

*Copy Sent to  
Hester 5/18/90*



# McKenzie Methane Corporation

May 8, 1990

Mr. Michael Stogner  
New Mexico Oil Conservation Division  
310 Old Santa Fe Trail  
Box 2088  
Santa Fe, NM 87504-2088

*Case 10025*

Re: Unorthodox Location  
Angel Peak 14L #6  
NW SW 14-T27N-R10W  
San Juan County, NM

Dear Mr. Stogner,


We are seeking administrative approval for the referenced unorthodox location. Going by Division Memorandum No. 3-89, I have enclosed the following:

- A completed C-102
- An affidavit to Meridian & Amoco with return receipt cards
- A statement from our Field Engineer regarding the location
- An outline of the orthodox drilling window
- Land plat showing offset operators
- Cut and fill diagram of our proposed location
- A topo showing the orthodox drilling window
- A topo showing the proposed location
- An enlargement of the topo
- Road map & enlargement
- El Paso's pipeline map for T27N-R10W

A cultural survey has already been conducted by the Division of Conservation Archaeology on February 12 and March 3, Technical Report #1850. Our Federal Application to Drill was submitted on March 17. The BLM has indicated that approval of our application is pending NMOCD's approval of this location.

This well was staked 1835' FSL and 640' FWL because of constraints established by the topography and the existing pipelines in the immediate area. Your consideration and approval of this location would be appreciated.

Very truly yours,



Heather Roark

enclosures

## 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>McKenzie Methane Corporation</b>			Lease <b>Angel Peak 14L</b>		Well No. <b>#6</b>
Unit Letter <b>L</b>	Section <b>14</b>	Township <b>27 North</b>	Range <b>10 West</b>	County <b>San Juan</b>	

Actual Footage Location of Well:  
**1835** feet from the **South** line and **640** feet from the **West** line

Ground level Elev. <b>6200</b>	Producing Formation <b>Fruitland Coal</b>	Pool <b>Basin Fruitland Coal</b>	Dedicated Acreage: <b>320</b> Acres
-----------------------------------	--	-------------------------------------	--

- Outline the acreage dedicated to the subject well by colored pencil or hatchure 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).
- 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.?
 

☐ 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: Heather Roark

Printed Name: Heather Roark

Position: Technician

Company: McKenzie Methane Corp.

Date: March 27, 1990

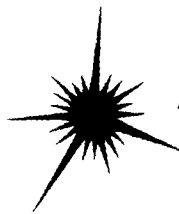
**SURVEYOR CERTIFICATION**

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: January 25, 1990

Signature & Seal of Professional Surveyor: Edgar L. Risenhoover

Professional Seal: Edgar L. Risenhoover



# McKenzie Methane Corporation

May 2, 1990

Ms. P.J. Woods  
Room 2273  
Amoco Production Company  
P.O. Box 800  
Denver, Colorado 80201

Case 10025

Re: Notice of Application  
For Unorthodox Location  
Angel Peak 14L #6  
Sec.14-T34N-R10W  
San Juan County, N.M.

Dear Ms. Woods:

The above referenced well is currently staked 640' FWL rather than the required 790' FWL, making this an unorthodox location. McKenzie Methane realized an orthodox location in the 4 section would not be possible due to the combination of topography and an EPNG pipeline and chose this location for safety reasons.

The well is currently staked only 100' west of the pipeline, which parallels the road. Moving closer to the pipeline would still not allow an orthodox location and would place the pipeline on part of the well pad. Moving 150' further east would place the well only 25' from the pipeline, a distance McKenzie felt was unsafe.

Moving any further east is not possible due to the 220' cliff which parallels the road through this part of the section.

Since an orthodox location was not possible, it was decided that for safety reasons, the well should be staked so that the pipeline would not cross any part of the well pad.

Sincerely,

*Sam Cady*

Sam Cady  
McKenzie Methane Corporation

<b>SENDER:</b> Complete Items 1 and 2 when additional services are desired, and complete Items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.	
1. <input type="checkbox"/> Show to whom delivered, date, and addressee's address. (Extra charge)	2. <input type="checkbox"/> Restricted Delivery (Extra charge)
3. Article Addressed to:  Ms. P.J. Woods (Room 2273) Amoco Production Company P.O. Box 800 Denver, Co. 80201	4. Article Number <b>P 712 004 368</b>  Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail  Always obtain signature of addressee or agent and <b>DATE DELIVERED</b> .
5. Signature - Addressee <b>X</b>	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent <b>X</b>	
7. Date of Delivery <i>May 2, 1990</i>	

6699 • Telecopier (303) 629-7908



# McKenzie Methane Corporation

May 2, 1990

Mr. Tom Hawkins  
Meridian Oil, Inc.  
3535 East 30th. Street  
P.O. Box 4289  
Farmington, New Mexico 87499

Re: Notice Of Application  
For Unorthodox Location  
Angel Peak 14L #6  
Sec.14-T34N-R10W  
San Juan County, N.M.

Sir:

The above referenced well is currently staked 640' FWL rather than the required 790' FWL making this an unorthodox location. McKenzie Methane realized an orthodox location in the 4 section would not be possible due to the combination of topography and an EPNG pipeline and chose this location for safety reasons.

The well is currently staked only 100' west of the pipeline, which parallels the road. Moving closer to the pipeline would still not allow an orthodox location and would place the pipeline on part of the well pad. Moving 150' further east would place the well only 25' from the pipeline, a distance McKenzie felt was unsafe.

Moving any further east is not possible due to the 220' cliff which parallels the road through this part of the section.

Since an orthodox location was not possible, it was decided that for safety reasons, the well should be staked so that the pipeline would not cross any part of the well pad.

Sincerely,

Sam Cady  
McKenzie Methane Corporation

SC/me

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1. <input type="checkbox"/> Show to whom delivered, date, and addressee's address. 2. <input type="checkbox"/> Restricted Delivery (Extra charge) (Extra charge)	
3. Article Addressed to: Mr. Tom Hawkins Meridian Oil, Inc. 3535 East 30th. St. P.O. Box 4289 Farmington, N.M. 87499	4. Article Number P 712 004 497 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail Always obtain signature of addressee or agent and <b>DATE DELIVERED.</b>
5. Signature - Addressee X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X	
7. Date of Delivery [Redacted]	

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Angel Peak 14L # 6

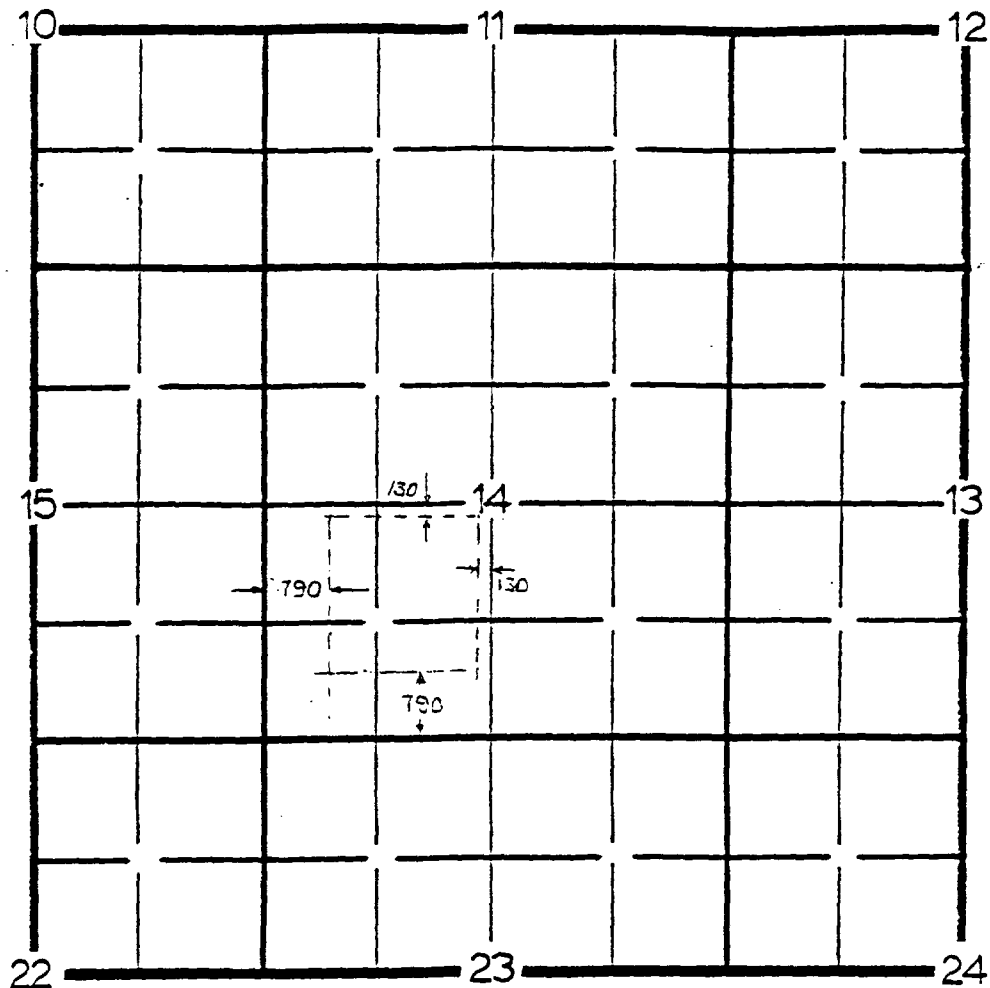
The well is currently staked 640' FWL rather than the required 790' FWL making this an unorthodox location. McKenzie Methane realized an orthodox location in this  $\frac{1}{4}$  section would not be possible due to the combination on topography and an EPNG pipeline and chose this location for safety reasons.

The well is currently staked only 100' west of the pipeline which parallels the road as shown on the attached survey plat. Moving closer to the pipeline would still not allow an orthodox location and would place the pipeline on part of the well pad. Moving 150' further east would place the well only 25' from the pipeline, a distance which McKenzie felt was unsafe.

Moving any further east is not possible <sup>due</sup> to the 220' cliff which parallels the road through this part of the section.

