



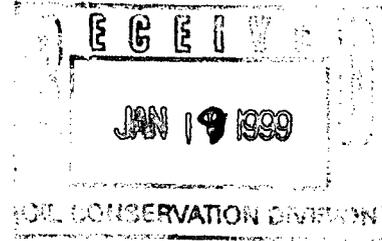
NSR 2/8/99

Mid-Continent Region
Exploration/Production

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

January 11, 1999

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



RE: Application for Unorthodox Location
San Juan 28-7 Unit # 218E
1030' FSL & 1025' FEL
Section 12, T-28-N, R-7-W,
API # 30-039- N/A
Rio Arriba County, NM
Basin Dakota (71599), Basin Fruitland Coal (71629),
Blanco Pictured Cliffs South (72439)

Dear Mr. Stogner,

In an effort to prevent waste and prudently develop reserves underlying (irregular) Section 12, T-28-N, R-7-W, Conoco, Inc. respectfully requests that approval for an unorthodox Fruitland Coal location be granted at the referenced footages. Conoco's plans for the 28-7 Unit # 218E new drill include development of the Dakota (160 acre infill to the #218), Pictured Cliffs (PCCF), and Fruitland Coal (FRLD). There is currently no PCCF or FRLD production in Section 12.

Plans for the #218E call for setting 7" intermediate casing in the Lewis Shale, and 4.5" liner through the Dakota (with liner top below the base of the PCCF). This casing configuration is being run in order to accommodate two large tubing strings; one for the Dakota, and one for the PCCF/FRLD. Conoco plans to dually complete production from the Dakota with downhole commingled production from the PCCF/FRLD. The applications for dual completion of the Dakota with PCCF/FRLD, and Downhole Commingling of PCCF/FRLD are in the process of being submitted.

The offset operator plat shows that Burlington Resources offsets to the north (29-7 Unit) and Phillips to the northeast, (29-6 Unit). Please find enclosed evidence that the above referenced operators have been notified of this application.

Conoco respectfully requests that an unorthodox location order be issued 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.

Sincerely,

Kay Maddox
Kay Maddox
Regulatory Agent

Cc: Oil Conservation Division - Aztec
Bureau Land Management - Farmington

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

District II
PO Drawer DD, Artesia, NM 88211-0719

District III
1000 Rio Brazos Rd. Aztec, NM 87410

District IV
PO Box 2088, Santa Fe, NM 87504-2088

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number N/A		2 Pool Code 71629/71599		3 Pool Name Basin Fruitland Coal, Basin Dakota	
4 Property Code N/A		5 Property Name San Juan 28-7 Unit			6 Well Number 218 E
7 OGRID No. 005073		8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500			9 Elevation 6817'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	12	28N	7W		1030'	South	1025'	East	Rio Arriba

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres 321.22	13 Joint or Infill Y	14 Consolidation Code U	15 Order No. Non-Standard Spacing Order No. R-2948
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED THE DIVISION

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

Signature
Kay Maddox

Printed Name
Regulatory Agent

Title
January 15, 1999

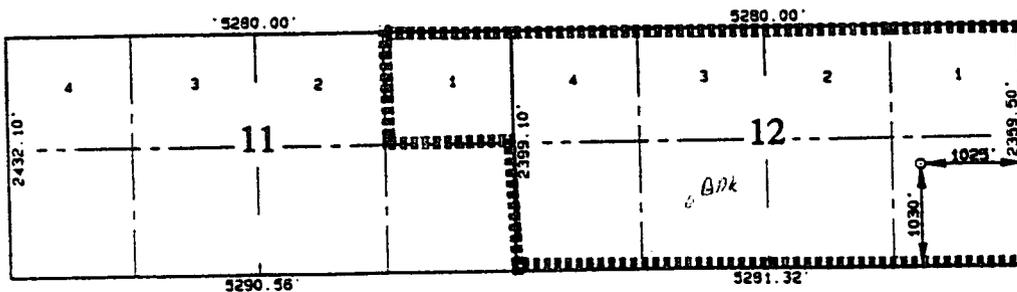
Date

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 Seal of Professional Surveyor:

