

NEW MEXICO ENERGY, MINERALS & NATURAL RESOURCES DEPARTMENT

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

March 17, 1998

Conoco, Inc. 10 Desta Drive - Suite 100W Midland, Texas 79705-4500 Attention: Kay Maddox

Administrative Order NSL-3974

Dear Ms. Maddox:

Reference is made to your application dated February 19, 1998, which was received by the Division in Santa Fe on February 23, 1998, for an unorthodox gas well location in both the Blanco-Mesaverde and Basin-Dakota Pools for the proposed Jicarilla "E" Well No. 12-M to be drilled 30 feet from the North line and 1150 feet from the West line (Unit D) of Section 22, Township 26 North, Range 4 West, NMPM, Rio Arriba County, New Mexico.

The existing standard 320-acre gas spacing and proration unit in the Blanco-Mesaverde Pool comprising the W/2 of said Section 22, which is presently dedicated to Conoco Inc.'s Jicarilla "E" Well No. 12 (API No. 30-039-21515), located at a standard gas well location 1850 feet from the South and West lines (Unit K) of said Section 22, and the W/2 of said Section 22 being a standard 320-acre gas spacing and proration unit for the Basin Dakota Pool, are to be dedicated to said well.

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 gas well location for the Jicarilla "E" Well No. 12-M is hereby approved.

Sincerely,

Top Wrotenbery
Lori Wrotenbery

Director

LW/MES/kv

CC: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
W. Thomas Kellahin, Counsel - Santa Fe
Jimmy D. Carlile, Conoco, Inc. - Midland, Texas



Mid-Continent Region Exploration, Production

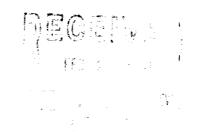
Conoco Inc. 10 Desta Drive, Suite 100W Midland, TX 79705-4500 915) 686-5400

February 19, 1998

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

RE: Application for Non-Standard Location For Jicarilla E # 12M to Avoid Archeological sites & to avoid drastic relief in the Topography

Dear Mr. Stogner,



The proposed Mesaverde/Dakota well has been staked at a non-standard location of 30' FNL & 1150' FWL, Section 22, T-26-N, R-4-W. 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 that 790' from the north section line. This staked location is only 30' from the north section line. Please note that this spacing unit is in the interior of the Jicarilla E lease of which Conoco is the operator. The only offset operator that might be affected is Burlington to the south in section 27. Please find a copy of a certified mail receipt attached where they have been notified.

The archaelogical sites around this area were numerous. The proposed location was determined as the only one acceptable. A topographic map is attached showing the location of the proposed well site. The steep grade of the topography to the south is obvious. Attached is a statement from the Neale C. Edward Survey Company stating the reasons for our request of a non-standard location.

The proposed well will be completed and tested separately in the Mesaverde and Dakota formations and eventually downhole commingled following adequate testing and approval for commingling.

A non-standard location order is requested based on the reasons given in the following attachments. If there are further questions concerning this application please call me at (915) 686-5798.

Sincerely.

Kay Maddox Regulatory Agent

cc: Oil Conservation Division - Aztec William J LeMay, Director - OCD, Santa Fe CONOCO, INC.
JICARILLA E = 12M
30 FNL, 1150 FWL,
SEC 22, T26N, R4W, NMPM
RIO ARRIBA COUNTY, NM

TO WHOM IT MAY CONCERN @ CONOCO, INC.:

REASONS FOR NON-STANDARD LOCATION:

THE PRIMARY REASON FOR THE NON-STANDARD STAKING OF THE JICARILLA E = 12M IS THE VAST AMOUNT OF ARCHEOLOGY DISCOVERED IN THIS AREA. FURTHERMORE, THERE IS A DRASTIC RELIEF IN THE TOPOGRAPHY WHICH LENDS ITSELF TO BOTH POOR SITE FOR LOCATION AND STEEP ACCESS WHICH IS DIFFICULT TO ADEQUATELY MAINTAIN. MOREOVER, THE ONLY EXISTING WELL IN THIS QUARTER SECTION IS ALSO OF NON-STANDARD STATURE. FOR THESE REASONS, THE LOCATION STAKED AT 30' FNL 1150' FWL WILL HOPEFULLY BE ACCEPTABLE.

