*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as b any matter within its jurisdiction.

TITLE .

/S/ Duane W. Spencer

DATE

District I PO 80x 1980, Hobbs, NM 88241-1980

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

District III 1000 Rio Brazos Ad., Aztec, NM 87410

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

State Lease - 4 Copies Fee Lease - 3 Copies

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

AMENDED REPORT

S8 AUG 17 PM 1: 15

| WELL LOCATION AND ACREAGE DEDICATION, PLAT | | | | | | | | | | | | |
|--|----------|-----------------------------|-----------|-----------------|---|-----------|---------------------------|---------------|-------------------------|------------------|---------------|--|
| | | | | | e | | - 010 176 1170 | Pool Nam | e | | | |
| 30-0 | 39- c | 71 | 599 | В | Bas | in Dakota | | | | | | |
| *Property | Code | ³Property Name | | | | | | | | | *Well Number | |
| N/A > | 2361 | PORKCHOP FEDERAL 28 | | | | | | | | 1 | | |
| 'OGRID I | 0 | *Operator Name | | | | | | | | *Elevation | | |
| 05073 CONC | | | | | CONOC | 0, | INC. | 6241 | | | | |
| ¹⁰ Surface Location | | | | | | | | | | | | |
| UL or lat no. | Sect ion | Township | Range | Lot Ion | Feet from the | 2 | North/South line | Feet from the | East/West line | | County | |
| ΑΑ | 28 | 26N | 7W | | 435 | | North | 1180 | | | 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/We | East/West line (| | |
| | | | | | | | | | | | | |
| 12 Dedicated Acres | | ¹³ Joint or Infi | 1 14 Cons | solidation Code | ¹⁵ Order Na. | | | | | | | |
| 320 | N | N | | | Non-standard Location (to be applied for) | | | | | for) | | |
| 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 | | | | | | | | | | | | |
| | | | 5288.58 | | | | 35 | 17 OPER | "OPERATOR CERTIFICATION | | | |

OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

5288.58

DO OPERATOR CERTIFICATION
Investor certify that the softwards of containing with collection of containing and collection

1180

Signature

Mike L. Mankin
Printed Name
Right—Of—Way Agent
Title

Date

Title

The softward certify that the self location above on that plans of the collection and that the some is that and contained and collection and that the some is that and contained and contained and collection and that the some is that and contained and collection and that the some is that and contained and collection and that the some is that and contained and collection and that the some is that and contained and collection and that the some is that and contained and collection and that the some is that and contained and collection and that the some is that and contained and collection and collection and collection and that the some is that and contained and collection an

CONOCO, INC. PORKCHOP FEDERAL 28 #1 435' FNL & 1180' FEL SECTION 28, T26N, R7W RIO ARRIBA COUNTY, N.M.P.M., NEW MEXICO =06198 8,6721



NEW MEXICO ENERGY, MINERALS & NATURAL RESOURCES DEPARTMENT

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

August 31, 1998

Conoco, Inc.

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

Attention: Kay Maddox

OUL GOIN TE

Administrative Order NSL-4123

Dear Ms. Maddox:

Reference is made to your application submitted to the New Mexico Oil Conservation Division ("Division") on August 10, 1998 for an exception to the well location requirements provided within the "Special Rules and Regulations for the Basin-Dakota Pool," as promulgated by Division Order No. R-10987. The N/2 of Section 28, Township 26 North, Range 7 West, NMPM, Rio Arriba County, New Mexico is to be dedicated to the proposed well in order to form a standard 320-acre gas spacing and proration unit for the Basin-Dakota Pool.

The application has been duly filed under the provisions of Division Rules 104.F and 605.B of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division").

By the authority granted me under the provisions of Division Rule 104.F(2), the following described well to be drilled at an unorthodox gas well location in Section 28 is hereby approved:

> 435' FNL & 1180' FEL (Unit A). 28 - 26 - 700 Porkchop Federal "28" Well No. 1

Further, the aforementioned well and spacing unit will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico.

Sincerely,

Lori Wrotenbery

Director

LW/MES/kv

New Mexico Oil Conservation Division - Aztec cc:

U. S. Bureau of Land Management - Farmington



10 Desta Drive, Suite 100W

Midland, TX 79705-4500

Conoco Inc.

(915) 686-5400

Mid-Continent Region Exploration/Production

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

RE: Application For Non-Standard Location For Porkchop Federal #1 to Avoid Topography & Archeological Discoveries

Dear Mr. Stogner,

North section line.

