



NSL 10/22/98

Mid-Continent Region  
Exploration/Production

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

September 30, 1998

Mr. Stogner  
Oil Conservation Division  
2040 Pacheco Street  
Santa Fe, NM 87505



RE: Application to Amend NSL Order # 1001  
Jackson #3  
API # 30-045-25315  
1430' FSL & 1140' FEL  
Section 10, T-28-N, R-9-W, I  
Blanco Mesaverde (72319)  
San Juan County, NM

Dear Mr. Stogner,

The proposed recompletion of this well in the Blanco Mesaverde requires a non-standard location order. This well is located in Section 10, T-28-N, R-9-W in San Juan County, NM. The well is located 1430' FSL & 1140' FEL thereby not leaving the required 130' distance from the inside quarter section lines. This well is currently producing from the Fruitland Coal.

Conoco Inc. requests that the NSL Order # 1001 issued to Tenneco Oil Co in 1978 for the Basin Dakota be amended to include the Blanco Mesaverde. Please find attached a copy of the Downhole Commingle Order # 1889 which permits us to recomplete this well in the Mesaverde and Downhole Commingle the Mesaverde with the Fruitland Coal. Also attached is a copy of Amoco's letter asking for the NSL Order # 1001 to be amended to include the unorthodox location for the Fruitland Coal. The C-102 for the Mesaverde is attached.

A copy of this letter has been sent to the offset operators that could be affected by this non-standard location request. Please find enclosed evidence that they have been notified.

Conoco, Inc respectfully requests that the Administrative approval granted under the NSL -1001 be modified to include the Blanco Mesaverde. If there are any further questions please call me @ (915) 686-5798.

Sincerely,

Kay Maddox

Regulatory Agent - Conoco, Inc.

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



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

December 18, 1978

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-2434

JERRY APODACA  
GOVERNOR

NICK FRANKLIN  
SECRETARY

*\* Jackson #3  
orig app  
under well  
name*

Tenneco Oil Company  
The Galleria-Penthouse  
720 South Colorado Blvd.  
Denver, Colorado 80222

Attention: D. D. Myers

Administrative Order NSL-1001

Gentlemen:

Reference is made to your application for a non-standard location for your Johnston B Well No. 1 to be located 1430 feet from the South line and 1140 feet from the East line of Section 10, Township 28 North, Range 9 West, NMPM, Basin Dakota Pool, San Juan County, New Mexico.

By authority granted me under the provisions of Rule 3 of Order No. R-1670-C, the above-described unorthodox location is hereby approved.

Very truly yours,

JOE D. RAMEY,  
Director

JDR/RLS/dr

cc: Oil Conservation Division - Aztec  
Oil & Gas Engineering Committee - Hobbs  
U. S. Geological Survey - Farmington

RECEIVED

JAN 13 1979

DIST. 2



**Amoco Production Company**

Southern Rockies Business Unit  
Amoco Building  
1670 Broadway  
Post Office Box 800  
Denver, Colorado 80201  
303-830-4040

November 4, 1992

William J. LeMay, Director  
New Mexico Oil Conservation Division  
State Land Office Building  
310 Old Santa Fe Trail  
Santa Fe, New Mexico 87504

File: CAW-240-986.511

Application for Unorthodox Location  
Jackson #3 Well  
1,430' FSL and 1,140' FEL, Sec 10, T28N-R9W  
Basin Fruitland Coal Pool  
San Juan County, New Mexico

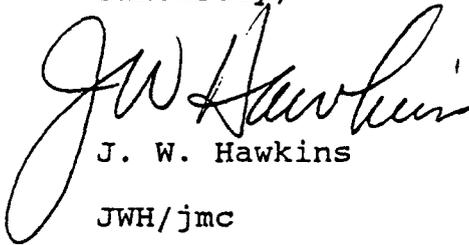
Amoco Production Company hereby makes application for unorthodox location for the Jackson #3 Well at the above referenced location in the Basin Fruitland Coal Pool, San Juan County, New Mexico. This well was originally drilled to the Basin Dakota Pool at an approved non-standard location under Administrative Order NSL-1001 dated December 8, 1978. Amoco now wishes to recomplate the well to the Basin Fruitland Coal Pool. This location would be unorthodox since it does not conform to the NE/SW pattern in the pool. Under Rule 8 of Order No. R-8768, the Division Director may grant exception to the location requirements without hearing for recompletion of wells previously drilled to deeper horizons at approved unorthodox location for such horizons.

