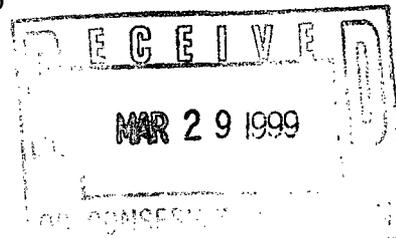




Mid-Continent Region
Exploration/Production

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



March 26, 1999

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

RE: Application for Non-standard Location
Basin Dakota Pool
San Juan 28-7 Unit # 234M
805' FSL & 160' FEL
Section 15, T-28-N, R-7-W, P
Rio Arriba, NM

Dear Mr. Stogner,

Conoco Inc plans to drill the above referenced well in 1999. The Basin Dakota pool rules state that this well must be 790' from the section lines. This well is staked 805' FSL and 160' FEL. This location places the well only 160' from the east section line thereby requiring this application for a non-standard location order. The referenced location is an open, 160 acre Dakota infill site authorized for drilling by Order # R 11139. Initially a standard location was staked however this location proved inaccessible due to topographic problems. The new location has been field checked and approved by the BLM and will not compromise the validity of information that proposed the drilling of this 80 acre Dakota pilot infill well. Please note that the location is interior to the 28-7 unit, and does not encroach on any unit boundaries. Conoco is the sole operator of the 28-7 unit therefore they are the offset operator. An application to downhole commingle (C107A) the Blanco Mesaverde and Basin Dakota was submitted February 20, 1999 referencing the previous standard location. Upon approval of this non-standard location request we will notify the appropriate parties as to the amended location.

Conoco, respectfully requests that a non-standard location for the Basin Dakota Pool be issued for the referenced well for the reasons cited above. If there are any questions concerning this application, please feel free to call me at (915) 686-5798.

Sincerely,

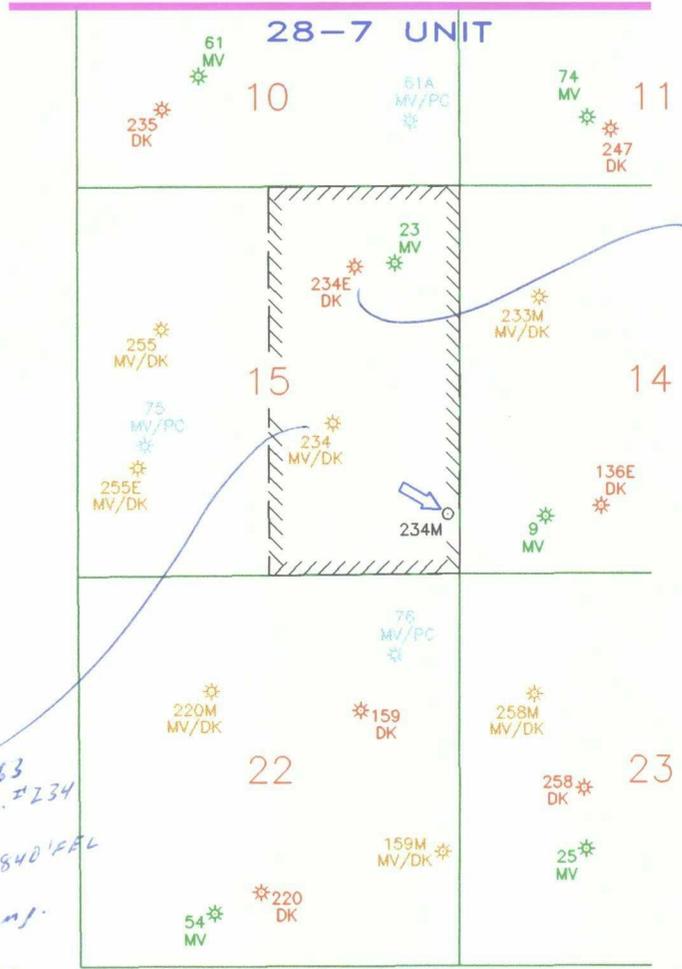
Kay Maddox
Regulatory Agent

Cc: OCD- Aztec

T 29 N

29-7 UNIT

28-7 UNIT



38-039-22396
 SJ 28-7 Unit #234E
 1040' FSL - 1540' FEL

T
 28
 N

30-039-21063
 S.J. 28-7 Unit #234
 2150' FSL - 1840' FEL
 DK / MV Comp.
 NSL-3698

R 7 W

SAN JUAN 28-7 UNIT
RIO ARRIBA CO., N.M.

