

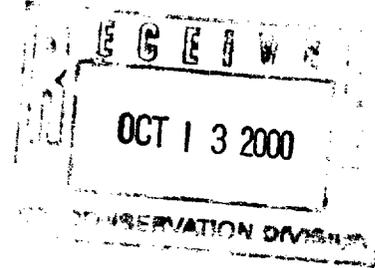


NSL 11/2/00
29347323

Deborah Marberry
Regulatory Analyst
Lobo/San Juan Business Unit
Exploration Production, North America

Conoco Inc.
600 N. Dairy Ashford, Dubai 3066
Houston, Texas 77079
(281) 293-1005

October 5, 2000



Mr. Michael E. Stogner
Oil Conservation Division
State of New Mexico
2040 South Pacheco
Santa Fe, New Mexico 87505

**RE: Application for Administrative Approval for Non-Standard Location
South Blanco Pictured Cliffs (72439)
San Juan 28-7 Unit Well no. 281
600' FNL and 1220' FWL
Unit Ltr. D Section 12-T27N-R7W
Rio Arriba County, New Mexico**

*O'ked
by Steve
Hayden*

Mr. Stogner:

Conoco Inc. hereby requests administrative approval for a non-standard location for the referenced proposed well due to topographical restraints.

The South Blanco Pictured Cliffs pool is in accordance with statewide rules which state that a Pictured Cliffs well must be 660' from the any outer boundary of the gas proration unit. This well is staked 600' FNL & 1220' FWL of Section 12-27N-7W.

The proposed well no. 281 has been staked in this location for the following reasons:

- 1) Presence of an approximately 500' cliff immediately to the south, making road accessibility extremely difficult.
- 2) Avoidance of a large drainage area associated with the Gomez Canyon to the southwest.
- 3) Utilization of existing well pad for the San Juan 28-7 well no. 125M, thereby reducing new surface disturbance.
- 4) Archeological concerns

This location is interior to the 28-7 unit, and does not encroach on any Unit Area boundaries. The proposed well is in the NW/4 equivalent of Section 12, which is within the Participating Area for Pictured Cliffs production, and encroaches upon the SW/4 of Section 1, which is not within the Participating Area. However, Conoco Inc. is the Operator for both gas proration units, and further notice to any other party is not required.

Enclosed in support of this application are the following:

- Exhibit 1: C-102 Plat
- Exhibit 2: Topographic Map
- Exhibit 3: Cultural Resources Survey Report
- Exhibit 4: Participating Area Map

Conoco respectfully requests that a non-standard location for the South Blanco Pictured Cliffs 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 (281) 293-1005. Geological questions may be directed to Lisa Campbell at (281) 293-6527, and land questions to Jennifer Barber at (281) 293-5057.

Sincerely,

A handwritten signature in black ink that reads "Deborah Marberry". The signature is written in a cursive style with a large, looped initial "D".

Deborah Marberry
Regulatory Analyst
CONOCO INC.

AUG 16 2000 10:08 AM CONOCO ROW AND CLAIMS 9156806503 TO 86395466
 District I
 PO Box 1980, Hobos, NM 88241-1980

State of New Mexico
 Energy, Minerals & Natural Resources Department

P.03/19
 Form C-11
 Revised February 21, 1995
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

District II
 PO Drawer 00, 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

*API Number		*Pool Code	*Pool Name
		72439	SOUTH BLANCO PICTURED CLIFFS/1
*Property Code	*Property Name		*Well Number
016608	SAN JUAN 28-7 UNIT		281
*GRID No.	*Operator Name		*Elevation
005073	CONOCO, INC.		6209'

¹⁰ Surface Location

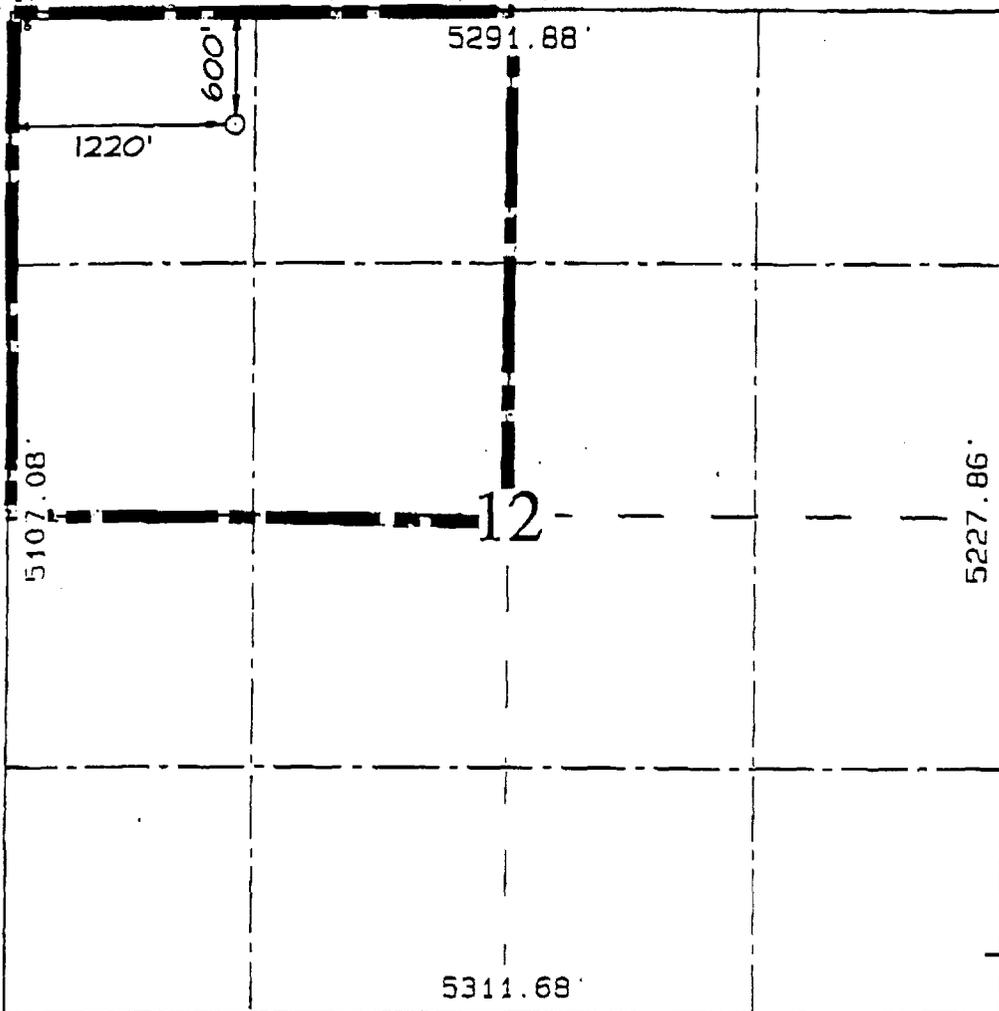
LL or 1st no.	Section	Township	Range	Lot Ion	Feet from the	North/South line	Feet from the	East/West line	County
0	12	27N	7W		600	NORTH	1220	WEST	RIO ARRIBA

