



NSL 4/13/98

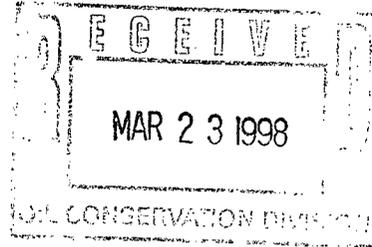
Mid-Continent Region  
Exploration/Production

March 17, 1998

Coal II.

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

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



RE: Application for Unorthodox Coal Location  
Hodges # 1Y  
API # 30-045-24354

Dear Mr. Stogner,

Conoco's Hodges #1Y is located in Section 21, T-26-N, R-8-W San Juan County, New Mexico. In addition to standard 790' set-back requirements, orthodox locations for 320 acre spaced, Basin Fruitland Coal requires that locations be situated in the NE/4 and/or SW/4 of any given Section. The Hodges #1Y meets set-back requirements but is situated in the NW/4 of section 21; an orthodox location would be in the SW/4.

In order to prevent economic waste by allowing access to Basin Fruitland Coal reserves in an existing wellbore, and to help mitigate mechanical risk in a newer wellbore (1980 completion); Conoco, respectfully requests that a NW/4, unorthodox location be approved for completion in the Basin Fruitland Coal Pool. Note that Fruitland Coal is untested in direct offset 320's. Conoco, Inc. plans to downhole Fruitland Coal production with existing Ballard Pictured Cliffs production. Conoco, Inc will be filing the downhole commingle and recompletion paperwork with the OCD and the BLM.

The offset operator plat shows that Burlington Resources, Hickman, Hallwood, R. C. Resources, Chateau and Amoco are the offset operators that could be affected by this unorthodox location. Please find enclosed evidence that they have been notified of this application.

An unorthodox location order is requested based on the reasons given in the preceding paragraphs. If there are further questions concerning this application please call me at (915) 686-5798.

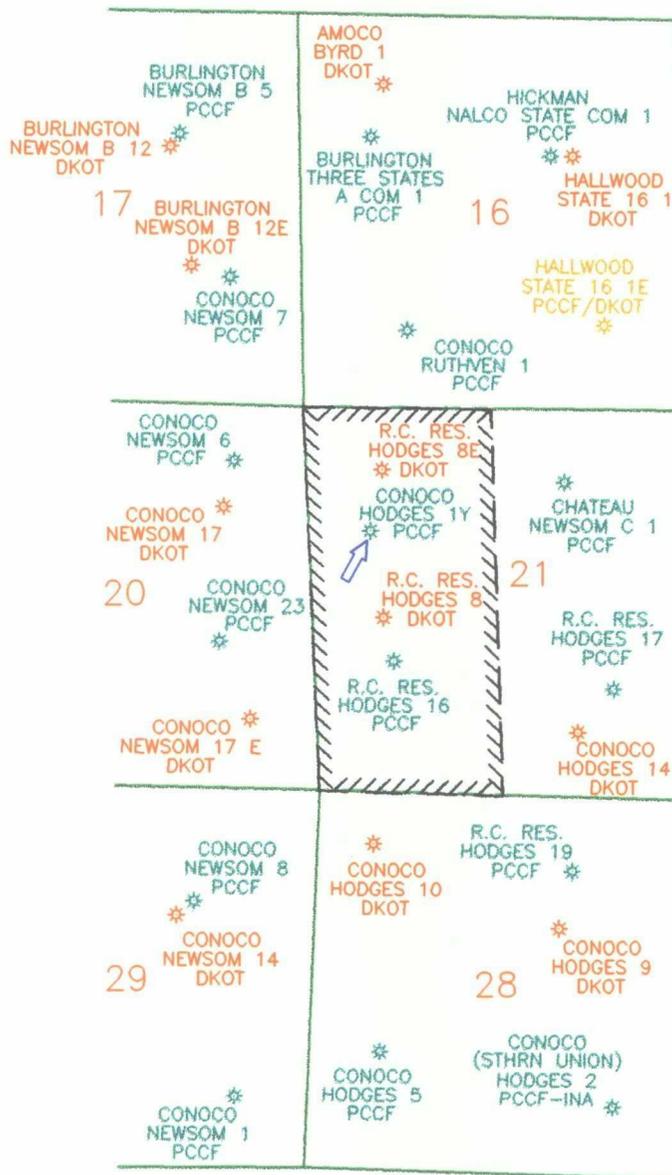
Sincerely,

Kay Maddox  
Regulatory Agent/ Conoco, Inc.