Certificate Number



District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 PO Drawer DD, Artesia, NM 88211-0719
 District III
 1000 Rio Brazos Rd. Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number N/A		2 Pool Code 72439		3 Pool Name Blanco Pictured Cliffs South	
4 Property Code N/A		5 Property Name San Juan 28-7 Unit			6 Well Number 218 E
7 OGRID No. 005073		8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500			9 Elevation 6817'

10 Surface Location

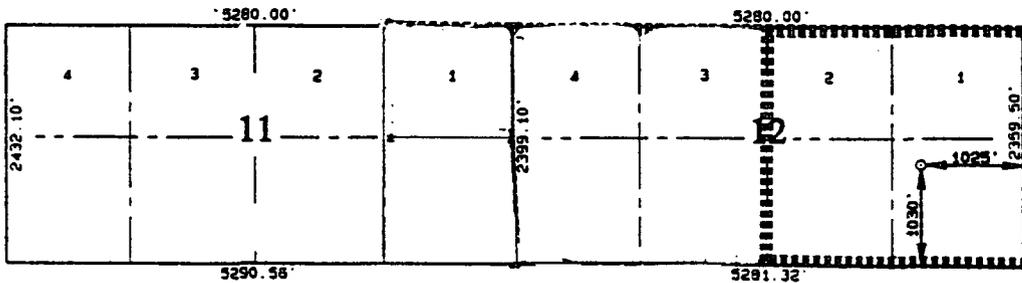
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P	12	28N	7W		1030'	South	1025'	East	Rio Arriba

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12 Dedicated Acres 160	13 Joint or Infill Y	14 Consolidation Code U	15 Order No. Non-Standard Spacing Order No. R-2948
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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



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

Signature
 Kay Maddox

Printed Name
 Regulatory Agent

Title
 January 15, 1999

Date

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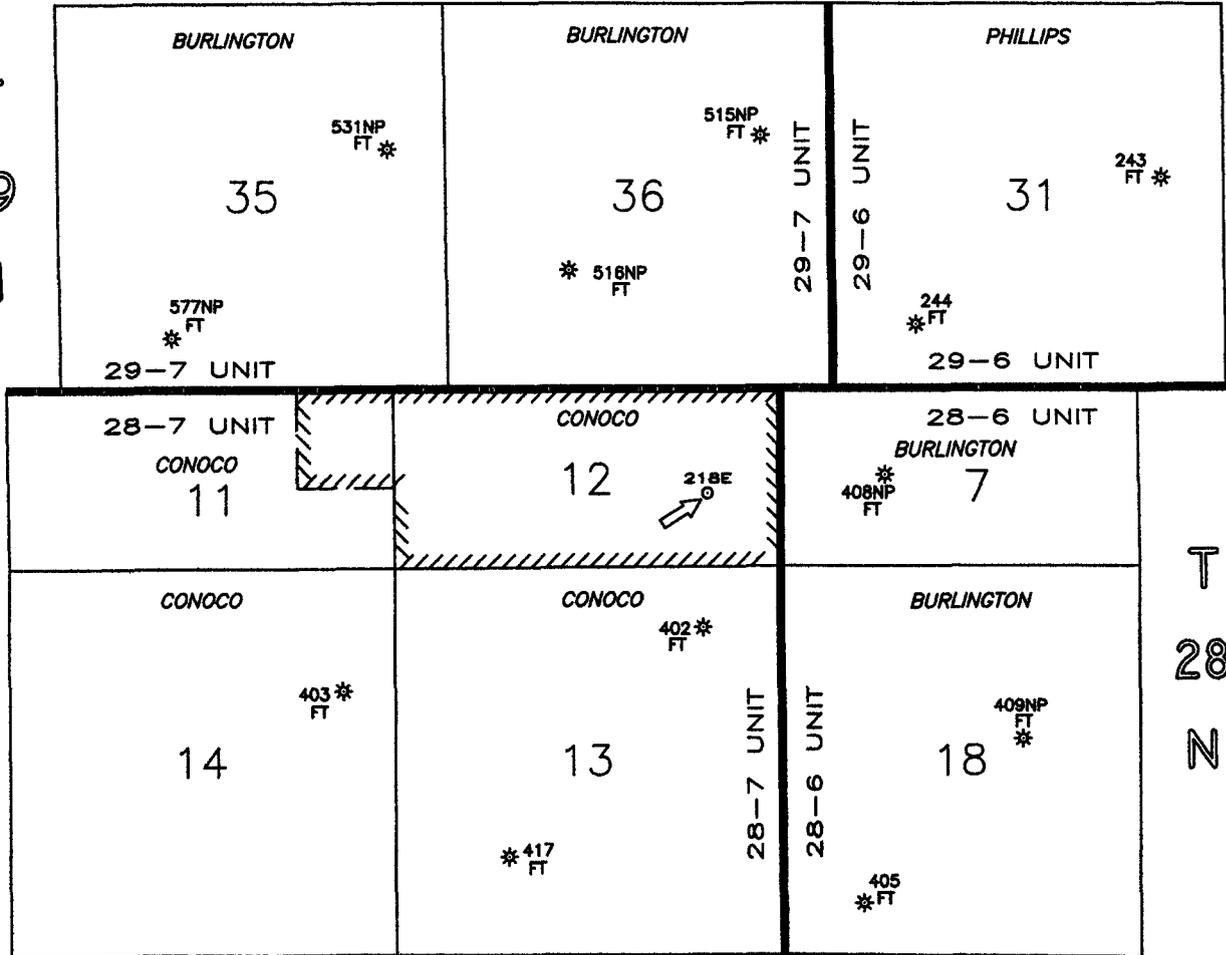
Date of Survey
 Signature and Seal of Professional Surveyor:

