

NEW MEXICO ENERGY, MINERALS & NATURAL RESOURCES DEPARTMENT

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

April 13, 1998

Conoco, Inc. 10 Desta Drive - Suite 100W Midland, Texas 79705-4500 Attention: Kay Maddox

OIL CON. DIV.

Administrative Order NSL-1120-A

Dear Ms. Maddox:

Reference is made to your application dated March 17, 1998 for a non-standard Blanco-Mesaverde gas well location for the existing Jackson Com. Well No. 1 (API No. 30-045-25314), located 400 feet from the South line and 1790 feet from the East line (Unit O) of irregular Section 9, Township 28 North, Range 9 West, NMPM, Blanco-Mesaverde Pool, San Juan County, New Mexico. According to the well records on file with the New Mexico Oil Conservation Division in Santa Fe, the Jackson Com. Well No. 1 was drilled in 1982 by Tenneco Oil Company and completed in the Basin-Dakota Pool. By Division Administrative Order NSL-1120, dated December 26, 1979, this unorthodox location was approved as an initial gas well location in the Basin-Dakota Pool for a previously approved 340.52-acre non-standard gas spacing and proration unit ("GPU") comprising Lots 1 and 2 and the S/2 SE/4 of said irregular Section 8 and Lots 2, 3, and 4, the S/2 SW/4, and the SW/4 SE/4 of irregular Section 9, Township 28 North, Range 9 West, NMPM, Blanco-Mesaverde Pool, San Juan County, New Mexico [see Decretory Paragraph (I)(20) of Division Order No. R-1814, issued in Case No.2096 and dated November 4, 1960].

It is our understanding that the Blanco-Mesaverde Pool is to be perforated and said well will be recompleted such that gas production from both intervals are to be commingled downhole. Pursuant to the "General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Blanco-Mesaverde Pool," as promulgated by Division Order No. R-8170, as amended, said location is also considered to be unorthodox. Further, all of said irregular Section 9 is to be dedicated to the Blanco-Mesaverde Pool in order to form a standard 272.08-acre gas spacing and proration unit for said pool.

By the authority granted me under the provisions of Rule 2(d) of said special Blanco-Mesaverde pool rules, the above-described unorthodox gas well location is hereby approved.

Further, all applicable provisions of said Order No. R-1814 and Administrative Order NSL-1120 shall remain in full force and effect until further notice.

Sincerely,

Lori Wrotenbery Director

LW/MES/kv

cc:

New Mexico Oil Conservation Division - Aztec U. S. Bureau of Land Management - Farmington W. Thomas Kellahin, Counsel - Santa Fe Jimmy D. Carlile, Conoco, Inc. - Midland, Texas

note ulen,

File: NSL-1120



Mid-Continent Region Exploration/Production

March 17, 1998

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

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

RE: Application for Non-Standard Location Jackson COM #1

API # 30-045-25314

DIM 3

Dear Mr. Stogner.

The proposed recompletion of this well in the Mesaverde requires a non-standard location order. This well is located in Section 9, T-28-N, R-9-W, A, San Juan County, New Mexico. The well is currently producing from the Basin Dakota pool. The Blanco Mesaverde pool rules require a standard location to be 790' from the Section line. This well is located 400' FSL & 1790' FEL. We are requesting a non-standard location order be given for the Mesaverde.

On December 31, 1981, then operator Tenneco Oil Company received administrative approval for a non-standard location for the drilling and completion of its Jackson COM #1 well. Extreme topographic conditions (cliffs and ledges in the northwest corner of the section) were cited as the reason for non-conformance with spacing requirements. A copy (partial) of Tenneco's application and NMOCD reference cover to Administrative Order NSL -1120 are attached. Since conditions justifying a non-standard location have not changed, and since economic waste will be prevented by utilizing the existing wellbore to access shallower Blanco Mesaverde reserves, Conoco, Inc. respectfully requests that administrative approval granted under NSL - 1120 be amended to include the Blanco Mesaverde Pool. Conoco, Inc plans to downhole commingle the Dakota & Mesaverde production. An application to downhole commingle this production utilizing the subtraction allocation method, has been filed.

The offset operator plat shows that Burlington Resources, Union Of Texas, and Cross Timbers are the only offset operators that could be affected by this non-standard location. Please find enclosed evidence that they have been notified of this application.

An amended non-standard 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. cc: Oil Conservation Division - Aztec OIL CONSERVATION DIVISION

Form C-102

District II PO Drawer DD. Artesia, NM 88211-0719 District III 1000 Rio Brazos Rd. Aztec, NM 87410

District IV PO Roy 2088 Santa Fe NM 87504-2088

PO Box 2088 Santa Fe, NM 87504-2088

Revised February 21, 1994 instructions on back Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

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| | was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and | | | | | | | | | | |
| 1 7 | | | | | | | | e same is true and | | | |

Date of Survey

Certificate Number

Signature and Seal of Professional Surveyor.