¹¹ Bottom Hole Location If Different From Surface

LL or 1st no.	Section	Township	Range	Lot Ion	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.
NW /160			NSL exception has been filed with NMCO

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.

Signature: JoAnn Johnson
 Printed Name: Sr. Property Analyst
 Title:
 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.

JUNE 13, 2000
 Date of Survey

Signature and Seal: NEALE C. EDWARDS
 NEW MEXICO
 6857
 Certificate No. 6857

T27N R7W Section 12

584000

588000

592000

596000

2040000

2036000

2032000

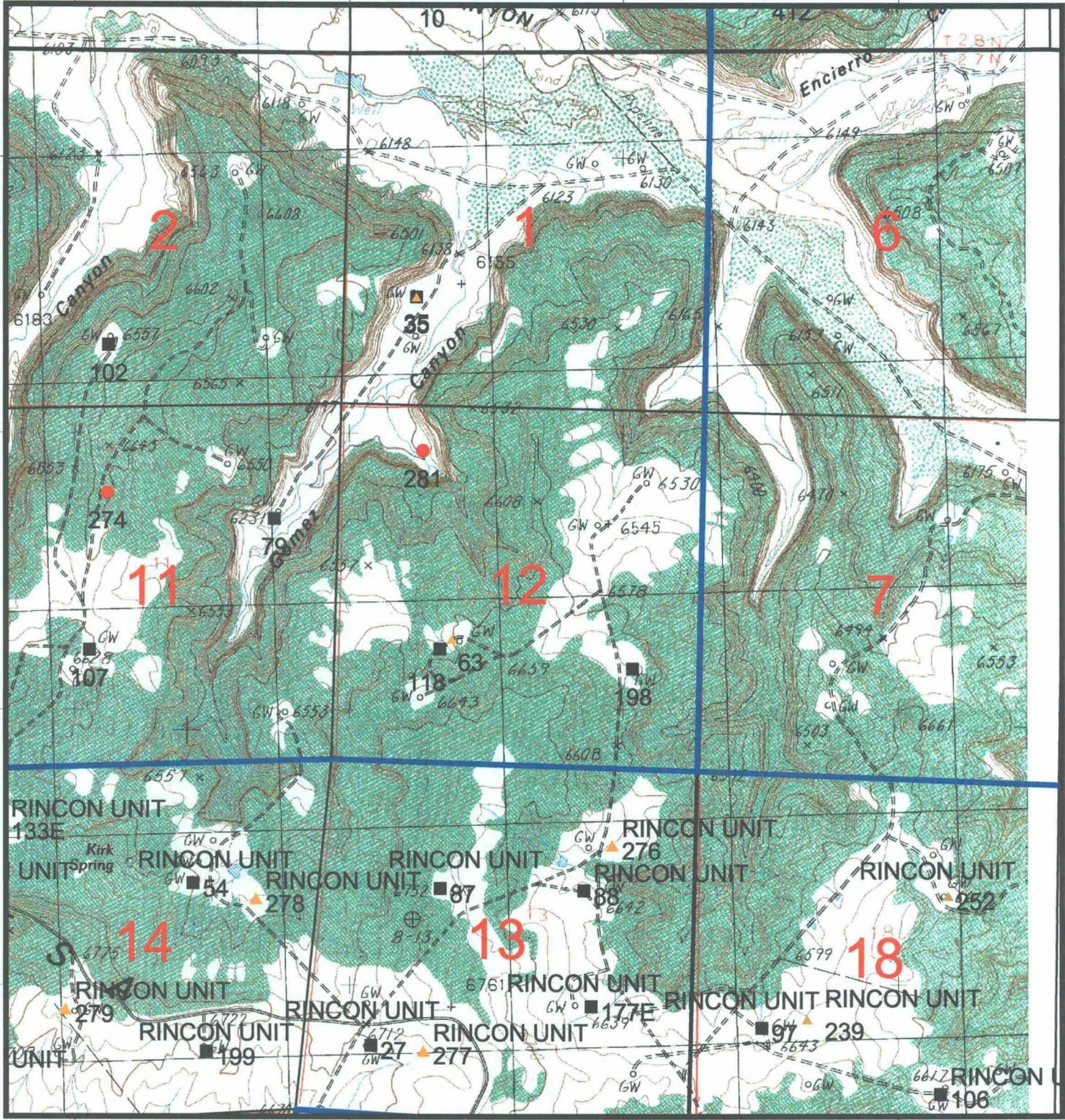
2028000

2040000

2036000

2032000

2028000



- Proposed Wells
- ▲ Fruitland Coal
- Pictured Cliff



CONOCO 28-7 UNIT
FC & PC PRODUCERS
San Juan 28-7 #281

Author: Angela Whitfield	Date: 8/21/00
Compiled by:	Map of
MD File:	



September 1, 2000

Mr. Mike Mankin
Conoco Incorporated
10 Desta Drive, Suite 430E
Midland, TX 79705-4500

RE: Proposed SJ 28-7 Unit Number 281 well pad

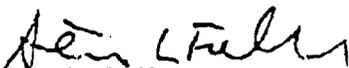
Dear Mike:

As shown in my survey report for the SJ 28-7 Unit Number 281 well pad (LAC Report 2000-4r [dated July 23, 2000]), archaeological site LA104105 is situated around the southeast corner of the staked location. The site has officially been determined by the New Mexico SHPO to be eligible for nomination to the National Register of Historic places. As shown on Figure 6 in my report, the presence of two petroglyph panels and a possible hearth (Feature 1) limit any movement of the well location to the southeast or east. In fact, the well pad was originally trimmed considerably around the southeast corner in order to provide some minimal space between the proposed location and the site boundary. As shown on Figure 6 of my report, there is no room to move to the southeast or east or even due south. Movement of the staked location to the south would require some movement to the west to stay out of the site boundary and the location would end up shifted slightly to the west. A large arroyo system to the south and west of the site, although not fully shown on my Figure 6 map, would encroach on the west and southwest sides of the pad, providing too little space required for the location.

