



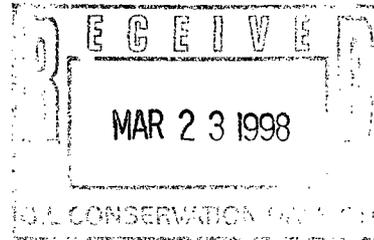
NSL 4/13/98

Mid-Continent Region  
Exploration/Production

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

March 17, 1998

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



RE: Application for Unorthodox Coal Location  
Hodges # 11 E  
API # 30-045-26177

Dear Mr. Stogner,

Conoco's Hodges #11E is located in Section 27, 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 #11E meets set-back requirements but is situated in the NW/4 of Section 27; an orthodox west half 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 (1985 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 complete the Hodges #11E as a single zone Fruitland Coal producer (Dakota is inactive and no longer economic to produce). The BLM has approved Conoco's notice of intent to recomplete (see attached).

The offset operator plat shows that Burlington Resources, R. C. Resources, and Chateau 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.

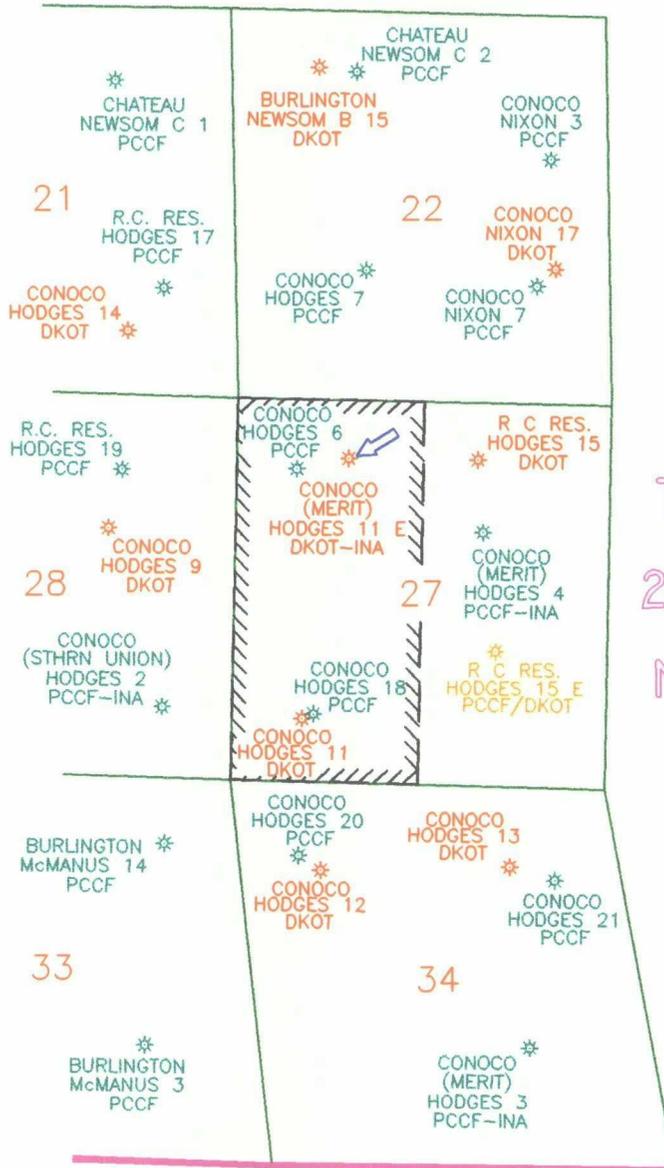
Sincerely,

Kay Maddox  
Regulatory Agent/ Conoco, Inc.

KM/

cc: Oil Conservation Division - Aztec

R 8 W



T  
26  
N



NOTES	<b>conoco</b> EPNGNA MIDLAND DIVISION	
	CONOCO HODGES 11 E UNORTHODOX COAL LOCATION APPLICATION PLAT SHOWS ALL WELLS IN OFFSET 320'S SAN JUAN COUNTY, NEW MEXICO	
NOTE:  THE INACTIVE HODGES 11 E (DAKOTA LPD 12-93) WILL BE RECOMPLETED TO FRUITLAND COAL AS A SINGLE ZONE PRODUCER.	DATE: 3/06/98	STATE    API COUNTY    WELL 30    \ 045    \ 26177
	DRAWN BY: GLG	
	CHECKED BY:	DRAWING HODG_11E
	APPROVED BY:	
SCALE: 1" = 2640'	CONOCO INC. OFFICE 10 DESTA DRIVE WEST MIDLAND, TEXAS 79705	
	STATE PLANE COORDINATES REFERRED TO NAD27 - N.M. WEST STATE PLANE COORDINATES ZONE - 3003	

SOIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

Form C-107  
Revised 10-1-

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

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

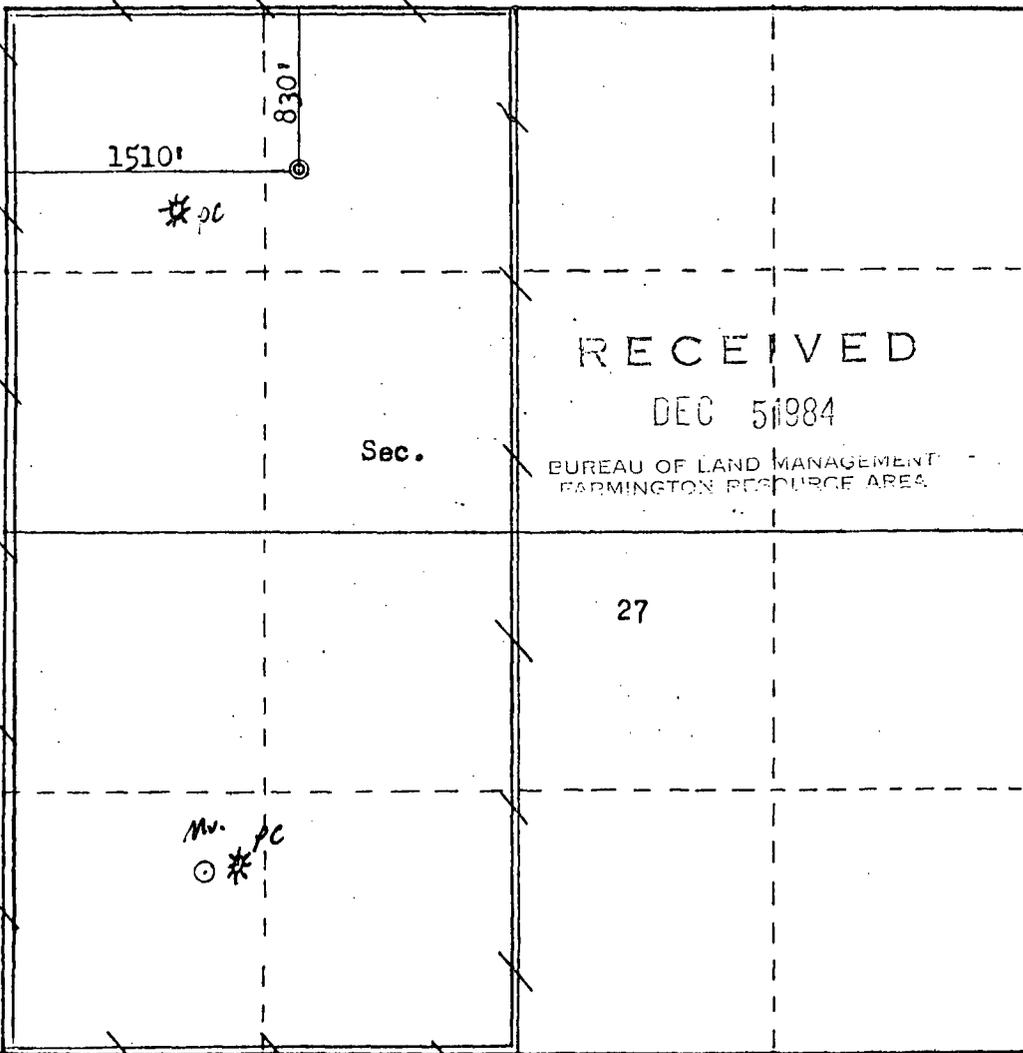
Operator <b>SOUTHERN UNION EXPLORATION COMPANY</b>			Lease <b>HODGES</b>		Well No. <b>11E</b>
Unit Letter <b>C</b>	Section <b>27</b>	Township <b>26N</b>	Range <b>8W</b>	County <b>San Juan</b>	
Actual Footage Location of Well: <b>830</b> feet from the <b>North</b> line and <b>1510</b> feet from the <b>West</b> line					
Ground Level Elev: <b>6608</b>	Producing Formation <b>Dakota</b>	Pool <b>Basin Dakota</b>		Dedicated Acreage <b>320</b> Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. 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.



