OIL CONSERVATION DIVISION 2040 South Pacheco Street Santa Fe, New Mexico 87505 (508) 827-7131

March 18, 1998

DECEIVED MAR 2 5 1998

Conoco, Inc.

10 Desta Drive - Suite 100W

Midland, Texas 79705-4500

Attention: Kay Maddox

Administrative Order NSL-1587-A

Dear Ms. Maddox:

Reference is made to the following: (i) Conoco, Inc.'s ("Conoco") original application dated February 23, 1998; (ii) your telephone conversation with Mr. Michael E. Stogner, Engineer with the New Mexico Oil Conservation Division in Santa Fe on Friday, March 6, 1998; and, (iii) the records of the Division in Santa Fe: all concerning Conoco's request for a nonstandard Blanco-Mesaverde gas well location for the existing Jackson Com. Well No. 1-E (API No. 30-045-25592), located 1690 feet from the South line and 30 feet from the East line (Lot 1/Unit I) of irregular Section 8, Township 28 North, Range 9 West, NMPM, Blanco-Mesaverde Pool, San Juan County, New Mexico. According to the well records on file with the New Mexico Oil Conservation Division in Santa Fe, the Jackson Com. Well No. 1-E was drilled in 1983 and completed in the Basin-Dakota Pool. By Division Administrative Order NSL-1587, dated October 12, 1982, this location was approved as an unorthodox infill gas well location in the Basin-Dakota Pool for a previously approved 340.52-acre non-standard gas spacing and proration unit ("GPU") comprising Lots 1 and 2 and the S/2 SE/4 of said irregular Section 8 and Lots 2, 3, and 4, the S/2 SW/4, and the SW/4 SE/4 of irregular Section 9, Township 28 North, Range 9 West, NMPM, Blanco-Mesaverde Pool, San Juan County, New Mexico [see Decretory Paragraph (I)(20) of Division Order No. R-1814, issued in Case No. 2096 dated November 4, 1960].

It is our understanding that the Blanco-Mesaverde Pool will be perforated and said well will be recompleted such that gas production from both intervals will be commingled downhole. Pursuant to the "General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Blanco-Mesaverde Pool," as promulgated by Division Order No. R-8170, as amended, said location is considered to be unorthodox. Further, all of said irregular Section 8 is to be dedicated to the Blanco-Mesaverde Pool thereby forming a standard 273.92-acre gas spacing and proration unit for said pool.

By the authority granted me under the provisions of Rule 2(d) of said special Blanco-Mesaverde pool rules, the above-described unorthodox gas well location is hereby approved.

Further, all applicable provisions of said Order No. R-1814 and Administrative Order NSL-

Administrative Order NSL-1587-A

Conoco Inc.

March 18, 1998

Page 2

1587 shall remain in full force and effect until further notice.

Sincerely,

Łori Wrotenbery

Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec

U. S. Bureau of Land Management - Farmington

) rotenberg

W. Thomas Kellahin, Counsel - Santa Fe

Jimmy D. Carlile, Conoco, Inc. - Midland, Texas

File: NSL-1587



Mid-Continent Region Exploration/Production Conoco Inc. 10 Desta Drive, Suite 100W Midland, TX 79705-4500 (915) 686-5400

February 23, 1998

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

RE: Application for Non-Standard Location Jackson Com #1E API # 30-045-25592 DECEIVED N FEB 2 5 1998

OIL CON. DIV. DIST. 3

Dear Mr. Stogner,

The proposed recompletion of this well in the Blanco Mesaverde requires a non-standard order. This well is located in Section 8, T-28-N, R-9-W San Juan County, New Mexico and is currently producing from the Basin Dakota. The Mesaverde/ Dakota pool rules require a standard location to be 790' from the East Section line. This well is located 1690' FSL & 30' FEL. The well is only 30' from the east section line.

As shown on the attached production for the Dakota, there is insufficient evidence to justify drilling stand alone wells. Utilization of the Jackson COM 1E will prevent economic waste by allowing access to the Mesaverde in an existing wellbore. An application to downhole commingle production utilizing the subtraction method has been filed.

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.

On October 12, 1982, then operator Tenneco Oil Company received administrative approval for a non-standard location for the drilling and completion of this well in the Basin Dakota. Steep topography and the unusual size of the spacing unit were cited as reasons for non-conformance with spacing requirements. A copy of Tenneco's appkication and order NSL 1587 is attached. Conoco, Inc resepctfully requests that the administrative approval granted under the NSL-1587 be modified to include the Blanco Mesaverde. 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

William J LeMay. Director - OCD, Santa Fe



STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 97501 (505) 827-2434

October 12, 1982

Tenneco Oil Company P. O. Box 3249 Englewood, Colorado 80155

Attention: Ken Russell

Administrative Order NSL-1587

Gentlemen:

Reference is made to your application for a non-standard location for your Jackson Com Well No. 1-E to be located 1690 feet from the South line and 30 feet from the East line of Section 8, Township 28 North, Range 9 West, NMPM, Basin Dakota formation, San Juan County, New Mexico.

By authority granted me under the provisions of Rule 104 F of the Division Rules and Regulations, the above-described unorthodox location is hereby approved.