Since an orthodox location was not possible, it was decided that for safety reasons the well should be staked so that the pipeline would not cross any part of the well pad.


PLEASE SEE ATTACHED TOPO AND MAP.



Specs for Dethadex  
Drilling Window  
→

1/2 sec - 790' to the  
proposed  
unit

1/4 sec - 10' to 40ac.  
(spacing?)

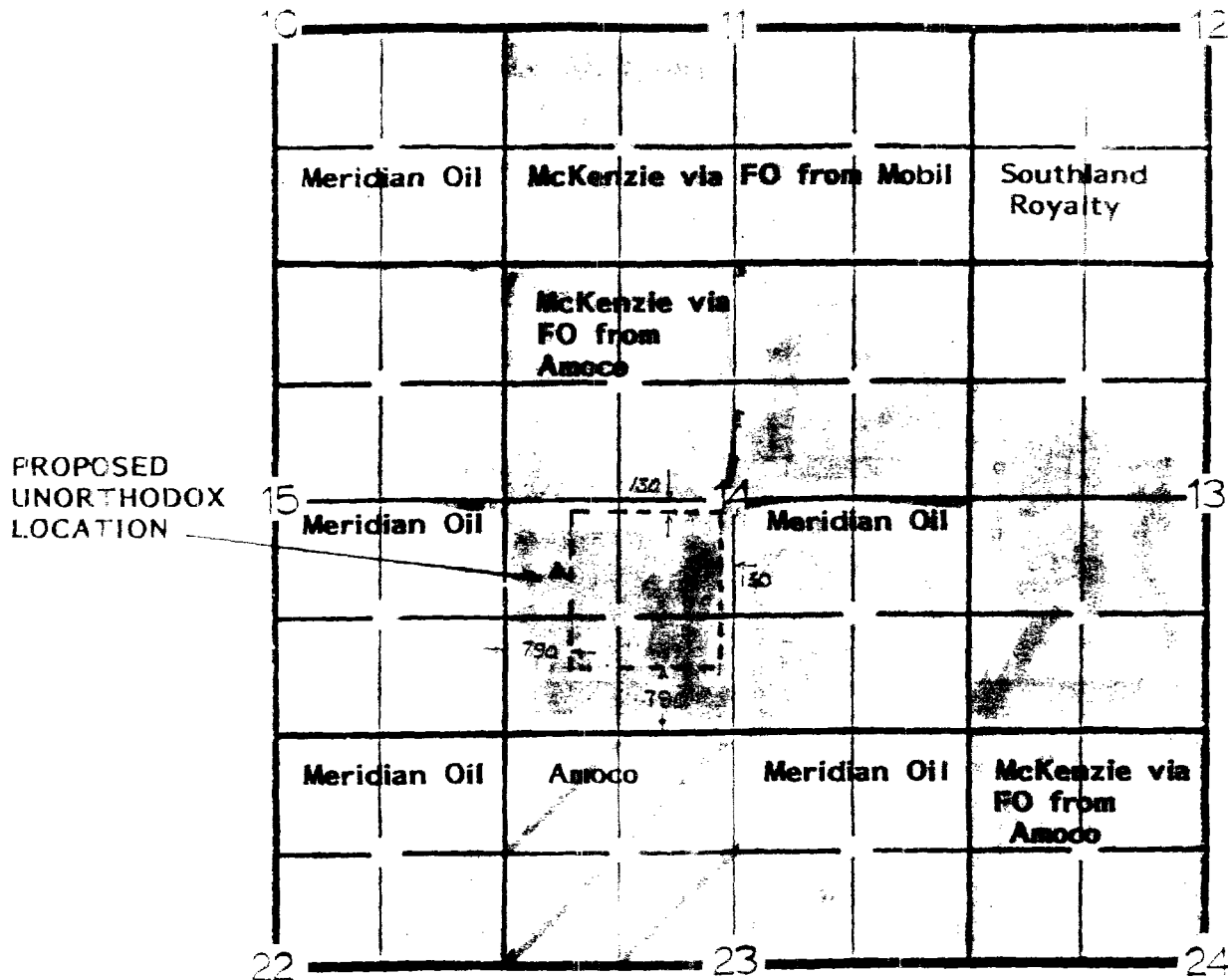


**McKenzie Methane Corps**  
HOUSTON • BIRMINGHAM • DENVER • FARMING

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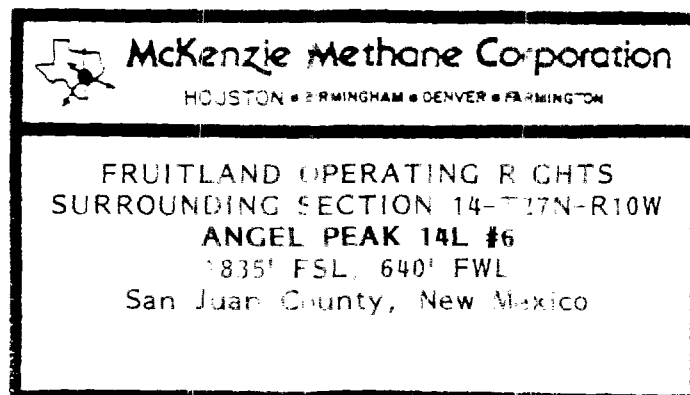
Dethadex Drilling Window  
Sec. 14 - T27N - R10W

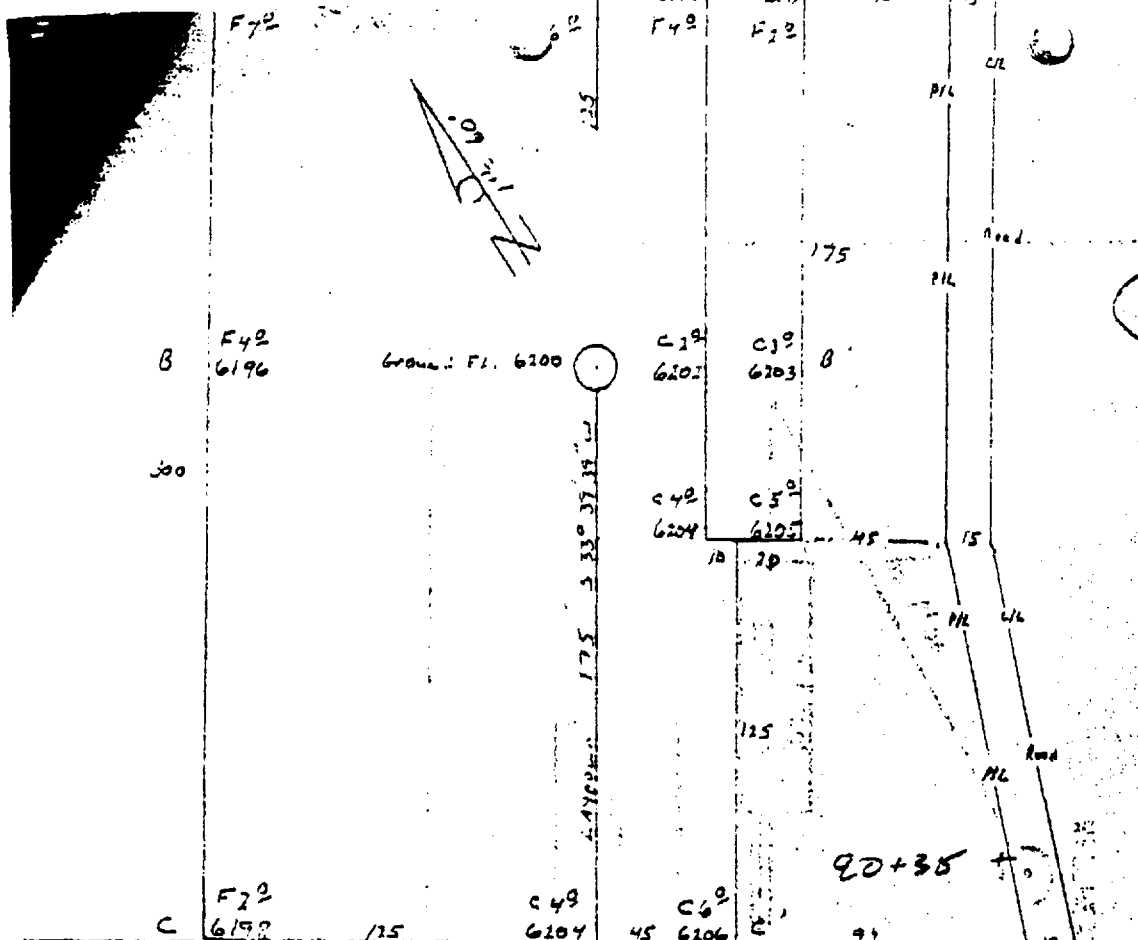
&  
no closer than 130'  
to the dividing line  
btw 1/4 sections



The above plat indicates the current ownership of Fruitland Operating Rights as I believe them to be this 1st day of May, 1990

*Howard W. Dennis*  
Howard W. Dennis, Vice President





Mckenzie Methane Corporation  
OPERATOR

Angel Peak 141 #6  
WELL NAME & NO.

1835' F/SL 640' F/NL

FOOTAGES

14 27N 10W

SEC. TWP. RGE.