In my opinion, the current well location is staked about as far south as possible, given the presence of Site LA104105 (that requires avoidance and protection) and the proximity of deep arroyos to the south, and west.

Let me know if you have any further questions concerning this matter.

Sincerely,


Steven L. Fuller

**CULTURAL RESOURCES SURVEY OF
CONOCO INCORPORATED'S
SAN JUAN 28-7 NO. 281 WELL PAD AND
EL PASO FIELD SERVICES' WELL TIE PIPELINE
RIO ARriba COUNTY, NEW MEXICO**

LAC REPORT 2000-4r

by

Steven Fuller

**LA PLATA ARCHAEOLOGICAL CONSULTANTS
26851 COUNTY ROAD P
DOLORES, COLORADO 81323
(970) 565-8708**

**New Mexico Cultural Resource Use permit No. 19-2920-99-R
NMCRIS Project Number 71241**

July 23, 2000

Prepared For:

**Conoco Incorporated
10 Desta Drive; Suite 430E
Midland, Texas 79705-4500
(915) 686-5794**

**El Paso Field Services
614 Reilly Avenue
Farmington, NM 87401
(505) 599-2177**

ABSTRACT

On June 14 and July 6, 2000, La Plata Archaeological Consultants conducted a cultural resources survey for the proposed San Juan 28-7 Number 281 well pad and well tie pipeline planned by Conoco Incorporated and El Paso Field Services. The survey is located in Rio Arriba County, New Mexico, on lands managed by the Bureau of Land Management, Farmington District Office. The project is located in T27N, R7W, Section 12. Approximately 6.3 acres were surveyed for the well pad, well tie pipeline, and buffer zones.

One previously recorded archaeological site was encountered during the survey. The site, officially eligible for nomination to the National Register of Historic Places, has been adequately avoided by the proposed project and, given recommendations for site protection, archaeological clearance is recommended.

INTRODUCTION

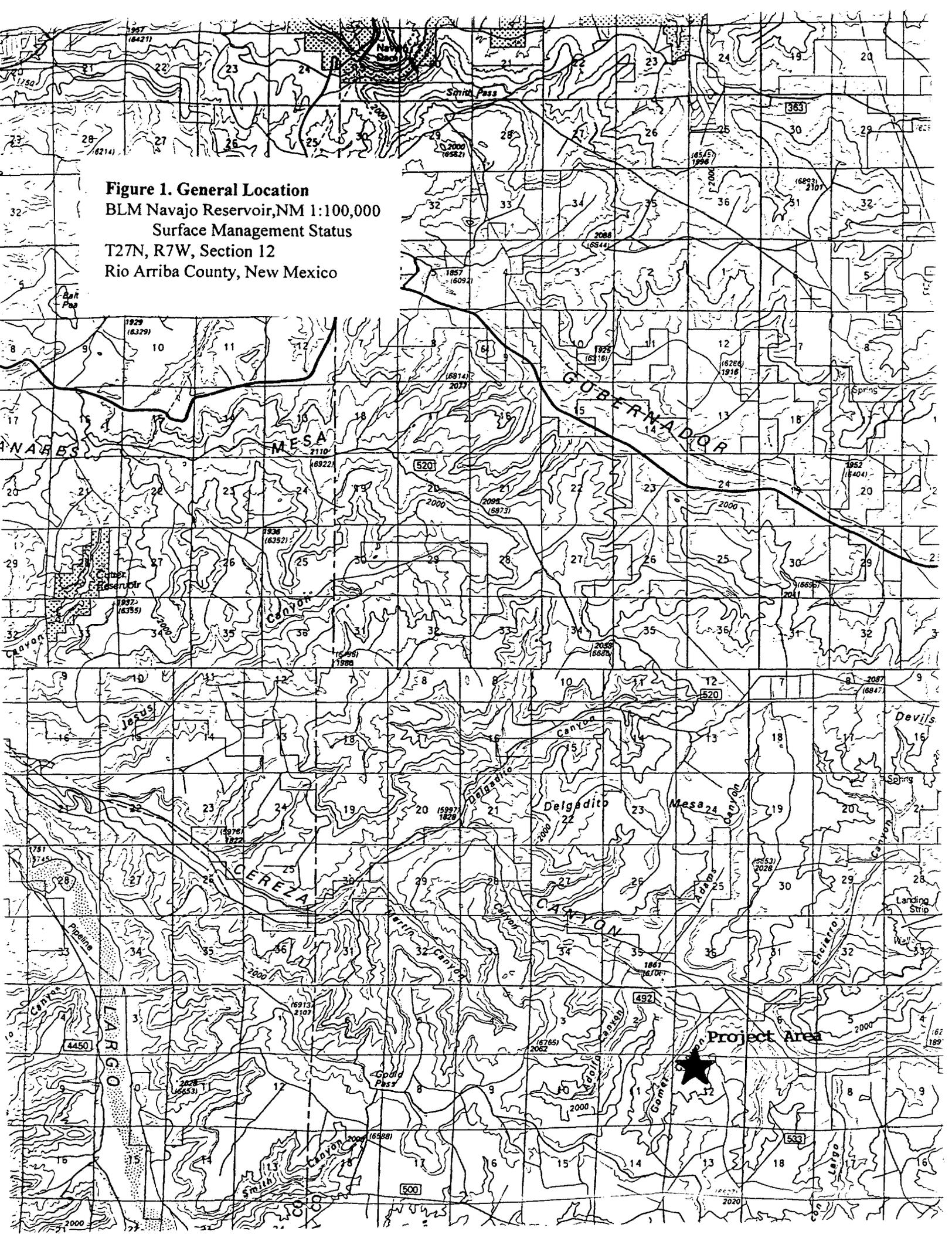
The archaeological survey of Conoco Inc.'s San Juan 28-7 Number 281 well pad and El Paso Field Services' well tie pipeline was conducted by personnel of La Plata Archaeological Consultants on June 14 and July 6, 2000. The fieldwork was conducted by Steven Fuller; Fuller also administered the project. The survey was conducted at the request of Mr. Mike L. Mankin of Conoco Incorporated. Personnel of NCE Surveys staked the proposed well location and El Paso Field Services personnel staked the well tie pipeline.