Sincerely,

JOE D. RAMEY

Director

JDR/RLS/jc

cc: Oil Conservation Division - Aztec

Oil & Gas Engineering Committee - Hobbs



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

State of New Mexico Energy, Minerals & Natural Resources Department

Revised February 21, 1994 instructions on back Submit to Appropriate District Office

District II PO Drawer DD, Artesia, NM 88211-0719 District III 1000 Rio Brazos Rd. Aztec, NM 87410

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

Fee Lease - 3 Copies

State Lease - 4 Copies

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PO Box 2088, Santa Fe. NM 87504-2088											AME	NDED REPORT		
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30-045-25592				72319						Blanco Mesaverde				
4 Property Code				5 Property Name						6 Well Number				
				Jackson Com						1E				
7 OGRID No.				8 Operator Name						9 Elevation				
005073 Cond			co Inc., 10 Desta Drive, Ste. 100W, Midland, TX 79705-4							0 6602.				
					10 Sur	face	Location							
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		141110	, , ,						Date					
									18 SUR	VEYOR	CERT	TIFICATION		
									I hereby cert	ify that the s	well locatio	n shown on this plat		
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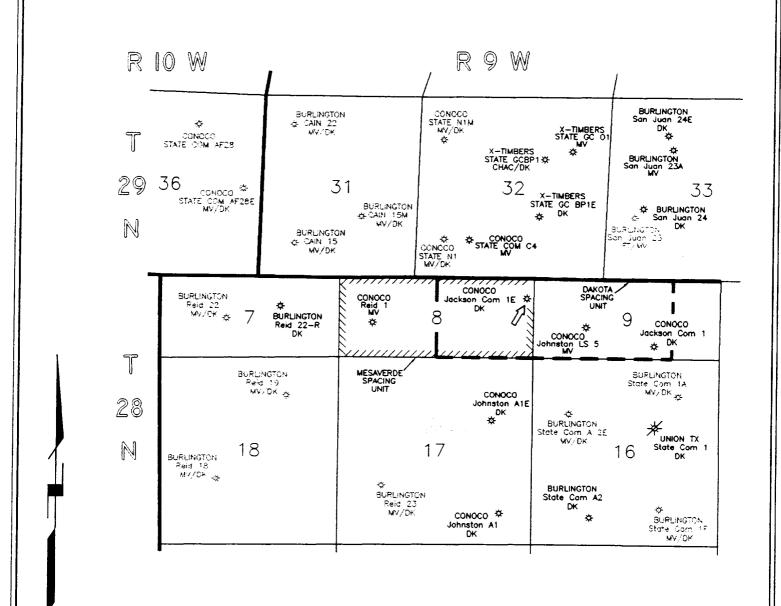
Certificate Number

NEW MEXICO OIL CONSERVATION COMMISSION WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102 Supersedes C-128 Effective 1-1-65

All distances must be from the outer boundaries of the Section Operator Well No. TENNECO OIL COMPANY JACKSON COM Unit Letter Township County I (Lot #1) 8 28N San Juan duon of Well Actual Foota 1690 South feet from the East feet from the line and line Producing Formation Pool Dedicated Acreage: Dakota 6602 Basin Dakota 340.52 1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below. 2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty). 3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling. etc? Communitized If answer is "yes," type of consolidation _ If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)_ No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commis-CERTIFICATION I hereby certify that the information contained herein is true and complete to the Name Ken Russell Steel Position Sr. Production Analyst Company Tenneco Oil Co. South TOG 50 Date land September 20, 1982 Conoco 50 I hereby certify that the well location notes of actual surveys made by me ar Topography Scale: 1"=2000' knowledge and belief. Date Surve

<u>3</u>95



NOTES		(conoco) EPNGNA				
NOTE:	DATE: 02/21/98	MIDLAND DIVISION				
ADMINISTRATIVE ORDER NSL-1587	DRAWN BY: GLG	CONOCO JACKSON COM 1 E MESAVERDE & DAKOTA PRODUCER				
issued for Basin Dakota. Requesting order modification to include Blanco	CHECKED BY:	Non-Standard Location				
Mesaverde.	APPROVED BY:	API				
	SCALE: 1" = 2640'	30 \ 045 \ 25592 JAC_COM1				
	STATE PLANE COORDINATES REFERRED TO NAD27 - N.M. WEST STATE PLANE COORDINATES ZONE - 3003	CONOCO INC. OFFICE 10 DESTA DRIVE WEST MIDLAND, TEXAS 79705				



Mid-Continent Region Exploration/Production

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

Application for Non-standard Location Order Jackson Com #1E API # 30-045-25592 Section 8, T-28-N, R-9-W, San Juan County, NM

Offset Operator:

Burlington Resources PO Box 4289 Farmington, New Mexico 87499

US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

Sention
Burlington Pescurcus

Stream Number
VOX 4289
Post Office. State. 3 ZIP Dode
Farming fon, Nm 87499
Postage

Certified Fee

Scedal Delivery Fee
Pestnoted Delivery Fee
Pestnoted Delivery Fee
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Date, 3 Addressee's Accress

TOTAL Postage 3 Fees

Postmark or Date