KM/

cc: Oil Conservation Division - Aztec

R 8 W



T  
26  
N

<p>NOTES</p> <p>NOTE: HODGES 1Y WILL BE RECOMPLETED TO THE FRUITLAND COAL AND DOWNHOLE COMMINGLED WITH BALLARD PICTURED CLIFFS PRODUCTION.</p>	<p>DATE: 4/06/98</p>	<p><b>conoco</b> EPNGNA MIDLAND DIVISION</p>								
	<p>DRAWN BY: GLG</p>		<p>CONOCO HODGE 1Y UNORTHODOX COAL LOCATION APPLICATION DOWNHOLE COMMINGLE APPLICATION (BASIN FRUITLAND &amp; BALLARD PC) PLAT SHOWS ALL WELLS IN OFFSET 320'S</p>							
	<p>CHECKED BY:</p>	<table border="1"> <tr> <th>STATE</th> <th>API COUNTY</th> <th>WELL</th> <th>DRAWING</th> </tr> <tr> <td>30</td> <td>\ 045</td> <td>\ 24354</td> <td>HODG_1Y</td> </tr> </table>	STATE	API COUNTY	WELL	DRAWING	30	\ 045	\ 24354	HODG_1Y
	STATE	API COUNTY	WELL	DRAWING						
	30	\ 045	\ 24354	HODG_1Y						
<p>APPROVED BY:</p>	<p>SCALE: 1" = 2640'</p>	<p>CONOCO INC. OFFICE 10 DESTA DRIVE WEST MIDLAND, TEXAS 79705</p>								
<p>STATE PLANE COORDINATES REFERRED TO NAD27 - N. M. STATE PLANE COORDINATES ZONE - 3003</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 30-045-24354	2 Pool Code 71629	3 Pool Name Basin Fruitland Coal
4 Property Code	5 Property Name Hodges	6 Well Number 1Y
7 OGRID No. 005073	8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500	9 Elevation 6397'

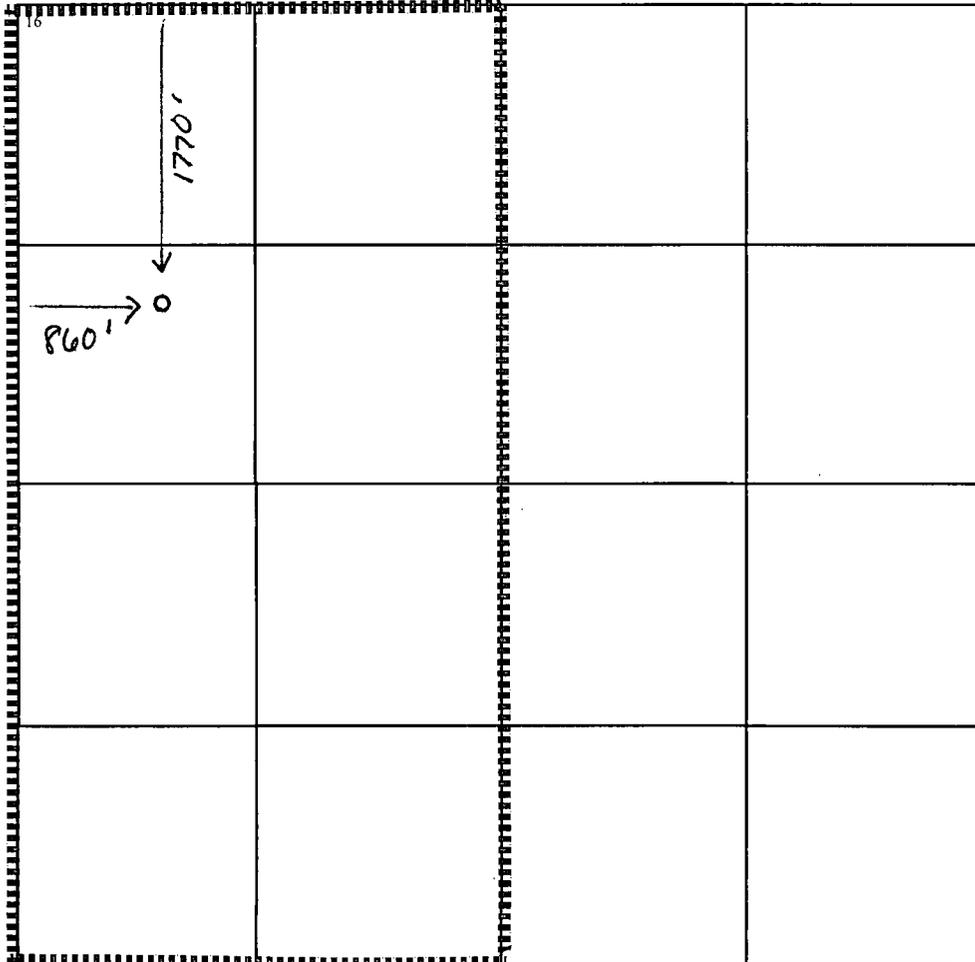
10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	21	26N	8W		1770	North	860	West	San Juan