Scale: 1"=1000'

OPERATOR

CERTIFICATION

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

Jeffrey J. Bollschweiler

Name *J. Bollschweiler*

Position **Drlg. & Prod. Engineer**

Company **Southern Union Exploration**

Date **December 4, 1984**

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.

Date Surveyed **November 30, 1984**

Registered Professional Engineer and Land Surveyor.

*Fred B. Kerry Jr.*  
**Fred B. Kerry Jr.**

Certificate No. **3950**

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 30-045-26177		2 Pool Code 71629		3 Pool Name Basin Fruitland Coal	
4 Property Code 18106		5 Property Name Hodges			6 Well Number Well #11E
7 OGRID No. 005073		8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500			9 Elevation 6606' GL

**10 Surface Location**

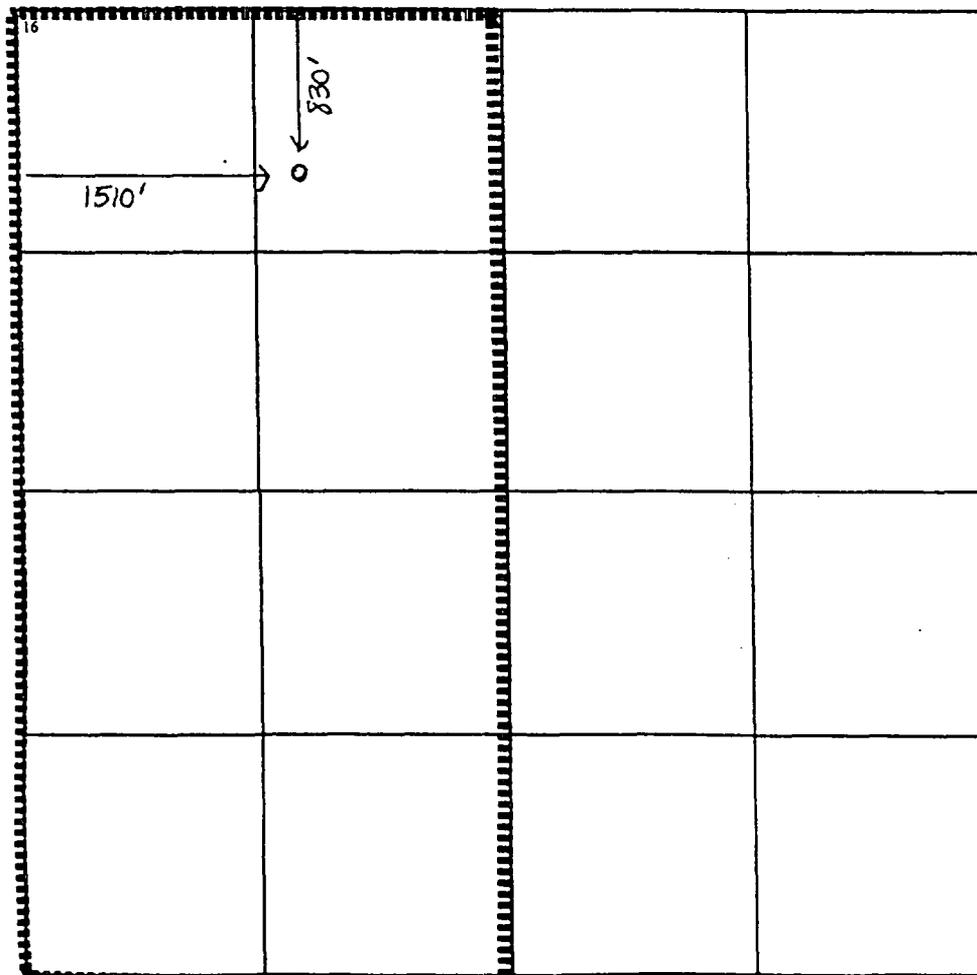
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	27	26N	8W		830	North	1510	West	San Juan

**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.
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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

*Jerry W. Hoover*  
 Signature  
 Jerry W. Hoover  
 Printed Name

Sr. Conservation Coordinator  
 Title

Sept. 8, 1997  
 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

Hodges #11E  
API # 30-045-26177  
Section 27, T-26-N, R-8-W  
San Juan County, NM

RE: Non-Orthodox location Request

**Offset Operators:**

Burlington Resources  
PO Box 4289  
Farmington, NM 87499

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

R C Resources  
8340 MeadowRd STE 230  
Dallas, TX 75231

P 497 374 044

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

P 497 374 046

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

P 497 374 045

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

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	

S Form 3800, April 1995

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.  
Use "APPLICATION FOR PERMIT—" for such proposals

**SUBMIT IN TRIPLICATE**

1. Type of Well

Oil Well  Gas Well  Other

2. Name of Operator

CONOCO INC.

