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January 2, 2001

HAND-DELIVERED

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87503

12584

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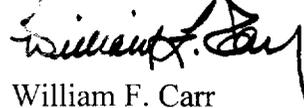
OIL CONSERVATION DIV.

Re: Application of Conoco, Inc. for compulsory pooling, San Juan County, New Mexico.

Dear Ms. Wrotenbery:

Enclosed in triplicate is the Application of Conoco, Inc. in the above-referenced case as well as a copy of the legal advertisement. Conoco, Inc. requests that this matter be placed on the docket for the January 25, 2001 Examiner hearings.

Very truly yours,


William F. Carr

Enclosures

cc: Mr. Bill Franklin (w/enclosures)
Conoco, Inc.

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

OIL CONSERVATION DIV.
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**IN THE MATTER OF THE APPLICATION
OF CONOCO, INC. FOR COMPULSORY
POOLING, SAN JUAN COUNTY,
NEW MEXICO.**

CASE NO. 12584

APPLICATION

CONOCO, INC. ("Conoco"), through its undersigned attorneys, hereby makes application pursuant to the provisions of N.M.Stat. Ann. § 70-2-17, (1978), for an for an order pooling all mineral interests in Fruitland Coal formation, Basin-Fruitland Coal Gas Pool the W/2 of Section 36, Township 29 North, Range 11 West, N.M.P.M., San Juan County, New Mexico, and in support thereof states:

1. Conoco is a working interest owner in the W/2 of Section 36 and has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced spacing or proration units to its State "A" Gas Com Well No. 1-E which is currently completed in the Dakota formation, Basin-Dakota Gas Pool at a previously approved unorthodox well location (Corrected Amended Administrative Order NSL-4197) 1850 feet from the North line and 800 feet from the West line of said Section 36. Conoco proposes to recomplete the well from in the Fruitland formation, Basin-Fruitland Coal Gas Pool at a depth of approximately 2,000 feet.

3. Conoco has sought and been unable to obtain either voluntary agreement for drilling, pooling or farmout from Burlington Resources Oil and Gas Company, 3535 East 30th Street, Farmington, New Mexico 87401.

4. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

5. In order to permit the Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral interests should be pooled, and Conoco, Inc. should be designated the operator of the well.

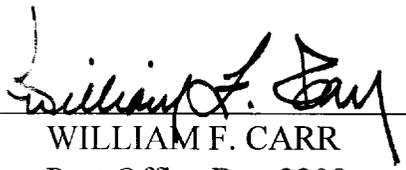
WHEREFORE, Conoco, Inc. requests that this application be set for hearing before an Examiner of the Oil Conservation Division on January 25, 2001 and, after notice and hearing as required by law, the Division enter its order:

- A. pooling all mineral interests in the subject spacing and proration units,
- B. designating Conoco, Inc. operator of this spacing unit and the well to be drilled thereon,
- C. authorizing Conoco, Inc. to recover its costs of drilling, equipping and completing the well,
- D. approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures, and
- E. imposing a penalty for the risk assumed by the Applicant in drilling and

completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART
AND
CAMPBELL & CARR

By: 
WILLIAM F. CARR
Post Office Box 2208
Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

ATTORNEYS FOR CONOCO, INC.

CASE 2584:

Application of Conoco, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests in the Basin-Fruitland Coal Gas Pool in a 320-acre spacing unit comprised of the W/2 of Section 36, Township 29 North, Range 11 West, NMPM. Said pooled unit is to be dedicated to its State "A" Gas Com Well No. 1-E to be recompleted in the Fruitland Coal formation at a previously approved unorthodox well location (Corrected Amended Administrative Order NSL-4197) 1850 feet from the North line and 800 feet from the West line of said Section 36. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Conoco, Inc. as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 2.5 miles Southeast of Bloomfield, New Mexico.

OIL CONSERVATION DIV.
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