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

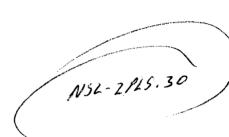
March 31, 1997

APR - 2 1997

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

RE:

Application for Non-Standard Location for San Juan 28-7 Unit No. 232M to Avoid Disturbance of Archaeological Sites



Dear Mr. Stogner:

As requested in your letter of March 25, 1997 (copied attached), I have added a 9-section map of the subject area to our application for an unorthodox location "infill'gas well location for the San juan 28-7 Unit No. 232M. As this map shows, within the Conoco-operated San Juan 28-7 Unit, Conoco is the offset operator of all the tracts surrounding the subject spacing unit. Therefore, no notification of offset operators was required. I apologize for not including the map initially to clarify this fact.

I have also sent a copy of this revised application to the Aztec Oil Conservation Office. I trust this will clear the way for approval of this application.

If there are any further questions concerning this application please call me at (915) 686-6548.

Very truly yours,

Jerry W. Hoover

Sr. Conservation Coordinator

cc: Oil Conservation Division - Aztec

William J. LeMay, Director - OCD, Santa Fe

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

March 25, 1997

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

Attention:

Jerry W. Hoover

Re:

Application for administrative approval to drill the San Juan "28-7" Unit Well No. 232-M at an unorthodox "infill" gas well location 2425 feet from the South line and 500 feet from the East line (Unit I) of Section 20, Township 28 North, Range 7 West, NMPM, Basin Dakota/Blanco-Mesaverde Pools, Rio Arriba County, New Mexico.

Dear Mr. Hoover:

I am returning the subject application as incomplete, no plat was included identifying all off-set operators effected by the unorthodox location [as required by Rule 2(d) of the "General Rules For The Prorated Gas Pools of New Mexico/Special Rules and Regulations For The Blanco-Mesaverde Pool/Special Rules and Regulations For The Basin-Dakota Pool", as promulgated by Division Order No. R-8170, as amended, and Division General Rule 104.F(3)]. If required, was appropriate notification pursuant to Rule 104.F(3) provided these operators or affected parties (other than Conoco of course).

Further, please provide information on all other producing Basin-Dakota and Blanco-Mesaverde well(s) within the subject 320-acre unit [this information will serve to help expedite in the preparation of an order, will serve to add integrity to any order issued by including valuable information within the order for all concerned, and is required pursuant to said Rule 104.F(3)].

The District Offices of the Division has requested that it be provided copies of such applications for administrative approval filed with Santa Fe (this informs the District offices of any pending applications and is a way for them to convey to the Santa Fe office or operator of any potential problems in a particular area).

Thank you for your cooperation in this matter.

Sincerely,

Michael E. Stogner

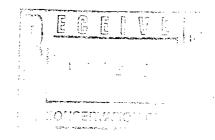
Chief Hearing Officer/Engineer

cc: Oil Conservation Division - Aztec William J. LeMay, Director - OCD, Santa Fe W. Thomas Kellahin - Santa Fe Mid-Continent Region Exploration/Production Conoco Inc. 10 Desta Drive, Suite 100W Midland, TX 79705-4500 (915) 686-5400

March 20, 1997

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

RE: Application for Non-Standard Location for San Juan 28-7 Unit No. 232M to Avoid Disturbance of Archaeological Sites



Dear Mr. Stogner:

This proposed Mesaverde/Dakota well has been staked at a non-standard location of 2425' FSL & 500' FEL, Sec. 20, T-28N, R-7W, Rio Arriba County as shown by the attached C-102. Blanco Mesaverde and Basin Dakota pool rules require a standard location to be located no closer than 790' to the east/west quarter-section line and no closer than 790' to the east section line. This staked location is only 215' from the quarter-section line and 500' from the east section line.

Figure 2a is a topo map showing previously recorded archaeological sites and topographical features in the area. This plat shows that S/2 of the SE/4 of Section 20 is dominated by the Carrizo Creek and Carrizo Canyon. A large site (NM-01-32135) overlaps the most feasible standard location area just to the north of the canyon rim. Therefore, efforts to stake in this vicinity were abandoned. The Project Survey Area was then moved to the north as shown on the Figure 2a.