In addition, this well will be dedicated to a non-standard unit consisting of the S/2 Section 10, T28N-R9W. This is necessitated by variation in legal subdivision of the U.S. Public Land Survey. The unit consists of an entire governmental section not less than 70% or more than 130% of a standard gas proration unit. Under Rule 5 of Order R-8768-A this non-standard unit may be approved by the Supervisor of the Aztec District office of the Division. Attached are copies of the form C-102.

William J. LeMay  
November 4, 1992  
Page 2

All operators offsetting the location will receive copies of this application by certified mail. These parties have 20 days to object to the application. If no objection is received within the 20 day notice period, Amoco respectfully requests administrative approval.

Sincerely,



J. W. Hawkins

JWH/jmc

Attachments

cc: E. Hadlock  
J. Joyce

Aztec District III  
Ernie Bush  
1000 Rio Brazos Rd.  
Aztec, New Mexico 87410



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

ADMINISTRATIVE ORDER DHC-1889

Conoco Inc.  
10 Desta Drive  
Suite 100W  
Midland, Texas 79705-4500

Attention: Ms. Kay Maddox

*Jackson No. 3  
API No. 30-045-25315  
Unit I, Section 10, Township 28 North, Range 9 West, NMPM,  
San Juan County, New Mexico.  
Blanco-Mesaverde (Prorated Gas - 72319) and  
Basin-Fruitland Coal (Gas - 71629) Pools*

Dear Ms. Maddox:

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the above described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303.C., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the zones is hereby placed in abeyance.

The maximum amount of gas which may be produced daily from the well shall be determined by Division Rules and Regulations or by the gas allowable for each respective prorated pool as printed in the Division's San Juan Basin Gas Proration Schedule.

Production from the subject well shall be allocated as follows:

Gas and oil production from the Basin-Fruitland Coal Gas Pool shall be determined utilizing the annual average production forecast submitted by the applicant as an attachment to the downhole commingling application. Gas and oil production from the Blanco-Mesaverde Gas Pool shall be determined by subtracting Basin-Fruitland Coal Gas Pool production from the well's total monthly oil and gas production.

The allocation method established herein may be altered at some time subsequent to initiating

Administrative Order DHC-1889  
Conoco Inc.  
April 9, 1998  
Page 2

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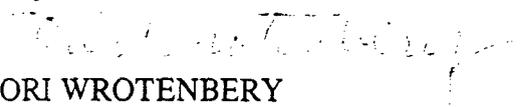
downhole commingling operations upon request by the operator and for good cause shown.

REMARKS: The operator shall notify the Aztec District Office of the Division upon implementation of the commingling process.

Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 9th day of April, 1998.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
LORI WROTENBERY  
Director

S E A L

LW/DRC

cc: Oil Conservation Division - Aztec  
Bureau of Land Management-Farmington

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

State of New Mexico  
Energy, Minerals & Natural Resources Department

Revised February 21, 1994  
instructions on back

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

OIL CONSERVATION DIVISION  
PO Box 2088  
Santa Fe, N.M. 87504-2088

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

District III  
1000 Rio Brazos Rd. Aztec, NM 87410

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-045-25315		2 Pool Code 72319		3 Pool Name Blanco Mesaverde	
4 Property Code		5 Property Name Jackson			6 Well Number 3
7 OGRID No. 005073		8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500			9 Elevation 6022'

