



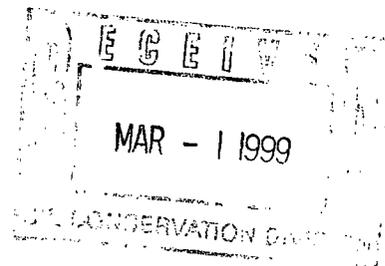
NSL 3/22/99

Mid-Continent Region
Exploration/Production

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

February 25, 1999

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



RE: Application for Non-Standard location
Basin Dakota Pool
San Juan 28-7 Unit # 126M
1730' FNL & 2165' FWL
Unit Ltr F, Section 1, T-~~26~~^{27N}-N, R-7-W
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 center section line. This well is staked 1730' FNL & 2165' FWL. This location places the well only 475' from the center half-section line thereby requiring this application for a non-standard location order. The referenced location is an open 160-acre Dakota infill drill site. In an effort to prevent waste and too effectively/efficiently develop and produce the 28-7 unit to its fullest potential, Conoco selected this location to serve two purposes. The location will serve to accommodate both a primary, 160 acre Dakota infill, and an 80 acre Mesaverde infill withdrawal point (per Order No. R-10987-A, issued out of case No. 12069). Topography, arch, and infrastructure also played a role in limiting our location selection. The ability to access both horizons in a single wellbore well reduce development costs and surface disturbance. Please note that the location is interior to the 28-7 unit, and does not encroach on any unit boundaries. An application to downhole commingle (C-107A) Blanco Mesaverde and Basin Dakota will be filed concurrently (per Order No. R-10476-B, issued out of case No. 11815).

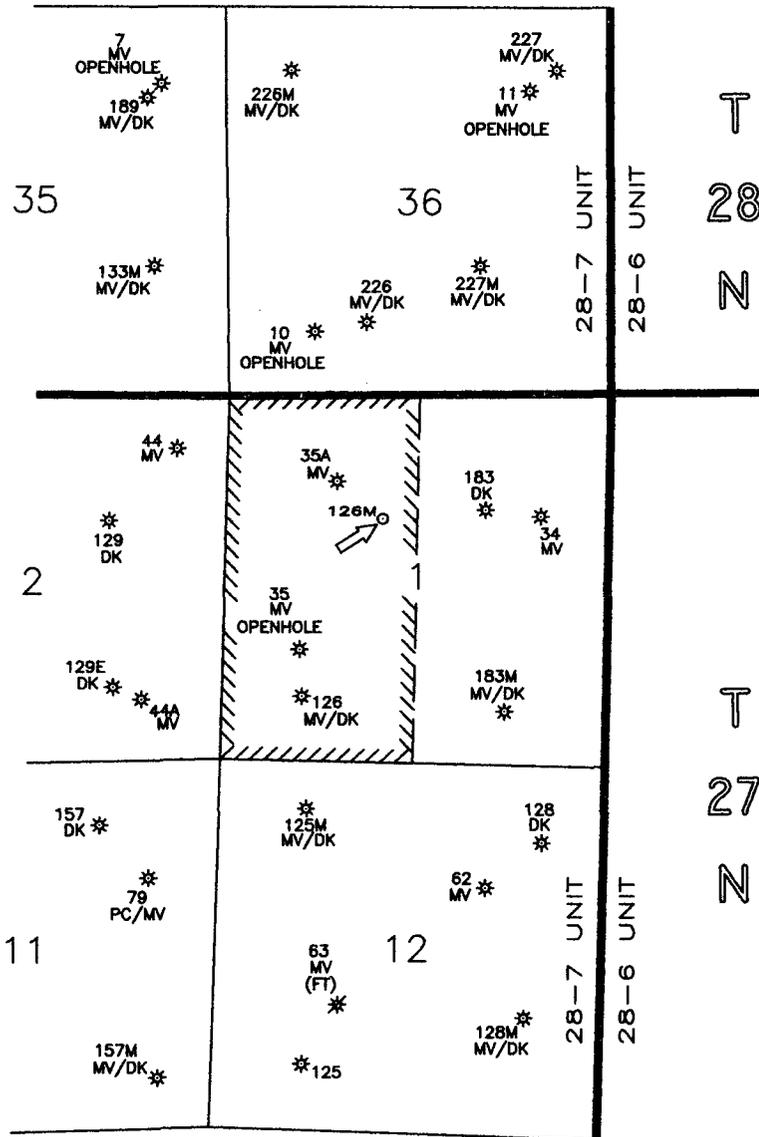
Conoco respectfully requests that a non-standard location for the Basin Dakota Pool be issued for the referenced well for the reasons cited above. If there are any further questions concerning this application, please feel free to call me at (915) 686-5798.