Figure 2 is a second topo map showing the same survey area as Figure 2a and the identification of seven new sites as recorded in the LAC Report 9642d. Although surrounded by numerous small sites a well location was agreed upon with the BLM at the above proposed location. Also attached is a copy of a letter from the La Plata Archaeological Consultants documenting their process of attempting to find a usable location in the SE/4 of Section 20. As the letter notes, it was the opinion of the archaeologists that this was the only possible location that would be feasible and acceptable to the BLM.

Therefore, a nonstandard location order is requested for the drilling of this well which is planned for April, 1997. If there are any further questions concerning this application please call me at (915) 686-6548.

Very truly yours,

Jerry W. Hoover

Sr. Conservation Coordinator

District I PO Box 1980, Hobbs, NM 88241-1980 District II PO Drawer DD, Artesia, NM 88211-0719 District III 1000 Rio Brazos Rd., Aziec, NM 87410

PO Box 2088, Santa Fc, NM 87504-2088

API Number

District IV

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

Pool Name

☐ AMENDED REPORT

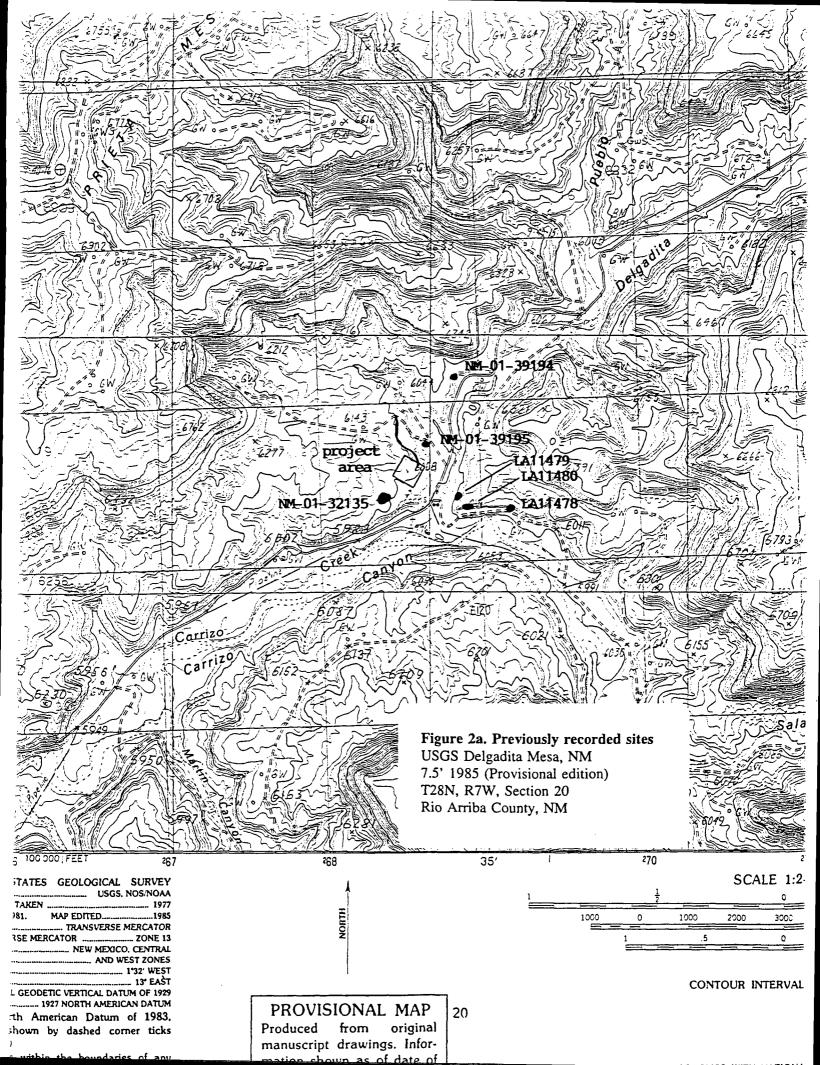
Fee Lease - 3 Copies

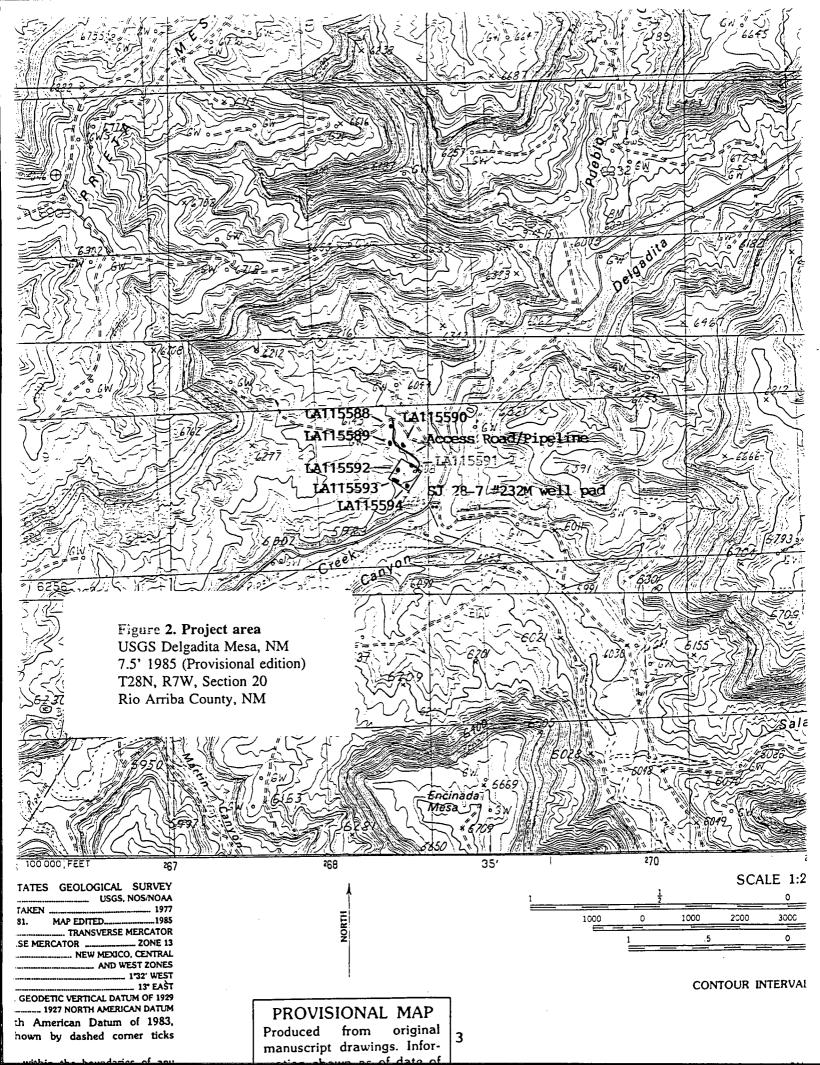
WELL LOCATION AND ACREAGE DEDICATION PLAT

	72319/71599 Blanco Mesaverde/Basin						Basin Dak	cota		
* Property (1	' Property Name San Juan 28-7 Unit							' Well Number 232M	
							*Elevation 6108 *			
					10 Surface	Location				