10 Surface Location

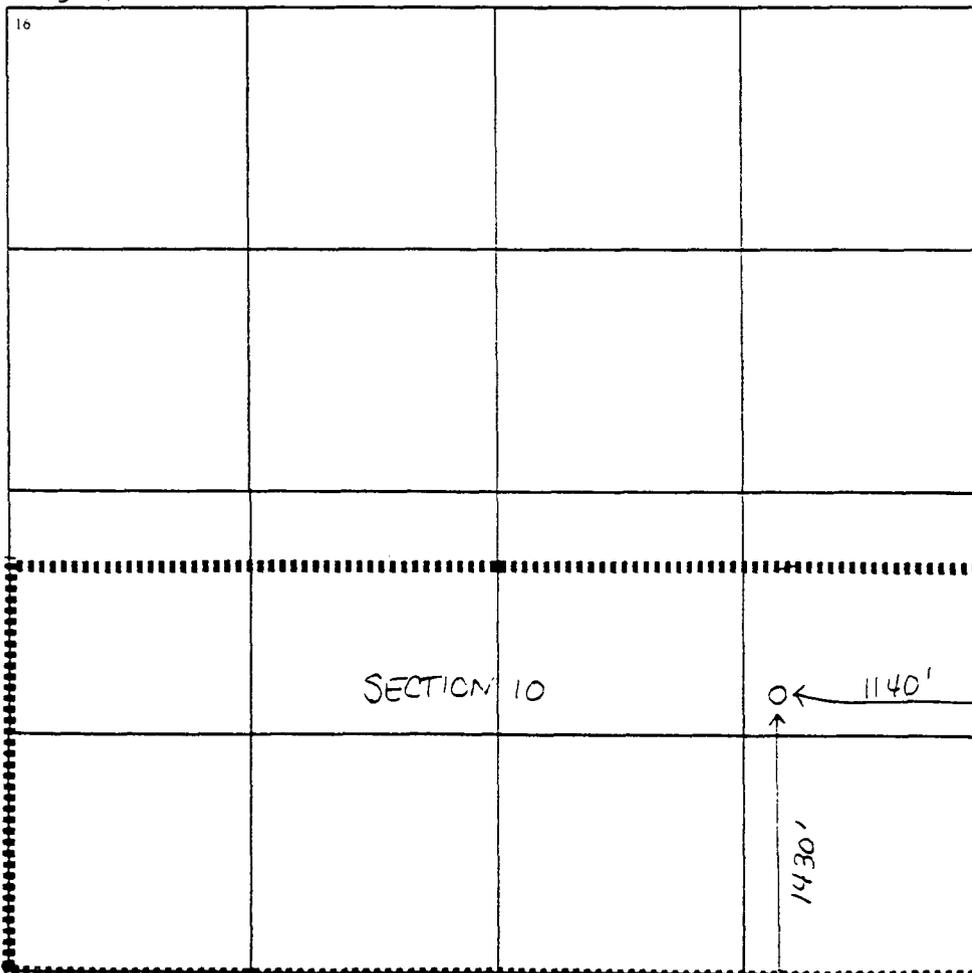
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	10	28N	9W		1430	South	1140	East	San Juan

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 270.36	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  
"ALL" SECTION 10 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

2/24/98  
Date

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

Submit to Appropriate District Office  
 State Lease - 4 copies  
 Fee Lease - 3 copies

State of New Mexico  
 Energy, Minerals and Natural Resources Department

Form C-102  
 Revised 1-1-89

OIL CONSERVATION DIVISION  
 P.O. Box 2088  
 Santa Fe, New Mexico 87504-2088

DISTRICT I  
 P.O. Box 1980, Hobbs, NM 88240

DISTRICT II  
 P.O. Drawer DD, Artesia, NM 88210

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

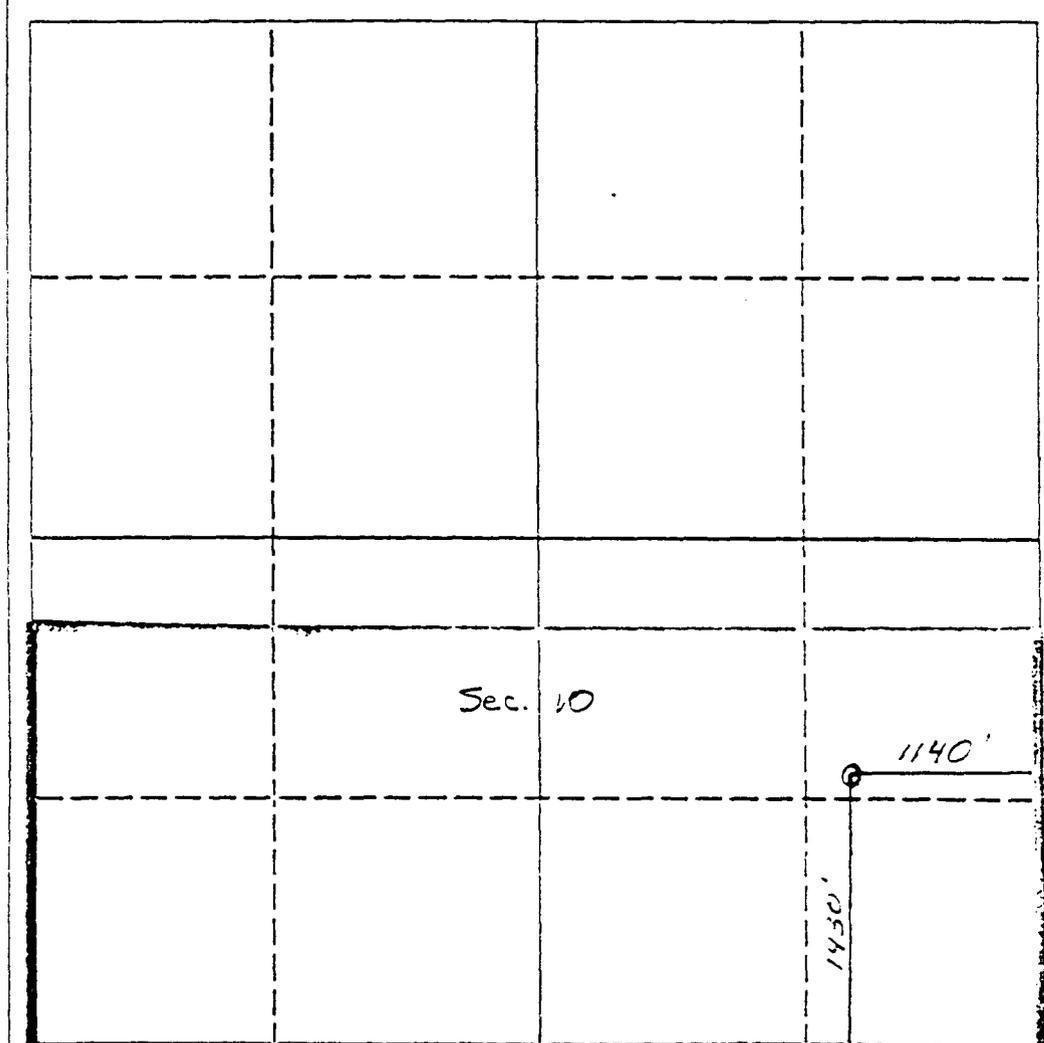
All Distances must be from the outer boundaries of the section

