

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

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:**

CASE: 10917 (Reopened)

**APPLICATION OF CONOCO INC.
TO REOPEN CASE 10917 AND TO AMEND
ORDER R-10071 FOR A HIGH ANGLE/
HORIZONTAL DIRECTIONAL DRILLING
PILOT PROJECT INCLUDING SPECIAL
OPERATING RULES, AND AN UNORTHODOX
GAS WELL LOCATION,
SAN JUAN COUNTY, NEW MEXICO**

RECEIVED

SEP 25 1995

Oil Conservation Division

APPLICATION

Comes now CONOCO, INC., by and through its attorneys, Kellahin and Kellahin, and applies to the New Mexico Oil Conservation Division to reopen Case 10917 and to amend Order R-10071 in order to obtain approval to re-enter its existing FC Federal Com Well No 8 located 1870 feet from the South line and 1525 feet from the West line of Section 18, Township 32 North, Range 11 West, NMPM instead of drilling a new well, the FC Federal Com Well No. 8R, as the Directional Wellbore for its project area within a standard 312.40-acre gas spacing and proration unit for the Basin-Fruitland Coal Gas Pool comprising the W/2 equivalent of said Section 18, San Juan County, New Mexico.

IN SUPPORT OF THIS APPLICATION, APPLICANT STATES:

(1) Applicant is the operator of an existing 312.40 acre standard gas spacing and proration unit in the Basin-Fruitland Coal Gas Pool comprising Lots 1 through 4 and the E/2W/2 (W/2 equivalent) of Section 18, T32N, R11W, NMPM, San Juan County, New Mexico. See Exhibit "A."

Application of Conoco Inc.

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(2) Applicant's existing F.C. Federal Com Well No. 8 is located 1870 feet FSL and 1525 feet FWL of said Section 18 which was drilled and completed in the Basin-Fruitland Coal Gas Pool.

(3) By Division Order R-10071 entered in Case 10917 on February 28, 1994, the Applicant obtained authority to replace the existing well with a new replacement well, the F. C. Federal Com Well No 8R, and to drill this new well as a directional wellbore.

(4) As a result of advances in slimhole horizontal drilling technology, the Applicant is now able to re-enter the existing well and use it as the Directional Wellbore thereby resulting in the potential for considerable cost savings.

(5) Accordingly, Applicant request that Case 10917 be reopened and Order R-10071 be amended to authorize the existing well as the Directional Wellbore for this project.

(6) Applicant proposes to re-enter the existing well and to kickoff at approximately 2869 feet (TVD) build angle at 30 degrees per 100 feet until beginning the lateral extension in the top of the middle seam of the Fruitland Coal at a 90 degree angle as shown on Exhibits B, C and D.

(7) The drilling-producing window is identified as the area within W/2 equivalent of Section 18 which shall be no closer than 790 feet to the outer spacing unit boundary. See Exhibit "A."

(8) The well is located within the Basin Fruitland Coal Gas Pool and therefore is subject to the special rules and regulations for said pool as promulgated by Division Order R-8768, as amended by Order R-8768-A entered July 16, 1991.

(9) Applicant seeks approval of this application in order to determine if this type of wellbore and completion in the Basin Fruitland, Coal Gas Pool will result in the recovery of substantially greater amounts of hydrocarbons than would normally be recovered by a conventional well thereby improving ultimate recovery and preventing waste.

(10) In as much as the exact distance and direction of the lateral portion of the wellbore is not known at this time, the Applicant seeks approval to be allowed to drill and produce said lateral portion anywhere within the drilling-producing window.

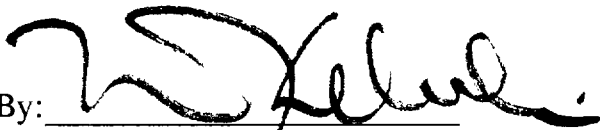
(11) As required by Division notice rules, notice is provided to those offsetting operators as listed on Exhibit "E."

(12) The granting of this Application will be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Applicant requests that this matter be set for hearing on October 19, 1995 before a duly appointed Examiner of the Oil Conservation Division and, after notice and hearing as required by law, the Division enter its Order granting this application.