The project is located on lands managed by the Bureau of Land Management, Farmington District Office. The project is within Rio Arriba County, New Mexico, and is located in the bottom of a tributary to Gomez Canyon just to the north of Ensenada Mesa (Figures 1 and 2). All work was conducted under the authority of the New Mexico Cultural Resource Use Permit No. 19-2920-99-R issued to La Plata Archaeological Consultants.

The area was surveyed for a well pad proposed by Conoco Incorporated and an associated well tie pipeline proposed by El Paso Field Services. A total of 6.3 acres was intensively surveyed for this project. A 540 by 510 foot block was surveyed for the well pad which will measure approximately 240 by 210 ft. The well tie pipeline extends only 236 ft to an existing pipeline and does not leave the block survey area. The proposed location is staked on the existing SJ 28-7 Number 125M well and no new access is required.

One previously recorded archaeological site was encountered during the survey of the well pad and pipeline. The site is considered *officially* eligible for nomination to the National Register of Historic Places. Given recommendations for site avoidance and protection, archaeological clearance is recommended for the project.

Figure 1. General Location
BLM Navajo Reservoir, NM 1:100,000
Surface Management Status
T27N, R7W, Section 12
Rio Arriba County, New Mexico



PREFIELD RECORDS SEARCH

The ARMS database was searched by modem for this project in June, 2000. Also consulted were the records maintained by the BLM, Farmington District Office. There are only two previously recorded sites located within 0.5 mile of the project area, as shown on Figure 3 included in Appendix A with BLM copies of this report. One of the sites, LA104105 (NM-01-39484), was found to be in this project area and was rerecorded and described later in this report. The other site is located over 1500 ft from the project area.

FIELD METHODS

Prior to the survey, the proposed well pad was marked at the center, the four corners, and the four centerline endpoints. A 6.3 acre block (540 by 510 ft) was surveyed at the well location using pedestrian transects spaced no farther apart than 15 meters. This was sufficient to cover the 240 by 210 ft well pad, 50 ft construction zone, and at least a 100 ft buffer for cultural resources. The surveyed area is illustrated on Figure 2.

ENVIRONMENT

The proposed well pad is located just north of Ensenada Mesa, in a small side canyon that heads northeast into Gomez Canyon. Carrizo Canyon opens up about one mile north of the project area. The well pad is staked on an existing well pad and most of the survey area is heavily disturbed and leveled. The existing location is cut into the talus slope at the base of Ensenada Mesa and a large arroyo that flows northwest into Gomez Canyon Wash defines the opposite side of the project area. The canyon supports scattered pinyon and juniper with sagebrush and grasses, cacti, and yucca. Soils are formed on deep sandy alluvial sediments which fill the narrow canyon bottom.

PROJECT LOCATION AND DESCRIPTION

Project Name: Conoco Incorporated's SJ 28-7 No. 281 well pad and El Paso Field Services' well tie pipeline

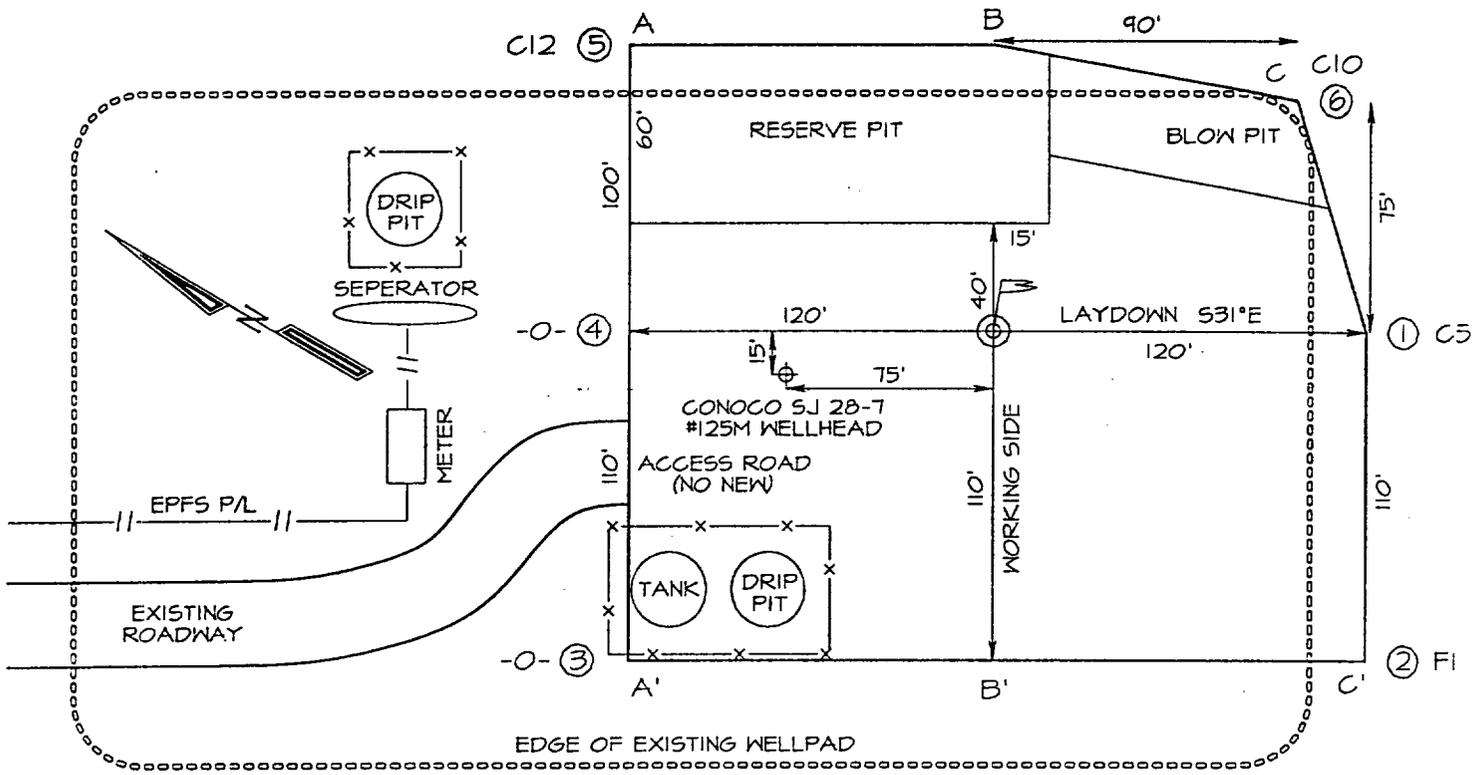
Legal Description: The well pad is located in T27N, R7W, Section 12, NW¼ NW¼. The actual footage of the location is 1220 FWL, 600 FNL (see well pad plat, Figure 4 and pipeline plat, Figure 5). All project features are in Rio Arriba County, New Mexico.