<p>NOTES</p> <p>CONOCO OPERATES ALL WELLS IN THE 28-7 UNIT. NSL IS INTERIOR TO THE 28-7 UNIT. 80 ACRE DAKOTA PILOT, APPROVED AT 1020' FSL & 895' FEL PER ORDER NO. R-11139 (CASE 12122). SURFACE / ACCESS PROBLEMS NECESSITATE A MOVE TO 805' FSL & 160' FEL. BASIN DAKOTA NSL REQUESTED. LOCATION IS STANDARD FOR 80 ACRE BLANCO MESAVERDE PER ORDER NO. R-10987-A (CASE 12069).</p>	DATE: 03/15/99	 <p>EPNGNA MIDLAND DIVISION</p>		
	DRAWN BY: GLG	<p>CONOCO 28-7 UNIT MESAVERDE & DAKOTA PRODUCERS San Juan 28-7 Unit #234M Basin Dakota Pool Non-Standard Location</p>		
	CHECKED BY:			
	APPROVED BY:	STATE API WELL	DRAWING	
	SCALE: 1" = 2640'	30 \ 039 \ -	28-7_252	
STATE PLANE COORDINATES REFERRED TO NAD27 - N.M. WEST STATE PLANE COORDINATES ZONE - 3003	<p>CONOCO INC. OFFICE 10 DESTA DRIVE WEST MIDLAND, TEXAS 79705</p>			

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

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 30-039-N/A		2 Pool Code 72319 / 71599		3 Pool Name Blanco Mesaverde / Basin Dakota	
4 Property Code 016608		5 Property Name San Juan 28-7 Unit			6 Well Number #234M
7 OGRID No. 005073		8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500			9 Elevation

10 Surface Location

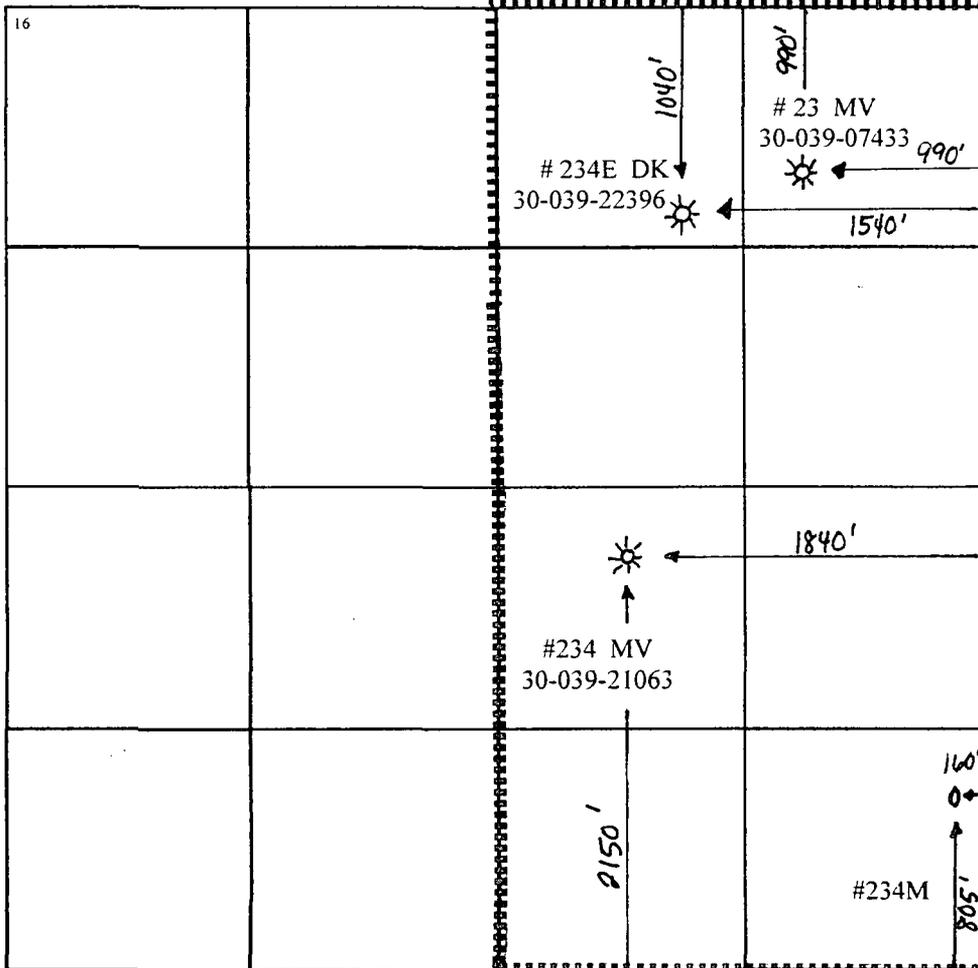
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	15	28N	7W		805'	South	160'	East	Rio Arriba