San Juan, NM

COUNTY

January 23, 1990

DATE

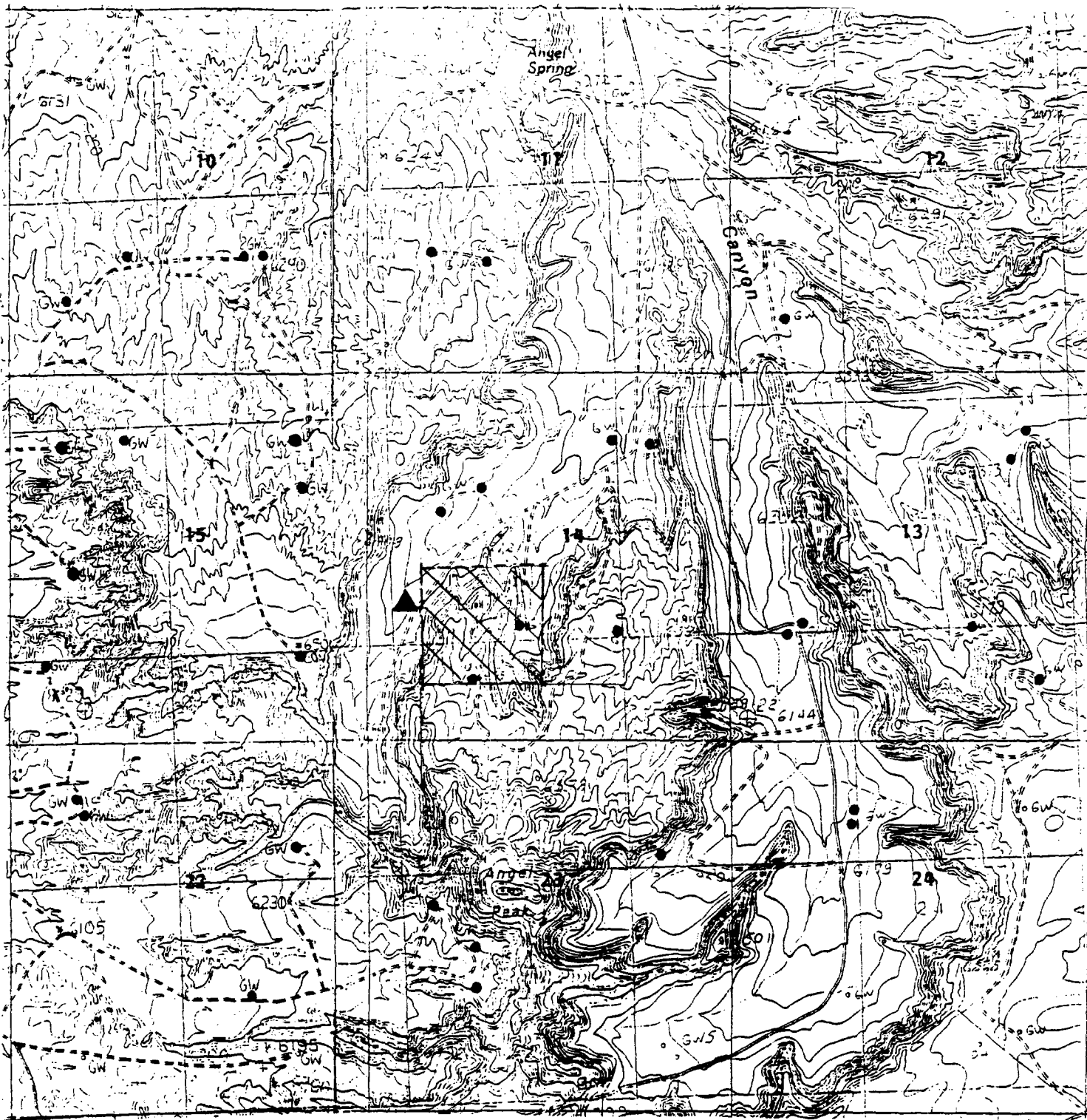
6210					
6200					
6190					

Horiz 1" = 40'

VERT 1" = 30'

