



NSL 4/13/98

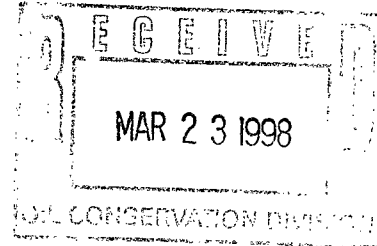
Mid-Continent Region
Exploration/Production

March 17, 1998

Coal II.

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

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



RE: Application for Unorthodox Coal Location
Hodges # 1Y
API # 30-045-24354

Dear Mr. Stogner,

Conoco's Hodges #1Y is located in Section 21, 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 #1Y meets set-back requirements but is situated in the NW/4 of section 21; an orthodox 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 (1980 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 downhole Fruitland Coal production with existing Ballard Pictured Cliffs production. Conoco, Inc will be filing the downhole commingle and recompletion paperwork with the OCD and the BLM.

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

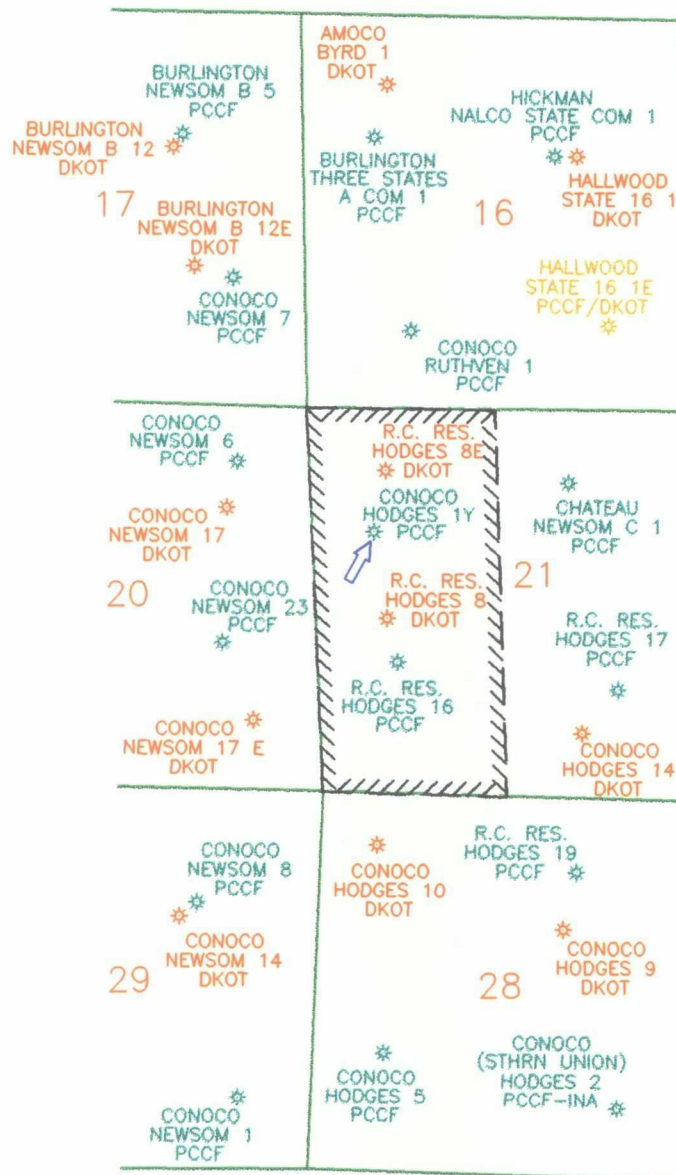
Sincerely,

Kay Maddox
Regulatory Agent/ Conoco, Inc.

KM/

cc: Oil Conservation Division - Aztec

R 8 W



T
26
N



NOTES		<div>conoco</div> EPNGNA MIDLAND DIVISION			
NOTE: HODGES 1Y WILL BE RECOMPLETED TO THE FRUITLAND COAL AND DOWNHOLE COMMINGLED WITH BALLARD PICTURED CLIFFS PRODUCTION.	DATE: 4/06/98	CONOCO HODGE 1Y UNORTHODOX COAL LOCATION APPLICATION DOWNHOLE COMMINGLE APPLICATION (BASIN FRUITLAND & BALLARD PC) PLAT SHOWS ALL WELLS IN OFFSET 320'S			
	DRAWN BY: GLG				
	CHECKED BY:				
	APPROVED BY:				
	SCALE: 1" = 2640'	<div>STATE</div> 30	<div>API COUNTY</div> \ 045	<div>WELL</div> \ 24354	<div>DRAWING</div> HODG_1Y
	STATE PLANE COORDINATES REFERRED TO NAD27 - N. M. STATE PLANE COORDINATES ZONE - 3003	CONOCO INC. OFFICE 10 DESTA DRIVE WEST MIDLAND, TEXAS 79705			

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

Submit to Appropriate District Office

District III
1000 Rio Brazos Rd. Aztec, NM 87410

PO Box 2088
Santa Fe, NM 87504-2088

State Lease - 4 Copies
Fee Lease - 3 Copies

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-045-24354	2 Pool Code 71629	3 Pool Name Basin Fruitland Coal
4 Property Code	5 Property Name Hodges	6 Well Number 1Y
7 OGRID No. 005073	8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500	9 Elevation 6397'

10 Surface Location

UL or lot no. E	Section 21	Township 26N	Range 8W	Lot Idn	Feet from the 1770	North/South line North	Feet from the 860	East/West line West	County 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.						