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 320	13 Joint or Infill	14 Consolidation Code	15 Order No.
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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
 March 25, 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



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

August 27, 1996

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

Administrative Order NSL-3698

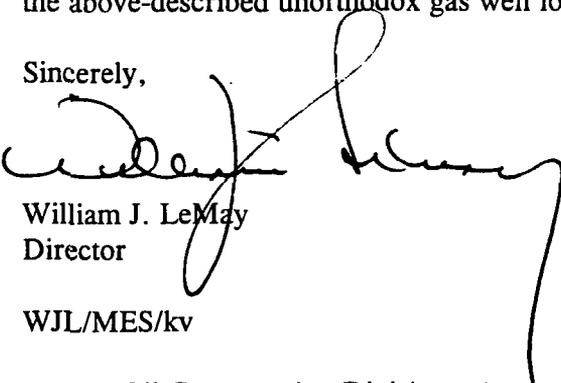
Dear Mr. Hoover:

Reference is made to your application dated August 16, 1996 for an unorthodox gas well location for both the Blanco-Mesaverde and Basin-Dakota Pools for the existing San Juan "28-7" Unit Well No. 234 (API No. 30-039-21063) located 2150 feet from the South line and 1840 feet from the East line (Unit J) of Section 15, Township 28 North, Range 7 West, NMPM, Rio Arriba County, New Mexico.

Production from both pools in said well is to be included to the existing standard 320-acre gas spacing and proration units comprising the E/2 of said Section 15, which the Mesaverde production is currently dedicated to Conoco's San Juan "28-7" Unit Well No. 23 (API No. 30-039-07433), located at a standard gas well location 990 feet from the North and East lines (Unit A) of said Section 15 and the Dakota production is currently dedicated to Conoco's San Juan "28-7" Unit Well No. 234-E (API No. 30-039-22396), located at a standard gas well location 1040 feet from the North line and 1540 feet from the East line (Unit B) of said Section 15.

By the authority granted me under the provisions of Rule 2(d) of the "Special Rules and Regulations for the Blanco-Mesaverde Pool" and the "Basin-Dakota Pool", as promulgated by Division Order No. R-8170, as amended, the above-described unorthodox gas well location is hereby approved.

Sincerely,


William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
W. Thomas Kellahin - Santa Fe
File: DHC-1252

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

03/30/99 08:35:19
OGOMES -TPJW
PAGE NO: 2

Sec : 15 Twp : 28N Rng : 07W Section Type : NORMAL

L 40.00 Federal owned U A A	K 40.00 Federal owned U	J 40.00 Federal owned U A A	I 40.00 Federal owned U
M 40.00 Federal owned U	N 40.00 Federal owned U	O 40.00 Federal owned U	P 40.00 Federal owned U

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

CMD : ONGARD 03/30/99 08:35:35
OG6IWCM INQUIRE WELL COMPLETIONS OGOMES -TPJW

API Well No : 30 39 21063 Eff Date : 03-01-1995 WC Status : A
Pool Idn : 71599 BASIN DAKOTA (PRORATED GAS)
OGRID Idn : 5073 CONOCO INC
Prop Idn : 16608 SAN JUAN 28 7 UNIT

Well No : 234
GL Elevation: 6177

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
B.H. Locn	: J	15	28N	07W	FTG 2150 F S	FTG 1840 F E	P

Lot Identifier:

Dedicated Acre: 320.00

Lease Type : F

Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

CMD : ONGARD 03/30/99 08:36:04
OG6IWCM INQUIRE WELL COMPLETIONS OGOMES -TPJW

API Well No : 30 39 22396 Eff Date : 03-01-1995 WC Status : A
Pool Idn : 71599 BASIN DAKOTA (PRORATED GAS)
OGRID Idn : 5073 CONOCO INC
Prop Idn : 16608 SAN JUAN 28 7 UNIT

Well No : 234E
GL Elevation: 6146

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
B.H. Locn	: B	15	28N	07W	FTG 999 F S	FTG 999 F E	P

Lot Identifier:

Dedicated Acre: 320.00

Lease Type : F

Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

03/30/99 08:35:12
OGOMES -TPJW
PAGE NO: 1

Sec : 15 Twp : 28N Rng : 07W Section Type : NORMAL

D 40.00 Federal owned U	C 40.00 Federal owned U	B 40.00 Federal owned U A	A 40.00 Federal owned U A A
E 40.00 Federal owned U A	F 40.00 Federal owned U	G 40.00 Federal owned U	H 40.00 Federal owned U

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12