Elevation: 6209 ft

Map Reference: USGS Gould Pass, New Mexico, 7.5' (1985 Provisional Edition)

CONOCO, INC. SAN JUAN 28-7 UNIT #281
600' FNL, 1220' FWL, SECTION 12, T27N, R7W, NMPM
RIO ARriba COUNTY, NEW MEXICO
GROUND ELEVATION: 6209'

LATITUDE: 36°35'40"
LONGITUDE: 107°31'49"



A-A'					
6219'					
6209'					
6199'					

B-B'					
6219'					
6209'					
6199'					

C-C'					
6219'					
6209'					
6199'					

Figure 4. Well Pad Plat

- Land Jurisdiction:** BLM, Farmington District
- Project Area:** The well pad will measure about 240 by 210 ft and will directly affect an area of about 1.2 acres, though virtually all of the affected area is presently disturbed. Access will be from an existing road that serves the well that is overlapped by the proposed location. The well tie pipeline will extend 236 ft from the well flag to an existing pipeline, all on the existing SJ 28-7 Number 125M location.
- Surveyed Area:** The survey included a 540 by 510 ft block (6.3 acres) for well pad, 50-ft construction zone, and 100-ft buffer zone. No access road is required and the short well tie pipeline is totally within the block survey area.
- Results:** One archaeological site (LA104105) was encountered during the survey. An updated site form is included in Appendix B. The site is described below.

CULTURAL RESOURCES

One previously recorded archaeological site was encountered within the surveyed area. The site contains early Navajo rock art and is associated with a possible hearth. The site has officially eligible for nomination to the National Register of Historic Places. The site is more fully described as follows:

Site No. LA104105

Description: This rock art site was previously recorded in 1993 by personnel of Arboles Archaeology. The site (Figure 6) was recorded as consisting of a single petroglyph, located on a boulder just southeast from Conoco's SJ 28-7 Number 125M well pad. The original petroglyph was relocated and found to be undamaged since the original recording in 1993. During additional survey for Conoco's proposed SJ 28-7 Number 281 well pad (which overlaps the SJ 28-7 Number 125M well pad) an additional rock art element was found 35 m to the north-northeast and a possible hearth was found 32 m to the south.

The original petroglyph is of a possible Yei figure (see Figure 7). The head and arms are incised (rather than pecked), possibly with a metal object. The head measures 7 cm in height by 15 cm in width. Patches of light pecking or faint abrasion possibly represent a headdress and a body. The area above the head extends upward about 11 cm and the possible body extends downward about 32 cm. The petroglyph is on a northwest facing vertical boulder face at the base of a talus slope.

The new rock art element found on the site is a pictograph on the vertical face of a boulder which is slightly protected by an overhanging portion of the boulder. The