Operator <i>Amoco Production Company</i>			Lease <i>JACKSON</i>		Well No. <i>3</i>
Unit Letter <i>I</i>	Section <i>10</i>	Township <i>28 N</i>	Range <i>9W</i>	County <i>SAN JUAN</i>	

Actual Footage Location of Well:  
*1430'* feet from the *South* line and *1140'* feet from the *FEL* line

Ground level Elev. <i>6910 KB</i>	Producing Formation <i>Fruitland Coal</i>	Pool <i>Basin Fruitland Coal</i>	Dedicated Acreage: <i>5/2</i> <i>270.36</i> Acres
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- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below. *"ALL" Sec. 10*
- 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 interest 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 interest, has been approved by the Division.



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

Signature  
*Ed Hadlock*

Printed Name  
*Ed Hadlock*

Position  
*Admin. Analyst*

Company  
*Amoco Production Co.*

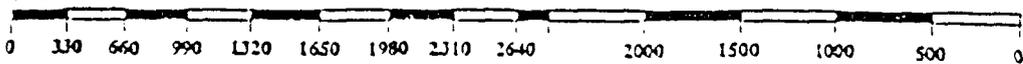
Date  
*11/2/92*

**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 knowledge and belief.

Date Surveyed \_\_\_\_\_

Signature & Seal of Professional Surveyor  
  
*"ON File"*

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



Conoco, Inc.  
 10 Desta Dr Ste 100W  
 Midland, TX 79705

Re: Jackson #3 Section 10, T-28-N, R-9-W, M  
 San Juan County, New Mexico

**Notification Of Offset Operators:**

Amoco  
 PO Box 800  
 Denver, CO 80201

Burlington Resources  
 PO Box 4289  
 Farmington, NM 87499

West Largo Corp.  
 6638 W. Ottawa Ave STE 100  
 Littleton, Co 80123

S&G Interests  
 811 Dallas STE 1505  
 Houston, TX 77002

Z 137 529 926

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

Z 137 529 927

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

Z 137 529 928

US Postal Service  
**Receipt for Certified Mail**  
 No Insurance Coverage Provided.  
 Do not use for International Mail (See reverse)

Sent to	West Largo Corp
Street & Number	6638 W. Ottawa Ave STE 100
Post Office, State, & ZIP Code	Littleton, CO 80123

Z 137 529 929

US Postal Service  
**Receipt for Certified Mail**  
 No Insurance Coverage Provided.  
 Do not use for International Mail (See reverse)

Sent to	S & G Interests
Street & Number	811 Dallas STE 1505
Post Office, State, & ZIP Code	Houston, TX 77002
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

Sec : 10 Twp : 28N Rng : 09W Section Type : NORMAL

4 27.93  Federal owned	3 27.70  Federal owned C	2 27.48  Federal owned	1 27.25  Federal owned A
M 40.00  Federal owned A A	N 40.00  Federal owned	O 40.00  Federal owned	P 40.00  Federal owned A

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

1  
67.93  
67.70  
~~44~~  
135.63  
67.48  
203.11  
67.25  
270.36