Respectfully submitted,

KELLAHIN and KELLAHIN

By: 

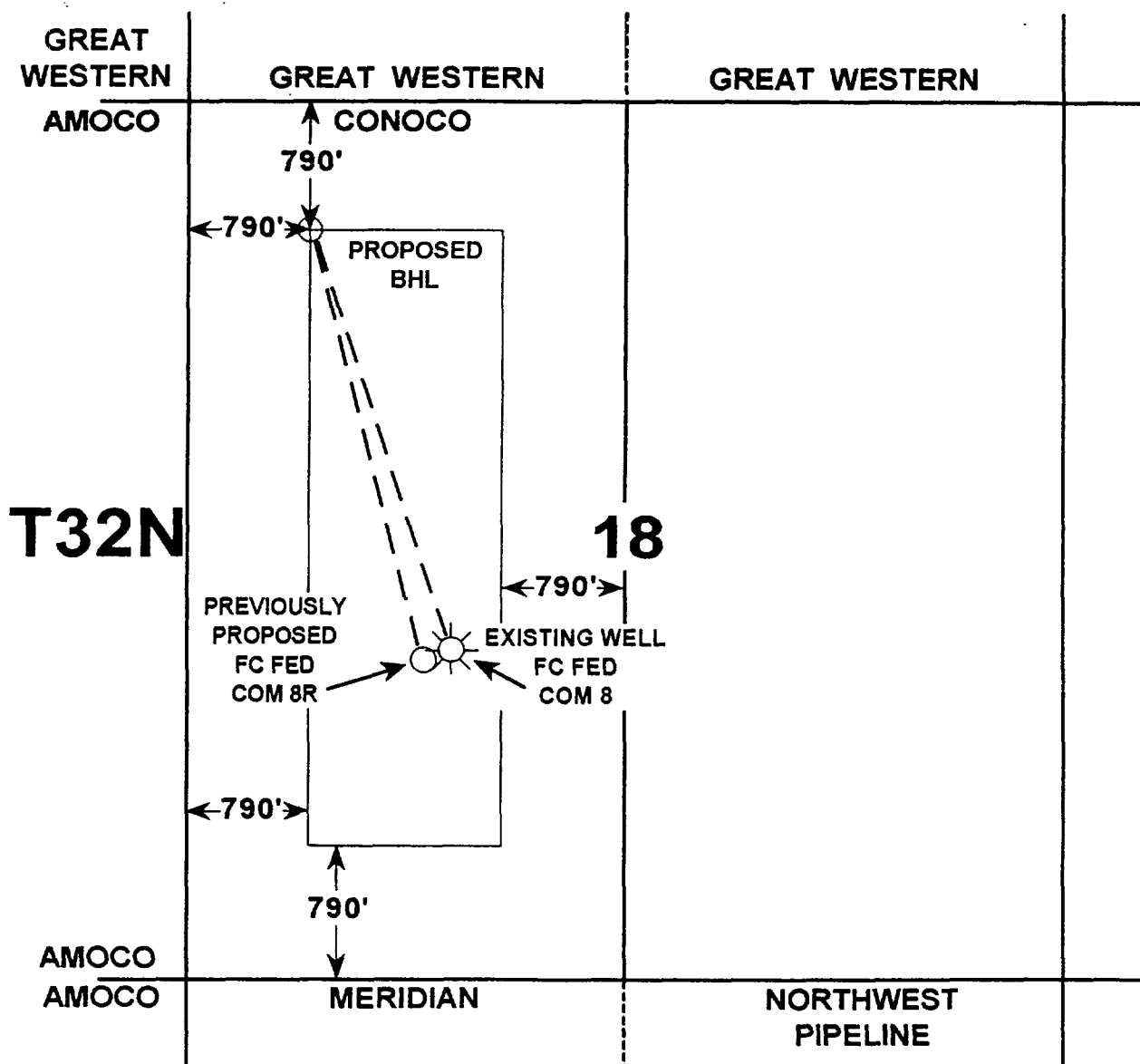
W. Thomas Kellahin
Post Office Box 2265
Santa Fe, New Mexico 87504
(505) 982-4285

Attorneys for Applicant

CONOCO, INC.

PROPOSED HORIZONTAL FRUITLAND COAL WELL
(SIDETRACK & LATERAL)

F.C. FEDERAL COM 8



R11W

SAN JUAN CO., N.M.