Sincerely,


Kay Maddox
Regulatory Agent

Cc: OCD Aztec

R 7 W



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

| | | | | | | | | | | | |
|--|--|---|------|----------|--------|------|---------|----|-------|---|----------|
| <p>NOTES</p> <p>Conoco operates all wells in the 28-7 Unit, NSL is interior to the 28-7 Unit. Map shows only Mesaverde and Dakota wells. A Basin Dakota NSL is requested in order to accommodate both a primary 160 acre Dakota infill and an '80 acre' Mesaverde infill (per order No. R-10987-A out of case 12069).</p> | <p>DATE: 2/25/99</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 # 126M Basin Dakota Non-Standard Location</p> | | | | | | | | | |
| | <p>CHECKED BY:</p> | <table border="1"> <tr> <td>STATE</td> <td>COUNTY</td> <td>WELL</td> <td>DRAWING</td> </tr> <tr> <td>30</td> <td>\ 039</td> <td>\</td> <td>28-7_126</td> </tr> </table> | | STATE | COUNTY | WELL | DRAWING | 30 | \ 039 | \ | 28-7_126 |
| | STATE | COUNTY | WELL | DRAWING | | | | | | | |
| | 30 | \ 039 | \ | 28-7_126 | | | | | | | |
| <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> | | | | | | | | | | | |

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 | | 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 126M |
| 7 OGRID No. 005073 | | 8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500 | | | 9 Elevation 6137' |

10 Surface Location

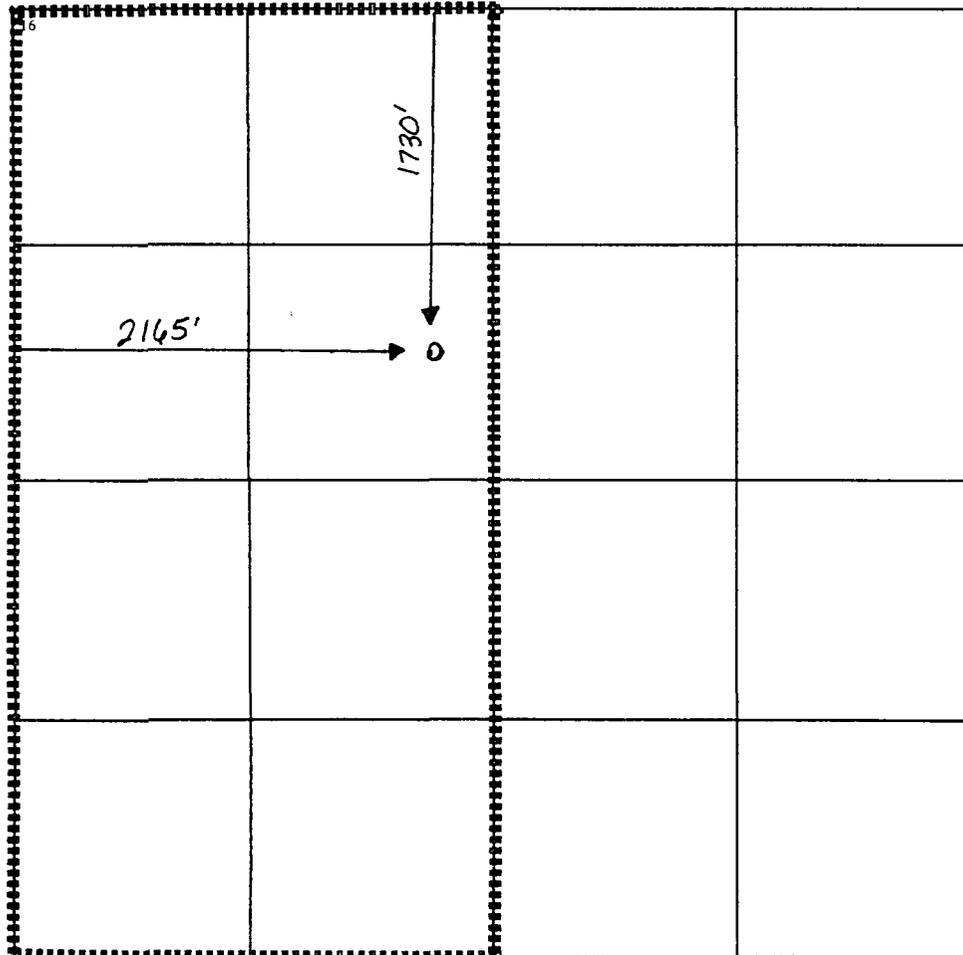
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|------------|
| F | 1 | 27N | 7W | | 1730 | North | 2165 | 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 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
February 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

