



July 26, 2000

JUL 28 2000

New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

RE: **San Juan 28-7 #270**
Non Standard and Unorthodox location
Basin Fruitland Coal/Blanco P.C. South
I, Sec. 3, T27N, R7W 2580' FSL & 275' FEL
Rio Arriba County
API # - applied for

Michael:

Conoco is requesting a non-standard location for the above well for geological reasons stated in the next paragraph. The unorthodox location allows Conoco the ability to access the Fruitland Coal within a new well bore removing the risk of mechanical complications in existing wellbores.

This Pictured Cliffs/ Fruitland Coal well #270 in this non-standard location is requested because we want to access a NW trending Pictured Cliffs (PC) sand bench at this location. This shoreline sand bench is currently accessed by well #s 103 (Sec.3 NE), and #102 (Sec.2 SW). These two wells have EURs of 1261 and 1125 MMCFG respectively. The proposed well #270, would lie between these two wells, along the western edge of this shoreline bench, thus accessing additional gas reserves. The proposed location is approximately 1320' from #103 and 3300' from #102 (see attached PC EUR map). There is no log coverage of the PC in well #102, but a strike-oriented cross section between #103 and well #124M shows the shoreline sand bench mentioned above, and the approximate proposed location of #270.

This well is located interior to the boundaries of the 28-7 Unit and does not affect any other unit. Conoco is the only operator in the 28-7 Unit.

If you have any questions or need additional information please give me a call @ (281) 293-1005. Thank you for your time.

Sincerely,

Deborah Marberry
Regulatory Analyst
P.O. Box 2197
Houston, TX 77252-2197

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

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102

Revised February 21, 1994

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

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

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

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

*API Number		*Pool Code	*Pool Name
		72439 / 71629	SOUTH BLANCO PICTURED CLIFFS/BASIN FRUITLAND COAL
*Property Code	*Property Name		*Well Number
016508	SAN JUAN 28-7 UNIT		270
*OGAID No.	*Operator Name		*Elevation
005073	CONOCO, INC.		6589'

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	3	27N	7W		2580	SOUTH	275	EAST	RIO ARriba

¹¹ Bottom Hole Location If Different From Surface

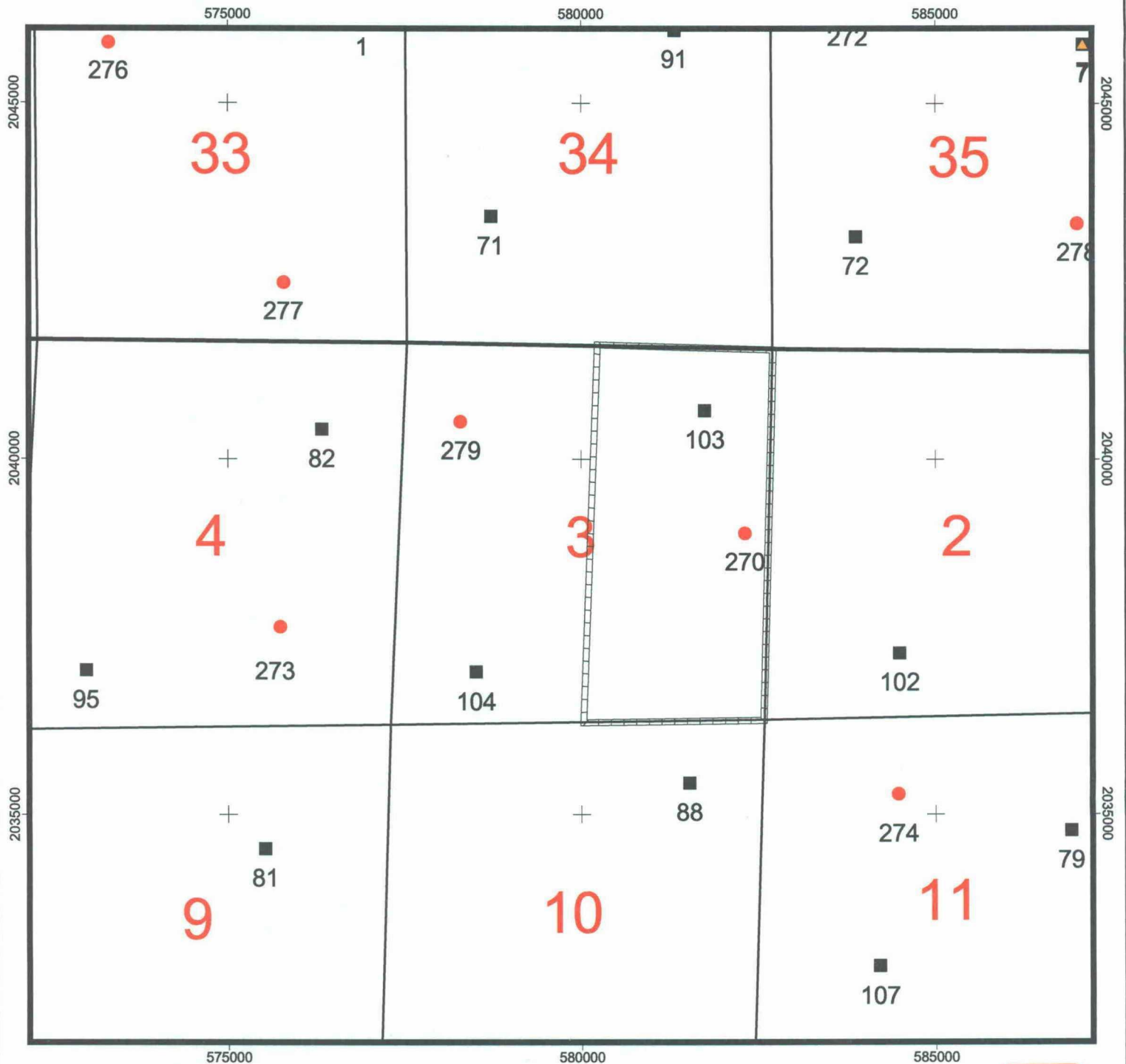
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres	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 2594.46'				¹⁷ 2601.06'			
LOT 4				LOT 3			
277' 1/2' FC				103' 1/2' FC			
1352.34'				1285.58'			
1346.40'				1304.16'			
2692.14'				2580'			
529.82'							
¹⁸ OPERATOR CERTIFICATION							
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief							
Signature <i>Mike L. Mankin</i>							
Printed Name Mike L. Mankin							
Title Right-Of-Way Agent							
Date 4-19-00							
¹⁹ 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.							
APRIL 6, 2000							
Date of Survey							
Signature and Seal							
							