Certificate Number

R 7 W

R 6 W

T
29
N



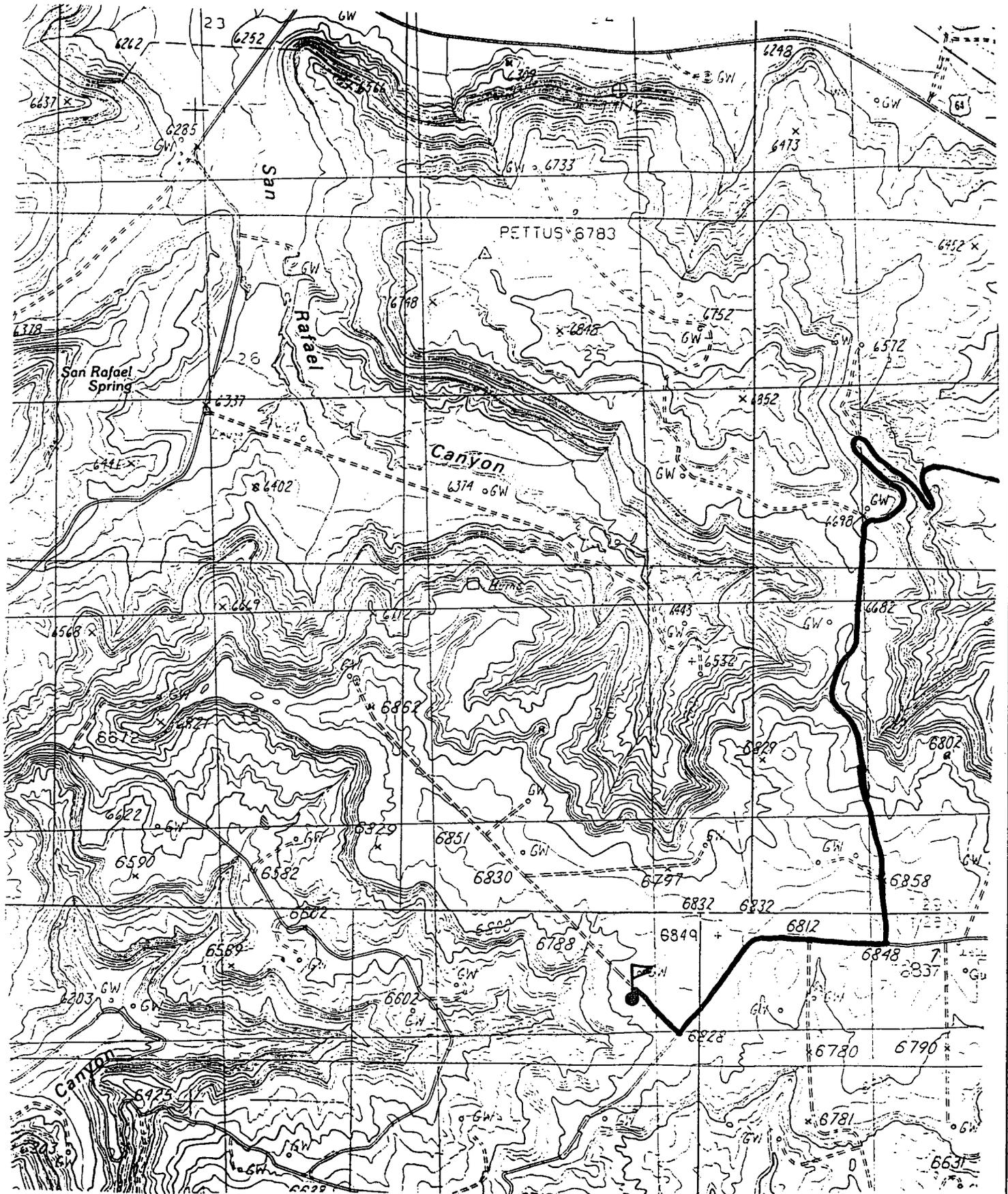
T
28
N

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

<p>NOTES</p> <p>Conoco operates all wells in the 28-7 Unit. Conoco is requesting approval for an UNORTHODOX FRUITLAND COAL location in order to access coal reserves in the 218E wellbore (Proposed for 1999). Conoco plans to set 7" casing thru the Lewis and run 4 1/2" production casing to accommodate 2 large tubing strings. One string for a PCCF/FRLD DHC (to be filed), and one string for the DKOT. DKOT will be dually completed (to be filed) with the PCCF/FRLD.</p>	<p>DATE: 1/13/99</p>	<p>CONOCO EPNGNA MIDLAND DIVISION</p>											
	<p>DRAWN BY: GLG</p>	<p>CONOCO 28-7 UNIT FRUITLAND COAL PRODUCERS San Juan 28-7 Unit # 218E Unorthodox Coal Location</p>											
	<p>CHECKED BY:</p>	<table border="1"> <tr> <td>STATE</td> <td>API</td> <td>COUNTY</td> <td>WELL</td> <td>DRAWING</td> </tr> <tr> <td>30</td> <td>\</td> <td>039</td> <td>\</td> <td>28-7_218</td> </tr> </table>		STATE	API	COUNTY	WELL	DRAWING	30	\	039	\	28-7_218
	STATE	API	COUNTY	WELL	DRAWING								
