



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

August 31, 1998

Conoco, Inc.
10 Desta Drive - Suite 100W
Midland, Texas 79705-5400
Attention: Kay Maddox

RECEIVED
SEP 4 1998

OIL CON. DIV. Administrative Order NSL-4122
DIST. 3

Dear Ms. Maddox:

Reference is made to your application dated July 29, 1998, as supplemented on August 13, 1998, for an off-pattern non-standard Basin-Fruitland coal gas well location for your existing Buttram Well No. 4 (API No. 30-039-06377), located 1500 feet from the South line and 790 feet from the East line (Unit I) of Section 23, Township 26 North, Range 6 West, NMPM, Basin-Fruitland Coal (Gas) Pool, Rio Arriba County, New Mexico. According to the well records on file with the New Mexico Oil Conservation Division in Santa Fe, the Buttram Well No. 4 was initially drilled in 1953 by Pubco Development Inc. and completed at a standard gas well location in the Blanco-Pictured Cliffs Pool within a standard 160-acre gas spacing and proration unit comprising the SE/4 of Section 23.

It is our understanding that the Basin-Fruitland Coal (Gas) Pool is to be perforated and the well will be recompleted such that gas production from both intervals is to be commingled downhole. This location, 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 considered to be unorthodox. Further, the E/2 of Section 23 is to be dedicated to the well in order to form a standard 320-acre gas spacing and proration unit for the Basin-Fruitland Coal (Gas) Pool.

By the authority granted me under the provisions of Rule 8 of said special pool rules, the above-described unorthodox coal gas well location for the Buttram Well No. 4 is hereby approved.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec /
U. S. Bureau of Land Management - Farmington



Mid-Continent Region
Exploration/Production

Conoco Inc.
10 Desta Drive, Suite 100W
Midland, TX 79705-4500
(915) 686-5400

July 29, 1998

Mr. Michael Stogner
New Mexico Oil Conservation Division
2040 Pacheco
Santa Fe, New Mexico 87504

RECEIVED
AUG 3 1998
OIL CON. DIV.
DIST. 3

RE: Application for Unorthodox Coal Location
Buttram #4 API # 30-039-06377
Section 23, T-26-N, R-6-W, I
1500' FSL & 790' FEL
Rio Arriba County, New Mexico

Dear Mr. Stogner,

Conoco's Buttram #3 is located in Section 23, T-26-N, R-6-W, Rio Arriba County, NM. In addition to standard 790' set-back requirements, orthodox locations for 320 acre spaced, Basin Fruitland Coal Pool rules state that the wells be located in the NE/4 and/or SW/4 of any given section. The Buttram #3 meets the pool set-back requirements but is situated in the SE/4 of Section 23; an orthodox location west half location would be in the NE/4.

In order to prevent economic waste by allowing access to Basin Fruitland Coal reserves in an existing wellbore, Conoco respectfully requests that the SE/4, unorthodox location be approved for completion in the Basin Fruitland Coal Pool. Conoco plans to downhole commingle the Fruitland coal production with existing Blanco Pictured Cliffs South production.

The offset operator plat shows that Caulkins Oil Company and Little Oil & Gas are the offset operators that could be affected by this unorthodox location. Please find enclosed evidence that they have been notified of this application.

An unorthodox location order is requested based on the reasons given in the preceding paragraphs. If there are further questions concerning this application please call me at (915) 686-5798.

Sincerely,

Kay Maddox
Regulatory Agent / Conoco, Inc.