6210					
6200					
6190					



SEE ATTACHED BLOWN UP TOPO



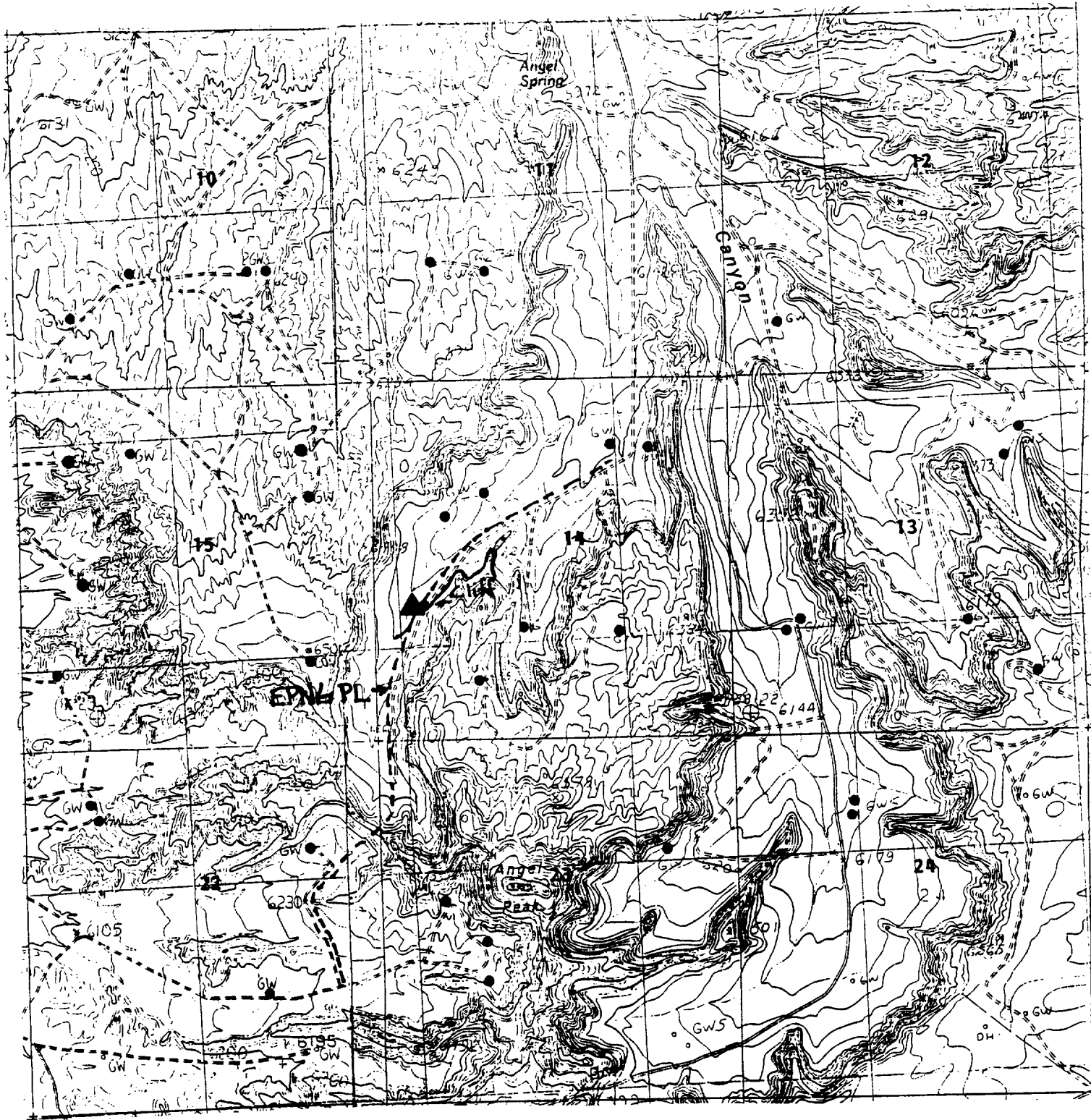
**McKenzie Methane Corporation**

HOUSTON • BIRMINGHAM • DENVER • FARMINGTON

**ANGEL PEAK 14L #6**

**Sw  $\frac{1}{4}$  Section 14**

**Township 27 North, Range 10 West  
San Juan County, New Mexico**



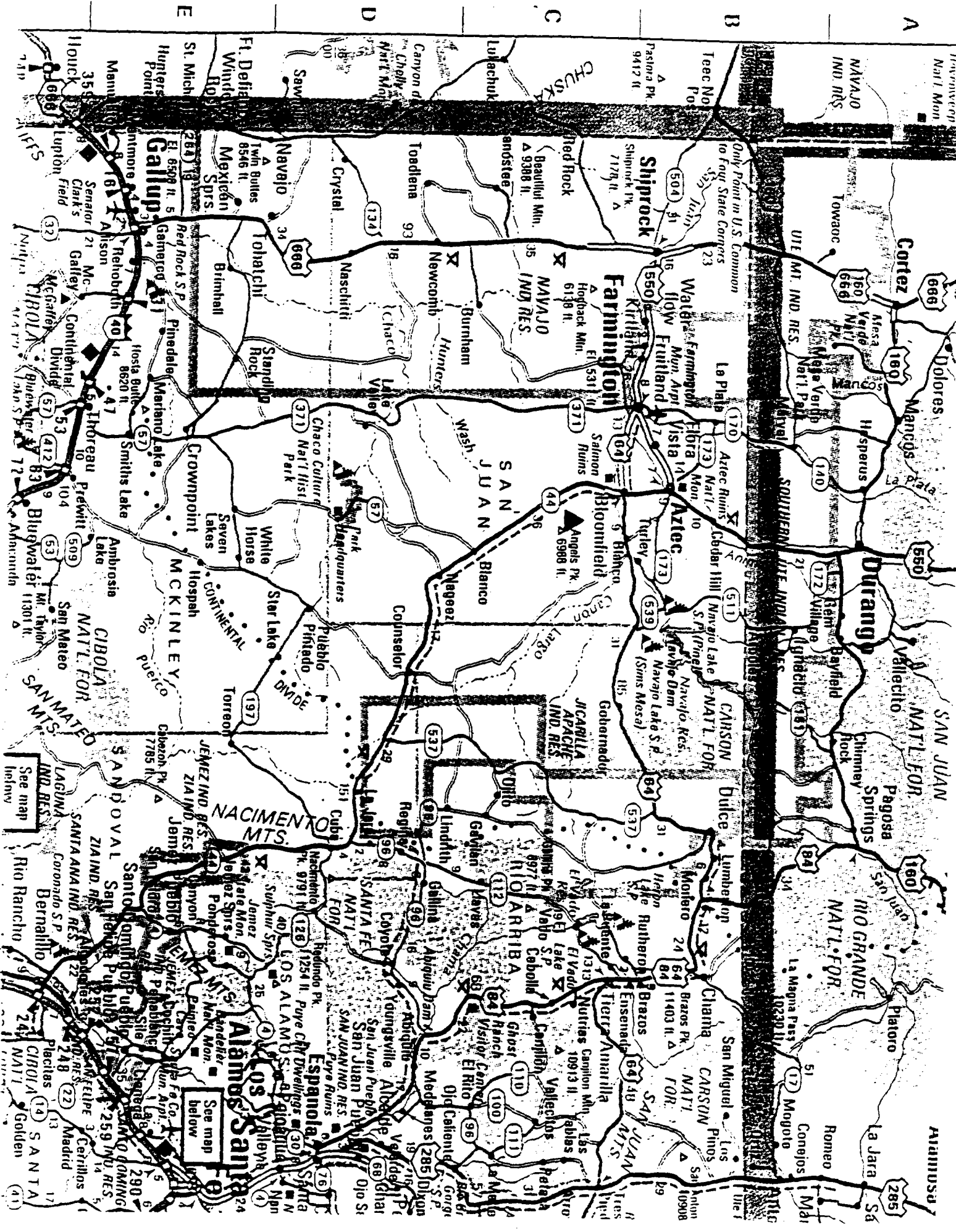
SEE ATTACHED BLOWN UP TOPO

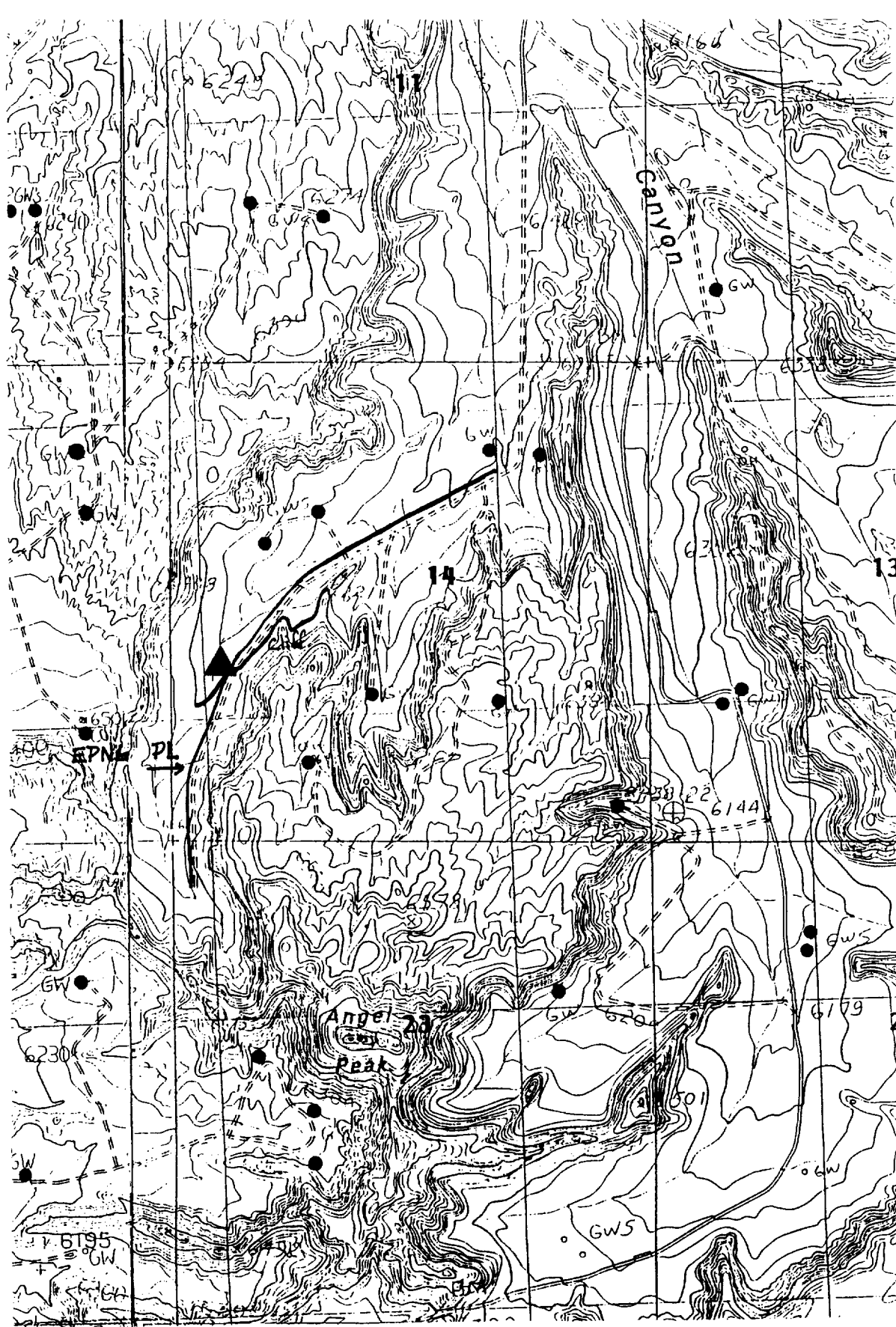


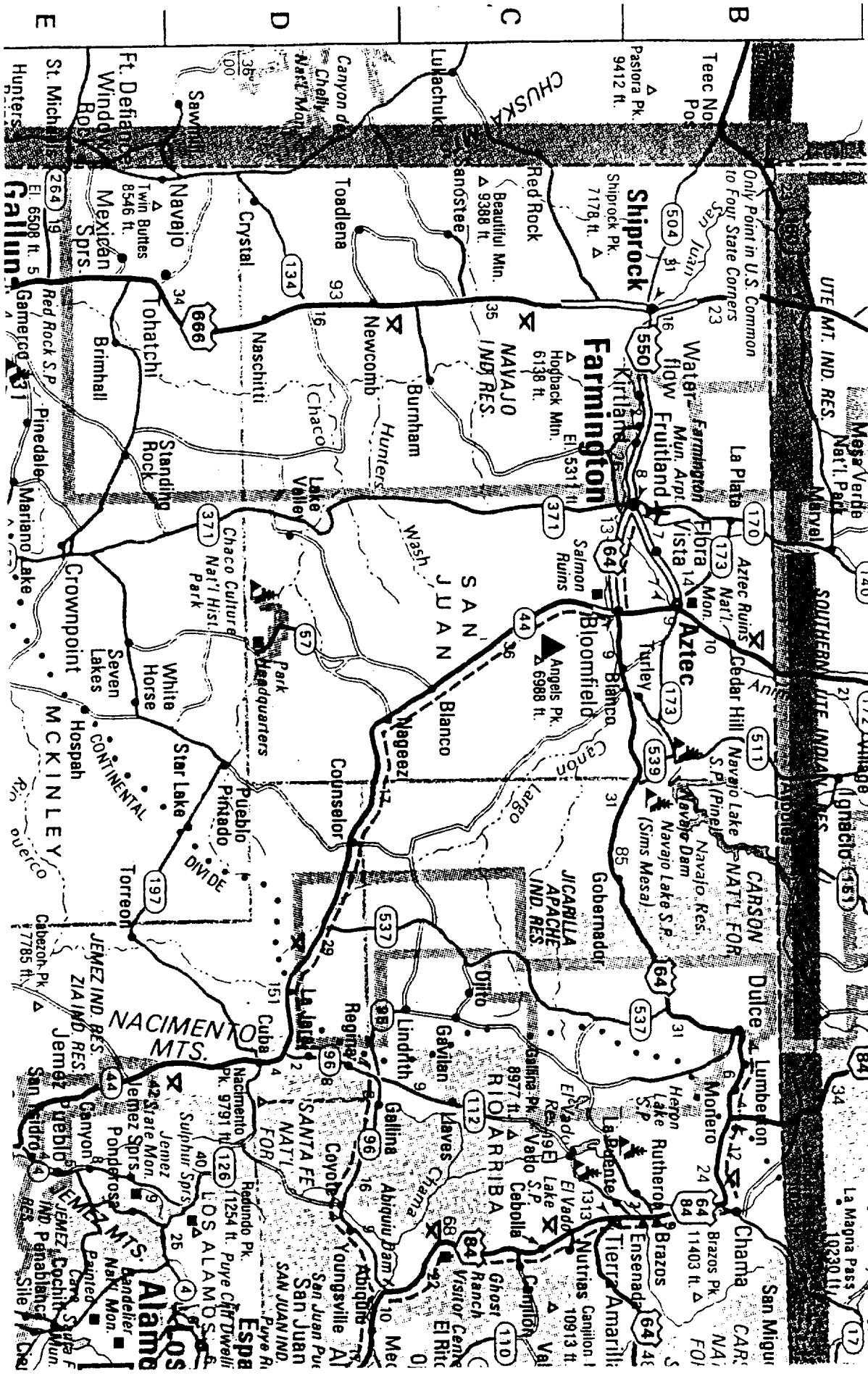
**McKenzie Methane Corporation**

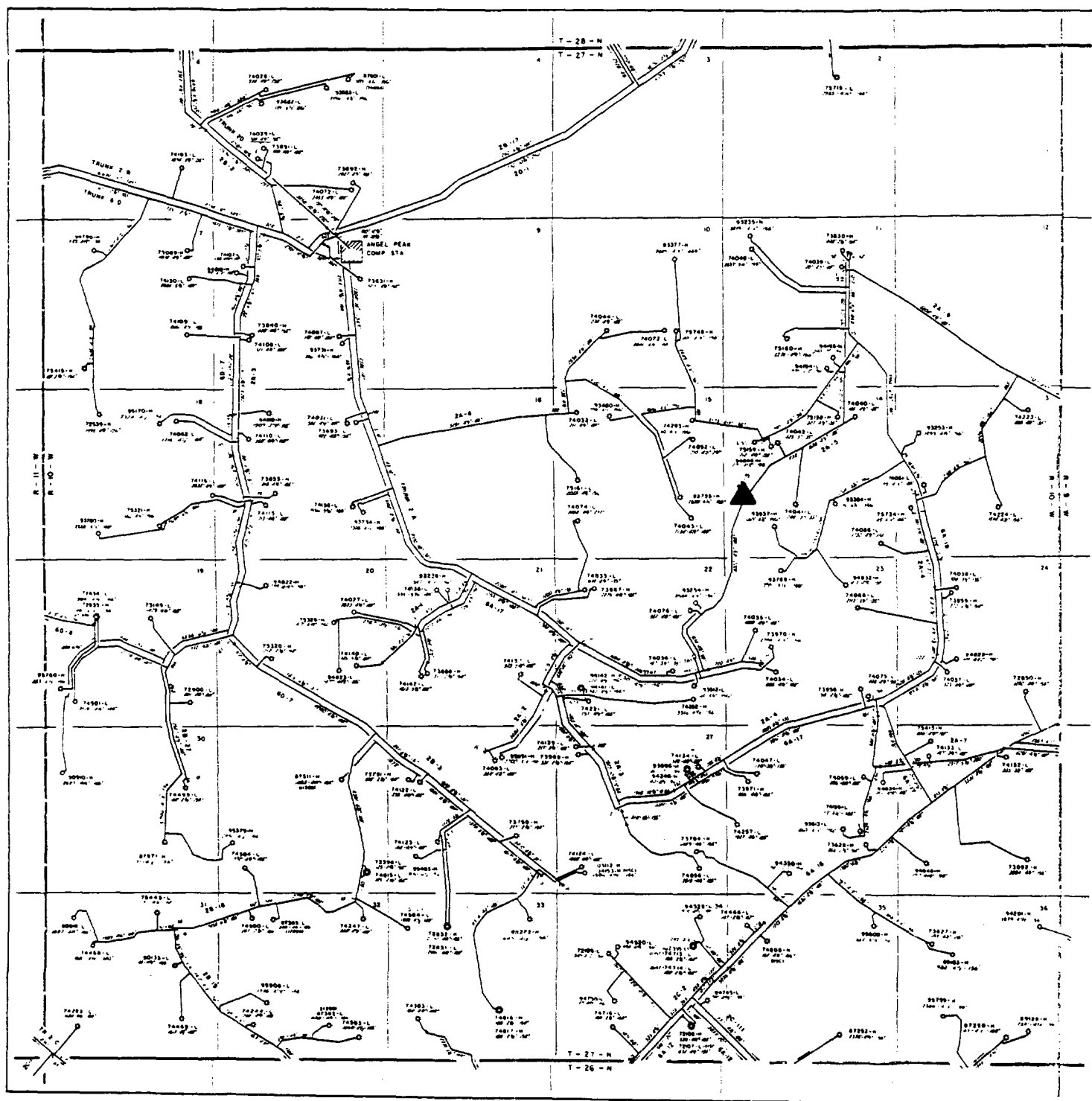
HOUSTON • BIRMINGHAM • DENVER • FARMINGTON

**ANGEL PEAK 14L #6**  
**Sw 1/4 Section 14**  
**Township 27 North, Range 10 West**  
**San Juan County, New Mexico**









T-27-N, R-10-W N. MEX.





STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

GARREY CARRUTHERS  
GOVERNOR

June 4, 1990

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

Meridian Oil, Inc.  
P.O. Box 4289  
Farmington, NM 87499-4289

*Case 10025*

Attention: Peggy Bradfield

---

McKenzie Methane Corp.  
1625 Broadway, Suite 2580  
Denver, CO 80202

Attention: Heather Roark

RE: BASIN FRUITLAND COAL GAS POOL DEVELOPMENT IN  
SECTION 14, TOWNSHIP 27 NORTH, RANGE 10 WEST, NMPM,  
SAN JUAN COUNTY, NEW MEXICO.

Dear Mss. Bradfield and Roark:

Reference is made to Meridian's application dated May 3, 1990 for an unorthodox coal gas well location for the Morris Well No. 3, located 420 feet from the South line and 400 feet from the East line (Unit P) of said Section 14 and to McKenzie's application dated May 8, 1990 for an unorthodox coal gas well location for the proposed Angel Peak 14-L Well No. 6 to be drilled 1835 feet from the South line and 640 feet from the West line (Unit L) of said Section 14 (see copies attached). Both wells are to have the S/2 of Section 14 dedicated therefor forming a standard 320-acre gas spacing and proration unit for the Basin-Fruitland Coal Gas Pool. Our files also contain a Federal APD Form 3160-3 whereby McKenzie Methane Corporation proposes to drill its Angel Peak 14-H Well No. 5, at a standard coal gas well location 1755 feet from the North line and 1045 feet from the East line (Unit H) of said Section 14, the C-102 in this file also shows that the E/2 of said Section 14 to be dedicated to the well to form a standard 320-acre gas proration unit (also attached).

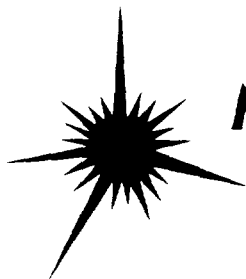
This situation is somewhat confusing; I will therefore hold both filings open pending resolution by both parties. Should either Meridian or McKenzie have any questions concerning this matter, please contact me.

Sincerely,

Michael E. Stogner  
Chief Hearing Officer/Engineer

MES/ag

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



# McKenzie Methane Corporation

JUN 18 AM 9 10

June 15, 1990

Mr. William LeMay  
New Mexico Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87503

*Case 10025*

RE: Meridian Oil Application  
to Recomplete Unorthodox  
Location in Option  
Quarter Section C. M.  
Morris #3 SE 14-T27N-R10W

Dear Mr. LeMay:

McKenzie Methane Corporation holds Fruitland Formation development rights in the N/2 and SW/4 of Section 14 Township 27 North, Range 10 West by virtue of farmouts from Amoco Production Company and Mobil Exploration & Producing U. S. Inc. Amoco has provided us with copies of Meridian's letters to you requesting a permit to recomplete the captioned well in the Fruitland coals.

When McKenzie first obtained information relative to this request to recomplete, we called both the Santa Fe and Aztec offices of the Conservation Division to ascertain our rights and lodge a verbal complaint regarding this petition. Upon due deliberation, we now wish to formalize our objections as follows:

1. Meridian seeks to recomplete the Morris #3, a well already located in an unorthodox location being less than 420 feet from both the south and east lines of the section and a well outside the "window" specified by the Conservation Division in the proper quarter section. McKenzie Methane has drilled the Angel Peak 13M #1 in a legal location in Section 13, which well is less than 1,600 feet from Meridian's proposed recompletion, thus Meridian's recompletion would impact the Basin Fruitland production from the 13M #1 as well as affect the owners of Fruitland rights in the sections to the south.



