

# NEW MEXICO ENERGY, MINERALS & NATURAL RESOURCES DEPARTMENT

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

January 11, 1999

Conoco, Inc. 10 Desta Drive - Suite 100W Midland, Texas 79705-5400 Attention: Kay Maddox PEGELVE JAN 20 1039 ON GOVA

Administrative Order NSL-4194

Dear Ms. Maddox:

Reference is made to your application dated December 1, 1998, which was received by the Division on December 22, 1998, for an off-pattern non-standard Basin-Fruitland coal gas well location for your existing Lackey "B-LS" Well No. 14-E (API No. 30-045-24052), located 1120 feet from the North line and 1850 feet from the West line (Unit C) of Section 30, Township 28 North, Range 9 West, NMPM, Basin-Fruitland Coal (Gas) Pool, San Juan County, New Mexico. According to the well records on file with the New Mexico Oil Conservation Division in Santa Fe, the Lackey "B-LS" Well No. 14-E was initially drilled in 1980 by El Paso Natural Gas Company and completed at a standard infill gas well location in the Basin-Dakota Pool within a standard 302.62-acre gas spacing and proration unit comprising Lots 1 and 2, the NE/4, and the E/2 NW/4 (N/2 equivalent) of Section 30.

It is our understanding that Conoco, Inc. intends to abandon the Dakota interval in this well at this time and to recomplete up-hole into the Basin-Fruitland Coal (Gas) Pool. The location of this well is considered to be unorthodox, pursuant to the "Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool," as promulgated by Division Order No. R-8768, as amended. Further, the N/2 equivalent of Section 30 is to be dedicated to this well in order to form a standard 302.62-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 these special pool rules, the above-described unorthodox coal gas well location for the Lackey "B-LS" Well No. 14-E is hereby approved.

Sincerely.

Lori Wrotenbery

Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec

U. S. Bureau of Land Management - Farmington

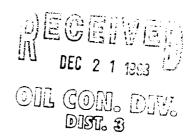


Mid-Continent Region Exploration/Production Conoco Inc. 10 Desta Drive, Suite 100W Midland, TX 79705-4500 (915) 686-5400

December 1, 1998

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

Re: Unorthodox Coal Location Lackey B LS #14E API # 30-045-24052 Section 30, T-28-N, R-9-W, C 1120' FNL & 1850' FWL San Juan, New Mexico



Dear Mr. Stogner,

The subject well is currently producing 25 mcfd. This well has historically been a poor producer regardless of the fact that a large frac job was instigated. The Lackey B LS #14E has remaining Dakota reserves of 165 MMCF. It has been proposed to install a CIBP over the Dakota with the intent of producing this zone again in the future. Conoco would like to test the Fruitland coal in this unorthodox NW/4 location not only because of the poor performance of the Dakota but also because this wellbore is tax-credit qualified which enhances the economics of attempting to complete and produce the Fruitland Coal. The Lackey B LS #14E meets the set back requirements but is situated in the NW/4 of Section 30; an orthodox North half location would be in the NE/4.

The offset operator plat shows that Burlington Resources & Taurus 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 any further questions concerning this application please call me at (915) 686-5798.

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Regulatory Agent - Conoco, Inc.

KM/

Cc: Oil Conservation Division - Aztec

R 10 W

R 9 W

| BURLINGTON BURLINGTON O 14 CONDCO CON | BURLINGTON  BURLINGTON  BURLINGTON  ###  BURLINGTON  ###  BURLINGTON  DK | # SS1 BURLINGTON FT/PC  # SS1 BURLINGTON FT/PC  17E BURLINGTON # # BURLINGTON PC | BURLINGTON PC   | BURLING<br>PC  | BURLINGTON  #  21E BURLINGTON  C  21E BURLINGTON  C  A  A  A  A  A  A  A  A  A  A  A  A | 13M #<br>CONOCO<br>CK/MW/DK<br>8<br>CONOCO<br>MW/PC<br># | 20 x | ×2000<br>**     |
|--|--|--|---|--|---|--|------|-----------------|
| CONOCO BURLÍNGTON  CONOCO DE CONOCO CONOCO CONOCO CONOCO CO   | contoco CX 25  BURLINGTON  BURLINGTON  BURLINGTON  BURLINGTON            | #GTON CO   | PC XI<br># -<br>1850' 14E<br>CONO<br>OK<br>7<br>BURLINGTON<br>DK<br>#8# | CONOCO CO | CO CONDO  | BURLINGTON   | 29   | CONOCO<br>CK/MV |
|  | 36   | Bulguington * * * * * * * * * * * * * * * * * * *                                | *<br>*<br>\$\condoc<br>FT   | BURLINGTON CO  | CONOCO CK 8 CONOCO OK RUNGTON PC PC   | //<br>[/]  |      |                 |

| NOTES |   | (conoco) EPNGNA  | $\Box$   |  |
|-------|---|--|----------|--|
|       | DATE: 12/17/98  | MIDLAND DIVISION   | <u>-</u> |  |
|       | DRAWN BY: GLG   | NON-ORTHODOX FRUITLAND COAL  |          |  |
|       | CHECKED BY:   | Lackey 8 LS No. 14E, Sec. 30, T28N, R<br>San Juan County, New Mexico | R9W      |  |
|       | APPROVED BY:  | STATE COUNTY WELL DRAWING  |          |  |
|       | SCALE: 1" = 2640'   | 30 \ 045 \ 24052   LACK_18   | E        |  |
|       | STATE PLANE COORDINATES REFERRED TO NAD27 - N.M. WEST STATE PLANE COORDINATES ZONE - 3003 | CONOCO INC. OFFICE<br>10 DESTA DRIVE WEST<br>MIDLAND, TEXAS 79705    |          |  |