UL or lot no.	Section 20	Township 28-N	Range 7-W	Lot Idn	Feet from the	North/South line South	Feet from the	East/West line East	County R.A.	
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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

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LA PLATA ARCHAEOLOGICAL CONSULTANTS

26851 County Road P, Dolores, Colorado 81323

Office Phone: (970) 565-8708 Fax Phone: (970) 882-2224

January 14, 1997

Mr. Ellis Gray Conoco Incorporated 10 Desta Drive, Suite 550E Midland, TX 79705-4500

RECEIVED

JAN 21 1997

CONOCO ROW&C

RE: San Juan 28-7 No. 232M well location

Dear Mr. Gray:

The SJ 28-7 No. 232M well pad was staked by NCE surveys and examined by Fred Harden of our office in November, 1996. Prior to the staking, it was noted that one fairly large, previously recorded archaeological site (NM-01-32135) was situated within the legal window for this location. Although the site was not rerecorded or reexamined, it probably overlaps the most feasible spot to construct a well location. Consequently, the well was staked further to the northeast in an area where several smaller archaeological sites exist. A total of eight archaeological sites were encountered and recorded in the vicinity of the actual staked well pad and access road and these are described in the archaeological report for this well location (LAC Report 9642d). The eight sites are fairly evenly distributed around the four sides of the well pad and on both sides of the proposed access road.