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OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2083

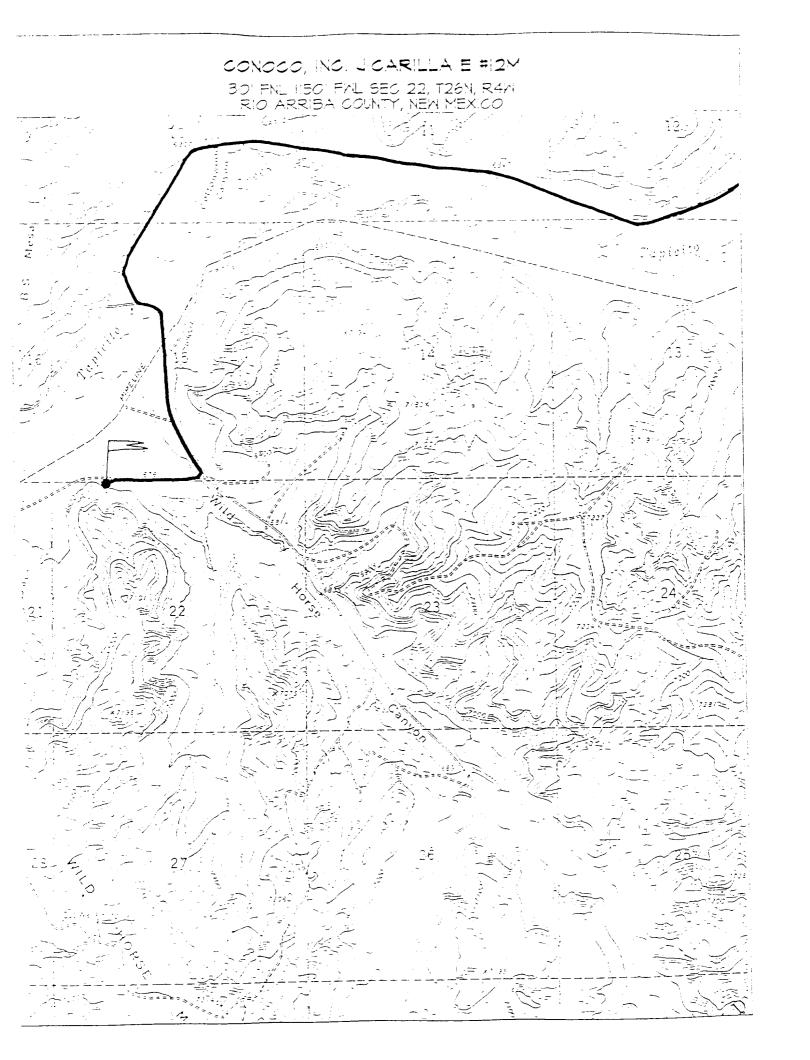
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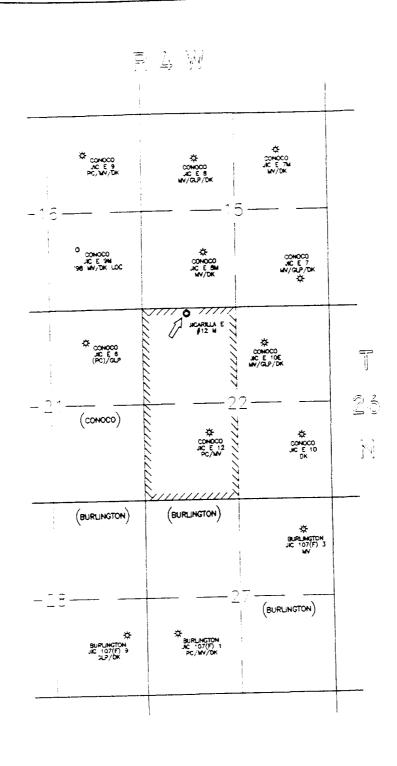
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AMENDES PERSP

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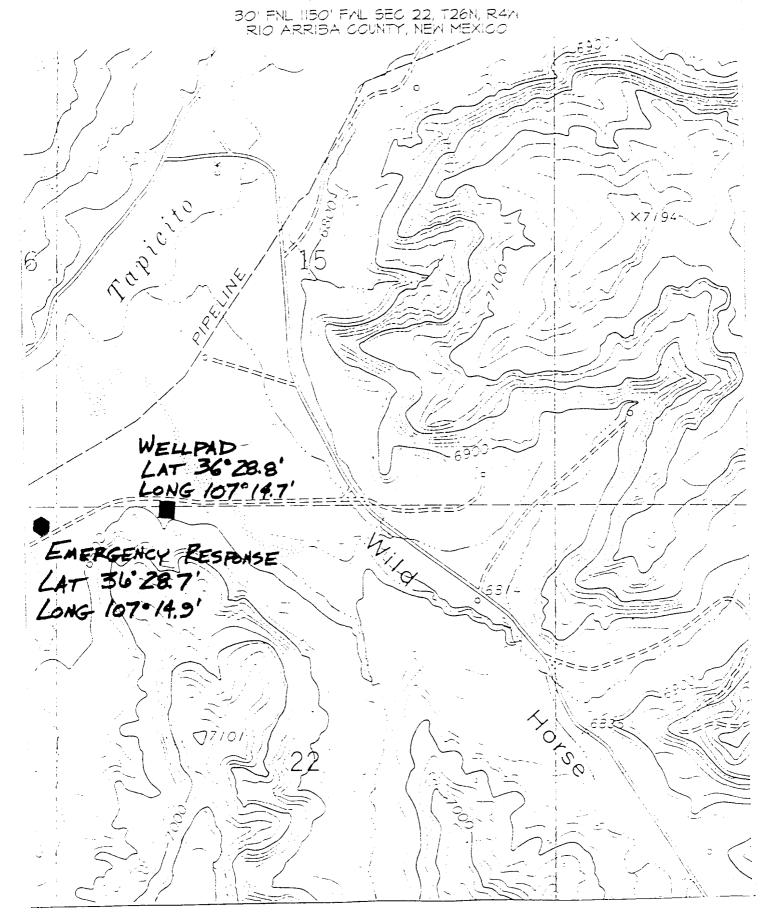