T28N R9W

SCALE 1'' = 2000'

District I PO Box 1980, Hobbs. NM 88241-1980

State of New Mexico Energy, Minerals & Natural Resources Department District II PO Drawer DD, Artesia, NM 88211-0719

T28N R9W

SCALE 1'' = 2000'

OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2088

Revised February 21, 1994 instructions on back

Submit to Appropriate District Office State Lease - 4 Copies

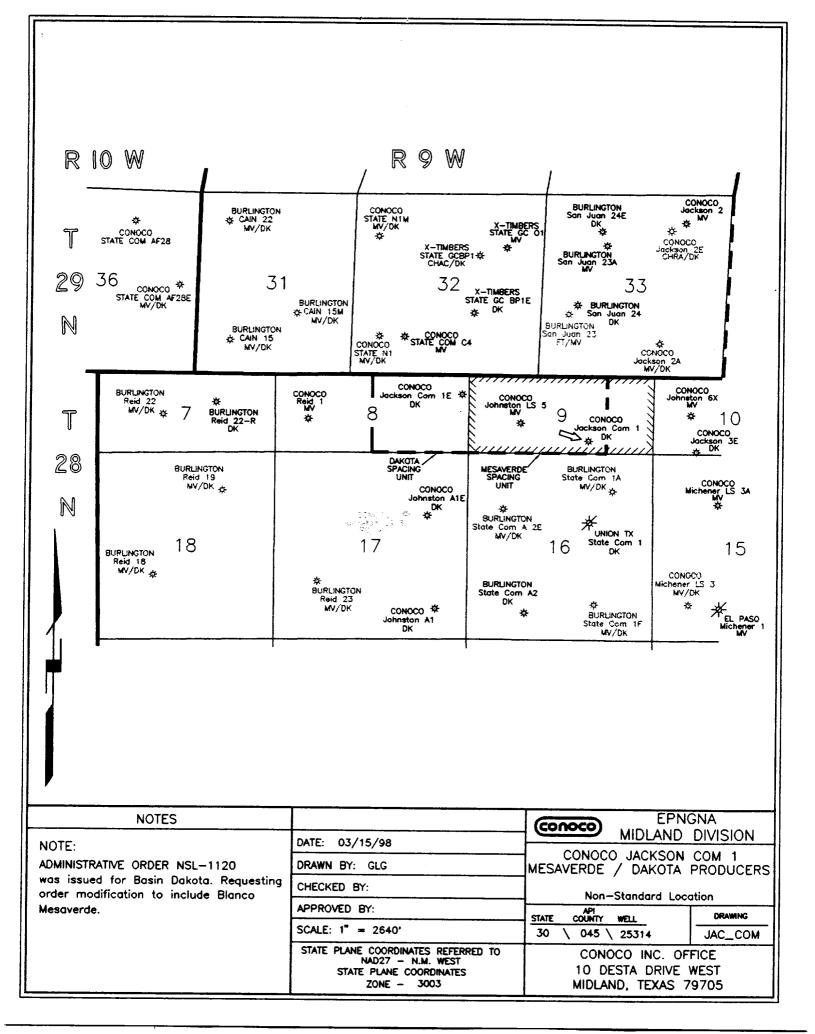
Signature and Seal of Professional Surveyor.

Certificate Number

Fee Lease - 3 Copies

District III 1000 Rio Brazos Rd. Aztec, NM 87410 District IV PO Rox 2088, Santa Fe, NM 87504-2088

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| T29N R9W Signature | | | | | | | | | | |
| Kay Maddox | | | | | | | | x | | |
| 32 Printed Name Regulatory Agent | | | | | | | | | | |
| 32 Regulatory Agent | | | | | | | | ent | | |
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Jackson COM #1 API # 30-045-25314 Section 9, T-28-N, R-9-W San Jaun County, NM

Offset Operators:

Burlington Resources PO Box 4289 Farmington, NM 87499

Union Of Texas - Inactive Offset well has been plugged

Cross Timbers 6001 Hwy 64 Farmington, NM 87401

P 497 374 039

| | US Postal Service | | | | | | | | |
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No Insurance Coverage Provided.

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STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

1000 NO BRAZOS & AZTEC NEW MEXICO: (505) 334-8178

| OIL CONSERVATION DIVISION BOX 2088 | |
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| SANTA FE, NEW MEXICO 87501 | 1 |
| DATE Jan 17,1982 | 11 |
| RE: Proposed MC | · // |
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Gentlemen:

I have examined the application dated Dec 31 1981

for the Tenness Oil Co. Jackson Com* 1 0-9-28N-9N

Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

Approve

Yours truly,

MAR 11 '98 11:27

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Tenneco Oli Exploration and Production ATenneco Company

Rocky Mountain Division

PC. Box 3249 Englewood, Colorado 80155 (303) 740-4800

Certified Mail Return Receipt Requested

New Mexico Oil Conservation Division

P.O. Box 2088 Santa Fe, NM 87501 Attn: Joe D. Ramey

New Mexico Oil Conservation Division 1000 Rio Brazos Road Aztec, NM 87401 Attn: Frank Chavez

December 22, 1981



RE: Application for Unorthodox Location Jackson Com 1, 400' FSL 1790' FEL Section 9, T28N R9W, San Juan County, New Mexico 170

Gentlemen:

Attached in duplicate (to each office) are a well location plat (C-102) with a sketch of the surrounding conditions and an ownership plat for the above referenced

C1. 1.1

Extreme topographic conditions; cliffs and ledges in northwest corner of section make this the only geologic and topographic site suitable. RE: Administrative Order MSL 1120.

A copy of this application is being submitted to all offset operators by certified mail with a request that they furnish your Santa Fe office with a waiver of objection.

Pursuant to the authority of Rule 104-F we respectfully request your approval of an exemption to the standard well location requirements.

Yours very truly,

TENNECO OIL COMPANY

On H. Horryon Don H. Morrison Production Analyst

DHM/jt Enclosures

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application for unorthodox Tocation for their Jackson Com 1 proposed above. BY:

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