T 28 N District I PO Box 1980, Hobbs. NM 88241-1980 State of New Mexico Energy, Minerals & Natural Resources Department

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

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

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

AMENDED REPORT

Fee Lease - 3 Copies

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

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

| API Numbe       | 2 Pool Code                         | 2 Pool Code 3 Pool Name |               |  |
|-----------------|-------------------------------------|-------------------------|---------------|--|
| 30-045-2405     | 71629                               | Basin Fruitland Coal    |               |  |
| 4 Property Code | 5 Proper                            | ty Name                 | 6 Well Number |  |
| 22395           | Lackey                              | #14E                    |               |  |
| 7 OGRID No.     | 8 Opera                             | 9 Elevation             |               |  |
| 005073          | Conoco Inc., 10 Desta Drive, Ste. 1 |                         |               |  |
|                 |                                     | T                       |               |  |

10 Surface Location

|                    |         |               |               |            | 10 5411400    | Location         |               |                |          |
|--------------------|---------|---------------|---------------|------------|---------------|------------------|---------------|----------------|----------|
| UL or lot no.      | Section | Township      | Range         | Lot idn    | Feet from the | North/South line | Feet from the | East/West line | County   |
| С                  | 30      | 28N           | 9W            |            | 1120'         | North            | 1850'         | West           | San Juan |
|                    |         |               | 11 Bo         | ttom Ho    | le Location I | If Different Fr  | om Surface    |                |          |
| UL or lot no.      | Section | Tawnship      | Range         | Lot idn    | Feet from the | North/South line | Feet from the | East/West line | County   |
| ļ                  |         |               |               |            |               |                  |               |                |          |
| 12 Dedicated Acres | 13 Join | t or Infil 14 | Consolidation | on Code 15 | Order No.     |                  | •             | <del>** </del> |          |
| 320                |         |               |               |            |               |                  |               |                |          |

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

| 1850 ' | 0 < 1120' |                       |   | 17 OPERATOR CERTIFICATION  I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief   |
|--------|-----------|-----------------------|---|---|
|        |           |                       | - | Kay Maddox Printed Name Regulatory Agent Title December 1, 1998 Date  |
|        |           | DEGEIN<br>N DEC 2 1 1 |   | 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 Sant of Brotageianal Supposer. |
|        |           | CLIP 13               |   | Signature and Seal of Professional Surveyor:  Certificate Number  |

December 11, 1998

RE: Application for Unorthodox Coal Location Lackey B LS # 14E API # 30-045-24052 Section 30, T-28-N, R-9-W, C 1120' FNL & 1850' FWL San Juan, New Mexico

#### **NOTIFICATION OF OFFSET OPERATORS:**

Taurus Exploration 2101 6<sup>th</sup> Ave n Birmingham, Al 35203-2784

Burlington Resources PO Box 4289 Farmington, NM 87499

A copy of the Unorthodox location application has been sent to the above listed parties by certified mail – see attached evidence.

### Z 137 529 964

US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

Street & Namber 4289
Fost Office, State, & ZIP Code
For Mind Ton, Nm 8749

Postage

Certified Fee

Special Delivery Fee
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Return Receipt Showing to
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Return Receipt Showing to Whom.
Date, & Addressee's Address

TOTAL Postage & Fees

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## Z 137 529 963

US Postal Service

## **Receipt for Certified Mail**

No Insurance Coverage Provided.

|                                  | Do not use for Internation                                  | nai Mail (See reverse)_ |   |
|----------------------------------|---|-------------------------|---|
|                                  | Sent to Taurus Ex   | plcration               |   |
|                                  | DIOITIE A   | ve N                    |   |
|                                  | Post Office, State, & ZIP Cod                               | .AL35203-2              | 7 |
|                                  | Postage   | \$                      |   |
|                                  | Certified Fee   |                         |   |
|                                  | Special Delivery Fee  |                         |   |
|                                  | Restricted Delivery Fee                                     |                         |   |
| 199                              | Return Receipt Showing to<br>Whom & Date Delivered          |                         |   |
| PS Form <b>3800</b> , April 1995 | Return Receipt Showing to Whom, Date, & Addressee's Address |                         |   |
| 800                              | TOTAL Postage & Fees  | \$                      |   |
| E :                              | Postmark or Date  |                         |   |
| For                              | i.  |                         |   |
| PS                               |   |                         |   |
|                                  |   |                         |   |