Given the high density of archaeological sites that are located specifically in proximity to the staked location, the known large site previously recorded to the southwest of the staked location, and the probable high density of other sites expected to be within this locale, it is not likely that another well location could be found and staked without encountering problems with the presence of archaeological sites. Due to these circumstances, it is unlikely that another well location can be found within the SE¼ of Section 20 that would be better than the currently staked location.

If you have any further questions concerning this well location, please let me know.

Sincerely,

cc:

Rueben Sanchez, BLM Farmington

Deb Bemenderfer, Trigon Engineering

_ [Fully

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 Fc, NM 87504-2088

' Property Code

016608

API Number

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

Blanco Mesaverde/Basin Dakota

☐ AMENDED REPORT

* Well Number

232M

WELL LOCATION AND ACREAGE DEDICATION PLAT

⁵ Property Name

San Juan 28-7 Unit

¹ Pool Code

72319/71599

'OGRID No.		Operator Name							'Elevation		
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¹⁰ Surface Location											
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Midland Division
Exploration Production

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

March 20, 1997

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

RE: Application for Non-Standard Location for San Juan 28-7 Unit No. 232M to Avoid Disturbance of Archaeological Sites

Dear Mr. Stogner:

This proposed Mesaverde/Dakota well has been staked at a non-standard location of 2425' FSL & 500' FEL, Sec. 20, T-28N, R-7W, Rio Arriba County as shown by the attached C-102. Blanco Mesaverde and Basin Dakota pool rules require a standard location to be located no closer than 790' to the east/west quarter-section line and no closer than 790' to the east section line. This staked location is only 215' from the quarter-section line and 500' from the east section line.

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Figure 2 is a second topo map showing the same survey area as Figure 2a and the identification of seven new sites as recorded in the LAC Report 9642d. Although surrounded by numerous small sites a well location was agreed upon with the BLM at the above proposed location. Also attached is a copy of a letter from the La Plata Archaeological Consultants documenting their process of attempting to find a usable location in the SE/4 of Section 20. As the letter notes, it was the opinion of the archaeologists that this was the only possible location that would be feasible and acceptable to the BLM.

Reference to the attached 9-section map shows that the original Dakota and Mesaverde wells located in the subject spacing unit (E/2, Section 20) are the San Juan 28-7 Unit Well Nos. 232 and 47 respectively. The proposed Well No. 232M will be completed and tested separately in the Mesaverde and Dakota formations and eventually downhole commingled following adequate testing and approval for commingling. The map also shows that this spacing unit is in the interior of the San Juan 28-7 Unit of which Conoco is the operator. There are no other offset operators that would be affected by this unorthodox Mesaverde/Dakota location.

Therefore, a nonstandard location order is requested for the drilling of this well which is planned for April, 1997. If there are any further questions concerning this application please call me at (915) 686-6548.

