



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

*Handwritten:* 9-27 282-3-3  
30-039-26174

**Administrative Order NSL-4209**

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 E/2 of Section 27, 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. 190 (API No. 30-039-20590), located at a standard gas well location 1840 feet from the North line and 800 feet from the East line (Unit H) of Section 27.

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 27 is hereby approved:

**San Juan "28-7" Unit Well No. 190-M  
2305' FSL & 2335' FEL (Unit J).**

Further, both of the aforementioned San Juan "28-7" Unit Well Nos. 190 and 190-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,

*Handwritten signature of Lori Wrotenbery*  
Lori Wrotenbery  
Director

LW/MES/kv

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



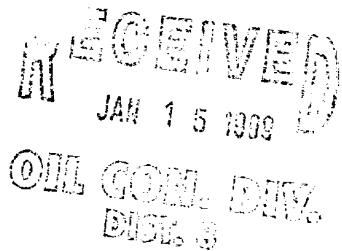
Mid-Continent Region  
Exploration/Production

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 #190M  
Section 27, T-28-N, R-7-W  
2305' FSL & 2335' FEL  
Rio Arriba County, NM



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.

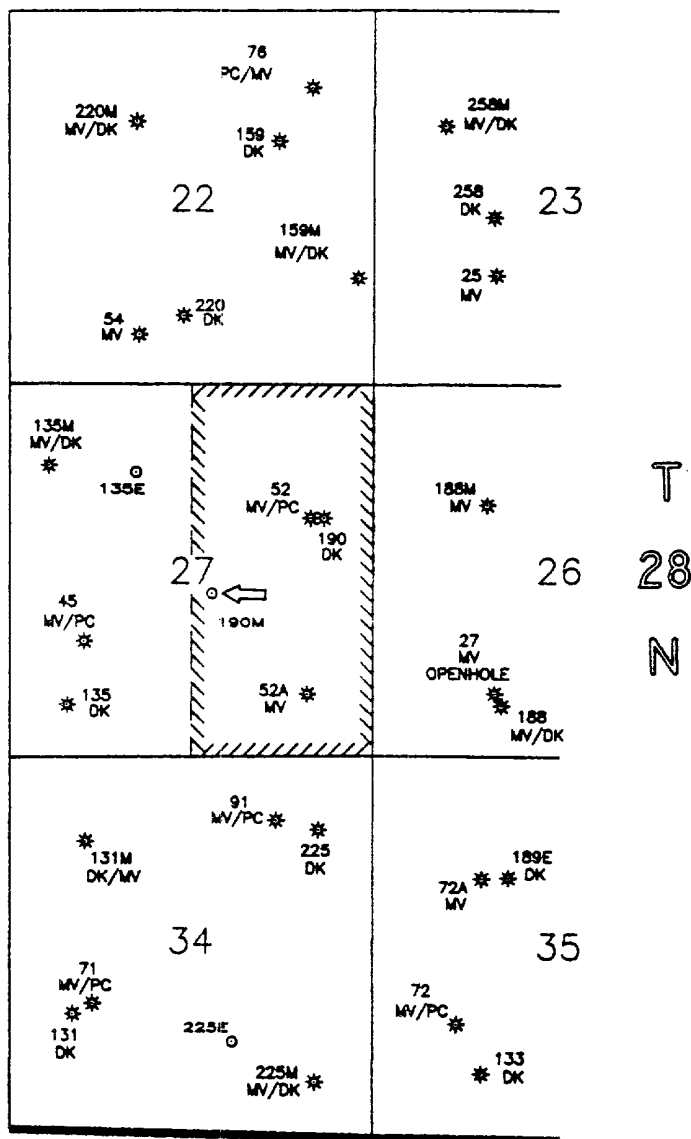
Conoco respectfully requests that a non-standard location order be issued for the above referenced well based on the reasons given in the preceding paragraph. If there are any further questions concerning this application please call me at (915) 686-5798.

Sincerely,

Kay Maddox  
Regulatory Agent

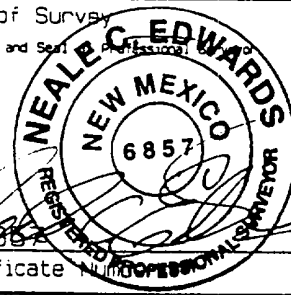
Cc: Oil Conservation Division - Aztec  
Bureau of Land Management - Farmington