Mr. William LeMay  
June 15, 1990

Page 2.

2. McKenzie Methane has an approved APD for a well in the authorized "window" in the NE/4 of Section 14, i.e., the Angel Peak 14H #5, with the spacing unit set for the E/2.

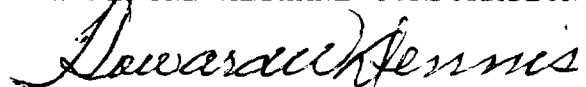
3. McKenzie Methane has an application for a well, the Angel Peak 14L #6, for a W/2 spacing unit which we find is in an unorthodox location because of topographic problems. We understand that the unorthodoxy of said location has not been objected to by any of the offset operators.

4. Two locations in the S/2 or E/2 of Section 14, which would be the case if the Conservation Division approves Meridian's application, would leave a substantial portion of the section undrilled and the resources undeveloped.

McKenzie Methane wishes to protest the issuance of a permit to Meridian for the recompletion of the Morris #3 because it would not allow diligent development of the Fruitland coals in Section 14 and because it would impact McKenzie's orthodox location in Section 13, i.e., the Angel Peak 13M #1.

Very truly yours,

MCKENZIE METHANE CORPORATION

A handwritten signature in cursive script, reading "Howard W. Dennis".

Howard W. Dennis  
Vice President

HWD:me  
xc: Mr. Michael Stogner



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

GARREY CARRUTHERS  
GOVERNOR

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

May 21, 1990

US Bureau of Land Management  
Farmington Resources Office  
1235 La Plata Highway  
Farmington, NM 87401

Attention: Ron Fellows

*RE: McKenzie Methane Corp., Angel Peak "14-L" Well No. 6, 1835' FSL - 640' FWL, L-14-T27N-R10W, Basin Fruitland Coal Gas Pool, San Juan County, New Mexico.*

Dear Mr. Fellows:

Enclosed please find a copy of an unorthodox coal gas well location request that the NMOCD received on May 10, 1990. This information is being provided to you for your records since the well is within your jurisdiction. Should you have any comments or suggestions, please contact me.

Sincerely,

Michael E. Stogner  
Chief Hearing Officer/Engineer

MES/ag

cc: Oil Conservation Division - Aztec  
McKenzie Methane Corp. - Denver, CO

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

GARREY CARRUTHERS  
GOVERNOR

May 21, 1990

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

McKenzie Methane Corp.  
1625 Broadway, Suite 2580  
Denver, CO 80202

Case 10025

Attention: Heather Roark

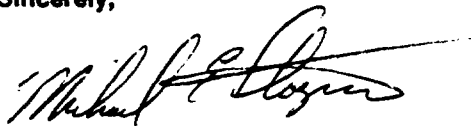
RE: Application for non-standard coal gas well location: Angel Peak 14-L Well No. 6; 1835' FSL - 640' FWL; L-14-T27N-R10W; Basin Fruitland Coal Gas Pool, San Juan County, New Mexico.

Dear Ms. Roark:

We may not process the subject application for a non-standard location until the required information or plat(s) checked below is submitted.

- ☐ A plat must be submitted clearly showing the ownership of the offsetting leases.
- ☐ A statement must be submitted that offset operators have been notified of the application by certified mail.
- ☐ A plat must be submitted fully identifying the topography necessitating the non-standard location.
- ☒ Other: There are 2 existing Amoco wells in the SW/4 of this Section, with existing pads; both of which would appear able to accommodate your proposed well at a legal location -- please address this issue (IV.C. of Memo 1-90). Please note also that the specification of orthodox wells pursuant to R-8768 require wells to be no closer than 790 feet from the outer boundary of the proration unit and not from the Section line as shown on most of your exhibits. Further, our records indicate that your proposed Angel Peak "14-H" Well No. 5 will have dedicated to it the E/2 of said Section 14 (see attached Form C-102). There seems to be an overlap in the SE/4, how will this Section ultimately be developed.

