

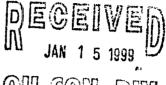
Mid-Continent Region Exploration/Production

January 12, 1999

Mr. Michael Stogner New Mexico Oil Conservation Division 2040 Pacheo

Santa Fe, New Mexico 87504

RE: Application for Non-Standard Location San Juan 28-7 Unit Well #126M Section 1, T-27-N, R-7-W 2050' FNL & 2050' FWL Rio Arriba County, NM Conoco Inc. 10 Desta Drive, Suite 100W Midland, TX 79705-4500 (915) 686-5400



0111 (011). DIV. DIST. 3

Dear Mr. Stogner,

Conoco Inc plans to drill the above referenced well in 1999. The referenced location is an open, 160-acre Dakota site. In an effort to prevent economic waste and too effectively / efficiently develop the 28-7 Unit to its fullest potential Conoco selected this wellsite location to serve two purposes. The location will serve to accommodate both a primary 160 acre Dakota infill, and a "100 acre" Mesaverde infill withdrawal point (pursuant to an order to be issued out of Burlington's case CD –12069). Topography, arch, and infrastructure also played a role in limiting our location selection. The ability to access both horizons in a single wellbore will reduce development costs and surface disturbance. Please note that the location is interior to the 28-7 unit, and does not encroach on any Unit boundaries thereby making Conoco the only offset operator. The downhole commingling application ((C-107A) will be filed concurrently to obtain permission to commingle the Blanco Mesaverde and Basin Dakota in this well.

Conoco respectfully requests that a non-standard location order be issued for the above referenced well based on the reasons given in the preceding paragraph. If there are any further questions concerning this application please call me at (915) 686-5798.

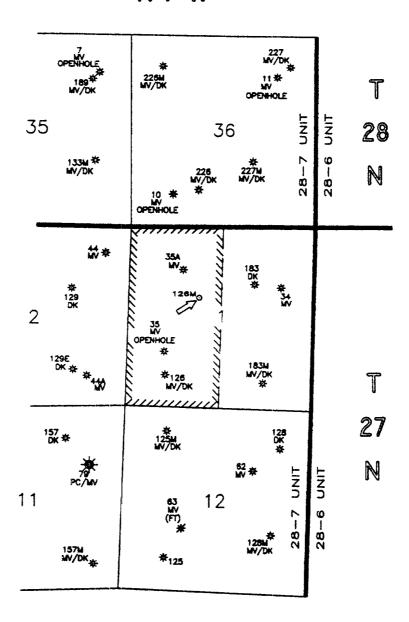
Sincerely,

Kay/Maddox Regulatory Agent

Cc: Oil Conservation Division - Aztec

Bureau of Land Management - Farmington

R 7 W



SAN JUAN 28-7 UNIT RIO ARRIBA CO., NM

NOTES			NGNA
Conoco operates all wells in the 28-7 Unit, NSL is interior to the 28-7 Unit. Map shows only Mesaverde and Dakota	DATE: 1/7/99	MIDLANI	D DIVISION
	1004401 04 010	CONOCO 28-1 MESAVERDE & DAKOT	
wells. NSL is requested in order to accommodate both a primary 160 acre	CHECKED DV.	San Juan 28-7 Un Non-Standard L	it # 126M
Dakota infill and a '100 acre'	APPROVED BY:	API	DRAWING
Mesaverde infill (Pursuant to an order to be issued out of case 12069).	SCALE: 1" = 2640"	STATE COUNTY WELL 30 \ 0.39 \	28-7_126
	STATE PLANE COORDINATES REFERRED TO NAD27 - N.M. WEST STATE PLANE COORDINATES ZONE - 3003	CONOCO INC. 10 DESTA DRIVI MIDLAND, TEXAS	E WEST

Oistrict I PO Box 1980, Hobbs, NM 88241-1980

District II PO Orawer OO, Artesia, NM 88211-0719

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

District IV

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

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'Property Code 72319					319 / 71599 BLANCO MESAVERDE / BA					BASIN		
016608				Property Name SAN JUAN 28-7 UNIT				Well Number 126M				
'OGRID N	- '		······	*Operator Name				*Elevation				
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NOVEMBER 26, 1998

CONOCO, INC.
SAN JUAN 28-7 UNIT #126M
2050' FNL, 2050' FWL, SEC. 1, T27N, R7W, NMPM
RIO ARRIBA COUNTY, NM

TO WHOM IT MAY CONCERN @ CONOCO, INC:

REASONS FOR NON-STANDARD LOCATION:

THE ONLY REASON FOR THE NON-STANDARD STAKING OF THE SAN JUAN 28-7 UNIT #126M IS THE TEAM OF CONOCO GEOLOGISTS HAVE REQUESTED TO BE AT THIS LOCATION DUE TO THE FINDINGS OF A SEISMIC STUDY AND POSSIBLE MODIFICATIONS TO THE LEGAL WINDOWS AS A RESULT OF FUTURE DOWN SPACING.