Certificate Number 6857							

T27N R7W Section 3



NOTES

Conoco is requesting a NSL location for this well. Conoco operates all wells within the 28-7 Unit. The wells represented show only Fruitland Coal and Pictured Cliffs wells. This well is interior to the 28-7 Unit.

- Proposed Locations
- ▲ Fruitland Coal
- Pictured Cliff



CONOCO 28-7 UNIT
FC & PC PRODUCERS
San Juan 28-7 #270
 Non-Standard Location

Author: Angela Whitfield	Date: 7/11/00
Compiled by:	Map 1 of 1
MD File:	

LARGE FORMAT
EXHIBIT HAS
BEEN REMOVED
AND IS LOCATED
IN THE NEXT FILE

LARGE FORMAT
EXHIBIT HAS
BEEN REMOVED
AND IS LOCATED
IN THE NEXT FILE

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

07/31/00 08:44:35
OGOMES -TP7K
PAGE NO: 2

Sec : 02 Twp : 27N Rng : 07W Section Type : NORMAL

L 40.00 CS E00290 0039 EL PASO PRODUCTIO U 05/02/55 A	K 40.00 CS E00290 0039 EL PASO PRODUCTIO U 05/02/55	J 40.00 CS E00290 0003 WISER OIL COMPANY U 05/02/55	I 40.00 CS E00290 0039 EL PASO PRODUCTIC U 05/02/55
M 40.00 CS E00290 0039 EL PASO PRODUCTIO U 05/02/55 A	N 40.00 CS E00290 0039 EL PASO PRODUCTIO U 05/02/55 A	O 40.00 CS E00290 0039 EL PASO PRODUCTIO U 05/02/55 A	P 40.00 CS E00290 0040 EL PASO PRODUCTIC U 05/02/55 A

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

07/31/00 08:44:28
OGOMES -TP7K
PAGE NO: 1

Sec : 02 Twp : 27N Rng : 07W Section Type : NORMAL

4 39.46 CS E00290 0039 EL PASO PRODUCTIO U 05/02/55 A P	3 39.50 CS E00290 0039 EL PASO PRODUCTIO U 05/02/55	2 39.54 CS E00290 0003 WISER OIL COMPANY U 05/02/55	1 39.58 CS E00290 0039 EL PASO PRODUCTIC U 05/02/55 A
E 40.00 CS E00290 0040 EL PASO PRODUCTIO U 05/02/55	F 40.00 CS E00290 0040 EL PASO PRODUCTIO U 05/02/55	G 40.00 CS E00290 0003 WISER OIL COMPANY U 05/02/55 A	H 40.00 CS E00290 0039 EL PASO PRODUCTIC U 05/02/55