KM/

Cc: Oil Conservation Division - Aztec

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

API Number 30-039-06377		2 Pool Code 71629		3 Pool Name Basin Fruitland Coal	
4 Property Code 003145		5 Property Name Buttram			6 Well Number #4
7 OGRID No. 005073		8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500			9 Elevation 6372'

10 Surface Location

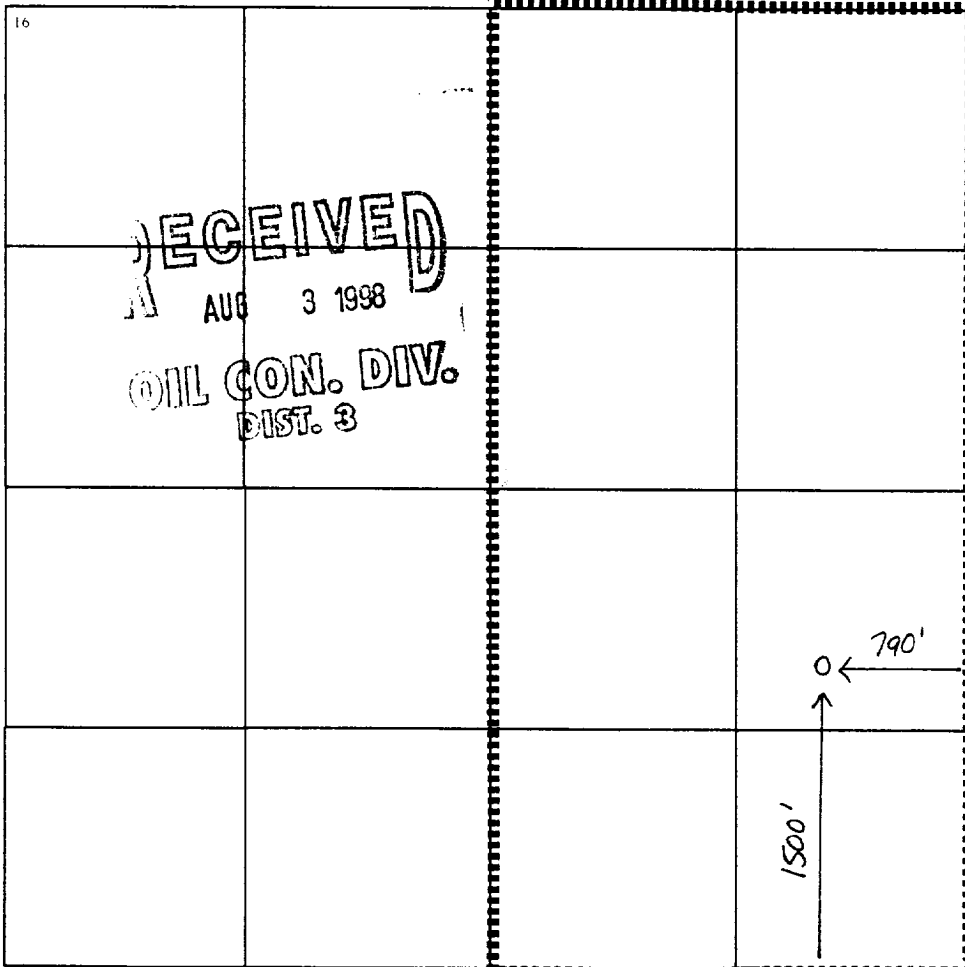
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	23	26N	6W		1500'	South	790'	East	Rio Arriba

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 320	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