EXHIBIT A

PROPOSED WELL PLAN OUTLINE

WELL NAME: **FC FED COM 8 SIDETRACK**

EST. KB = +6627'

LOCATION: **1870' FSL & 1525' FWL, SEC 18, T32N, R11W, SAN JUAN CO., N.M.**

TVD IN 1000'	MD	FORMATION TOPS & TYPE	DRILLING PROBLEMS	TYPE OF FORMATION EVALUATION	HOLE SIZE	CASING SIZE DEPTH	FRAC GRAD	FORMATION PRESSURE GRADIENT	MUD WT TYPE	DAYS
0						8-5/8" 24# WC-50 CURRENTLY SET @ 235' WITH CMT TO SURFACE		NORMAL		
1		SAN JOSE SANDS @ 900' (+ 5727')						8.4 - 9.5#		
2		OJAM @ 1570' (+ 5057')								
3		FRID @ 2630' (+ 3997') TOP FLD MIDDLE SEAM TARGET @ 3060' TVD	KOP @ 2869' BUILD RATE @ 30 DEGA00' EOS @ 3169' MD/3060' TVD HOLD 90 DEG TO TD @ 5699' MD (3060' TVD) FROM 3169' MD	MUDLOGGERS ON @ 2869'	4-3/4"	TD @ 5699' MD/3060' TVD OPEN - HOLE COMPLETION 5-1/2" 17# I-70 CURRENTLY SET @ 3250' WITH CMT TO SURFACE		BHP = 600 PSI	9 PPG - FW POLYMER TO DRILL BUILD SECTION TO 3169' MD AIR DRILL LATERAL	10
4										
5										
6										
7										
8										