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.						

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  
Regulatory Agent

Date  
March 18, 1998

**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

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102  
Supersedes C-124  
Effective 1-1-65

EXHIBIT "A" - Location & Elevation Plat

All distances must be from the outer boundaries of the section.

Operator <b>Supron Energy Corporation</b>		Lease <b>Hodges</b>		Well No. <b>1-Y</b>
Unit Letter <b>E</b>	Section <b>21</b>	Township <b>26 North</b>	Range <b>8 West</b>	County <b>San Juan</b>

Actual Footage Location of Well:  
**1770** feet from the **North** line and **860** feet from the **West** line

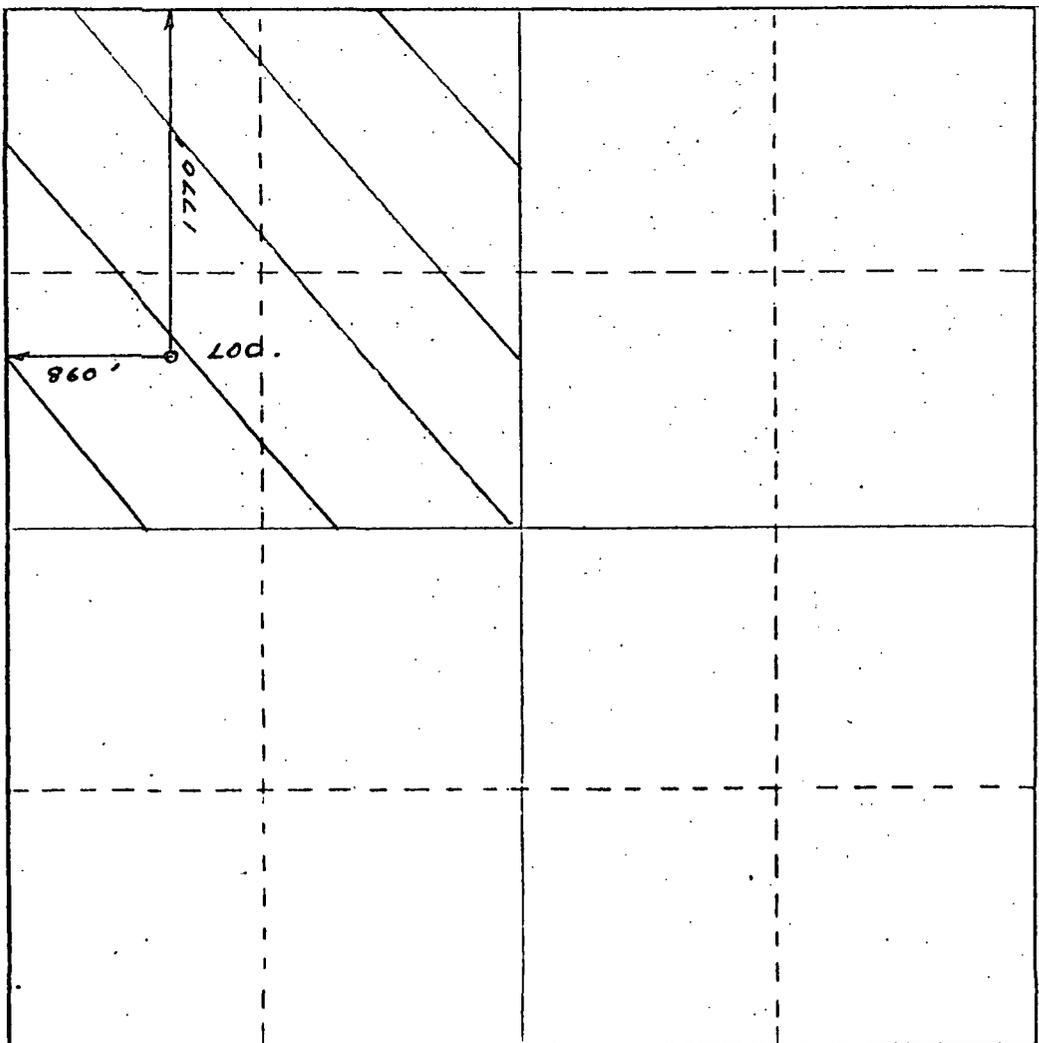
Ground Level Elev. <b>6397</b>	Producing Formation <b>Pictured Cliffs</b>	Pool <b>Ballard Pictured Cliffs</b>	Dedicated Acreage: <b>1/20</b> Acres
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- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes  No If answer is "yes," type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



