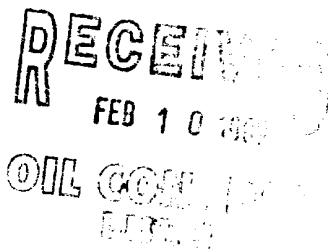




NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

February 8, 1999



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

Attention: Kay Maddox

P-12-28N-7W

Administrative Order NSP-1799(L)

Dear Ms. Maddox:

Reference is made to the following: (i) your application dated January 11, 1999; and (ii) to the records of the New Mexico Oil Conservation Division in Santa Fe ("Division"): concerning Conoco, Inc.'s request for a non-standard 321.22-acre gas spacing and proration unit consisting of the following acreage in the Basin-Fruitland Coal (Gas) Pool:

RIO ARRIBA COUNTY, NEW MEXICO
TOWNSHIP 28 NORTH, RANGE 7 WEST, NMPM

Irregular Section 11:	Lot 1
Irregular Section 12:	All.

It is our understanding that this unit is to be dedicated to Conoco, Inc.'s proposed San Juan "28-7" Unit Well No. 218-E (API No. 30-039-26065), to be drilled at an off-pattern unorthodox coal gas well location 1030 feet from the South line and 1025 feet from the East line (Unit P) of Section 12.

The above-described acreage conforms to an existing non-standard gas spacing and proration unit in the Basin-Dakota Pool approved under the authority of Division Order No. R-2948, issued in Case No. 3272 dated August 16, 1965.

By the authority granted me under the provisions of Rules 6 and 8 of the "*Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool*", as promulgated by Division Order No. R-8768, as amended, the above-described unorthodox coal gas well location and non-standard gas spacing and proration unit are hereby approved.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec /
U. S. Bureau of Land Management - Farmington



Mid-Continent Region
Exploration/Production

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

January 11, 1999

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

RE: Application for Unorthodox Location
San Juan 28-7 Unit # 218E
1030' FSL & 1025' FEL
Section 12, T-28-N, R-7-W,
API # 30-039- N/A
Rio Arriba County, NM
Basin Dakota (71599), Basin Fruitland Coal (71629),
Blanco Pictured Cliffs South (72439)

RECEIVED
JAN 19 1999
OIL CON. DIV.
DIST. 3

Dear Mr. Stogner,

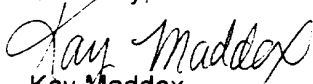
In an effort to prevent waste and prudently develop reserves underlying (irregular) Section 12, T-28-N, R-7-W, Conoco, Inc. respectfully requests that approval for an unorthodox Fruitland Coal location be granted at the referenced footages. Conoco's plans for the 28-7 Unit # 218E new drill include development of the Dakota (160 acre infill to the #218), Pictured Cliffs (PCCF), and Fruitland Coal (FRLD). There is currently no PCCF or FRLD production in Section 12.

Plans for the #218E call for setting 7" intermediate casing in the Lewis Shale, and 4.5" liner through the Dakota (with liner top below the base of the PCCF). This casing configuration is being run in order to accomodate two large tubing strings; one for the Dakota, and one for the PCCF/FRLD. Conoco plans to dually complete production from the Dakota with downhole commingled production from the PCCF/FRLD. The applications for dual completion of the Dakota with PCCF/FRLD, and Downhole Commingling of PCCF/FRLD are in the process of being submitted.

The offset operator plat shows that Burlington Resources offsets to the north (29-7 Unit) and Phillips to the northeast, (29-6 Unit). Please find enclosed evidence that the above referenced operators have been notified of this application.

Conoco respectfully requests that an unorthodox location order be issued based on the reasons given in the preceding paragraphs. If there are any further questions concerning this application please call me at (915) 686-5798.

