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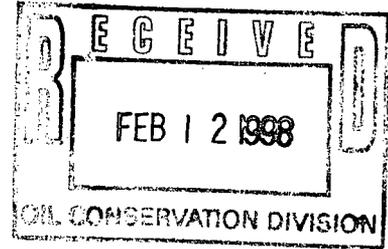
3/4/98

Mid-Continent Region
Exploration/Production

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

February 8, 1998

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



RE: Application For Non-Standard location
For San Juan 28-7 # 215M to Avoid Drastic Relief in
Topography & Archaeological Sites & Riparian Issues

Dear Mr. Stogner,

This proposed Mesaverde/Dakota well has been staked at a non-standard location of 410' FNL & 2250' FWL, Section 4, T27N, R7W, Rio Arriba County as shown by the attached C-102. Blanco Mesaverde and Basin Dakota pool rules require a standard location to be located no closer than 790' from the north section line and 790' from the center section line. This staked location is only 410' from the north section line and 390' from the center section line. Please note that this spacing unit is in the interior of the San Juan 28-7 of which Conoco is the operator. There are no other offset operators that would be affected by this unorthodox Mesaverde/Dakota location.

Figure 2A is a topo map showing the location of Martin Canyon which has been closed to oil field activity by the BLM. Please find attached a letter from the BLM stating why they feel that a non-standard location is necessary and why they suggest this non-standard location be on top of the mesa. Attached is a statement from the Neale C. Edward Survey Company also stating the reasons for our request of a non-standard location.

The proposed well will be completed and tested separately on the Mesaverde and Dakota formations and eventually downhole commingled following adequate testing and approval for commingling.



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Midland, TX 79705-4500
(915) 686-5400

A non-standard location order is requested based on the reasons given in the following attachments. If there are further questions concerning this application please call me at (915) 686-5798.

Sincerely,


Kay Maddox
Regulatory Agent

cc: Oil Conservation Division - Aztec
William J LeMay, Director - OCD, Santa Fe



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington District Office
1235 La Plata Highway
Farmington, New Mexico 87401

IN REPLY REFER TO:

SF-078496A(07600)
3162.3-1

JAN 27 1991

Conoco Incorporated
Attn: Mike Mankin
10 Desta Drive, Suite 430E
Midland, TX 79705

Dear Mr. Mankin:

This is in reference to the placement of the proposed San Juan 28-7 Unit number 215M Mesaverde/Dakota well, located 410' FNL, 2250' FWL, Sec. 4, T. 27 N., R. 7 W., lease number SF 078496A. After attempting to find a suitable location within the windows established by the New Mexico Oil Conservation Commission, we suggest you submit for a nonstandard location. A suitable orthodox location was not found because of wildlife and riparian concerns in the canyon bottom and major topographical constraints above the canyon floor. The canyon bottom has been fenced off by the Bureau of Land Management and is being managed for important riparian values and big game calving habitat. A developed spring exists in the canyon bottom which is frequented by big game. Building a location in the bottom of the canyon would have opened up an otherwise pristine area and would have created considerable disturbance to wildlife. A standard location on a bench above the canyon would be inaccessible due to the steep topography. Considerable environmental surface damage would occur with the construction of a pad and access road in such steep terrain. For these reasons a nonstandard location on top of the mesa would be more suitable. There the pad and access road could be built on more level terrain. Construction would require less dirt work, create less resource damage, and would be easier to maintain.

In the past it has been discussed that nonstandard locations would probably be proposed more frequently as the more desirable locations are developed. It is our desire to find the best possible locations for new wells and access roads being proposed, with minimal environmental impacts. Therefore, we will be glad to support your nonstandard proposal for the San Juan 28-7 Unit number 215M well to the NMOCC.

If there is any way we can be of further assistance, please contact Jackie Neckels of the Environmental Compliance Staff at (505) 599-6323.

Sincerely

Senior Technical Advisor
Environmental Compliance

NOVEMBER 15, 1997

CONOCO, INC.
SAN JUAN 28-7 UNIT #215M
410' FNL, 2250' FWL,
SEC.4, T27N, R7W, NMPM
RIO ARRIBA COUNTY, NM

TO WHOM IT MAY CONCERN @ CONOCO, INC.:

REASONS FOR NON-STANDARD LOCATION:

THE PRIMARY REASON FOR THE NON-STANDARD STAKING OF THE SAN JUAN 28-7¹ UNIT #215M¹ IS THAT THE PROPOSED LOCATION OCCUPIES AN AREA DECLARED BY THE BUREAU OF LAND MANAGEMENT TO BE CLOSED TO OILFIELD ACTIVITY BECAUSE OF CERTAIN RIPARIAN ISSUES. A SMALL PORTION OF THE QUARTER SECTION, ALTHOUGH NOT WITHIN THE LEGAL WINDOW, IS NOT ACTUALLY IN THE CANYON OF THE RIPARIAN CONCERN; THEREFORE A NON-STANDARD STAKING WITHIN THE QUARTER SECTION WAS AWARDED. FOR THESE REASONS, THE LOCATION STAKED AT 410' FNL 2250' FWL WILL HOPEFULLY BE ACCEPTABLE.