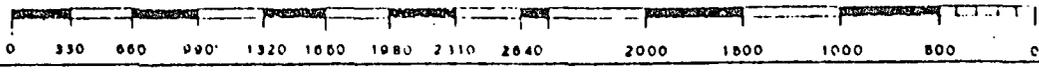
CERTIFICATION

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

*George Lapasotes*  
Name **George Lapasotes**  
V. Pres. Powers Elevation  
Position  
Agent Consultant for  
Company  
**Supron Energy Corporation**  
Date  
**4/15/80**

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 knowledge and belief.

**ALD G. HUDDLETON**  
6 APR 1980  
Date Submitted  
*Ald G. Huddleton*  
Registered Professional Engineer  
and/or Land Surveyor  
**6844**



Certificate No. \_\_\_\_\_

Hodges #1Y  
 API # 30-045-24354  
 Section 21, T-26-N, R-8-W  
 San Juan County, NM

RE: Non-Orthodox location Request

**Offset Operators:**

Amoco  
 PO Box 800  
 Denver, CO 80201

Burlington Resources  
 PO Box 4289  
 Farmington, NM 87499

Chateau Oil & Gas  
 2515 McKinney Ave STE 840  
 Dallas, TX 75201

Hallwood Petroleum  
 PO Box 378111  
 Denver, CO 80237

R C Resources  
 8340 Meadow Rd STE 230  
 Dallas, TX 75231

J. Felix Hickman  
 Well Has been P&A'd - Inactive

P 497 374 186

US Postal Service  
**Receipt for Certified Mail**

No Insurance Coverage Provided.  
 Do not use for International Mail (See reverse)

Sent to	Burlington Resources
Street & Number	PO Box 4289
Post Office, State, & ZIP Code	Farmington, NM 87499

P 497 374 036

US Postal Service  
**Receipt for Certified Mail**

No Insurance Coverage Provided.  
 Do not use for International Mail (See reverse)

Sent to	Amoco
Street & Number	PO Box 800
Post Office, State, & ZIP Code	Denver, CO 80201

P 497 374 188

US Postal Service  
**Receipt for Certified Mail**

No Insurance Coverage Provided.  
 Do not use for International Mail (See reverse)

Sent to	Chateau Oil & Gas
Street & Number	2515 McKinney Ave STE 840
Post Office, State, & ZIP Code	DALLAS, TX 75201

P 497 374 026

US Postal Service  
**Receipt for Certified Mail**

No Insurance Coverage Provided.  
 Do not use for International Mail (See reverse)

Sent to	RC Resources
Street & Number	8340 Meadow Rd STE 230
Post Office, State, & ZIP Code	DALLAS, TX 75231
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
<b>TOTAL Postage &amp; Fees</b>	<b>\$</b>
Postmark or Date	

PS Form 3800, April 1995

P 497 374 187

US Postal Service  
**Receipt for Certified Mail**

No Insurance Coverage Provided.  
 Do not use for International Mail (See reverse)

Sent to	Hallwood Petroleum
Street & Number	PO Box 378111
Post Office, State, & ZIP Code	Denver, CO 80237
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
<b>TOTAL Postage &amp; Fees</b>	<b>\$</b>
Postmark or Date	

PS Form 3800, April 1995