R 7 W

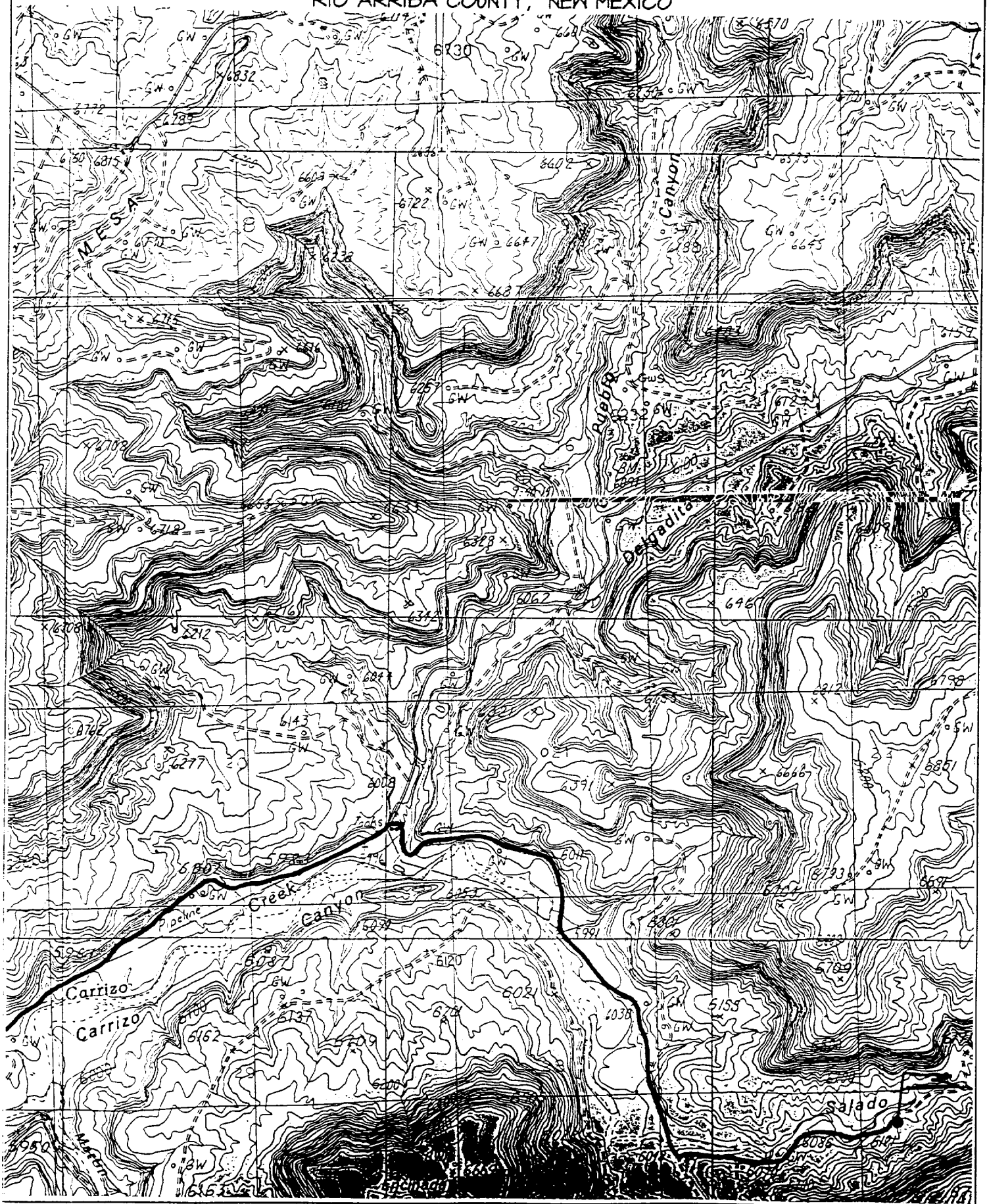


**SAN JUAN 28-7 UNIT  
RIO ARriba CO., NM**

NOTES		EPNGNA MIDLAND DIVISION	
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).	DATE: 1/7/99	CONOCO 28-7 UNIT MESAVERDE & DAKOTA PRODUCERS San Juan 28-7 Unit # 190M Non-Standard Location	
	DRAWN BY: GLG		
	CHECKED BY:		
	APPROVED BY:		
	SCALE: 1" = 2640'	STATE <sup>API</sup> COUNTY WELL	DRAWING
		30 \ 039 \	28-7_190
	STATE PLANE COORDINATES REFERRED TO NAD27 - N.M. WEST STATE PLANE COORDINATES ZONE - 3003	CONOCO INC. OFFICE 10 DESTA DRIVE WEST MIDLAND, TEXAS 79705	



CONOCO, INC. SAN JUAN 28-T UNIT #190M  
2305' FSL & 2335' FEL, SECTION 27, T28N, R7W, N.M.P.M.  
RIO ARriba COUNTY, NEW MEXICO



DECEMBER 5, 1998

CONOCO, INC.  
SAN JUAN 28-7 UNIT #190M  
2305' FSL, 2335' FEL,  
SECTION 27, 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 #190M 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. MOREOVER, THE REQUESTED FOOTAGES WERE LEGAL; HOWEVER, THE LOCATION WOULD HAVE BEEN ON AN EXTREMELY STEEP SIDE-SLOPE. IN CONCLUSION, THE LOCATION STAKED AT 2305' FSL AND 2335' FEL IS AS CLOSE TO THE REQUESTED FOOTAGES AS POSSIBLE.