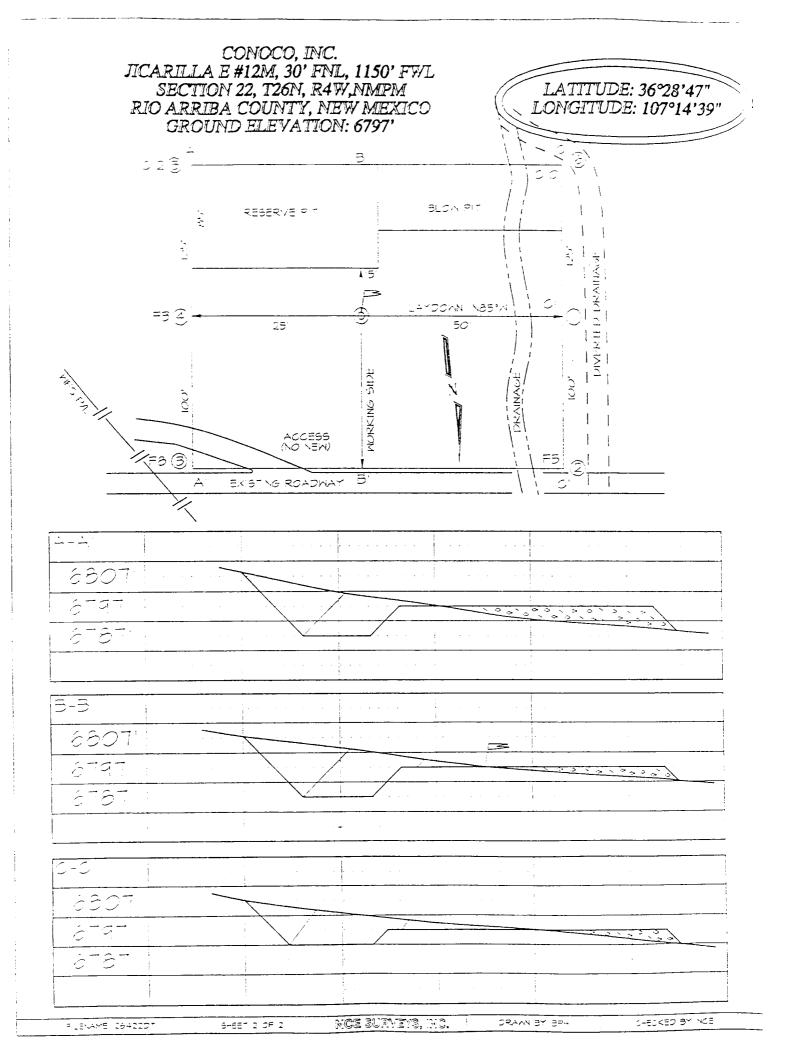


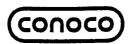
NOTES		CONOCO MIDLAND DIVISION		
	DATE: 2/11/98	CONOCO JICARILLA E LEASE		
NOTE:	DRAWN BY: GLG	Mesaverde/Dakata Producers/Penetrations JICARILLA E 12M Non Standard Location RIO ARRIBA COUNTY, NEW MEXICO		
Location is non-standard towards the interior of Conoco's Jicarilla E Lease,	CHECKED BY:			
a four Section Lease comprised of Sections 15, 16, 21, & 22 - T26N - R4W.	APPROVED BY:	STATE COUNTY WELL DRAWING		
Rio Arriba County, New Mexico	SCALE: 1" = 2640'	30 \ 039 \ 24271 JIC_E12M		
	STATE PLANE COORDINATES REFERRED TO NAD27 - N.M. WEST STATE PLANE COORDINATES ZONE - 3003	CONOCO INC. OFFICE 10 DESTA DRIVE WEST MIDLAND, TEXAS 79705		

EMERGENCY RESPONSE AREA

CONOCO, INC. JICARILLA E #12M







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

P 497 374 038

US Postai Service Receipt for Certified Mail No insurance Coverage Provided.

Sent to Currica Tin Part (Ca) Street & Yumber Bost Office, State, & ZIP Code \$ Postage Cartified Fee Special Delivery Fee Restricted Delivery Fee Perum Receipt Showing to Whom & Date Delivered
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