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

CMD : ONGARD 07/31/00 08:45:22
OG6C101 C101-APPLICATION FOR PERMIT TO DRILL OGOMES -TP7K

OGRID Idn : 5073 API Well No: 30 39 26442 APD Status(A/C/P): P
Opr Name, Addr: CONOCO INC Aprvl/Cncl Date : 05-05-2000
10 DESTA DR W
MIDLAND, TX 79705

Prop Idn: 16608 SAN JUAN 28 7 UNIT Well No: 271

	U/L	Sec	Township	Range	Lot	Idn	North/South	East/West
	---	---	-----	-----	-----	-----	-----	-----
Surface Locn :	4	2	27N	07W			FTG 750 F N	FTG 1230 F W
OCD U/L :	D		API	County :	39			

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C): G Cable/Rotary (C/R) : F
Lease typ(F/S/P/N/J/U/I): S Ground Level Elevation : 6122

State Lease No: Multiple Comp (S/M/C) : M
Prpsd Depth : 2935 Prpsd Frmtn : S BLANCO PC/ BASIN FT COAL

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

From: Stogner, Michael
Sent: Friday, July 28, 2000 4:53 PM
To: Hayden, Steven
Cc: Chavez, Frank; Perrin, Charlie
Subject: FW: Conoco application

Steve,
Per our telephone conversation this morning concerning Conoco's SJ 28-7 Un. #270 adm. NSL
PC/Frt.-Coal appl.

I had Wayne Price in Env. scan it in for me. See attached items.

Let me know what yal' think.

Thanks.

From: Price, Wayne
Sent: Friday, July 28, 2000 4:47 PM
To: Stogner, Michael; Hayden, Steven
Subject: Conoco application



Ms1.jpg



Ms2.jpg



Ms3.jpg



Ms4.jpg



Ms5.jpg



Ms6.jpg

Stogner, Michael

From: Stogner, Michael
Sent: Monday, July 31, 2000 8:17 AM
To: Hayden, Steven
Subject: RE: Conoco S J 27-7 U #270

Thanks, I'll start processing this application as a dual Fruitland coal/Pictured Cliffs NSL upon Aztec concurrence.

From: Hayden, Steven
Sent: Monday, July 31, 2000 7:00 AM
To: Stogner, Michael
Cc: Chavez, Frank
Subject: Conoco S J 27-7 U #270

Mike, after looking at the supplied materials, especially the Isopach and first well log, I have to concur with Conoco's reasoning on this one. It would appear that there is a three deep stack of barrier island type dunes or shoreface sand bodies that ought to be a very good prospect.

I also liked the wording on the Burlington S J 27-4 U # 16M denial.

Have a nice day,
Steve Hayden
Aztec

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

08/01/00 13:37:07
OGOMES -TPO1
PAGE NO: 1

Sec : 03 Twp : 27N Rng : 07W Section Type : NORMAL

4 40.09 Federal owned U A A	3 39.90 Federal owned U	2 39.72 Federal owned U	1 39.53 Federal owned U A A
E 40.00 Federal owned U	F 40.00 Federal owned U	G 40.00 Federal owned U	H 40.00 Federal owned U

PF01 HELP
PF07 BKWD

PF02
PF08 FWD

PF03 EXIT
PF09 PRINT

PF04 GoTo
PF10 SDIV

PF05
PF11

PF06
PF12

1
79.72
39.53
159.25
219.00

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

08/01/00 13:37:13
OGOMES -TPO1
PAGE NO: 2

Sec : 03 Twp : 27N Rng : 07W Section Type : NORMAL

L 40.00	K 40.00	J 40.00	I 40.00
Federal owned U	Federal owned U	Federal owned U A	Federal owned U
M 40.00	N 40.00	O 40.00	P 40.00
Federal owned U A A	Federal owned U	Federal owned U	Federal owned U

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06

PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

CMD : ONGARD 08/01/00 13:37:36
OG6IWCM INQUIRE WELL COMPLETIONS OGOMES -TPO1

API Well No : 30 39 7209 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 : 103
GL Elevation: 6161

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
	---	---	-----	-----	-----	-----	-----
B.H. Locn : 1	3	27N	07W	FTG	816 F N	FTG 1041 F E	P

Lot Identifier:
Dedicated Acre: 319.25
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 : ONGARD 08/01/00 13:37:41
OG6IWCM INQUIRE WELL COMPLETIONS OGOMES -TPO1

API Well No : 30 39 7209 Eff Date : 03-01-1995 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 : 103
GL Elevation: 6161

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
	---	---	-----	-----	-----	-----	-----
B.H. Locn : 1	3	27N	07W	FTG	816 F N	FTG 1041 F E	P

Lot Identifier:
Dedicated Acre: 160.00
Lease Type : F
Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) : U