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

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

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

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

District III
1000 Rio Brazos Rd., Aztec, NM 87410

AMENDED REPORT

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code	³ Pool Name
		72319/71599	Blanco Mesaverde/Basin Dakota
⁴ Property Code	⁵ Property Name		⁶ Well Number
016608	SAN JUAN 28-7 UNIT		215M
⁷ GRID No.	⁸ Operator Name		⁹ Elevation
005073	CONOCO, INC.		6687'

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
C	4	27N	7W		410	North	2250	West	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	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
W/319.79	Y	U	Non-Standard Location (Applied for)

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

¹⁵

¹⁷ OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Mike L. Mankin
Signature

Mike L. Mankin
Printed Name

Right-Of-Way Agent
Title

2.9.97
Date

¹⁸ SURVEYOR CERTIFICATION

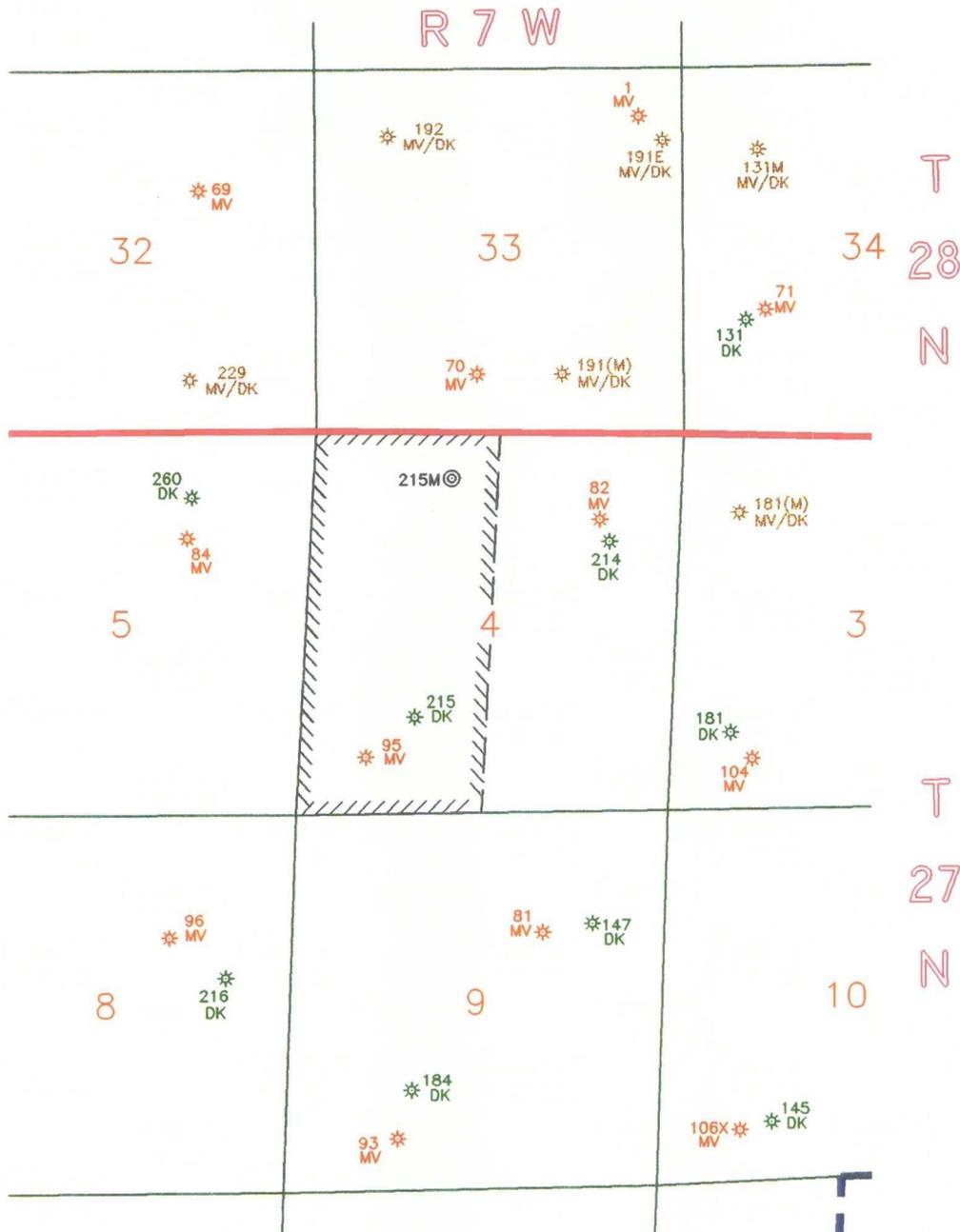
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

NOVEMBER 11, 1997
Date of Survey

Signature and Seal of Professional Surveyor

NEALE C. EDWARDS
NEW MEXICO
8857

Certification Number



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

<p>NOTES</p> <p>CONOCO OPERATES ALL MESAVERDE AND DAKOTA WELLS WITHIN THE 28-7 UNIT.</p> <p>MAP SHOWS ONLY MESAVERDE AND DAKOTA WELLS</p>	<p>DATE: 02/06/98</p>	<p>conoco EPNGNA MIDLAND DIVISION</p>	
	<p>DRAWN BY: GLG</p>	<p>CONOCO 28-7 UNIT MESAVERDE & DAKOTA PRODUCERS San Juan 28-7 Unit #215M Non-Standard Location</p>	
	<p>CHECKED BY:</p>	<p>STATE ^{API} COUNTY 039 \ 30</p>	
	<p>APPROVED BY:</p>	<p>DRAWING 28-7_215</p>	
	<p>SCALE: 1" = 2640'</p> <p>STATE PLANE COORDINATES REFERRED TO NAD27 - N.M. WEST STATE PLANE COORDINATES ZONE - 3003</p>	<p>CONOCO INC. OFFICE 10 DESTA DRIVE WEST MIDLAND, TEXAS 79705</p>	

SAN JUAN 28-7

RIO ARRIBA COUNTY
NEW MEXICO

No. 14-08-001-459

EFFECTIVE 1-29-53

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28 N

27 N

7 W


gulram, inc.
petroleum engineering and government regulation consultants