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

Form C-102

Revised February 21, 1994

instructions on back

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

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | |
|-----------------|--|--|--|---------------------------------|---------------|
| 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 | | | 126M |
| 7 OGRID No. | | 8 Operator Name | | | 9 Elevation |
| 005073 | | Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500 | | | 6137' |

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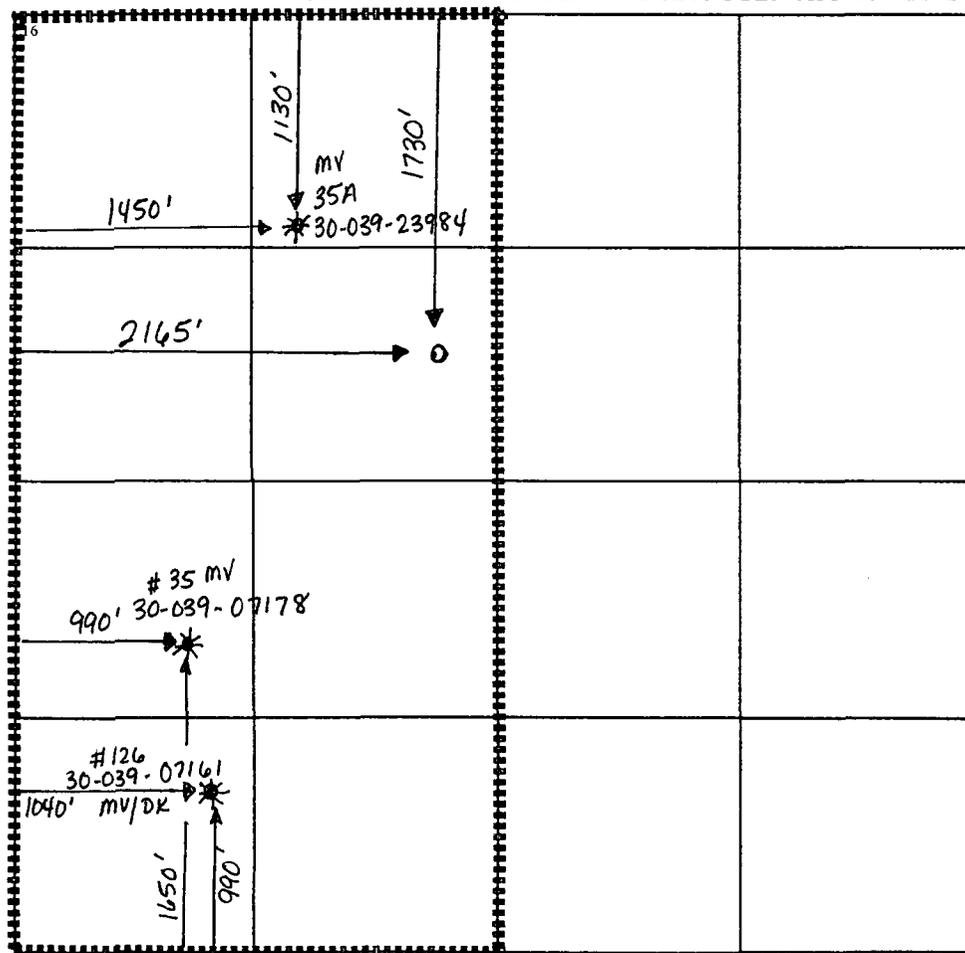
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|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