Sincerely,



Michael E. Stogner  
Chief Hearing Officer/Engineer

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK  
DRILL ☒ DEEPEN ☐ PLUG BACK ☐

b. TYPE OF WELL  
OIL WELL ☐ GAS WELL ☒ OTHER ☐ SINGLE ZONE ☒ MULTIPLE ZONE ☐

2. NAME OF OPERATOR  
McKenzie Methane Corporation

3. ADDRESS OF OPERATOR  
1625 Broadway, Suite 2580, Denver, CO 80202

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)  
At surface 1755' FNL, 1045' FEL  
At proposed prod. zone same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
±5 miles south, south-east of Bloomfield, New Mexico

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 1045'

16. NO. OF ACRES IN LEASE ±1240-1430

17. NO. OF ACRES ASSIGNED TO THIS WELL 320 E±

18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. ±600'

19. PROPOSED DEPTH 2115'

20. ROTARY OR CABLE TOOLS rotary

5. LEASE DESIGNATION AND SERIAL NO.  
SF077329

6. IF INDIAN, ALLOTTEE OR TRIBE NAME  
---

7. UNIT AGREEMENT NAME  
---

8. FARM OR LEASE NAME  
Angel Peak 14H

9. WELL NO.  
5

10. FIELD AND POOL, OR WILDCAT  
Basin Fruitland Coal

11. SEC., T., R., M., OR BLM. AND SURVEY OR AREA  
H SE±NE±  
Sec. 14-T27N-R10W

12. COUNTY OR PARISH 13. STATE  
San Juan New Mexico

21. ELEVATIONS (Show whether DF, RT, GR, etc.)  
6150' GR

22. APPROX. DATE WORK WILL START\*  
May 3, 1990

23. This action is subject to technical and procedural review pursuant to 43 CFR 3165.9 and 3165.10. PROPOSED CASING AND CEMENTING PROGRAM SUBJECT TO COMPLIANCE WITH ATTACHED GENERAL REQUIREMENTS.

SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	GENERAL REQUIREMENTS
12-1/4"	8-5/8"	24#	175sx C1 'B' w/ 2% CaCl
7-7/8"	4-1/2"	11.6#	2115'
			175sx C1 'B' w/ 2% CaCl
			300sx 65/35 POZ + 1#/sx floccule
			2% gel & 125sx 50/50 POZ + 2% Ca

RECEIVED

APR 24 1990

OIL CON. DIV  
DIST. 9

"The applicant, McKenzie Methane Corporation, does hold legal or equitable rights or title to this lease."

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, 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 Heather Roark TITLE Technician DATE March 27, 1990  
(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_  
CONDITIONS OF APPROVAL, IF ANY:

ch7C

NMOCD

APR 20 1990  
AREA MANAGER

\*See Instructions On Reverse Side

Submit to Appropriate  
District Office  
State Leases - 4 copies  
Fee Leases - 3 copies

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised 1-1-88

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, Aramis, NM 88210

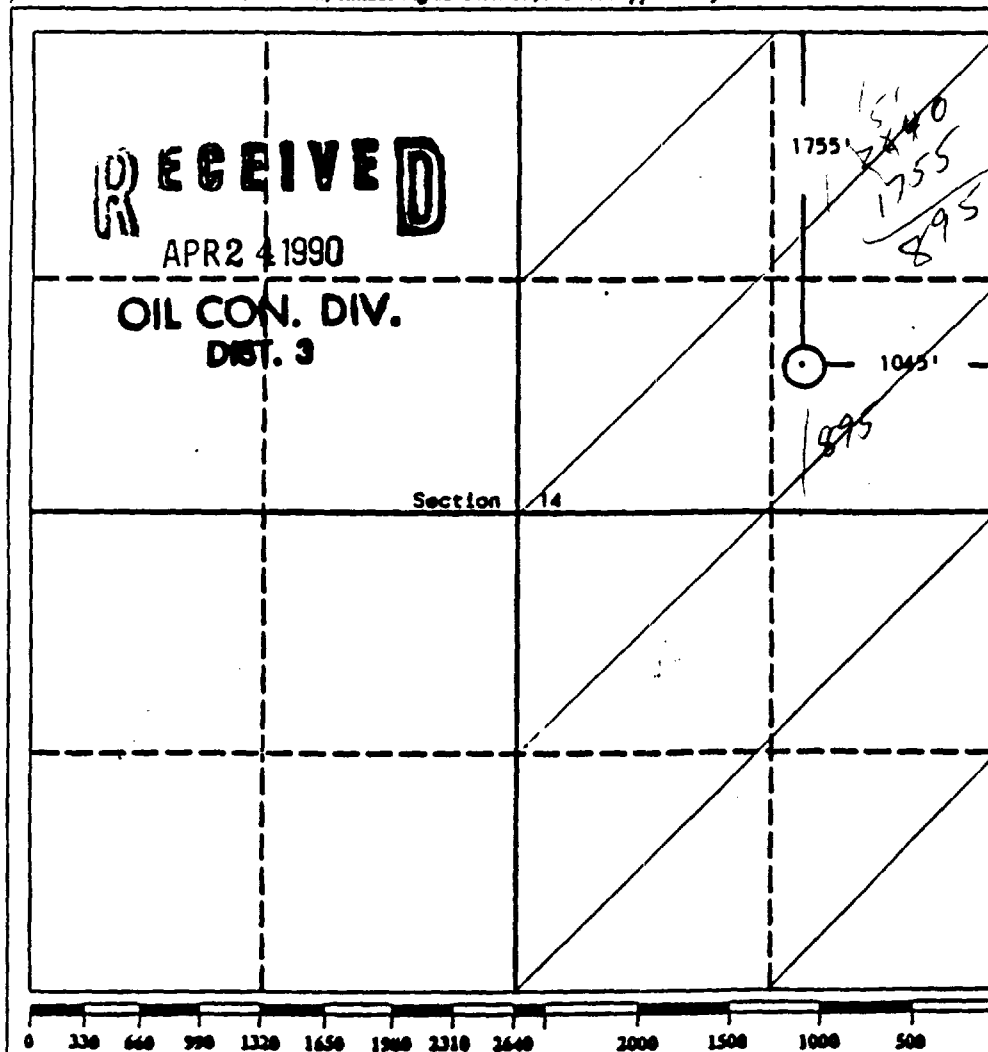
DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator McKenzie Methane Corporation			Lease Angel Peak 14H		Well No. #5
Unit Letter H	Section 14	Township 27 North	Range 10 West	County San Juan	
Actual Footage Location of Well: 1755 feet from the North line and 1045 feet from the East line					
Ground level Elev. 6150	Producing Formation Fruitland Coal	Pool Basin Fruitland Coal		Dedicated Acreage: E/320 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure 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).
- 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?  
☐ 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 *Heather Roark*  
Printed Name  
Heather Roark  
Position  
McKenzie Methane Corp.  
Company  
March 27, 1990  
Date

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  
January 25, 1990

Signature & Seal of  
Professional Surveyor

*Edgar L. Risenhoover*  
Edgar L. Risenhoover  
3979  
REGISTERED LAND SURVEYOR



RECEIVED  
'90 JUN 4 AM 8 59

## McKenzie Methane Corporation

May 28, 1990

*Case 10025*

Mr. Michael E. Stogner  
Chief Hearing Officer/Engineer  
State of New Mexico  
Energy, Minerals and Natural Resources Dept.  
Oil Conservation Division  
P.O. Box 2088  
Santa Fe, N.M. 87504

Re: Angel Peak 14L #6  
San Juan Co., N.M.  
Unorthodox Location

Mr. Stogner:

As per our conversation 5/24/90, I have attached a letter to Ernie Busch and a BLM sundry notice which should explain the apparent overlap of spacing units in the southeast quarter of section 14, T27N, R10W.

Regarding your letter of 5/21/90 to Heather Roark questioning the utilization of existing Amoco locations in the SW quarter, McKenzie always considers such use for both environmental and economic reasons. Although the Amoco locations would allow legal Fruitland Coal locations, keeping a safe operating distance from these wells (200 feet) is not geographically possible in one case and would cause severe environmental disturbance in the other. The northern-most Amoco well is situated on a narrow ridge preventing expansion with the location. The southern-most Amoco well is in a wooded area requiring destruction of the trees on the location as well as a necessary pipeline right-of-way.

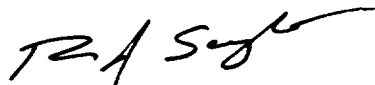
Please be advised that Meridian Oil, the offset operator to our proposed well, has informed McKenzie that the unorthodox location will not be protested.

It is McKenzie Methane's intent to avoid unorthodox location requests when possible. In this instance, it is McKenzie's belief that the proposed location was staked with the best interests of the BLM, Amoco and McKenzie in mind.

It is requested that the NMOCD approve the unorthodox location.

Please call me in Durango at (303) 385-4654 if you have questions.

Sincerely,

  
\_\_\_\_\_  
R.J. Sagle  
Petroleum Engineer

cc: Denver Office  
Well File



# McKenzie Methane Corporation

*Bob*  
*copy in well files*

April 19, 1990

Mr. Ernie Bush  
State Of New Mexico  
Energy & Minerals Department  
Oil Conservation Division  
1000 Rio Brazos Road  
Aztec, N.M. 87401

Re: Survey Plats

Sir:

Please find attached, as per our conversation this date, the new survey plats on the below listed wells:

**[REDACTED]**

Angel Peak 11K #2

If you have any questions, or require further information, please do not hesitate to call me.

Sincerely,

*Sam Cady*

Sam Cady  
McKenzie Methane Corp.