LA104105

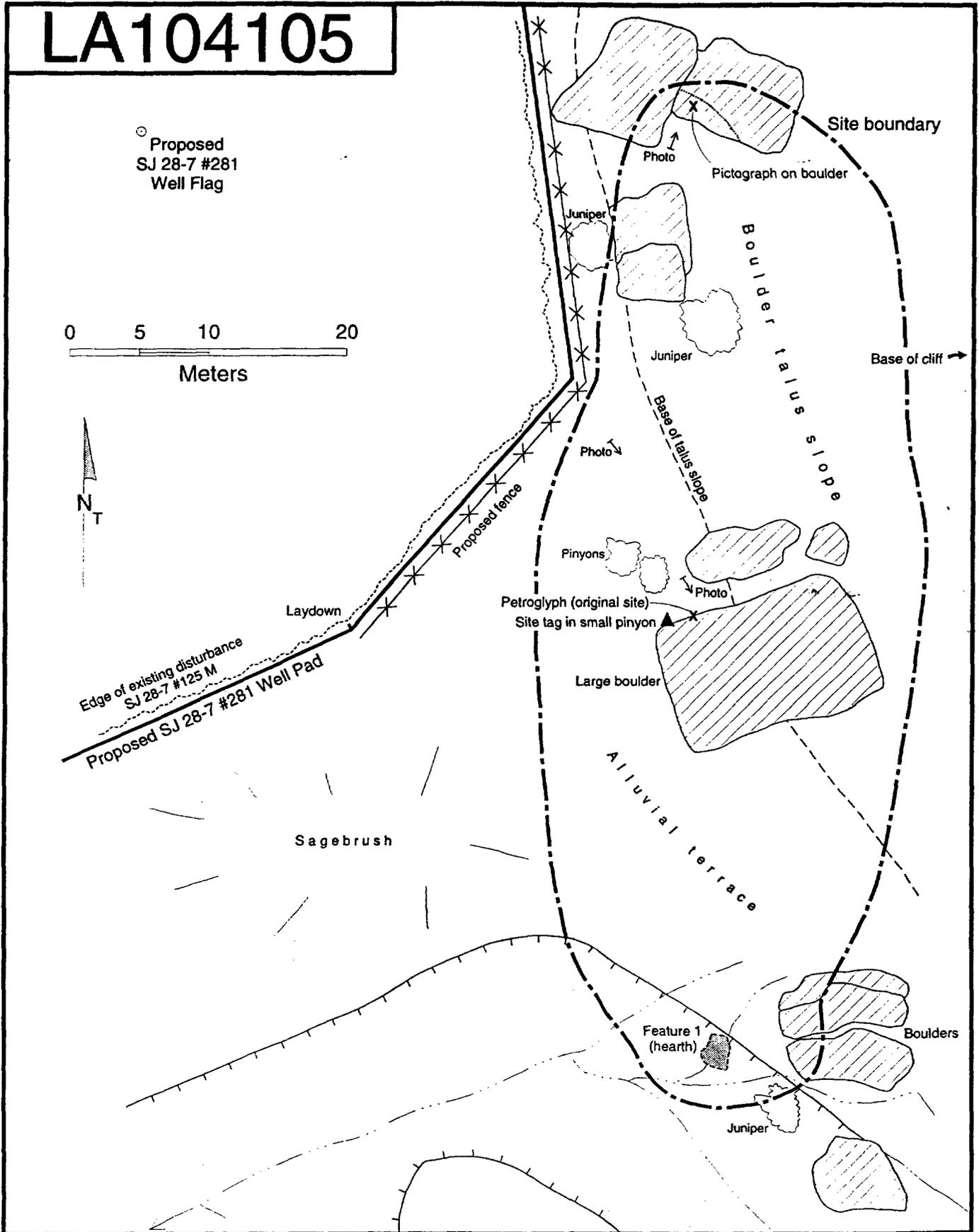
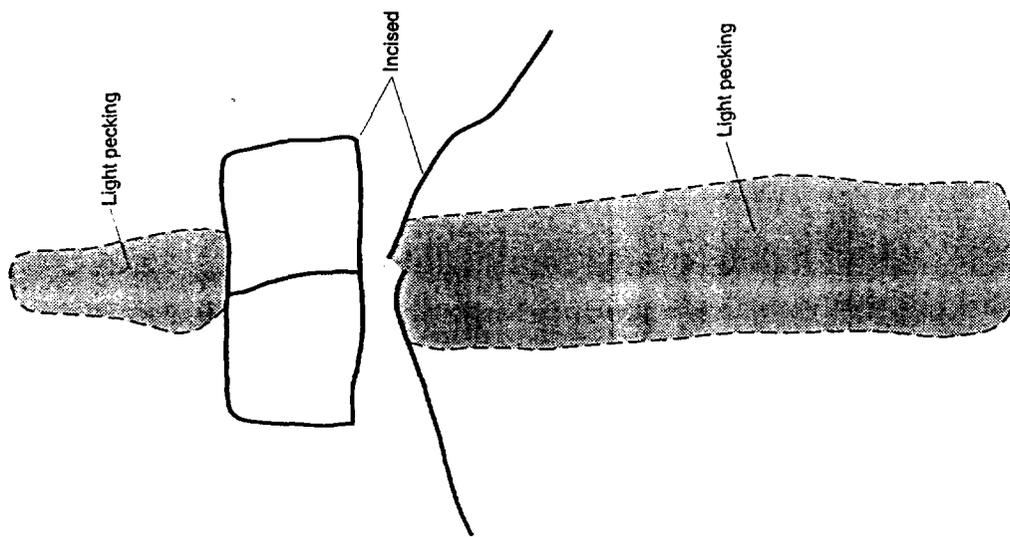


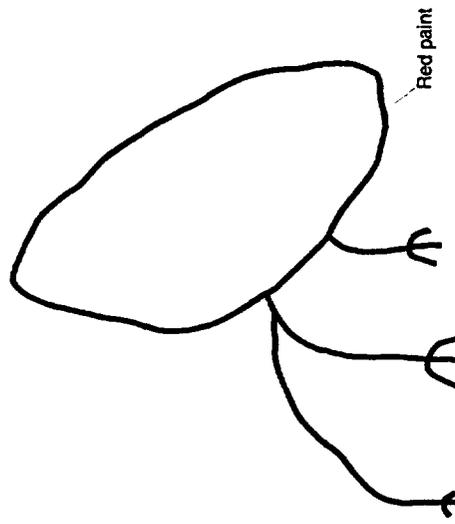
Figure 6. Site plan: LA104105

Yei Petroglyph
(facing southeast)



0 5 10
Centimeters

Pictograph
(facing northeast)



0 5 10
Centimeters

LA104105

Figure 7. LA104105: Rock Art Panels

pictograph (Figure 7) is made of red paint and apparently represents an animal or insect. The body is 21 cm long and there are three apparent legs with little bird-like feet. No other rock art, either paintings or pecking, is visible on the other surfaces of this boulder.

A possible hearth was observed in an arroyo 32 m south of the originally recorded petroglyph. The area is very eroded, between the bottom of an arroyo and a sagebrush-covered terrace. Feature 1 is a 60 cm diameter charcoal stain with an FCR concentration. The FCR is about 1/3 quartzite and 2/3 sandstone, with about 20 pieces present. No artifacts are associated.

The site is expected to represent early Navajo Gobernador Phase use of this area due to the nature of the petroglyph. No artifacts were observed on the site, but the Yei figure suggests Gobernador Phase association and the pictograph and hearth are, therefore, assumed to be contemporary. The site has previously been determined to be eligible for National Register nomination and the addition of the pictograph and possible hearth only support that previous assessment.

RECOMMENDATIONS

During the survey for Conoco Incorporated's San Juan 28-7 Unit Number 281 well pad and El Paso Field Services' well tie pipeline, one National Register eligible archaeological site was encountered. Recommendations for avoiding and protecting the site are presented below:

LA101456: This site is situated just southeast of the proposed well pad (Figure 6). The corner of the original well pad (SJ 28-7 Number 125M) was placed just outside of the site boundary and the new well has been staked so that no new disturbance is required in this corner of the pad. During new construction, a fence should be placed as shown on the site plan and no new disturbance should be allowed between the laydown stake and the mid-pit stake, as shown on Figure 6.

Given these recommendations for site avoidance, archaeological clearance is recommended for the project.

REFERENCES

Kershner, John M.

1993 An Archaeological Survey of the Proposed Well Pad Ref. # 20104 (Tr 450B), Surveyed for Amoco Production Company. Arboles Contract Archaeology Report 93-264B. Farmington.