| | | | |
|--------------------|--------------------|-----------------------|--------------|
| 12 Dedicated Acres | 13 Joint or Infill | 14 Consolidation Code | 15 Order No. |
| 320 | | | R - 10987 A |

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Kay Maddox
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 Kay Maddox
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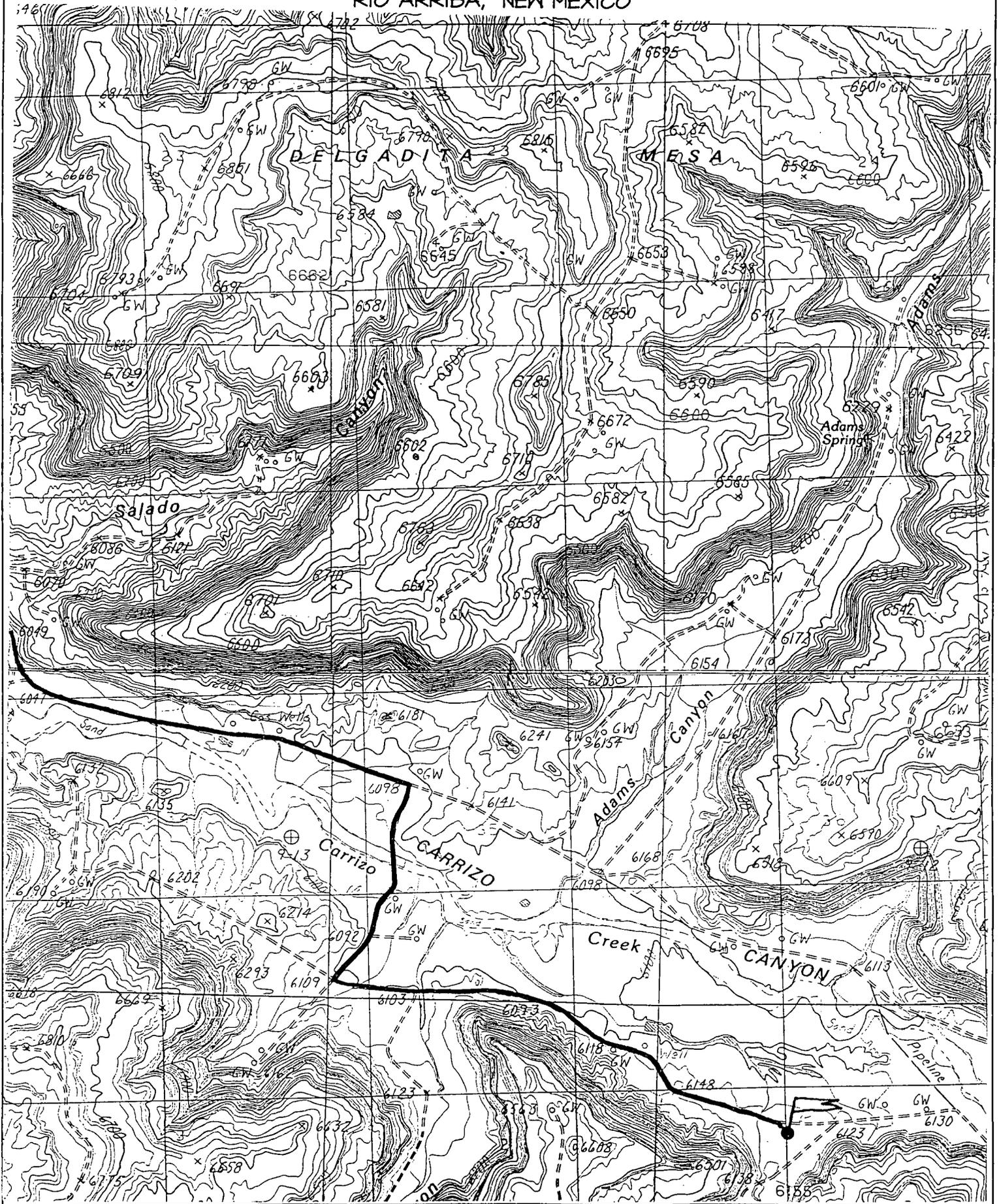
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Date of Survey
 Signature and Seal of Professional Surveyor:

Certificate Number

CONOCO, INC. SAN JUAN 28-7 UNIT #126M
2050' FNL & 2050' FWL, SECTION I, T27N, R1W, N.M.P.M.
RIO ARRIBA, NEW MEXICO



February 25, 1999

San Juan 28-7 Unit Well # 126M

Conoco, Inc is the sole operator of the 28-7 Unit. This well does not encroach on any outside unit boundary lines therefore there are no offset operators to be notified.

CMD : ONGARD 03/01/99 14:54:07
OG6C101 C101-APPLICATION FOR PERMIT TO DRILL OGOMES -TPXI

OGRID Idn : 5073 API Well No: 30 39 7161 APD Status(A/C/P): A
Opr Name, Addr: CONOCO INC Aprvl/Cncl Date : 10-24-1997
10 DESTA DR W
MIDLAND, TX 79705

Prop Idn: 16608 SAN JUAN 28 7 UNIT Well No: 126

| | U/L | Sec | Township | Range | Lot | Idn | North/South | East/West |
|--------------|-----|-----|------------|-------|-----|-----|-------------|--------------|
| Surface Locn | : M | 1 | 27N | 07W | | | FTG 990 F S | FTG 1040 F W |
| OCD U/L | : M | | API County | : 39 | | | | |

Work typ(N/E/D/P/A) : A Well typ(O/G/M/I/S/W/C): G Cable/Rotary (C/R) : F
Lease typ(F/S/P/N/J/U/I): F Ground Level Elevation : 6080

State Lease No: Multiple Comp (Y/N) : C
Prpsd Depth : 7331 Prpsd Frmtn : BASIN DK/BLANCO MV

E0009: Enter data to modify record

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
PF07 PF08 PF09 PRINT PF10 C102 PF11 HISTORY PF12

CMD : ONGARD 03/01/99 14:53:52
OG6IWCM INQUIRE WELL COMPLETIONS OGOMES -TPXI

API Well No : 30 39 7161 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 : 126
GL Elevation: 6080

| | U/L | Sec | Township | Range | North/South | East/West | Prop/Act (P/A) |
|-----------|-----|-----|----------|-------|-------------|--------------|----------------|
| B.H. Locn | : M | 1 | 27N | 07W | FTG 990 F S | FTG 1040 F W | P |

Lot Identifier:

Dedicated Acre: 320.00

Lease Type : F

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

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

03/01/99 14:53:06
OGOMES -TPXI
PAGE NO: 1

Sec : 01 Twp : 27N Rng : 07W Section Type : NORMAL

| | | | |
|--------------------------------------|---|---|---|
| 4 39.95 Federal owned U | 3 39.85 Federal owned U A | 2 39.75 Federal owned U | 1 39.65 Federal owned U |
| E 40.00 Federal owned U | F 40.00 Federal owned U | G 40.00 Federal owned U A | H 40.00 Federal owned U A |

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

1 1
79.95
79.85

159.80

16

319.80

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

03/01/99 14:53:32
OGOMES -TPXI
PAGE NO: 2

Sec : 01 Twp : 27N Rng : 07W Section Type : NORMAL

| | | | |
|---|--------------------------------------|---|--------------------------------------|
| L 40.00 Federal owned U A | K 40.00 Federal owned U | J 40.00 Federal owned U | I 40.00 Federal owned U |
| M 40.00 Federal owned U A | N 40.00 Federal owned U | O 40.00 Federal owned U C A | 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