



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

August 25, 1997

RECEIVED
SEP - 2 1997

OIL CON. DIV.
DIST. 3

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

Administrative Order NSL-3859

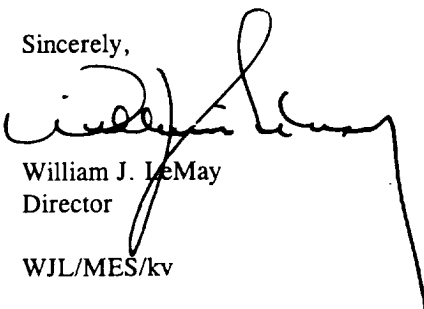
Dear Mr. Hoover:

Reference is made to your application dated August 21, 1997, which was received by the Division in Santa Fe on August 25, 1997, for an unorthodox "infill" gas well location for both the Blanco-Mesaverde and Basin-Dakota Pools for the proposed Jicarilla "A" Well No. 9M to be drilled 2070 feet from the South line and 2055 feet from the West line (Unit K) of Section 14, Township 26 North, Range 4 West, NMPM, Rio Arriba County, New Mexico.

Production from both pools in said well is to be included in the existing standard 320-acre gas spacing and proration units comprising the W/2 of said Section 14, which production is currently dedicated to Conoco's Jicarilla "A" Well No. 9 (API No. 30-039-20095), located at a location considered to be standard under the current rules governing both the Blanco-Mesaverde and Basin-Dakota Pools 790 feet from the North line and 1670 feet from the West line (Unit C) of said Section 14.

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 Jicarilla "A" Well No. 9M is hereby approved.

Sincerely,


William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
W. Thomas Kellahin, Counsel - Santa Fe
Dave Wacker, Conoco, Inc. - Midland, Texas



Mid-Continent Region
Exploration/Production

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

August 21, 1997

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

RECEIVED
AUG 25 1997
OIL CON. DIV.
DIST. 3

Re: Application for Unorthodox Location for
the Proposed Jicarilla A Well No. 9M for
Topographical and Archaeological Reasons

Dear Mr. Stogner:

This proposed Mesaverde/Dakota well has been staked at an unorthodox location of 2070' FSL & 2055' FWL, Sec. 14, T-26N, R-4W, Rio Arriba County as shown by the attached C-102 (EXHIBIT 1). The Blanco Mesaverde and Basin Dakota pool rules require an orthodox location to be located no closer than 790' to the interior quarter-section lines which causes this location to be unorthodox.

EXHIBIT 2 is a topo map showing Section 14 and the proposed location for Jicarilla A Well No. 9M. The extremely close contouring in the Southwest quarter of Section 14 is indicative of the very rough terrain present there. EXHIBIT 3 is a copy of the surveyors report of the area explaining why it was impossible to stake a location within the orthodox drilling window for the Southwest quarter of this section. His reasons included rough and inaccessible terrain, existing wells and equipment, drainage concerns, and archaeological sites.

Actually an initial attempt was made to stake a standard location, but it was rejected by the Tribal Representatives during the on-site inspection due to archaeology and the rough lengthy access. EXHIBIT 4 is a copy of the letter from the Bureau of Indian Affairs clearing the new proposed unorthodox location with respect to compliance with the National Historic Preservation Act.

EXHIBIT 5 is a map showing the proposed location, its proration unit, the wells and operators in adjacent spacing units. Since Conoco is the operator of all of Section 14, and encroachment only occurs toward the interior of Section 14, no other operators are affected by this unorthodox location. Therefore, according to Rule 104.F.(3)(a)&(b), no additional notifications are required.

An APD has been secured from the BLM and the BIA and this location is scheduled to be spudded by mid-September. If there are any further questions concerning this application please call at (915) 686-6548.

Very truly yours,

A handwritten signature in black ink, appearing to read "Jerry W. Hoover". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Jerry W. Hoover
Sr. Conservation Coordinator

cc: Oil Conservation Division - Aztec

District I
PO Box 1988, Hobbs, NM 88241-1988
District II
PO Drawer 80, Artesia, NM 88211-0719
District III
1000 N. Bridge Rd., Alamogordo, 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

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | |
|------------------------|-------------------------------|--------------------------|--|
| API Number | | Pool Code 71599/72319 | Pool Name Basin Dakota/Blanco Mesaverde |
| Property Code 18018 | Property Name Jicarilla A | | Well Number 9M |
| OGRIID No. 05073 | Operator Name CONOCO, INC. | | Elevation 7128' |

Surface Location

| UL or lot no. | Section | Township | Range | Lot Ids | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| K | 14 | 26-N | 4-W | | 2070 | South | 2055 | West | R.A. |