Very truly yours,

Jerry W. Hoover

Sr. Conservation Coordinator

cc: Oil Conservation Division - Aztec

William J. LeMay, Director - OCD, Santa Fe

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

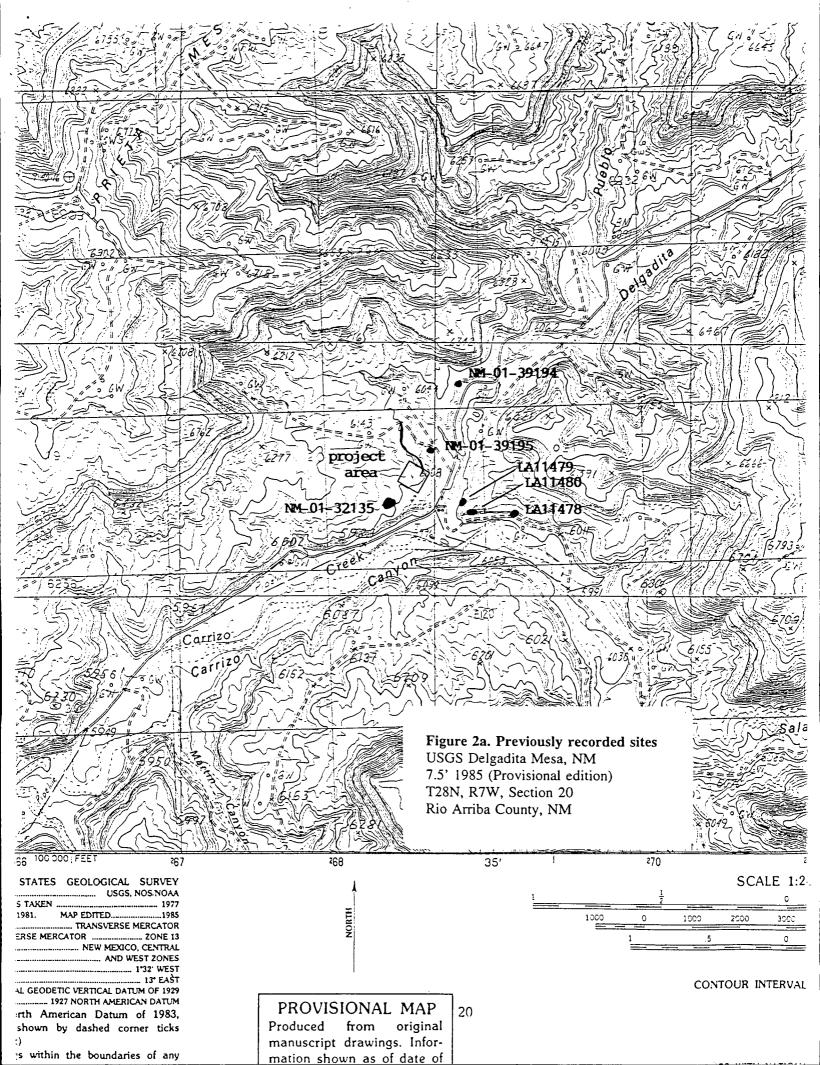
State Lease - 4 Copies Fee Lease - 3 Copies