SC/me

attachments

cc: BLM - Ken Townsend - Farmington



OIL CONSERVATION DIVISION

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

copies  
/ copies

1980, Hobbs, NM 88240

TRACT II  
O. Drawer DD, Artesia, NM 88210

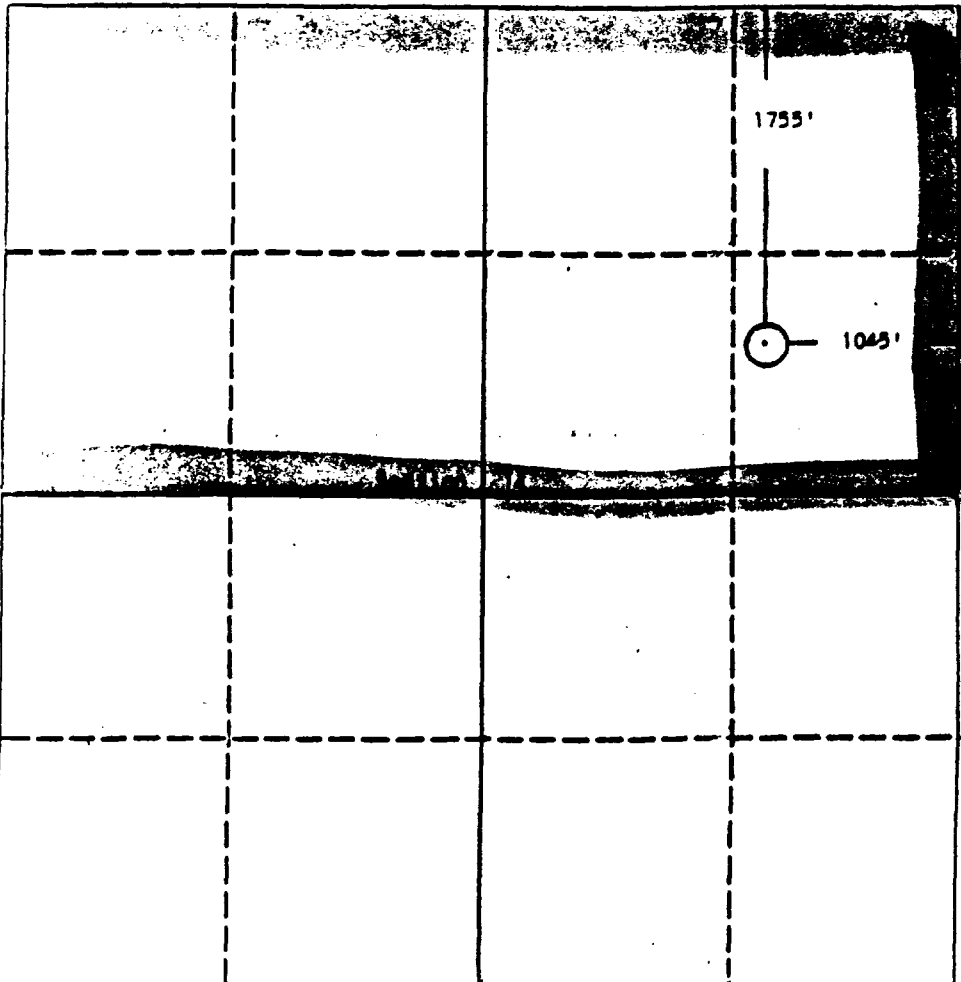
DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator McKenzie Methane Corporation			Lease Angel Peak 14H		Well No. #5
Unit Letter H	Section 14	Township 27 North	Range 10 West	County San Juan	
Actual Footage Location of Well: 1755 feet from the North line and 1045 feet from the East line					
Ground level Elev. 6150	Producing Formation Fruitland Coal	Pool Basin Fruitland Coal		Dedicated Acreage: [REDACTED]	

- Outline the acreage dedicated to the subject well by colored pencil or lacquer 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).
- 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?  
☐ 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: Heather Roark

Printed Name: Technician

Position: McKenzie Methane Corp.

Company: March 27, 1990 4/19/90

Date

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: January 25, 1990

Signature & Seal of Professional Surveyor

EDGAR L. RISENHOVER  
NEW MEXICO  
3979  
Edgar L. Risenhover

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPlicate  
(Other instructions on  
reverse side)

Budget Bureau No. 1004-3135  
Expires August 31, 1983

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.  
Use "APPLICATION FOR PERMIT—" for such proposals.)

1. <input type="checkbox"/> OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER		5. LEASE IDENTIFICATION AND SERIAL NO. BLM # SF-077329
2. NAME OF OPERATOR McKenzie Methane Corporation		6. IF OTHER, ALLOTTEE OR TRUST NAME <i>Bob</i>
3. ADDRESS OF OPERATOR 1625 Broadway, Suite 2580, Denver, Co. 80202		7. UNIT ASSIGNMENT NAME L
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface 1835 FSL, 640 FWL NW $\frac{1}{4}$ SW $\frac{1}{4}$		8. NAME OR LEASE NAME Angel Peak 14L
14. PERMIT NO.		9. WELL NO. #6
15. ELEVATIONS (Show whether IF, RT, OR, ORL) GR 6200		10. FIELD AND POOL, OR WILDCAT Basin Fruitland Coal
		11. SEC. T. R. N., OR R.M. AND COURSE OR AREA Sec. 14-T27N-R10W
		12. COUNTY OR PARISH San Juan
		13. STATE NM

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF

FRACURES TREAT

SHOOT OR ACIDIZE

REPAIR WELL

(Other)

PLUG OR ALTER CASING

MULTIPLE COMPLETE

ABANDON\*

CHANGE PLANS

<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input checked="" type="checkbox"/>
<input type="checkbox"/>

INTERESTED PARTY OF:

WATER SHUT-OFF

FRACURES TREATMENT

SHOOTING OR ACIDIZING

(Other)

REPAIRING WELL

ALTERING CASING

ABANDONMENT\*

<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all machines and survey pertinent to this work.)

REQUEST CHANGE OF LOCATION FROM STAND UP TO LAY DOWN

18. I hereby certify that the foregoing is true and correct

SIGNED

*Sam Cooley*

TITLE Technician

DATE 4-17-90

(This space for Federal or State office use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL IF ANY:

\*See Instructions on Reverse Side

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

July 2, 1990

GARREY CARRUTHERS  
GOVERNOR

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

Meridian Oil, Inc.  
P.O. Box 4289  
Farmington, NM 87499-4289

Attention: Peggy Bradfield

*Case 10025*

McKenzie Methane Corp.  
1625 Broadway, Suite 2580  
Denver, CO 80202

Attention: Howard W. Dennis

RE: MERIDIAN'S APPLICATION DATED MAY 3, 1990 FOR AN UNORTHODOX COAL GAS WELL LOCATION FOR THE MORRIS WELL NO. 3, LOCATED 420 FEET FROM THE SOUTH LINE AND 400 FEET FROM THE EAST LINE (UNIT P) OF SAID SECTION 14 AND MCKENZIE'S APPLICATION DATED MAY 8, 1990 FOR AN UNORTHODOX COAL GAS WELL LOCATION FOR THE PROPOSED ANGEL PEAK 14-L WELL NO. 6 TO BE DRILLED 1835 FEET FROM THE SOUTH LINE AND 640 FEET FROM THE WEST LINE (UNIT L) OF SAID SECTION 14.

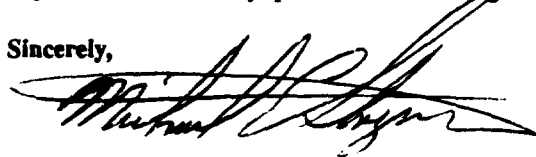
Dear Ms. Bradfield and Mr. Dennis:

Please refer to McKenzie Methane Corporation's letter dated June 15, 1990 (see copy attached) whereby an objection to Meridian's Morris Well No. 3 was filed. Also, as I understand, McKenzie is amending their request to dedicate the W/2 of said Section 14 to their Angel Peak 14-L Well No. 6 instead of the N/2 as originally proposed.

In reviewing this situation, it is the Division's position that both cases should be set to hearing before a Division Examiner. I have therefore scheduled both applications on the next available docket for the July 25, 1990 hearing. Please provide adequate notice for such an application prior to the hearing as required by Division General Rule 1207.

If you should have any questions concerning this matter, please contact me.

Sincerely,



Michael E. Stogner  
Chief Hearing Officer/Engineer

MES/ag

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



# McKenzie Methane Corporation

100-10-24910

June 15, 1990

Mr. William LeMay  
New Mexico Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87503

*Case 100-25*

RE: Meridian Oil Application  
to Recomplete Unorthodox  
Location in Option  
Quarter Section C. M.  
Morris #3 SE 14-T27N-R10W

Dear Mr. LeMay:

McKenzie Methane Corporation holds Fruitland Formation development rights in the N/2 and SW/4 of Section 14 Township 27 North, Range 10 West by virtue of farmouts from Amoco Production Company and Mobil Exploration & Producing U. S. Inc. Amoco has provided us with copies of Meridian's letters to you requesting a permit to recomplete the captioned well in the Fruitland coals.

When McKenzie first obtained information relative to this request to recomplete, we called both the Santa Fe and Aztec offices of the Conservation Division to ascertain our rights and lodge a verbal complaint regarding this petition. Upon due deliberation, we now wish to formalize our objections as follows:

1. Meridian seeks to recomplete the Morris #3, a well already located in an unorthodox location being less than 420 feet from both the south and east lines of the section and a well outside the "window" specified by the Conservation Division in the proper quarter section. McKenzie Methane has drilled the Angel Peak 13M #1 in a legal location in Section 13, which well is less than 1,600 feet from Meridian's proposed recompletion, thus Meridian's recompletion would impact the Basin Fruitland production from the 13M #1 as well as affect the owners of Fruitland rights in the sections to the south.

Mr. William LeMay  
June 15, 1990

Page 2.

2. McKenzie Methane has an approved APD for a well in the authorized "window" in the NE/4 of Section 14, i.e., the Angel Peak 14H #5, with the spacing unit set for the E/2.

3. McKenzie Methane has an application for a well, the Angel Peak 14L #6, for a W/2 spacing unit which we find is in an unorthodox location because of topographic problems. We understand that the unorthodoxy of said location has not been objected to by any of the offset operators.

4. Two locations in the S/2 or E/2 of Section 14, which would be the case if the Conservation Division approves Meridian's application, would leave a substantial portion of the section undrilled and the resources undeveloped.

McKenzie Methane wishes to protest the issuance of a permit to Meridian for the recompletion of the Morris #3 because it would not allow diligent development of the Fruitland coals in Section 14 and because it would impact McKenzie's orthodox location in Section 13, i.e., the Angel Peak 13M #1.