Bottom Hole Location If Different From Surface

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

| | | | |
|--------------------------|-----------------|--------------------|-----------|
| Dedicated Acres W/320 | Joint or Infill | Consolidation Code | 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

| | |
|--|---|
| | <p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature: <u>Gerry W. Hoover</u> Printed Name: <u>Gerry W. Hoover</u> Title: <u>Sr. Conservation Coordinator</u> Date: <u>5/15/97</u></p> |
| | <p>18 SURVEYOR CERTIFICATION</p> <p>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.</p> <p>Date of Survey: <u>4/09/97</u></p> <p>Signature and Seal of: <u>NEALE C. EDWARDS</u> Official Number: <u>6857</u></p> |

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

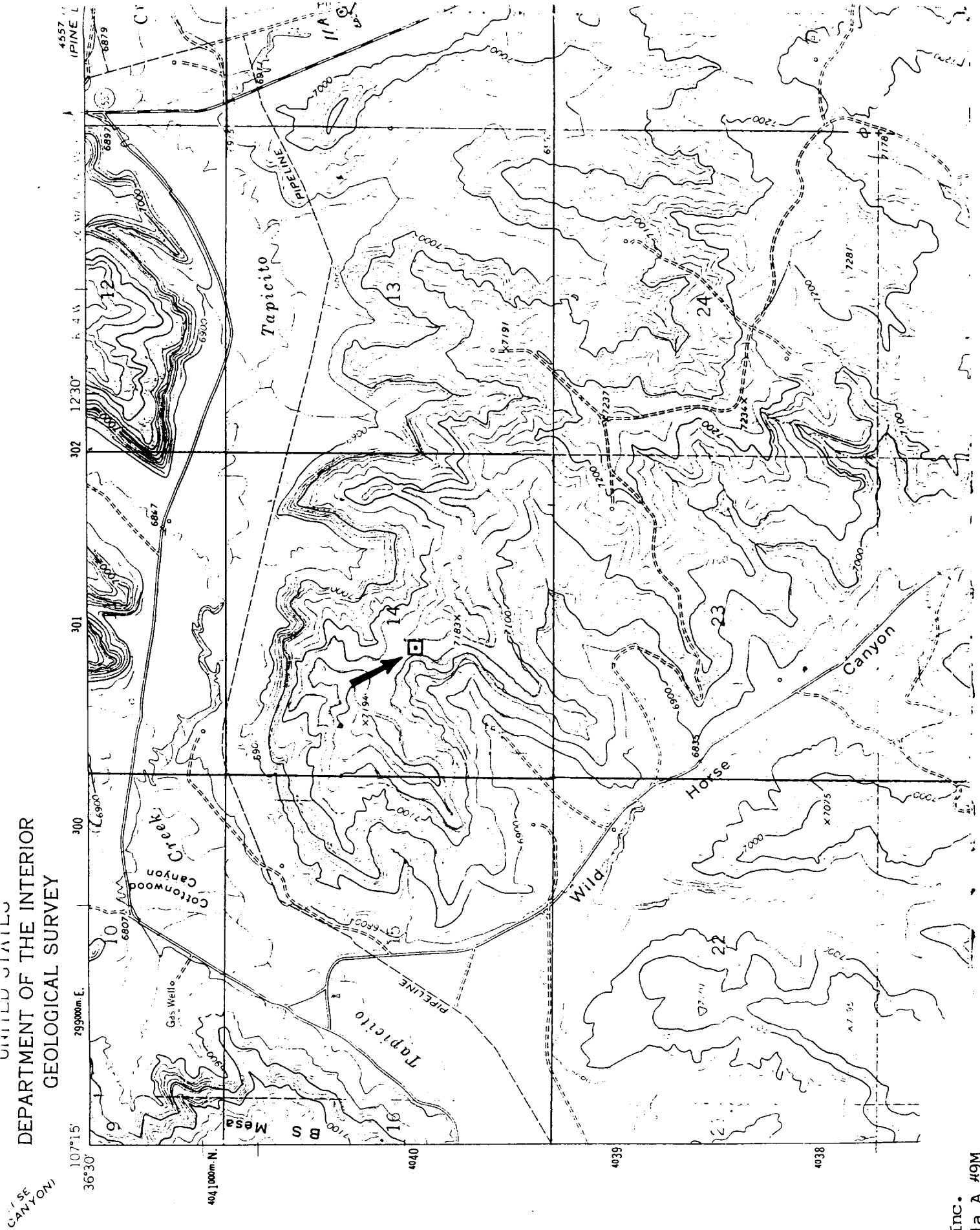
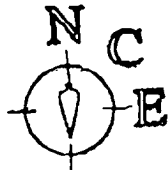


EXHIBIT 2

Donoco Inc.
Licarilla A #9M
Sec. 14, T24N, R6W, Unit L



SURVEYS, INC.