Sincerely,


Kay Maddox
Regulatory Agent

Cc: Oil Conservation Division - Aztec
Bureau Land Management - Farmington

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

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

District III
1000 Rio Brazos Rd. Aztec, 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 N/A	2 Pool Code 71629/71599	3 Pool Name Basin Fruitland Coal, Basin Dakota
4 Property Code N/A	5 Property Name San Juan 28-7 Unit	6 Well Number 218 E
7 OGRID No. 005073	8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500	9 Elevation 6817'

10 Surface Location

UL or lot no. P	Section 12	Township 28N	Range 7W	Lot Idn	Feet from the 1030'	North/South line South	Feet from the 1025'	East/West line East	County Rio Arriba
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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
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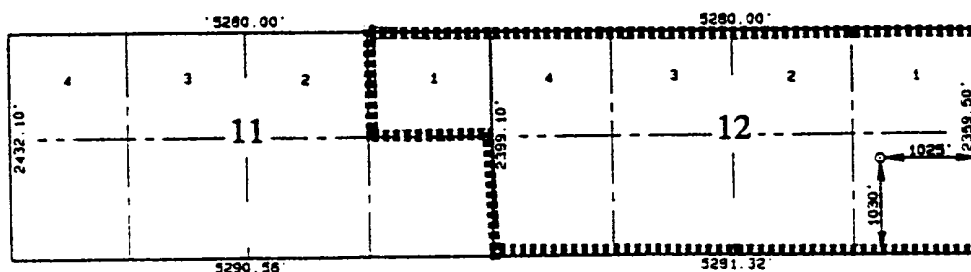
12 Dedicated Acres 321.22	13 Joint or Infill Y	14 Consolidation Code U	15 Order No. Non-Standard Spacing Order No. R-2948
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED

THE DIVISION

RECEIVED
JAN 19 1999

OIL CON. DIV.
DIST. 3



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
January 15, 1999

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

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd. Aztec 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 N/A		2 Pool Code 72439	3 Pool Name Blanco Pictured Cliffs South
4 Property Code N/A	5 Property Name San Juan 28-7 Unit		6 Well Number 218 E
7 OGRID No. 005073	8 Operator Name Conoco Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4500		9 Elevation 6817'

10 Surface Location

UL or lot no. P	Section 12	Township 28N	Range 7W	Lot Idn	Feet from the 1030'	North/South line South	Feet from the 1025'	East/West line East	County Rio Arriba
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11 Bottom Hole Location If Different From Surface

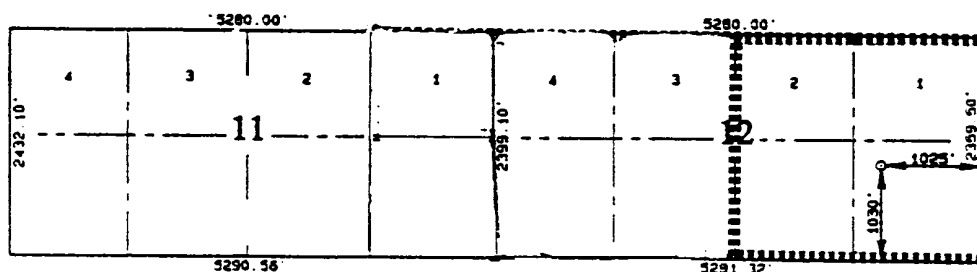
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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12 Dedicated Acres 160	13 Joint or Infill Y	14 Consolidation Code U	15 Order No. Non-Standard Spacing Order No. R-2948
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