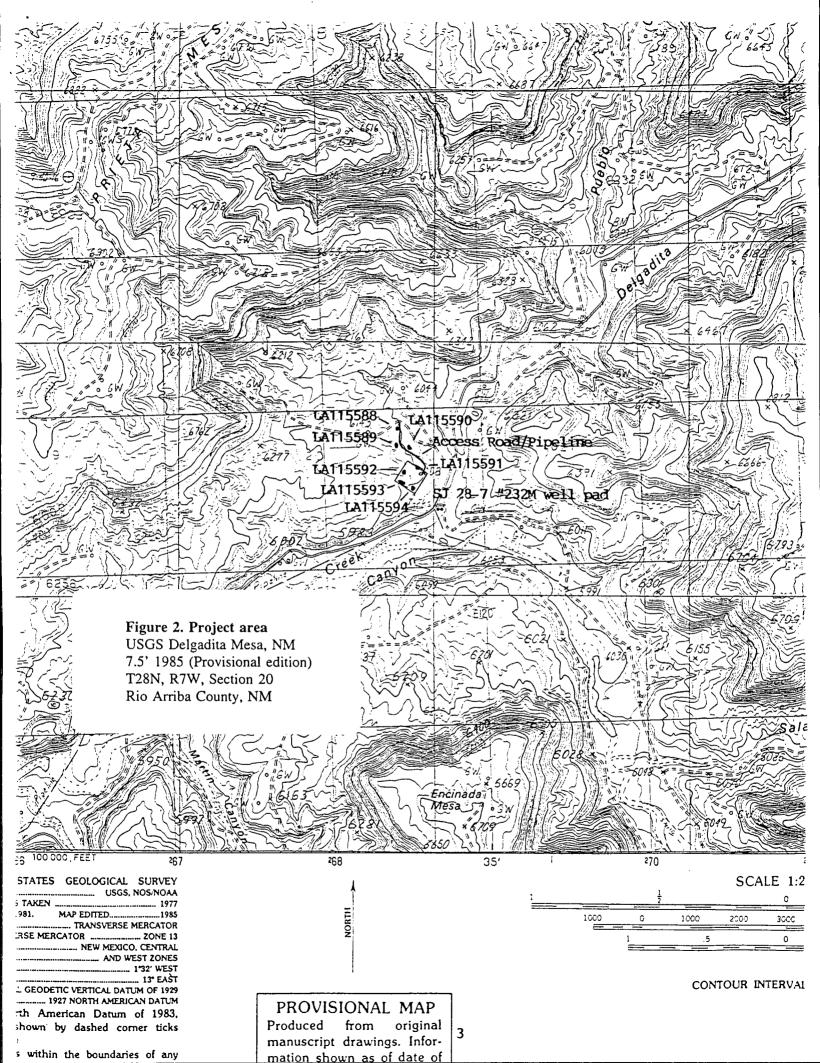
☐ AMENDED REPORT

PROFESSIO

WELL LOCATION AND ACREAGE DEDICATION PLAT

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* Property Code					³ Property	Name			•	Well Number	
016608				an Juan 2				232M			
'OGRID	No.				Operator		-			* Elevation	
05073						CO, INC.				6108'	
¹⁰ Surface Location											
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LA PLATA ARCHAEOLOGICAL CONSULTANTS

26851 County Road P, Dolores, Colorado 81323

Office Phone: (970) 565-8708 Fax Phone: (970) 882-2224

January 14, 1997

Mr. Ellis Gray Conoco Incorporated 10 Desta Drive, Suite 550E Midland, TX 79705-4500

RECEIVED

JAN 21 1997

CONOCO ROW&C

RE: San Juan 28-7 No. 232M well location

Dear Mr. Gray:

The SJ 28-7 No. 232M well pad was staked by NCE surveys and examined by Fred Harden of our office in November, 1996. Prior to the staking, it was noted that one fairly large, previously recorded archaeological site (NM-01-32135) was situated within the legal window for this location. Although the site was not rerecorded or reexamined, it probably overlaps the most feasible spot to construct a well location. Consequently, the well was staked further to the northeast in an area where several smaller archaeological sites exist. A total of eight archaeological sites were encountered and recorded in the vicinity of the actual staked well pad and access road and these are described in the archaeological report for this well location (LAC Report 9642d). The eight sites are fairly evenly distributed around the four sides of the well pad and on both sides of the proposed access road.

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If you have any further questions concerning this well location, please let me know.