P.O. BOX 6612
FARMINGTON, NM 87499
OFFICE: (505)325-2654
FAX: (505)326-5650

JULY 10, 1997

CONOCO, INC.
JICARILLA A #9M
2070' FSL, 2055' FWL
SEC.14, T26N, R4W, NMPM
RIO ARriba CO., NM

TO WHOM IT MAY CONCERN @ CONOCO, INC.:

REASONS FOR NON-STANDARD LOCATION:

THE MAJORITY OF THE TERRAIN WITHIN THE LEGAL REGIONS OF THE SW/4 OF SECTION 14 FALLS ON AN EXTREMELY STEEP SIDE-SLOPE. FURTHERMORE, THE AREA WHICH DOES PROVIDE FOR A BUILDABLE LOCATION IS NOT ONLY ON A VIRTUALLY INACCESSABLE BENCH, BUT IT IS ALSO INFESTED WITH ARCHEOLOGY. MOREOVER, AN EXISTING GAS WELL OCCUPIES AN AREA IN THE SW/4 OF THE SW/4 ALREADY. THIS LOCATION COULD BE UTILIZED FOR THE NEW DRILL; HOWEVER, THE PAD WOULD NEED TO BE COMPLETELY STRIPPED OF PRODUCTION EQUIPMENT AND THE SPECIFIED GEOLOGICAL PREFERENCE, PER ELLIS GRAY, WOULD NOT HAVE BEEN FULFILLED. A STANDARD LOCATION WAS STAKED AT 1540' FSL AND 790' FWL; HOWEVER, IT WAS REJECTED BY THE TRIBAL REPRESENTATIVES AT THE ON-SITE INSPECTION DUE TO ARCHEOLOGY AND ROUGH, LENGTHY ACCESS. FURTHERMORE, AT THE MENTIONED ON-SITE A NUMBER OF ALTERNATIVES (BOTH STANDARD AND NON-STANDARD) WERE ATTEMPTED AND REJECTED DUE TO ARCHEOLOGY AND DRAINAGE CONCERNS. FOR THESE REASONS, THE LOCATION STAKED AT 2070' FSL AND 2055' FWL, SHOULD BE GREATLY APPRECIATED.



IN REPLY REFER TO

United States Department of the Interior

BUREAU OF INDIAN AFFAIRS
Albuquerque Area Office
P.O. Box 26567
Albuquerque, New Mexico 87125-6567

RECEIVED

MAY 30 1997

CONOCO
ROW&C

380 - Branch of Natural Resources
Services
Jicarilla 97-112

MAY 23 1997

Mr. W.E. Gray, Jr.
Conoco, Inc.
10 Desta Drive, Suite 430E
Midland, Texas 79707

Dear Mr. Gray:

We have reviewed a cultural resources survey report dated April 10, 1997, and entitled, "Cultural Resource Survey: Archaeological Survey of a Well Location and Its Access Road on Jicarilla Apache Tribal Lands (Jicarilla A #9M)." This was prepared by Mr. Gifford Velarde, Velarde Energy Service, and is numbered Report CR-97-509. We understand that you also have a copy of this document.

The report, dealing with Jicarilla Apache Tribal lands, states that no surface evidence of potentially significant cultural resources was encountered during the requisite field inspection. The project location is sufficiently small and in a location where we do not expect that it will impact any areas of traditional religious or cultural importance to the Jicarilla Apache Tribe. Therefore, we have determined that no effect on any National Register listed or eligible cultural resources will result from the proposed action. We have notified the New Mexico State Historic Preservation Officer of our determination and provided a copy of this report for their files.

The proposed undertaking is in compliance with the provisions of Section 106 of the National Historic Preservation Act and may proceed under the following stipulations:

1. All land-altering activities will be confined to the area surveyed for cultural resources.
2. If subterranean cultural resources are encountered, all land-altering activities will be halted and the Area Archeologist notified immediately.

These stipulations must be followed or project suspensions will be issued. The responsibility of project sponsors is to notify subcontractors of the project boundaries and stipulations. Any change in project boundaries will require additional survey and repetition of the compliance procedures.

EXHIBIT 4

- 2 -

This letter only serves as notification that National Historic Preservation Act Section 106 compliance has been completed for the subject project. It does not constitute approval of right-of-way or concurrence in the proposed activities by the Bureau of Indian Affairs (BIA). This compliance is one of several legal requirements which must be accomplished before BIA approval of rights-of-way, easements, or other land use contracts for land modifying projects.

If you have any questions, please contact Dr. Bruce G. Harrill, Area Archeologist, Branch of Natural Resources Services, at (505) 766-3374.