RECEIVED
JAN 19 1999

OIL CON. DIV.
DIST. 3



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

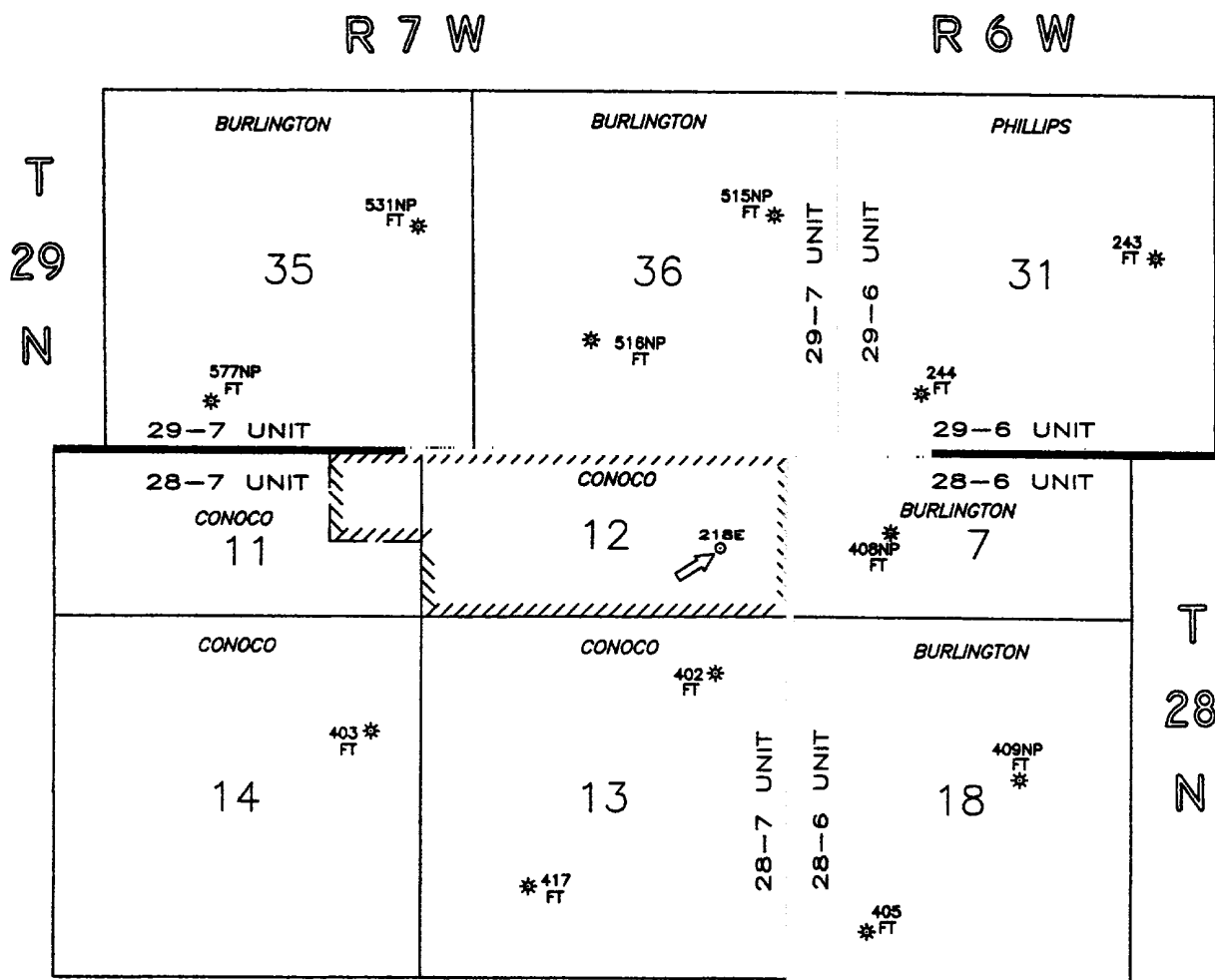
January 15, 1999
Date

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:

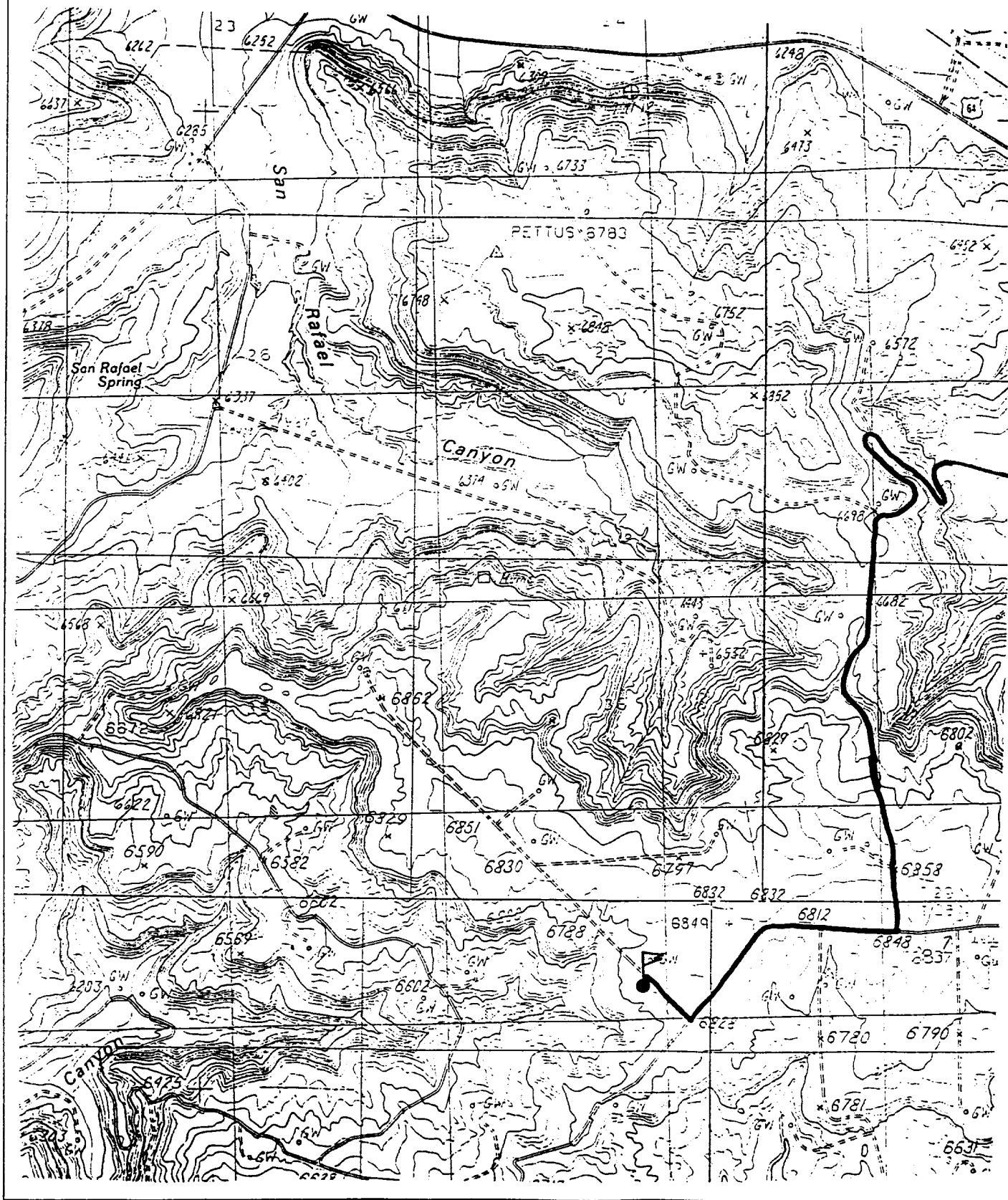
Certificate Number



SAN JUAN 28-7 UNIT **RIO ARriba CO., NM**

NOTES		<div> <div>conoco</div> <div>EPNGNA MIDLAND DIVISION</div> </div>	
<p>Conoco operates all wells in the 28-7 Unit. Conoco is requesting approval for an UNORTHODOX FRUITLAND COAL location in order to access coal reserves in the 218E wellbore (Proposed for 1999). Conoco plans to set 7" casing thru the Lewis and run 4 1/2" production casing to accommodate 2 large tubing strings. One string for a PCCF/FRLD DHC (to be filed), and one string for the DKOT. DKOT will be dually completed (to be filed) with the PCCF/FRLD.</p>	DATE: 1/13/99	<div> <div>CONOCO 28-7 UNIT FRUITLAND COAL PRODUCERS San Juan 28-7 Unit # 218E Unorthodox Coal Location</div> </div>	
	DRAWN BY: GLG		
	CHECKED BY:		
	APPROVED BY:	<div> <div>STATE ^{API} COUNTY WELL</div> <div>30 \ 039 \</div> </div>	
	SCALE: 1" = 2640'	<div> <div>DRAWING</div> <div>28-7_218</div> </div>	
	<div>STATE PLANE COORDINATES REFERRED TO NAD27 - N.M. WEST STATE PLANE COORDINATES ZONE - 3003</div>		
		<div> <div>CONOCO INC. OFFICE 10 DESTA DRIVE WEST MIDLAND, TEXAS 79705</div> </div>	

1030' FSL 1025' FEL SEC 12, T28N, R7W
RIO ARriba COUNTY, NEW MEXICO



San Juan 28-7 Unit Well # 218E
Section 12, T-28-N, R-7-W
1030 FSL & 1025' FEL
Rio Arriba County, NM

RE: Application for Unorthodox Basin Fruitland Coal (71629) location – Request for
NSL Order

Notification of Offset Operators:

Burlington Resources
PO Box 4289
Farmington, NM 87499

Phillips Petroleum
4001 Penbrook RM 400A
Odessa, TX 79762

The referenced application has been sent to the above listed parties.

Z 137 529 952

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to	Phillips Petroleum
Street & Number	PO Box 4289
Post Office, State, & ZIP Code	Farmington, NM 87499
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	

Z 137 529 953

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
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	