3. Address and Telephone No.

10 DESTA DR. STE. 100W, MIDLAND, TX. 79705-4500 (915) 686-5424

4. Location of Well (Footage, Sec., T. R. M. or Survey Description)

830' FNL & 1510 FWL  
Section 27, T-26-N, R-8-W

5. Lease Designation and Serial No.

SF 078432

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Hodges Well # 11E

9. API Well No.

30-045-26177

10. Field and Pool, or Exploratory Area

Basin Fruitland Coal

11. County or Parish, State

San Juan

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Repon	<input checked="" type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input type="checkbox"/> Other _____
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracrunng
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

Note: Repon results of multiple completion Wdl Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

It is proposed that this well be recompleted in the Fruitland Coal using the following procedure:

1. RIH w/CIBP set @ 6750', Dump 10' CMT on top of CIBP
2. RIH w/ GR/CCL logs, log from 2600-1800', perforate Fruitland Coal
3. Fruitland Coal Perforations: 2089-2348'
4. RIH w 2 3/8 tbg @ 2350', clean up perms w/700 gals 15% HCL
5. Fracture stimulate Fruitland Coal
6. RIH w/ 2 3/8" tbg land @ 2008'
7. Put well on production

*Note: Amount of cement does not meet the requirements for PAA of the formation. (DR-TA)*

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

\*\*\* An unorthodox Fruitland Coal application will be filed with OCD

070 PERFORATION, NM  
97 SEP 11 AM 10:59  
RECEIVED  
RLM

14. I hereby certify that the foregoing is true and correct

Signature

*Jerry W. Hoover*

Title

Jerry W, Hoover

Sr. Conservation Coordinator

Date

Sept 8, 1997

(This space for Federal or State office use)

Approved by

*Dean Sp*

Title

Team Lead

Date

9/15/97

Conditions of approval if any:

BLM(6), NMOCD(1), SHEAR, PONCA, COST ASST, FILE ROOM

COALIZ.

April 14, 1998

Rec: 3-23-98

Susp: 4-13-98

Released: 4-14-98

**Conoco, Inc.**  
**10 Desta Drive - Suite 100W**  
**Midland, Texas 79705-5400**

**Attention: Kay Maddox**

4002  
**Administrative Order NSL-\*\*\*\***

Dear Ms. Maddox:

Reference is made to your application dated March 17, 1998 for an off-pattern non-standard Basin-Fruitland coal gas well location for your existing Hodges Well No. 11-E (API No. 30-045-26177), located 830 feet from the North line and 1510 feet from the West line (Unit C) of Section 27, Township 26 North, Range 8 West, NMPM, Basin-Fruitland Coal (Gas) Pool, San Juan County, New Mexico. According to the well records on file with the New Mexico Oil Conservation Division in Santa Fe, the Hodges Well No. 11-E was initially drilled in 1985 by Southern Union Exploration Company and completed at a standard infill gas well location in the Basin-Dakota Pool within a standard 320-acre gas spacing and proration unit comprising the W/2 of said Section 27.

It is our understanding that <sup>the</sup> Dakota interval is to be abandoned and said well will be plugged back and recompleted up-hole into the Basin-Fruitland Coal (Gas) Pool. This location, pursuant to the "*Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool*," as promulgated by Division Order No. R-8768, as amended, is considered to be unorthodox. Further, the W/2 of said Section 27 is to be dedicated to said well in order to form a standard 320-acre gas spacing and proration unit for the Basin-Fruitland Coal (Gas) Pool.

By the authority granted me under the provisions of Rule 8 of said special pool rules, the above-described unorthodox coal gas well location for the Hodges Well No. 11-E is hereby approved.

Sincerely,

Lori Wrotenbery  
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec  
U. S. Bureau of Land Management - Farmington