This proposed Dakota well has been staked at a non-standard location of 435' FNL & 1180' FEL, Section 28, T26N, R7W, Rio Arriba County as shown by the attached C-102. The Basin Dakota pool rules require a standard location to be located no closer than 790' from the North section line. This staked location is only 435' from the

Figure 2A is a topo map showing the location of Palluche Canyon which is where the proposed location has been staked. Please find attached a letter from the BLM stating why they feel that a non-standard location is necessary and why they suggest this non-standard location be located in the bottom of the canyon. Attached is a statement from the Neale C. Edward Survey Company also stating the reasons for our request of a non-standard location.

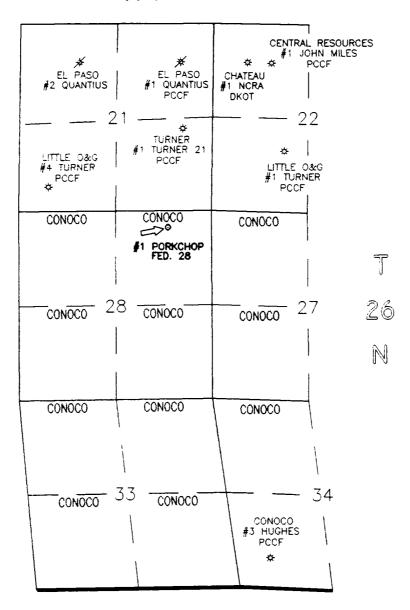
The proposed well will be completed in the Dakota formation. The offset operator plat shows the operators that could be affected by this non-standard location and enclosed is evidence that they have been notified.

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 R7W



| NOTES | | (conoco) MIDIANID | - | | | |
|---|---|--|---------|--|--|--|
| NOTE | DATE: 8/1/98 | MIDLAND DIVISION CONOCO INC. – Application for | | | | |
| NOTE: Topographic constraints, | DRAWN BY: GLG | Non-Standard Basin Dakota Location, #1 PORKCHOP FEDERAL 28, Unit Ltr. Sec. 28-T26N-R7W, Rio Arriba Count New Mexico | | | | |
| archeological considerations, | CHECKED BY: | | | | | |
| and resource damage mitigation necessitate a non-standard | APPROVED BY: | API STATE COUNTY WELL | DRAWING | | | |
| location. SF 078048 | SCALE: 1" = 2640' | 30 \ 039 \ | PORK_1 | | | |
| Plat shows all offset producers. | STATE PLANE COORDINATES REFERRED TO NAD27 - NEW MEXICO WEST STATE PLANE COORDINATES ZONE - 3003 | CONOCO INC. OFFICE 10 DESTA DRIVE WEST MIDLAND, TEXAS 79705 | | | | |



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington District Office 1235 La Plata Highway Farmington, New Mexico 87401

IN REPLY REFER TO: SF-078048(07600) 3162.3-1 (070)

> enner jagen grande g Nacional de la companya de grande grande

Conoco Incorporated Attn: Mike Mankin 10 Desta Drive, Suite 430E Midland, TX 79705

Dear Mr. Mankin:

This is in reference to the placement of the proposed Porkchop Federal number 28-1 Dakota well, located 435' FNL, 1180' FEL, Sec. 28, T. 26 N., R. 7 W., lease number SF 078048. After attempting to find a suitable location within the windows established by the New Mexico Oil Conservation Commission, we suggest you submit for a nonstandard location. A suitable orthodox location was not found because of major topographical constraints and archeological concerns in the area. Considerable environmental surface damage would occur with the construction of a pad and access road in such steep terrain. A vast archeological site occupies the only area that would be plausible for placing a well. For these reasons a nonstandard location in the bottom of the canyon would be more suitable. There the pad and access road could be built on more level terrain. Construction would require less dirt work, create less resource damage, and would be easier to maintain. By placing the pad in the bottom of the canyon, important cultural resources will also be protected.

In the past it has been discussed that nonstandard locations would probably be proposed more frequently as the more desirable locations are developed. It is our desire to find the best possible locations for new wells and access roads being proposed with minimal environmental impacts. Therefore, we will be glad to support your nonstandard proposal for the Porkchop Federal number 28-1 well to the NMOCC.

If there is any way we can be of further assistance, please contact Jackie Neckels of the Environmental Compliance Staff at (505) 599-6323.

Sincerely

Senior Technical Advisor Environmental Compliance

CONOCO, INC.
PORKCHOP FEDERAL #28-1
435' FNL, 1180' FEL,
SEC.28, T26N, R7W, NMPM
RIO ARRIBA COUNTY, NM

TO WHOM IT MAY CONCERN @ CONOCO, INC .:

REASONS FOR NON-STANDARD LOCATION:

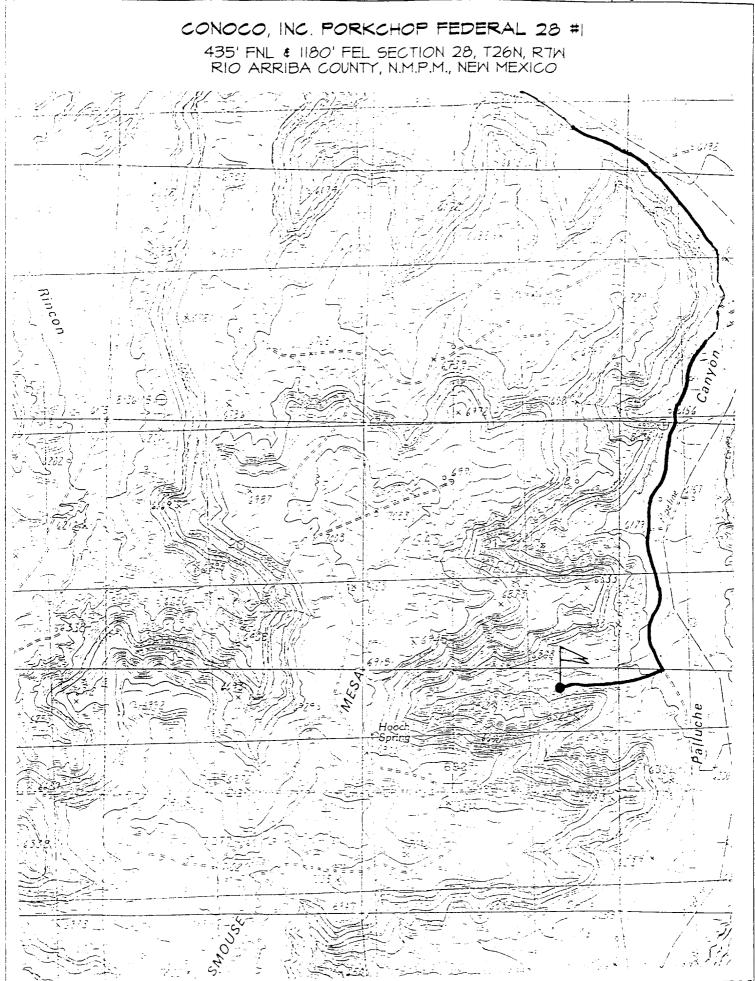
THE PRIMARY REASON FOR THE NON-STANDARD STAKING OF THE PORKCHOP FEDERAL #28-1 IS THE DRASTIC RELIEF IN THE TOPOGRAPHY WHICH EXISTS IN THIS AREA. THE DRASTIC RELIEF IN TOPOGRAPHY LENDS ITSELF TO BOTH POOR SITE FOR LOCATION & STEEP ACCESS WHICH IS DIFFICULT TO ADEQUATELY MAINTAIN. FURTHERMORE, THE ONLY POSSIBLE SITE FOR THE WELLPAD WAS COVERED BY EXTREMELY VAST ARCHEOLOGICAL DISCOVERY. FOR THESE REASONS, THE LOCATION STAKED AT 435' FNL 1180' FEL WILL HOPEFULLY BE ACCEPTABLE.

State of New MERCIDO Stephens Shatunal Reducinces Department

Ovath.it II HO Chawen GC, Antesia, NM 88211-0719 Systemist III 1900 Pis Brazos Pd., Aztas, NM 87410 Form 341, 1830 Instructions & Natural Reducerts Department Rev. Led Fischlan (21, 1830) Instructions on back Submit to Appropriate District Office State Lease - 4 Copies Red Lease - 3 Copies Santa Fe, NM 87504-2088

District 17 P. Brk 2088, Santa Fe. NM 87504-2088

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| N/A | · | | | P0 | | ECERAL 28 | | | | <u>.</u> | |
| 05073 | \/s | | | 10cenaton Name 00N/000, IN/0. | | | 151a.4at.351 6.2.4.1 | | | | |
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| Dedicated Acres | <u>:</u> | Duaint on In | fill ¹⁴ Conso | lidation Code | a orden No. | andard Loc | atio | n (to | be applied | i for) | |
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July 30, 1998

Porkchop Federal #28-1 Section 28, T-26-N, R-7-W, 435' FNL & 1180' FEL Rio Arriba County, New Mexico

RE: Application for Non-standard Location

Notification of Offset Operators:

Turner Production Co.
One Energy Square STE 852
Dallas, TX 75206

Little Oil & Gas 2346 E 20th Street Farmington, NM 87499-1258

| Receipt for Certified Mail No insurance Coverage Provided Do not use for international Mail (See Reverse) | Receipt for Certified Mail No insurance Coverage Provided Do not use for International Mail (See Reverse) |
|---|---|
| Little Oil + GAS 2346 E 20th Street | Turner Prod Co. Ore Energy Sq. STE 852 |
| Farmington, Nm 87499-1258 | MAILAS, 1X 15006 |
| | |

A copy of the Non-standard location request has been sent to the above listed parties – please see attached evidence.