17 OPERATOR CERTIFICATION

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

Signature: *Kay Maddox*

Printed Name: Kay Maddox

Title: Regulatory Agent

Date: July 29, 1998

18 SURVEYOR CERTIFICATION

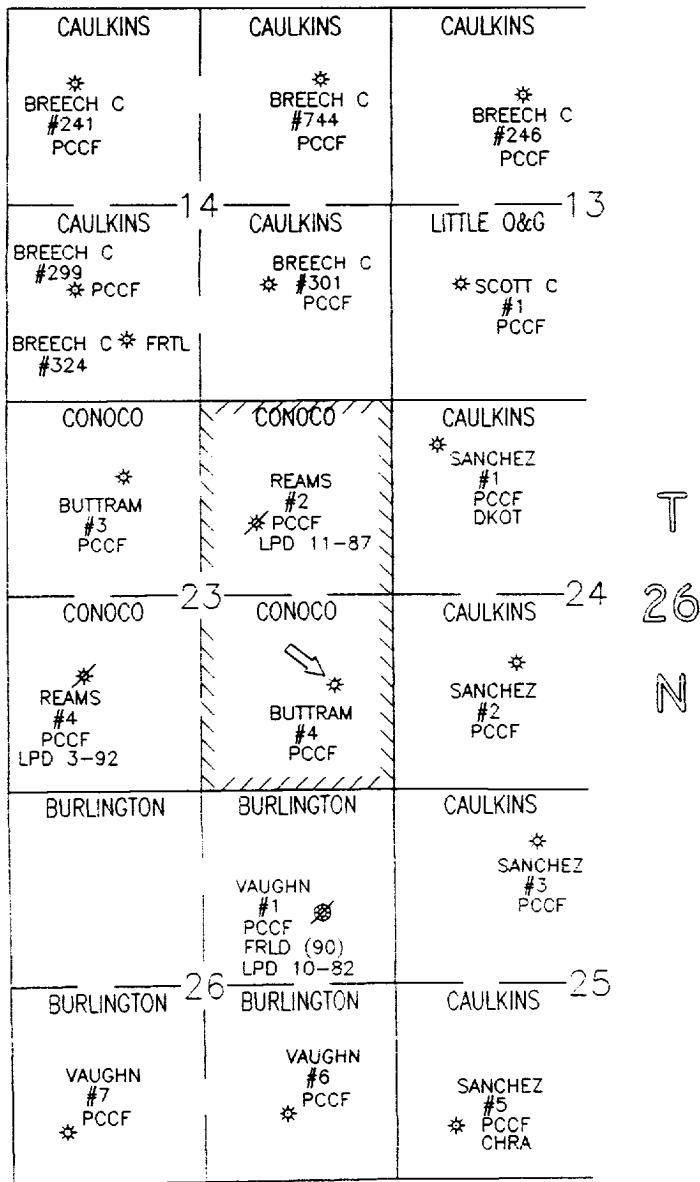
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey:

Signature and Seal of Professional Surveyor:

Certificate Number:

R 6 W



NOTES

NOTE:

Conoco intends to recomplete to the Fruitland Coal & DHC with existing Pictured Cliffs production. Plat shows PCCF & FRLD producers. Deeper pool operators are Burlington, Caulkins and Conoco.

DATE: 7/24/98

DRAWN BY: GLG

CHECKED BY:

APPROVED BY:

SCALE: 1" = 2640'

STATE PLANE COORDINATES REFERRED TO
NAD27 - N.M. WEST
STATE PLANE COORDINATES
ZONE - 3003



EPNGNA
MIDLAND DIVISION

CONOCO INC. - Application For
Unorthodox Fruitland Coal Location
#4 Buttram, Unit Ltr. 1 Sec. 23-26N-6W
Rio Arriba County, New Mexico

STATE	API COUNTY	WELL
30	\ 039	\ 06377

DRAWING

buttr_4

CONOCO INC. OFFICE
10 DESTA DRIVE WEST
MIDLAND, TEXAS 79705

Buttram #4
API # 30-039-06377
Section 23, T-26-N, R-6-W, I
Rio Arriba County, NM

RE: Application for Unorthodox Location for
Basin Fruitland Coal Recompletion

Notification of Offset Operators:

Caulkins Oil Company
1600 Broadway STE 1400
Denver, CO 80202-4927

Little Oil & Gas, Inc
PO Box 258
Farmington, NM 87499-1258

The above listed parties have been sent a copy of the unorthodox location request by certified mail. Please see attached evidence.

P 684 788 268



Certified Mail Receipt
No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Sent to <i>Little Oil & Gas, Inc</i>	
Street & No. <i>PO Box 258</i>	
PO, State & ZIP Code <i>Farmington, Nm 87499-</i>	
Postage	\$ <i>1258</i>
Certified Fee	
Special Delivery Fee	

P 684 788 270



Certified Mail Receipt
No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Sent to <i>Caulkins Oil Co</i>	
Street & No. <i>1600 Broadway STE 1400</i>	
PO, State & ZIP Code <i>Denver, CO 80202-4927</i>	
Postage	\$
Certified Fee	
Special Delivery Fee	