APPENDIX A
PREVIOUSLY RECORDED SITES

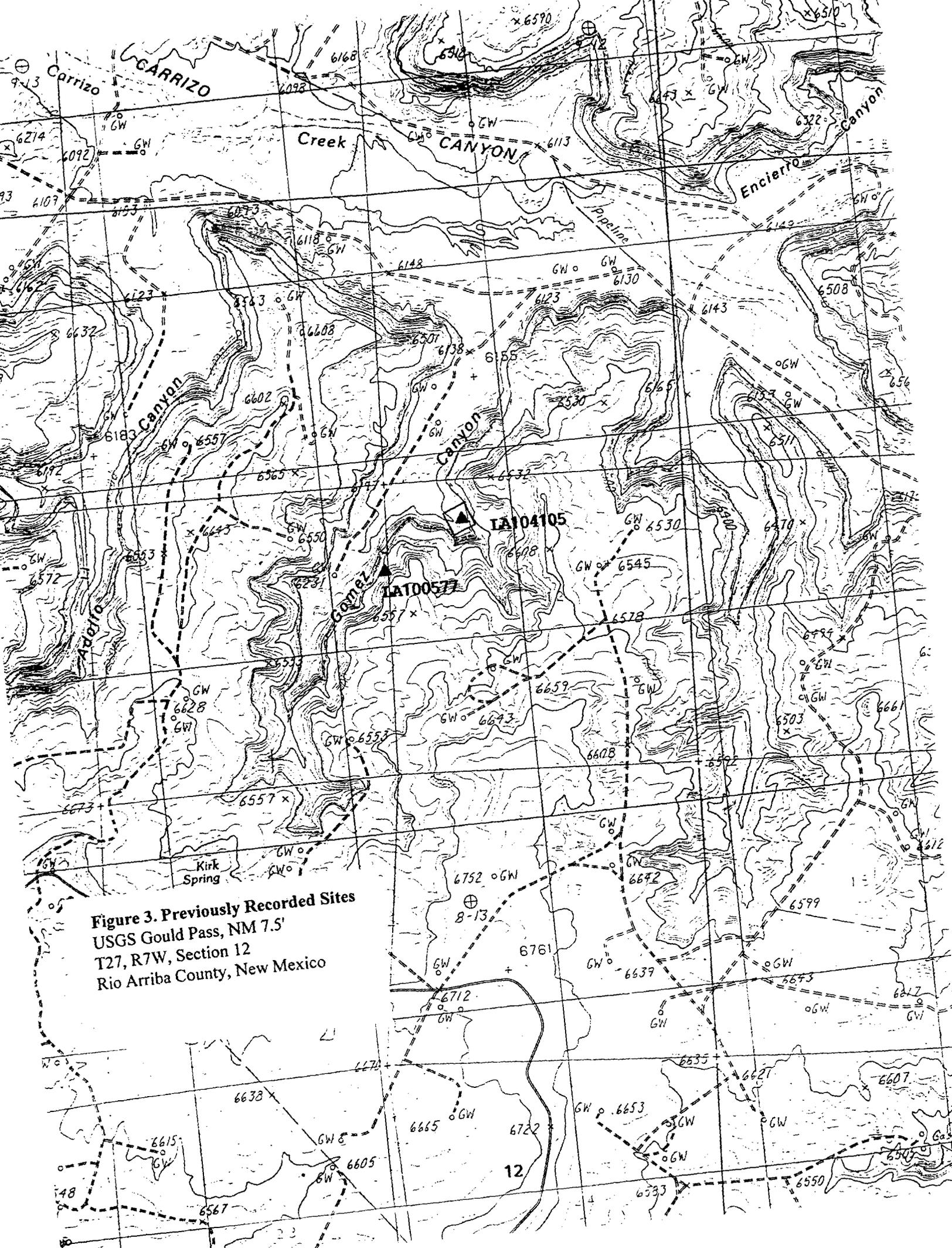
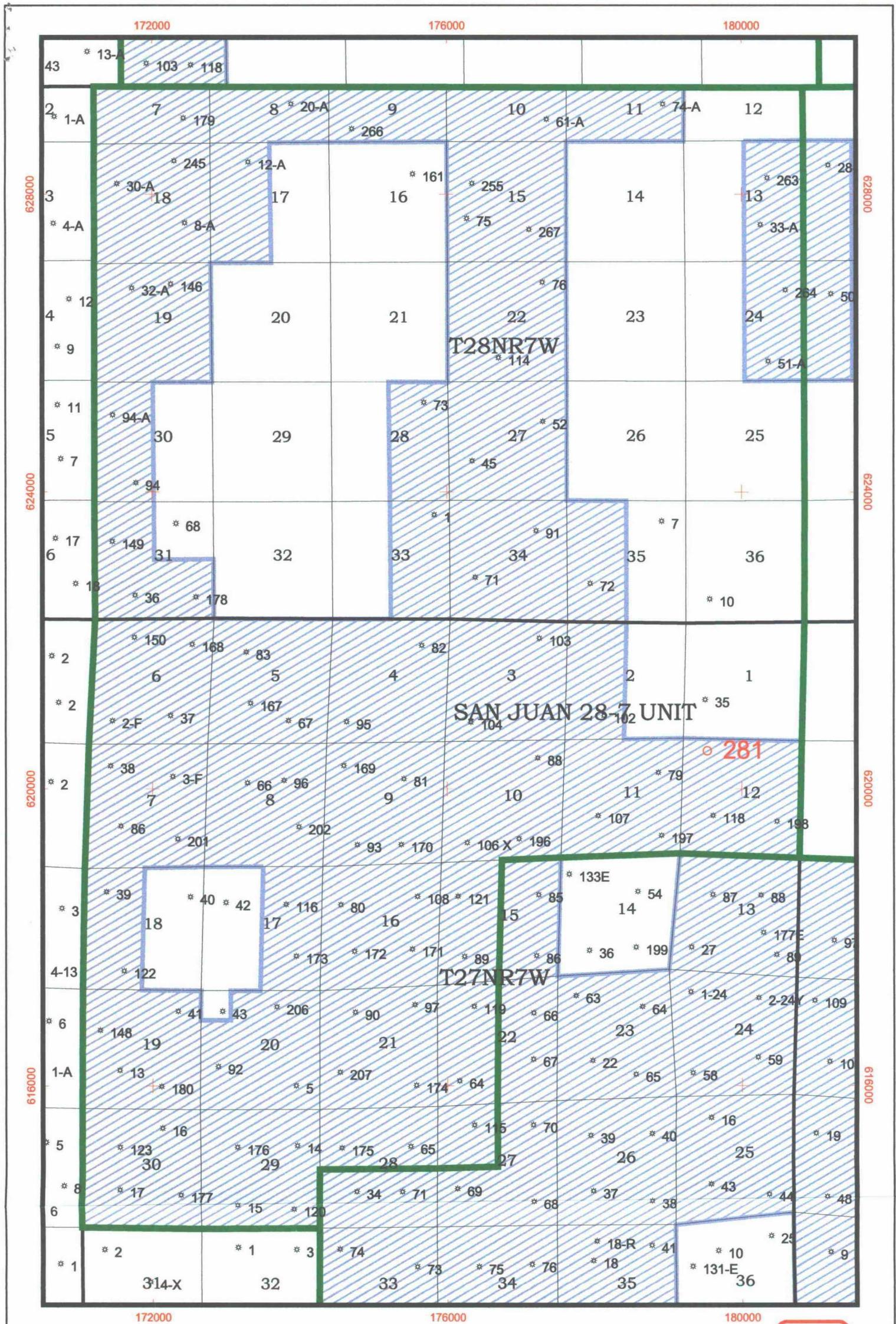