Sincerely,

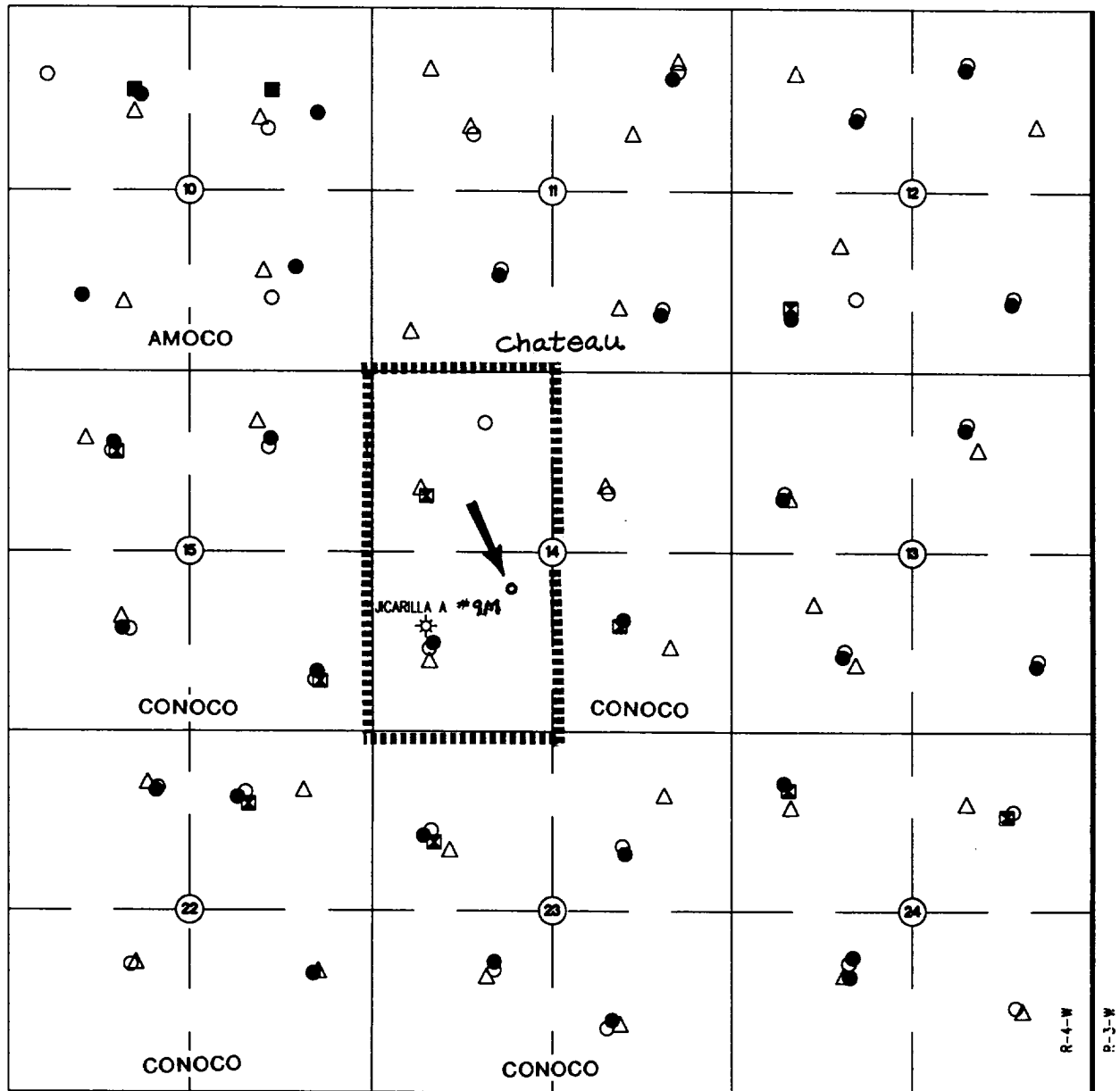
A handwritten signature in cursive script, appearing to read "Bruce G. Harrill".

Acting Assistant Area Director

JICARILLA A #9M

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

SW/4 SEC. 14, TOWNSHIP 26 NORTH, RANGE 4 WEST
RIO ARriba COUNTY, NEW MEXICO



LEGEND

- BS MESA GALLUP
- ⊠ WILD HORSE GALLUP
- BLANCO MESA VERDE FORMATION
- △ BLANCO PICTURED CLIFFS
- BASIN DAKOTA FORMATION
- BASIN FRUITLAND COAL FORMATION
- ★ JICARILLA A #9M

SCALE : NTS

REVISION: NONE

DRAWN BY: J. BISLAND

DATE DRAWN: 1/21/97

FILE NAME: 9MMADJ

CLIENT



FARMINGTON, NEW MEXICO

PREPARED BY



TRIGON
DENVER
FARMINGTON NEW MEXICO

EXHIBIT 5