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

CMD :
OG6IWC

ONGARD
INQUIRE WELL COMPLETIONS

08/01/00 13:37:46
OGOMES -TPO1

API Well No : 30 39 20722 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 : 182
GL Elevation: 6172

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
	---	---	-----	-----	-----	-----	-----
B.H. Locn : 1	3	27N	07W	FTG	990 F N	FTG 1180 F E	P

Lot Identifier:
Dedicated Acre: 319.25
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



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

August 1, 2000

Lori Wrotenbery

Director

Oil Conservation Division

Conoco, Inc.
P. O. Box 2197 - DU3066
Houston, Texas 77252

Attention: Deborah Marberry

Re: *Administrative application dated July 26, 2000 for an off-pattern non-standard coal gas well location within a standard 319.25-acre stand-up gas spacing and proration unit within the Basin-Fruitland Coal (Gas) Pool comprising the E/2 equivalent of Section 3, Township 27 North, Range 7 West, NMPM, Rio Arriba County, New Mexico/unorthodox Pictured Cliffs gas well location within a standard 160-acre gas spacing and proration unit within the South Blanco-Pictured Cliffs Pool comprising the SE/4 of Section 3 for the proposed San Juan "28-7" Unit Well No. 270 to be drilled 2580 feet from the South line and 275 feet from the East line (Unit I) of Section 3.*

Dear Ms. Marberry:

The Division's preliminary review of the subject application finds the geological reasoning for this particular location within the Pictured Cliffs interval to be adequate; however, as stated in previous correspondence when an existing well in the appropriate quarter section (NE/4 equivalent) of a proposed 320-acre, more or less, unit for the Fruitland coal gas interval could be utilized, additional information will be necessary to explain: (i) why that well (s) is not a good candidate for reentry and recompletion; and (ii) what complications Conoco expects to encounter if this well (s) were to be utilized. Also, a detailed explanation, with reservoir and geological support data, as to how and why the proposed off-pattern well will not adversely affect this pool's development, thereby preventing waste.

Further, in this situation where the proposed unorthodox location is only 275 feet from an offset proration unit and/or possible proration unit even though it is within the unitized area, the possibility of correlative rights violations exists. Please provide me a copy of the Unit participation maps for both the Pictured Cliffs and Fruitland coal intervals. This topic was discussed in Findings Paragraphs No. 15 through 20 in the recently issued Division Order No. R-10987-B (see copy attached). Should the W/2 equivalent of Section 2, Township 27 North, Range 7 West, NMPM, Rio Arriba County, New Mexico not be included within either the Pictured Cliffs or Fruitland coal participating areas of the San Juan "28-7" Unit, please explain in great detail how this extreme unorthodox location will not adversely affect the working, over-riding royalty, and royalty interests in the W/2 of Section 2 or, in the alternative, proceed on another course of action to assure such affect interests are protected.

Thank you for your cooperation, understanding, and continued support in making this very important portion of New Mexico's conservation rules a meaningful success.

Sincerely,

Michael E. Stogner

Chief Hearing Officer/Engineer

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

(13) Adopting Burlington's proposal to relax the footage setbacks of the pool is in the best interest of conservation, prevention of waste, and protection of correlative rights and provides workable, fair and efficient regulation of well locations.

(14) To increase the opportunity to locate wells in the optimum position and avoid processing numerous cases for unorthodox well locations, Burlington's request to relax the exterior and interior footage setback requirements within the Basin-Dakota Pool should be approved.

(15) Burlington did not present sufficient data outlining the existing federal exploratory units and participating areas and their relationship to adjoining proration units to support its request to apply special setback requirements to federal exploratory units.

(16) Burlington's proposal to allow Basin-Dakota gas wells to be drilled and completed virtually anywhere within a federal exploratory unit is inappropriate within a pool that is not entirely developed, such as the Basin-Dakota Pool, and is not in the best interest of conservation since it will not promote efficient drainage of this pool in an orderly manner.

(17) Such unrestricted development in a random manner promotes waste.

(18) Further, such unrestricted development in a random manner causes unnecessary wells to be drilled and completed to adequately drain the resulting gaps or holes in development. These unnecessary wells will create economic waste and hardship for those non-operating interest owners who contribute to the cost of these wells.

(19) Burlington has clearly shown by testimony presented at the hearing and by supplemental information provided subsequent to the hearing, that opportunities for correlative rights violations are created by allowing encroachment towards non-participating areas within the unit and/or mineral interest that have not ratified the agreement and who will not receive notice of the encroachment.

(20) Burlington's request to apply special setback requirements to federal exploratory units should therefore be denied.

(21) Accordingly, the Division should amend the special rules for the Basin-Dakota Pool to modify well location requirements as follows: