

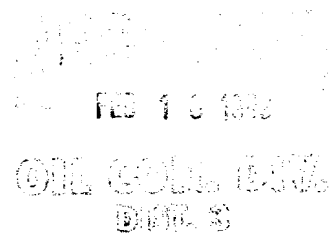


NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

February 16, 1999

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



Administrative Order NSL-4208

Dear Ms. Maddox:

Reference is made to your application dated February 10, 1999 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, for a non-standard Basin-Dakota infill gas well location in an existing standard 320-acre stand-up gas spacing and proration unit for the Basin-Dakota Pool comprising the W/2 of Section 13, Township 28 North, Range 7 West, NMPM, Rio Arriba County, New Mexico. This unit is currently dedicated to Conoco, Inc.'s San Juan "28-7" Unit Well No. 186 (API No. 30-039-20644), located at a standard gas well location 1600 feet from the South line and 1500 feet from the West line (Unit K) of Section 13.

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

By the authority granted me under the provisions of Division Rule 104.F(2), the following described well to be drilled at an unorthodox infill gas well location in Section 13 is hereby approved:

San Juan "28-7" Unit Well No. 186-M

2095' FNL & 1940' FWL (Unit F). — 13-28N-7W

Further, both of the aforementioned San Juan "28-7" Unit Well Nos. 186 and 186-M and existing gas spacing and proration 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

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 12, 1999

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

RE: Application for Non-Standard Location
San Juan 28-7 Unit Well #186M
Section 13, T-28-N, R-7-W
2095' FNL & 1940' FWL
Rio Arriba County, NM

RECEIVED
JAN 15 1999
OIL CON. DIV.
JAN 15 1999

Dear Mr. Stogner,

Conoco Inc plans to drill the above referenced well in 1999. The referenced location is an open, 160-acre Dakota site. In an effort to prevent economic waste and too effectively / efficiently develop the 28-7 Unit to its fullest potential Conoco selected this wellsite location to serve two purposes. The location will serve to accommodate both a primary 160 acre Dakota infill, and a "100 acre" Mesaverde infill withdrawal point (pursuant to an order to be issued out of Burlington's case CD -12069).

Topography, arch, and infrastructure also played a role in limiting our location selection. The ability to access both horizons in a single wellbore will reduce development costs and surface disturbance. Please note that the location is interior to the 28-7 unit, and does not encroach on any Unit boundaries thereby making Conoco the only offset operator. The downhole commingling application ((C-107A) will be filed concurrently to obtain permission to commingle the Blanco Mesaverde and Basin Dakota in this well.

Conoco respectfully requests that a non-standard location order be issued for the above referenced well based on the reasons given in the preceding paragraph. 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 of Land Management - Farmington

R 7 W

29-7 UNIT

29-6 UNIT

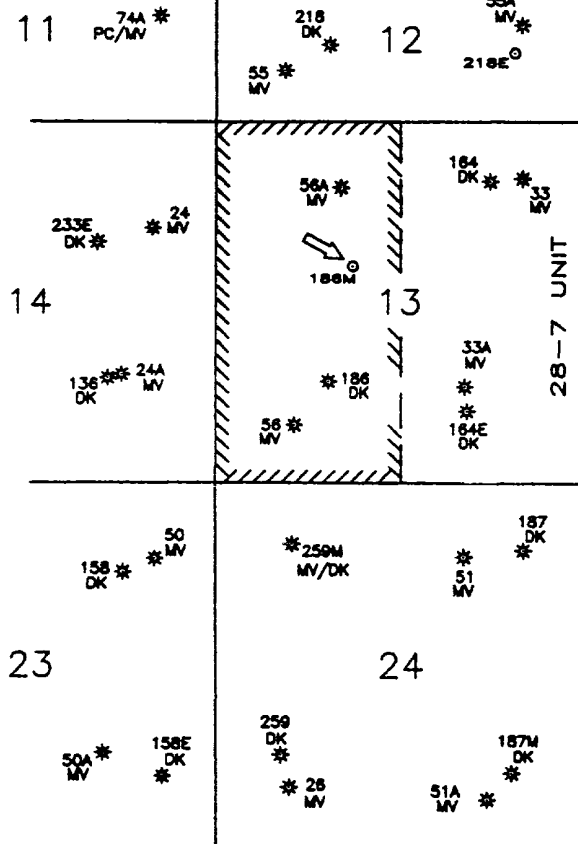
R 6 W

29-7 UNIT

28-7 UNIT

29-6 UNIT

28-6 UNIT



28-6 UNIT

T
28
N

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

NOTES		<div data-bbox="1080 1657 1212 1701">conoco</div> <div data-bbox="1245 1645 1508 1709">EPNGNA MIDLAND DIVISION</div>	
<p>Conoco operates all wells in the 28-7 Unit, NSL is interior to the 28-7 Unit. Map shows only Mesaverde and Dakota wells. NSL is requested in order to accommodate both a primary 160 acre Dakota infill and a '100 acre' Mesaverde infill (Pursuant to an order to be issued out of case 12069).</p>	DATE: 1/7/99	<div data-bbox="1067 1718 1541 1836"> <p>CONOCO 28-7 UNIT MESAVERDE & DAKOTA PRODUCERS San Juan 28-7 Unit # 186M Non-Standard Location</p> </div>	
	DRAWN BY: GLG		
	CHECKED BY:		
	APPROVED BY:	<div data-bbox="1080 1845 1212 1867">STATE</div> <div data-bbox="1229 1845 1328 1867">API</div> <div data-bbox="1344 1845 1476 1867">COUNTY</div> <div data-bbox="1493 1845 1541 1867">WELL</div>	<div data-bbox="1427 1845 1493 1867">DRAWING</div> <div data-bbox="1390 1867 1541 1901">28-7_186</div>
	<div data-bbox="614 1912 1060 2011"> <p>SCALE: 1" = 2640'</p> <p>STATE PLANE COORDINATES REFERRED TO NAD27 - N.M. WEST STATE PLANE COORDINATES ZONE - 3003</p> </div>		<div data-bbox="1067 1912 1541 2011"> <p>CONOCO INC. OFFICE 10 DESTA DRIVE WEST MIDLAND, TEXAS 79705</p> </div>

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

District II
PO Drawer 00, 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		*Pool Code	*Pool Name
		72319 / 71599	BLANCO MESAVERDE / BASIN DAKOTA
*Property Code	*Property Name		*Well Number
016608	SAN JUAN 28-7 UNIT		186M
*GRIID No.	*Operator Name		*Elevation
005073	CONOCO, INC.		6661'

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
F	13	28N	7W		2095	NORTH	1940	WEST	RIO ARriba

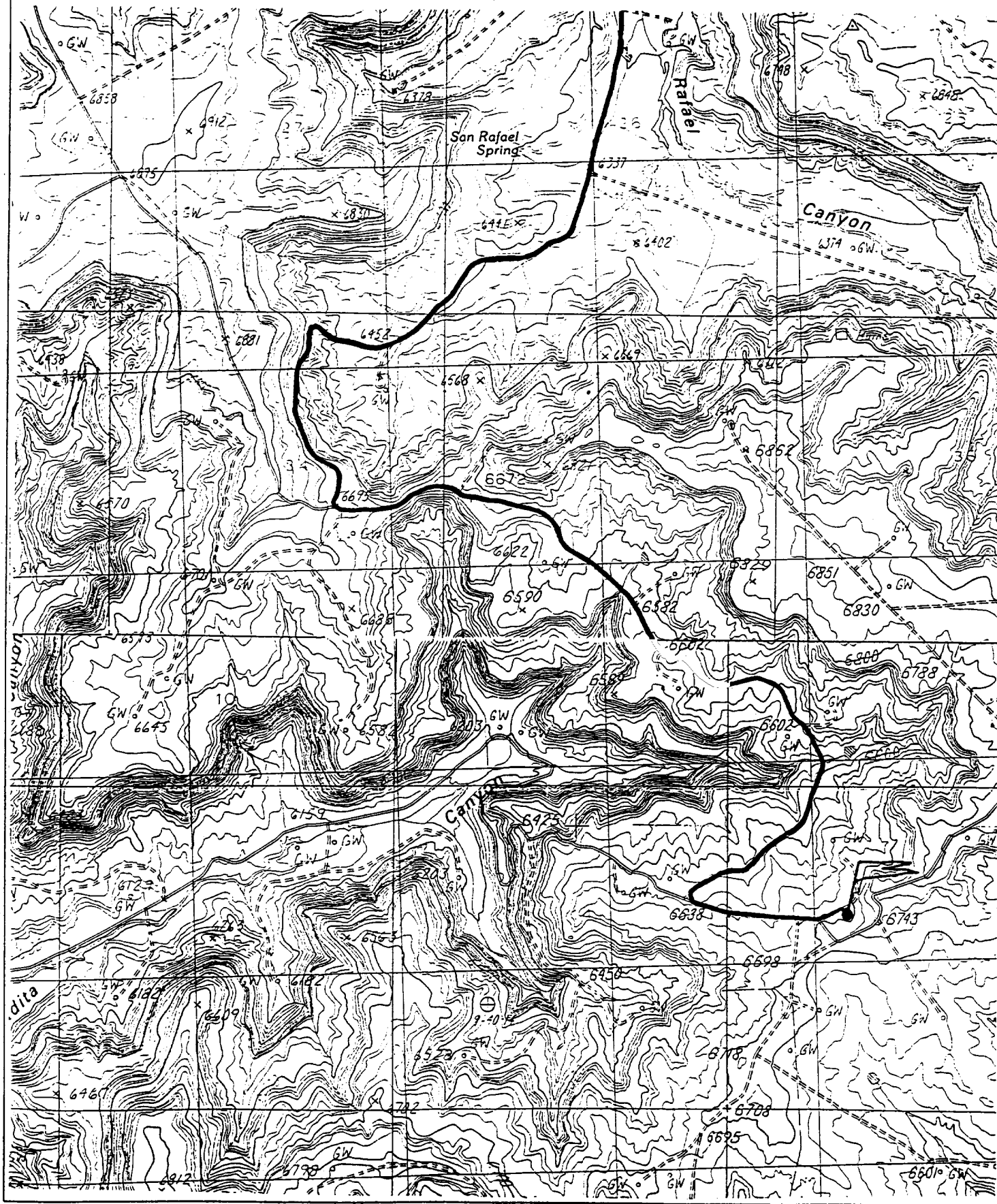
¹¹ Bottom Hole Location If Different From Surface

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

	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature Mike L. Mankin Printed Name Right-Of-Way Agent Title 12-21-98 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. OCTOBER 27, 1998 Date of Survey Signature and Seal of Professional Surveyor 6857 Certificate Number

CONOCO, INC. SAN JUAN 28-7 UNIT #186M
2095' FNL & 1940' FWL, SECTION 13, T28N, R7W, N.M.P.M.
RIO ARRIBA, NEW MEXICO



NOVEMBER 26, 1998

CONOCO, INC.
SAN JUAN 28-7 UNIT #186M
2095' FNL, 1940' FWL,
SEC. 13, T28N, R7W, NMPM
RIO ARriba COUNTY, NM

TO WHOM IT MAY CONCERN @ CONOCO ,INC:

REASONS FOR NON-STANDARD LOCATION:

THE ONLY REASON FOR THE NON-STANDARD STAKING OF THE SAN JUAN 28-7 UNIT #186M IS THE TEAM OF CONOCO GEOLOGISTS HAVE REQUESTED TO BE AT THIS LOCATION DUE TO THE FINDINGS OF A SEISMIC STUDY AND POSSIBLE MODIFICATIONS TO THE LEGAL WINDOWS AS A RESULT OF FUTURE DOWN SPACING.