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

16	1770'		
860'			

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

March 18, 1998

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

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-124
Effective 1-1-67

EXHIBIT "A" - Location & Elevation Plat

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

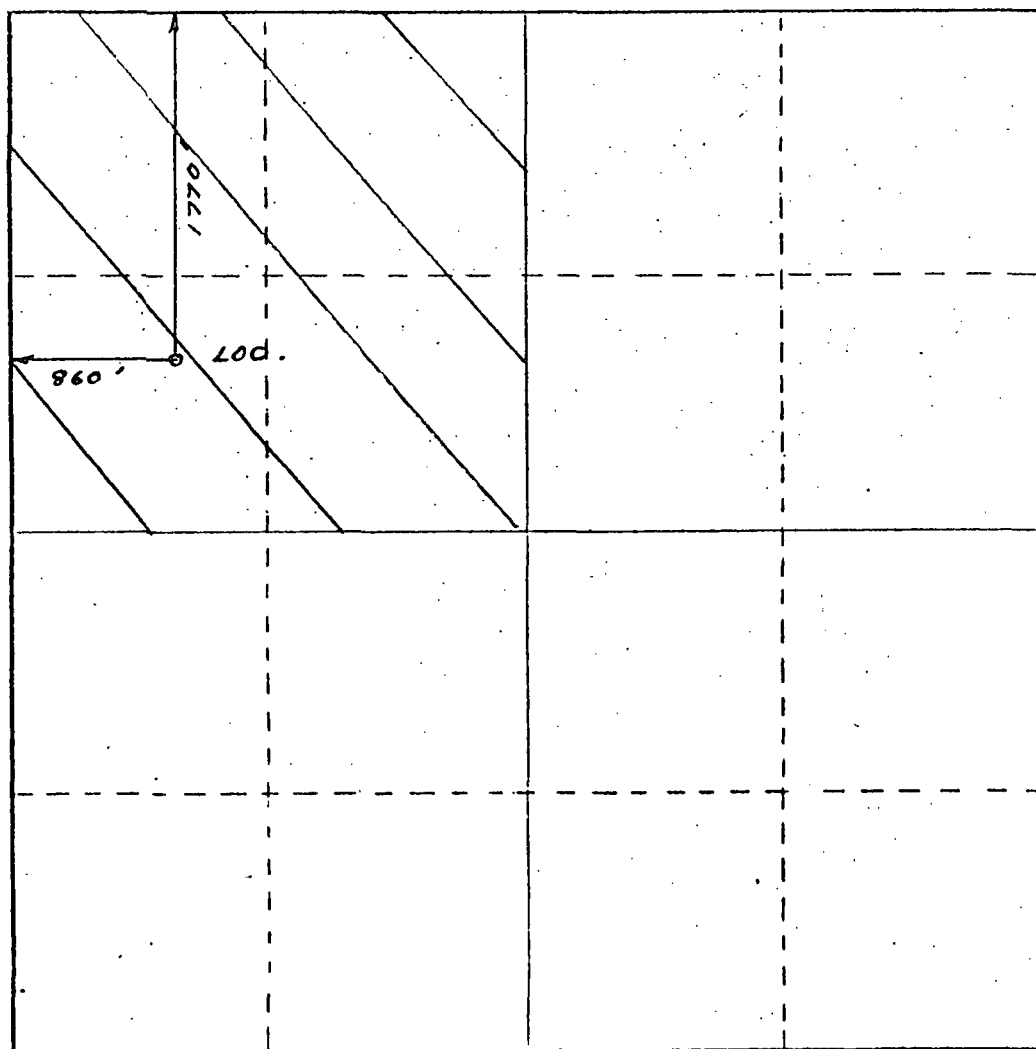
Operator Supron Energy Corporation			Lease Hodges		Well No. 1-Y
Unit Letter E	Section 21	Township 26 North	Range 8 West	County San Juan	
Actual Footage Location of Well: 1770 feet from the North line and 860 feet from the West line					
Ground Level Elev. 6397	Producing Formation Pictured Cliffs	Pool Ballard Pictured Cliffs		Dedicated Acreage: 11.0 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- 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 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.



CERTIFICATION

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

George Lapaseotes

Name **George Lapaseotes**
V. Pres. Powers Elevation

Position
Agent Consultant for

Company
Supron Energy Corporation

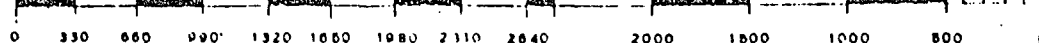
Date
4/15/80

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
Gerald G. Huddleston
Registered Professional Engineer
and/or Land Surveyor

6844

Certificate No.



Hodges #1Y
API # 30-045-24354
Section 21, T-26-N, R-8-W
San Juan County, NM

RE: Non-Orthodox location Request

Offset Operators:

Amoco
PO Box 800
Denver, CO 80201

Burlington Resources
PO Box 4289
Farmington, NM 87499

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

Hallwood Petroleum
PO Box 378111
Denver, CO 80237

R C Resources
8340 Meadow Rd STE 230
Dallas, TX 75231

J. Felix Hickman
Well Has been P&A'd - Inactive

P 497 374 186

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

P 497 374 036

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

P 497 374 188

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

P 497 374 026

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
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	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, April 1995

P 497 374 187

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to	Hallwood Petroleum
Street & Number	PO Box 378111
Post Office, State, & ZIP Code	Denver, CO 80237
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	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, April 1995