Sincerely,

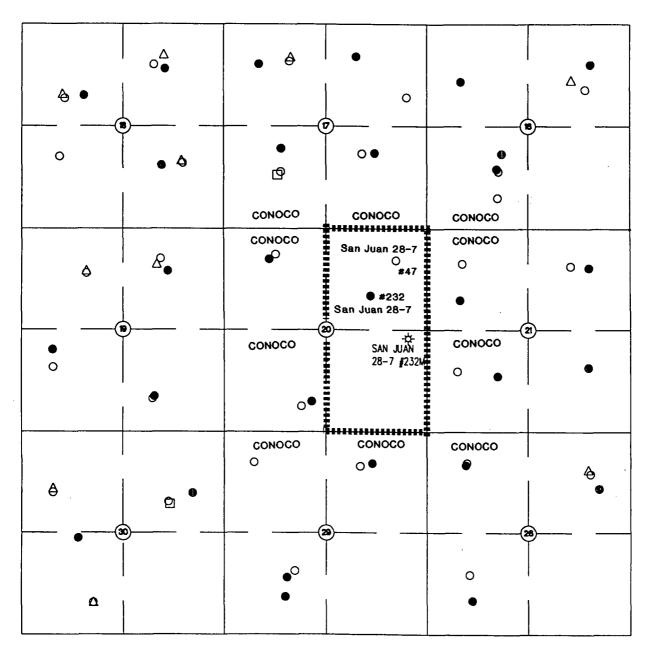
Steven L. Fuller

cc: Rueben Sanchez, BLM Farmington
Deb Bemenderfer, Trigon Engineering

CONOCO SAN JUAN 28-7 #232M

BLANCO MESA VERDE / BASIN DAKOTA FORMATION GAS WELL EXISTING ADJACENT GAS WELLS WITHIN A 1 MILE RADIUS

SE/4 SECTION 20, TOWNSHIP 28 NORTH, RANGE 7 WEST RIO ARRIBA COUNTY, NEW MEXICO



LEGEND

O BLANCO MESA VERDE FORMATION

△ BLANCO PICTURED CLIFFS
BASIN DAKOTA FORMATION

BASIN FRUITLAND COAL FORMATION

-☆- SAN JUAN 28-7 #232M

SCALE: NTS REVISION: NONE

DRAWN BY: J. BISLAND

DATE DRAWN: 12/6/96

FILE NAME: 763VADJ

CLIENT







CMD : OG6IWCM ONGARD
INQUIRE WELL COMPLETIONS

04/03/97 18:16:45 OGOMES -EMEI

Pool Idn : 71599 BASIN DAKOTA (PRORATED GAS)

OGRID Idn : 5073 CONOCO INC

Prop Idn : 16608 SAN JUAN 28 7 UNIT

Well No : 232 GL Elevation: 99999

U/L Sec Township Range North/South East/West Prop/Act(P/A)

___ ___

B.H. Locn : G 20 28N 07W FTG 999 F S FTG 999 F E P

Lot Identifier:

Dedicated Acre: 320.00

Lease Type : F

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

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 : OG6IWCM ONGARD
INQUIRE WELL COMPLETIONS

04/03/97 18:13:27 OGOMES -EMEI

API Well No : 30 39 7389 Eff Date : 03-01-1995 WC Status : A

Pool Idn : 72319 BLANCO-MESAVERDE (PRORATED GAS)

OGRID Idn : 5073 CONOCO INC

Prop Idn : 16608 SAN JUAN 28 7 UNIT

Well No : 047 GL Elevation: 99999

U/L Sec Township Range North/South East/West Prop/Act(P/A)

B.H. Locn : A 20 28N 07W FTG 999 F S FTG 999 F E P

Lot Identifier:

Dedicated Acre: 320.00

Lease Type : F

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

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STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO SANTA FE. NEW MEXICO 8750S (505) 827-7131

April 3, 1997

DEGEIVED

OIL COM. DIV.

Administrative Order NSL-3784

Conoco, Inc. 10 Desta Drive - Suite 100W

Midland, Texas 79705-4500 Attention: Jerry W. Hoover

Dear Mr. Hoover:

Reference is made to: (i) your original application dated March 20, 1997; (ii) my letter dated March 25, 1997 withdrawing this application; and, (iii) your re-submittal of this application with supplemental data dated March 31, 1997, all of which refer to Conoco's request for an unorthodox "infill" gas well location for both the Blanco-Mesaverde and Basin-Dakota Pools for the proposed San Juan "28-7" Unit Well No. 232-M to be drilled 2425 feet from the South line and 500 feet from the East line (Unit I) of Section 20, Township 28 North, Range 7 West, NMPM, Rio Arriba County, New Mexico.

Production from both pools from said well is to be included to the existing standard 320-acre gas spacing and proration units comprising the E/2 of said Section 20, which the Mesaverde production is currently dedicated to Conoco's San Juan "28-7" Unit Well No. 47 (API No. 30-039-07389), located at a standard gas well location 817 feet from the North line and 838 feet from the East line (Unit A) of said Section 20 and the Dakota production is currently dedicated to the San Juan "28-7" Unit Well No. 232 (API No. 30-039-20993), located at a standard gas well location 1765 feet from the North line and 1490 feet from the East line (Unit G) of said Section 20.

By the authority granted me under the provisions of Rule 2(d) of the "General Rules For The Prorated Gas Pools of New Mexico/Special Rules and Regulations For The Blanco-Mesaverde Pool/Special Rules and Regulations for the Basin-Dakota Pool", as promulgated by Division Order No. R-8170, as amended, the above-described unorthodox "infill" Dakota/Mesaverde gas well location for the San Juan "28-7" Unit Well No. 232-M is hereby approved.

Sincerely,

William J. LeMar Director

2-11-001-01

cc:

WJL/MES/k

Oil Conservation Division - Azlec

U. S. Bureau of Land Management - Farmington

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DAVE CATANACH	From ERNZE BUSCH
CS.	Co.
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