	30	\	039	\	28-7_218								
<p>APPROVED BY:</p>	<p>CONOCO INC. OFFICE 10 DESTA DRIVE WEST MIDLAND, TEXAS 79705</p>												
<p>SCALE: 1" = 2640'</p>	<p>STATE PLANE COORDINATES REFERRED TO NAD27 - N.M. WEST STATE PLANE COORDINATES ZONE - 3003</p>												

CONOCO, INC. SAN JUAN 28-7 UNIT #218E

1030' FSL 1025' FEL SEC 12, T28N, RTW
RIO ARriba COUNTY, NEW MEXICO



San Juan 28-7 Unit Well # 218E
Section 12, T-28-N, R-7-W
1030 FSL & 1025' FEL
Rio Arriba County, NM

RE: Application for Unorthodox Basin Fruitland Coal (71629) location – Request for
NSL Order

Notification of Offset Operators:

Burlington Resources
PO Box 4289
Farmington, NM 87499

Phillips Petroleum
4001 Penbrook RM 400A
Odessa, TX 79762

The referenced application has been sent to the above listed parties.

Z 137 529 952

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to	Phillips Petroleum	
Street & Number	PO Box 4289	
Post Office, State, & ZIP Code	Farmington, NM 87499	
Postage	\$	
Certified Fee		
Special Delivery Fee		
Restricted Delivery Fee		

15

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15