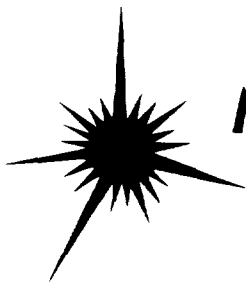
Very truly yours,

MCKENZIE METHANE CORPORATION



Howard W. Dennis  
Vice President

HWD:me  
xc: Mr. Michael Stogner



# McKenzie Methane Corporation

OIL CONSERVATION DIVISION  
RECEIVED

'90 JUL 19 AM 8 40

July 16, 1990

State of New Mexico  
Oil Conservation Division  
P.O. Box 2088  
State Land Office Bldg.  
Santa Fe, NM 87504  
Attention: Mr. Michael E. Stogner  
Chief Hearing Officer

Re: Case 10025  
Docket No. 21-90  
Angel Pk. 14-L#6 Well  
W/2 Sec. 14 -27N-10W  
San Juan County, NM

Gentlemen:

McKenzie Methane Corporation hereby requests that the above captioned matter be continued until the OCD's regularly scheduled meeting on August 8, 1990. We are requesting this continuance for the following reason:

McKenzie Methane Corporation and Meridian Oil Inc. are actively engaged in discussions with a view to resolving difficulties regarding docket matters which were to be heard by the OCD on July 25th. To this end, both parties met in Farmington, NM on Wednesday July 11.

We would appreciate your confirming by telephone and then in writing that this continuance is granted so that we may begin giving proper notice to interested parties pursuant to Rule 1207 for the August 8 hearing immediately.

Thank you in advance for your assistance in this matter. Please call the undersigned at (303) 629-6699 should you have any questions regarding this request.

Very Truly Yours,  
MCKENZIE METHANE CORPORATION

Roger H. Lichty  
Vice Pres. Land/Legal  
Rocky Mountain Region



# McKenzie Methane Corporation

July 16, 1990

State of New Mexico  
Oil Conservation Division  
P.O. Box 2088  
State Land Office Bldg.  
Santa Fe, NM 87504  
Attention: Mr. Michael E. Stogner  
Chief Hearing Officer

Re: Case 10025  
Docket No. 21-90  
Angel Pk. 14-L#6 Well  
W/2 Sec. 14 -27N-10W  
San Juan County, NM

Gentlemen:

McKenzie Methane Corporation hereby requests that the above captioned matter be continued until the OCD's regularly scheduled meeting on August 8, 1990. We are requesting this continuance for the following reason:

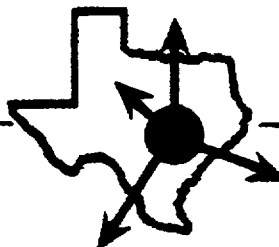
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Very Truly Yours,  
MCKENZIE METHANE CORPORATION

Roger H. Lichty  
Vice Pres. Land/Legal  
Rocky Mountain Region



# McKenzie Methane Corporation

## FACSIMILE TRANSMISSION

DATE: 7/16/90

TO: Michael Stogner

Company NM OGD

City Santa Fe State NM

Facsimile No. \_\_\_\_\_

FROM: Roger Lichty

McKenzie Methane Corporation  
1625 Broadway, Suite 2580  
Denver, Colorado 80202

NUMBER OF PAGES INCLUDING THIS COVER SHEET 2

COMMENTS: Pls. call Mike  
Upon arrival

Thank you.

Our fax machine is a Sharp FO-420 on a dedicated telephone line, 303/629-7908. If you experience a problem with this transmission, please call Heather Roark at 303/629-6699.



KELLAHIN, KELLAHIN AND AUBREY CONSERVATION DIVISION  
ATTORNEYS AT LAW  
RECEIVED

W. THOMAS KELLAHIN  
KAREN AUBREY

CANDACE HAMANN CALLAHAN

JASON KELLAHIN  
OF COUNSEL

EL PATIO BUILDING  
117 NORTH GUADALUPE  
POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

'90 AUG 8 10 08 AM  
TELEPHONE (505) 882-2285  
TELEFAX (505) 882-2047

August 6, 1990

DELIVERED BY FAX TO 827-5741

Mr. Micheal Stogner  
Oil Conservation Division  
P.O. Box 2088  
Santa Fe, NM 87502-2088

RE: Meridian Oil Inc.  
Hargrave Well No. 3  
NMOCD Case 10018

Meridian Oil Inc.  
Morris Well No. 3  
NMOCD Case 10024

Meridian Oil Inc.  
Morris Well No. 1  
NMOCD Case 10017

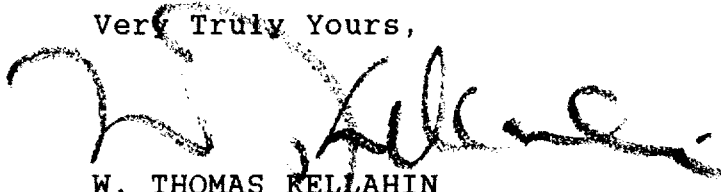
McKenzie Methane Corporation  
Angel Peak "14-L Well No. 6  
~~NMOCD Case 10025~~

Dear Mr. Stogner:

On behalf of Meridian Oil Inc., this letter will confirm that we are dismissing NMOCD Cases 10018, 10024 and 10017. In addition, we are withdrawing any objection to case 10025.

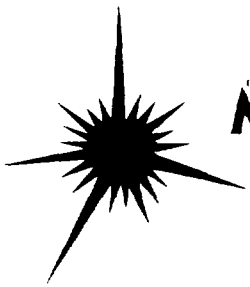
Please call me if you have any questions.

Very Truly Yours,

  
W. THOMAS KELLAHIN

WTK/clp

cc: Bob Hopkins  
Meridian Oil, Farmington, NM



McKenzie Methane Corporation

'90 AUG 6 AM 9 03

August 8, 1990

Mr. Michael Stogner  
Chief Hearing Officer/Engineer  
Oil Conservation Division  
Energy, Minerals & Natural Resources Dept.  
State of New Mexico

Re: Docket Case # 10025  
McKenzie Methane Corp.'s  
Request for unorthodox  
location - 14L #6 Well  
SE/4 Sec. 14 T27N-R10W  
San Juan County, NM


Dear Mr. Stogner:

In connection with our conferences and the above captioned docket matter which is to be heard August 8, 1990, McKenzie Methane Corporation respectfully requests with this letter that our request for an unorthodox location for the above well be granted as an administrative matter for the reason that McKenzie Methane Corporation and Meridian Oil Inc. have resolved differences of opinion and protests regarding the following wells: the CM Morris #3 Well, SE/4 Sec. 14, the CM Morris #1 Well, SE/4 Sec. 15, and the Hargrave #3 Well, SE/4 Sec. 16, all in T27N-R10W, San Juan County, NM. Requests for unorthodox locations and/or recompletions by Meridian Oil Inc. on these wells will be withdrawn before August 8, 1990 to the best of McKenzie's knowledge.

Also, to the best of McKenzie's knowledge, we are not opposed in our request for the above unorthodox location. Further, parties who might be impacted by us, Amoco Production Company and Mobil Producing Texas & New Mexico Inc. by Mobil Exploration & Producing U.S. Inc. have granted farmout agreements to McKenzie Methane Corporation regarding the lands in Sections 13 and 15, lands adjacent to Section 14. Also, we are finalizing an acreage trade with Meridian Oil Inc. whereby Meridian won't oppose our requested unorthodox location as above.

Subject to any further documentation you may require and Meridian Oil Inc.'s confirmation of the above facts, McKenzie Methane Corporation hereby respectfully requests we be granted our requested location in the above docketed matter administratively.

Please feel free to call the undersigned at (303) 629-6699 if I may be of further assistance. Thank you for your help and patience on this matter.

Very Truly Yours,  
  
Roger N. Lichty  
Vice President Land/Legal

Page 2  
Letter to Michael Stogner  
McKenzie Methane Corporation  
Docket Matter #10025

cc: Meridian Oil Inc.  
3535 East 30th Street  
Farmington, NM 87401  
Atten: Mr. Bob Hopkins

Amoco Production Company  
P.O. Box 800  
Denver, CO 80201  
Atten: Mr. Michael Cuba

Mobil Exploration & Producing U.S. Inc.  
Midland Division  
201 Wes Wall Street  
Midlan, TX 79702  
Atten: Ms. Diane Klancher  
Environmental/Regulatory



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

GARREY CARRUTHERS  
GOVERNOR

August 21, 1990

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

Mr. Howard W. Dennis  
Vice-President  
McKenzie Methane Corporation  
1625 Boradway, Suite 2580  
Denver, Colorado 80202

Re: CASE NO. 10025  
ORDER NO. R-9265

Applicant:

McKenzie Methane Corporation

Dear Sir:

Enclosed herewith are two copies of the above-referenced  
Division order recently entered in the subject case.

Sincerely,

*Florene Davidson*

FLORENE DAVIDSON  
OC Staff Specialist

Copy of order also sent to:

Hobbs OCD x  
Artesia OCD x  
Aztec OCD x

Other Thomas Kellahin



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

GARREY CARRUTHERS  
GOVERNOR

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

August 22, 1990

McKenzie Methane Corp.  
1625 Broadway, Suite 2580  
Denver, CO 80202

*Administrative Order NSL-2852*

Dear Sir or Madam:

Reference is made to your application dated May 8, 1990 for a non-standard coal gas well location for your Angel Peak "14-L" Well No. 6 to be located 1835 feet from the South line and 640 feet from the West line (Unit L) of Section 14, Township 27 North, Range 10 West, NMPM, Basin Fruitland Coal (Gas) Pool, San Juan County, New Mexico. The S/2 of said Section 14 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 the Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool as promulgated by Division Order No. R-8768, the above-described unorthodox coal gas well location is hereby approved.

Sincerely,

A handwritten signature in black ink, appearing to read 'William J. LeMay', with a long, sweeping horizontal line extending to the right.

William J. LeMay  
Director

WJL/MES/ag

cc: Oil Conservation Division - Aztec  
US Bureau of Land Management - Farmington  
Case File 10025