Figure 3. Previously Recorded Sites
 USGS Gould Pass, NM 7.5'
 T27, R7W, Section 12
 Rio Arriba County, New Mexico

APPENDIX B
SITE FORM UPDATE: LA104105



- Proposed Well 281
- * Pictured Cliffs Wells
- SJ Federal Units
- ▨ Pictured Cliffs PA



Proposed Well 281

28-7 Unit

Author: Angela Whitfield	Date: 9/18/00
Compiled by:	Map 1 of 1
MD File:	



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

October 20, 2000

Conoco, Inc.
600 N. Dairy Ashford Dubai 3066
Houston, Texas 77079

Attention: Deborah Marberry

Re: Administrative application for an exception to Division Rule 104.C (3) for Conoco, Inc.'s proposed San Juan "28-7" Unit Well No. 281 to be drilled at an unorthodox Pictured Cliffs gas well location 600 feet from the North line and 1220 feet from the West line (Unit D) of Section 12, Township 27 North, Range 7 West, NMPM, South Blanco-Pictured Cliffs Pool, Rio Arriba County, New Mexico.

Dear Ms. Marberry:

It appears that your application is incomplete with respect to notice. As you are aware Division Rule 1207.A (2) (a) states:

"In the event the operator of the proposed unorthodox well is also the operator of an existing adjoining spacing unit and ownership is not common between the adjoining spacing unit and the spacing unit containing the proposed unorthodox well, then "affected persons" include all working interest owners in that spacing unit".

According to your "28-7" Unit land plat, Section 12 is within the Pictured Cliffs participating area while the offsetting Section 1 is not; therefore, ownership is not common. Please identify the working interests within the SW/4 of Section 1 and provide adequate notice to them or explain why notice is not required in this case. Thank you for your cooperation.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
W. Thomas Kellahin, Legal Counsel for Conoco, Inc. - Santa Fe
Ms. Lori Wrotenbery, Director NMOCD - Santa Fe
Ms. Yolanda Perez, Conoco, Inc. - Houston

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

10/20/00 09:54:23
OGOMES -TP7I
PAGE NO: 1

Sec : 12 Twp : 27N Rng : 07W Section Type : NORMAL

D 40.00 Federal owned U A	C 40.00 Federal owned U	B 40.00 Federal owned U	A 40.00 Federal owned U A
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

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

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

10/20/00 09:54:43
OGOMES -TP7I
PAGE NO: 2

Sec : 12 Twp : 27N Rng : 07W Section Type : NORMAL

L 40.00 Federal owned U	K 40.00 Federal owned U A A	J 40.00 Federal owned U	I 40.00 Federal owned U A A
M 40.00 Federal owned U A	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 10/20/00 09:38:38
OG6IWCM INQUIRE WELL COMPLETIONS OGOMES -TP7I

API Well No : 30 39 7178 Eff Date : 10-28-1999 WC Status : A
Pool Idn : 72439 BLANCO P. C. SOUTH (PRORATED GAS)
OGRID Idn : 5073 CONOCO INC
Prop Idn : 16608 SAN JUAN 28 7 UNIT

Well No : 035
GL Elevation: 6172

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
B.H. Locn	: L	1	27N	07W	FTG 1650 F S	FTG 990 F W	P

Lot Identifier:

Dedicated Acre: 160.00

Lease Type : F

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

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

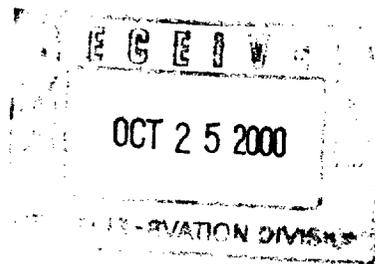


Deborah Marberry
Regulatory Analyst
Lobo/San Juan Business Unit
Exploration Production, North America

Conoco Inc.
600 N. Dairy Ashford, Dubai 3066
Houston, Texas 77079
(281) 293-1005

October 24, 2000

Mr. Michael E. Stogner
Oil Conservation Division
State of New Mexico
2040 South Pacheco
Santa Fe, New Mexico 87505



**RE: Application for Administrative Approval for Non-Standard Location
South Blanco Pictured Cliffs (72439)
San Juan 28-7 Unit Well no. 281
600' FNL and 1220' FWL
Unit Ltr. D Section 12-T27N-R7W
Rio Arriba County, New Mexico**

Mr. Stogner:

In reference to your letter dated October 20, 2000 regarding the above well, Conoco owns 100% of the working interest in all of Section 1 and notice would not be required.

Thank you for your time. If there are any further questions concerning this application, please feel free to contact me at (281) 293-1005.

Sincerely,

Deborah Marberry
Regulatory Analyst
CONOCO INC.