPERATING COMPANY		5435'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
L	3	29 N	14 W		2495	South	1290	West	San Juan

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	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.

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 <u>Brian Wood</u> Printed Name <u>BRIAN WOOD</u> Title <u>CONSULTANT</u> Date <u>MAR. 5, 2000</u>	
	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 Date of Survey _____ Signature and Seal of Professional Surveyor Certificate Number _____	

Exhibit "C"



RICHARDSON OPERATING COMPANY

1700 Lincoln, Suite 1700
Denver, Colorado 80203 (303) 830-8000
FAX (303) 830-8009

July 11, 2000

Mr. Kurt H. Fagrelus
Dugan Production Corp.
P.O. Box 420
Farmington, NM 87499-0420

Re: Application for Administrative Approval
Unorthodox Well Location
WF Federal 3-2 Well 2495' FSL and 1290' FWL
NW/4SW/4-Section 3-T29N-R14W
San Juan County, NM

Certified Mail
Return Receipt 7000 0520 0023 4373 1311

Dear Mr. Fagrelus:

Richardson Operating Company is making application to the New Mexico Oil Conservation Division for an unorthodox well location due to surface use considerations. A copy of the application is enclosed for your review.

You are being notified as an offset operator that we are moving toward. If you have no objections to the unorthodox well location, please so indicate by signing below and returning one copy of this letter to us by fax and mail (envelope enclosed). In the event you wish to object, you must notify the New Mexico Oil Conservation Commission at 2040 South Pacheco Street, Santa Fe, NM 87505 within 20 days of receiving this notice.

Sincerely,

RICHARDSON OPERATING COMPANY

Cathleen Colby
Land Manager

Dugan Production Corp. waives objection to the unorthodox well location described above this _____ day of July, 2000.

By: _____

Title: _____