DATE: AUGUST 1995

PREPARED: BILLY GOODWIN

EXHIBIT B

1870' FSL & 1525' FWL

790' FNL (4490' FSL) & 790' FWL

FC FED COM 8
HORIZONTAL SIDETRACK
SECTION VIEW

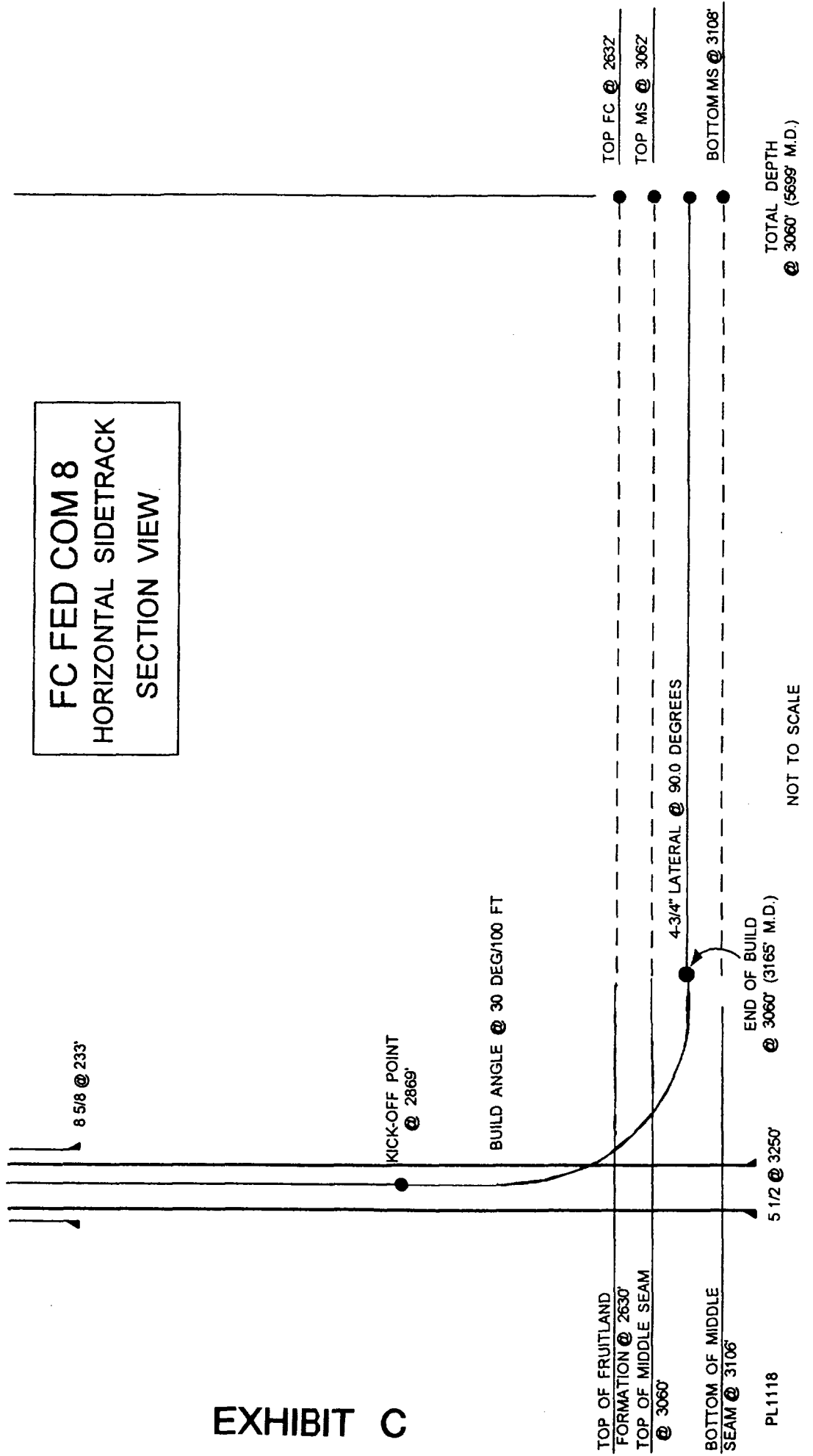


EXHIBIT C

Z 740 462 347

**Receipt for
Certified Mail**

No Insurance Coverage Provided

Meridian Oil Inc.
P.O. Box 4289
Farmington, NM 87499

PS Form 3800, March 1993

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

Z 740 462 348

**Receipt for
Certified Mail**

No Insurance Coverage Provided

McKenzie Methane Co.
& Quintana Petroleum
P.O. Box 3331
Houston, TX 77253

PS Form 3800, March 1993

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

Z 740 462 349

**Receipt for
Certified Mail**

No Insurance Coverage Provided

Northwest Pipeline
& Williams Production
P.O. Box 58900
Salt Lake City, UT 84158

PS Form 3800, March 1993

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

Z 740 462 350

**Receipt for
Certified Mail**

No Insurance Coverage Provided

Southland Royalty Co.
& Meridian Oil INC.
P.O. Box 4289
Farmington, NM 87499

PS Form 3800, March 1993

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

Z 740 462 351

**Receipt for
Certified Mail**

No Insurance Coverage Provided

Amoco Production Co.
P.O. Box 800
Denver, CO 80201

PS Form 3800, March 1993

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

Z 740 462 352

**Receipt for
Certified Mail**

No Insurance Coverage Provided

Emerald Gas Operating Co.
501 West 1-44 Service Rd.
#310
Oklahoma City, OK 73118

PS Form 3800, March 1993

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, March 1993

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

Great Western Drilling
P.O. Box 1659
Midland, TX 79701



Z 740 462 353
**Receipt for
Certified Mail**
No Insurance Coverage Pro

EXHIBIT E

CONOCO, INC.

Structure : FC FED COM NO.8

Field :

Location : SAN JUAN COUNTY, UTAH

WELL PROFILE DATA

Point	MD	In	Dir	TVD	North	East	Dep/100
Tie on	0	0.00	344.33	0	0	0	0.00
KOP	2869	0.00	344.33	2869	0	0	0.00
End of Build	3169	90.00	344.33	3060	184	-52	30.00
Target	5699	90.00	344.33	3060	2620	-735	0.00

<--- West Scale 1 : 75.00

900 750 600 450 300 150 0 150 300

BOTTOM HOLE LOCATION
790'FNL & 790' FWL



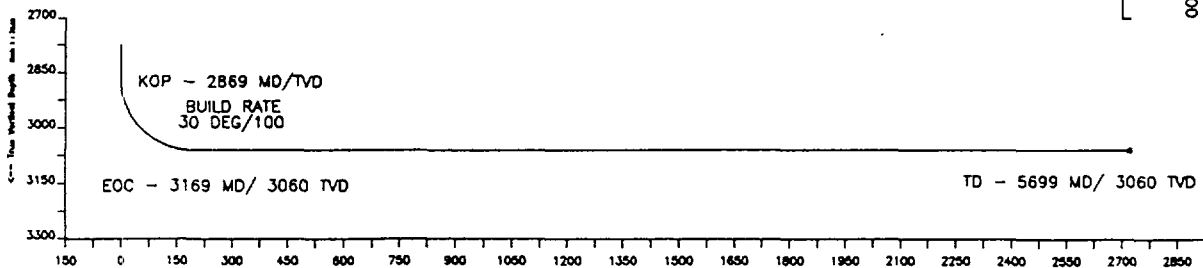
Horizontal Plan

CLOSURE - 2721' • 344.33 DEG AZIMUTH

<--- North

Scale 1 : 75.00

Vertical Plan



Scale 1 : 75.00

Vertical Section on 344.33 azimuth with reference 0.00 N, 0.00 E from structure

EXHIBIT D