

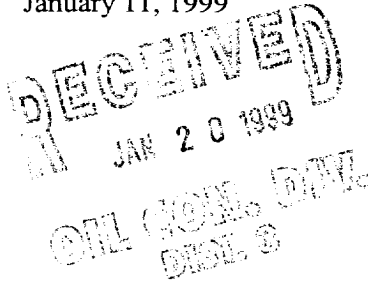


NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

January 11, 1999

Conoco, Inc.
10 Desta Drive - Suite 100W
Midland, Texas 79705-5400
Attention: Kay Maddox



Administrative Order NSL-4196

Dear Ms. Maddox:

Reference is made to your application dated December 17, 1998, which was received by the Division on December 22, 1998, for an off-pattern non-standard Basin-Fruitland coal gas well location for Conoco, Inc.'s existing Little Stinker Well No. 1 (API No. 30-045-25532), located 1560 feet from the South line and 1850 feet from the East line (Unit J) of Section 11, Township 30 North, Range 12 West, NMPM, Basin-Fruitland Coal (Gas) Pool, San Juan County, New Mexico.

According to the well records on file with the New Mexico Oil Conservation Division in Santa Fe, the Little Stinker Well No. 1 was initially drilled in 1982 by Jerome P. McHugh and completed as an initial well in the Basin-Dakota Pool at a standard gas well location within a standard 316.11-acre gas spacing and proration unit comprising Lots 1, 2, 7, 8, 9, and 10 and the S/2 SE/4 (E/2 equivalent) of Section 11.

It is our understanding that Conoco, Inc. intends to abandon the Dakota interval in this well at this time and to recompleate up-hole into the Basin-Fruitland Coal (Gas) Pool. The location of this well is considered to be unorthodox, pursuant to the "*Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool*," as promulgated by Division Order No. R-8768, as amended. Further, the E/2 equivalent of Section 11 is also to be dedicated to this well in order to form a standard 316.11-acre gas spacing and proration unit for the Basin-Fruitland Coal (Gas) Pool.

By the authority granted me under the provisions of Rule 8 of these special pool rules, the above-described unorthodox coal gas well location for the Little Stinker Well No. 1 is 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
December 17, 1998

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

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

RE: Application for Unorthodox Coal Location
Little Stinker #1 API # 30-045-25532
Section 30, T-30-N, R-12-W, J
1560 FSL & 1850' FEL
San Juan County, New Mexico

RECEIVED
DEC 21 1998
OIL CON. DIV.
DIST. 3

Dear Mr. Stogner,

Little Stinker #1 is located in Section 30, T-30-N, R-12-W, San Juan County, NM. In addition to standard 790' set-back requirements, orthodox locations for 320 acre spaced, Basin Fruitland Coal Pool rules state that the wells be located in the NE/4 and/or SW/4 of any given section. The Little Stinker #1 meets the pool set-back requirements but is situated in the SE/4 of Section 30; an orthodox East half location would be in the NE/4.

In order to prevent economic waste by allowing access to Basin Fruitland Coal reserves in an existing wellbore, Conoco respectfully requests that the SE/4, unorthodox location be approved for completion in the Basin Fruitland Coal Pool.

The offset operator plat shows that Burlington Resources, Chateau, Cross Timbers, Four Star are the offset operators that could be affected by this unorthodox location. Please find enclosed evidence that they have been notified of this application.

An unorthodox location order is requested based on the reasons given in the preceding paragraphs. If there are further questions concerning this application please call me at (915) 686-5798.

Sincerely,

Kay Maddox
Regulatory Agent / Conoco, Inc.

KM/

Cc: Oil Conservation Division - Aztec

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1008 Rio Grande 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

RECEIVED

Submit to Appropriate District Office

State Lease - 4 Copies
Fee Lease - 3 Copies

Form C-102

Revised February 21, 1994

Instructions on back

070 FARMINGTON, NM

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-045-25532		Pool Code 71629		Pool Name Basin Fruitland Coal	
Property Code 016208		Property Name Little Stinker			Well Number 1
OGRID No. 005073		Operator Name CONOCO INC.			Elevation 5812'

10 Surface Location

UL or lot no. J	Section 11	Township 30N	Range 12W	Lot Ida	Feet from the 1560	North/South line South	Feet from the 1850	East/West line East	County San Juan
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11 Bottom Hole Location If Different From Surface

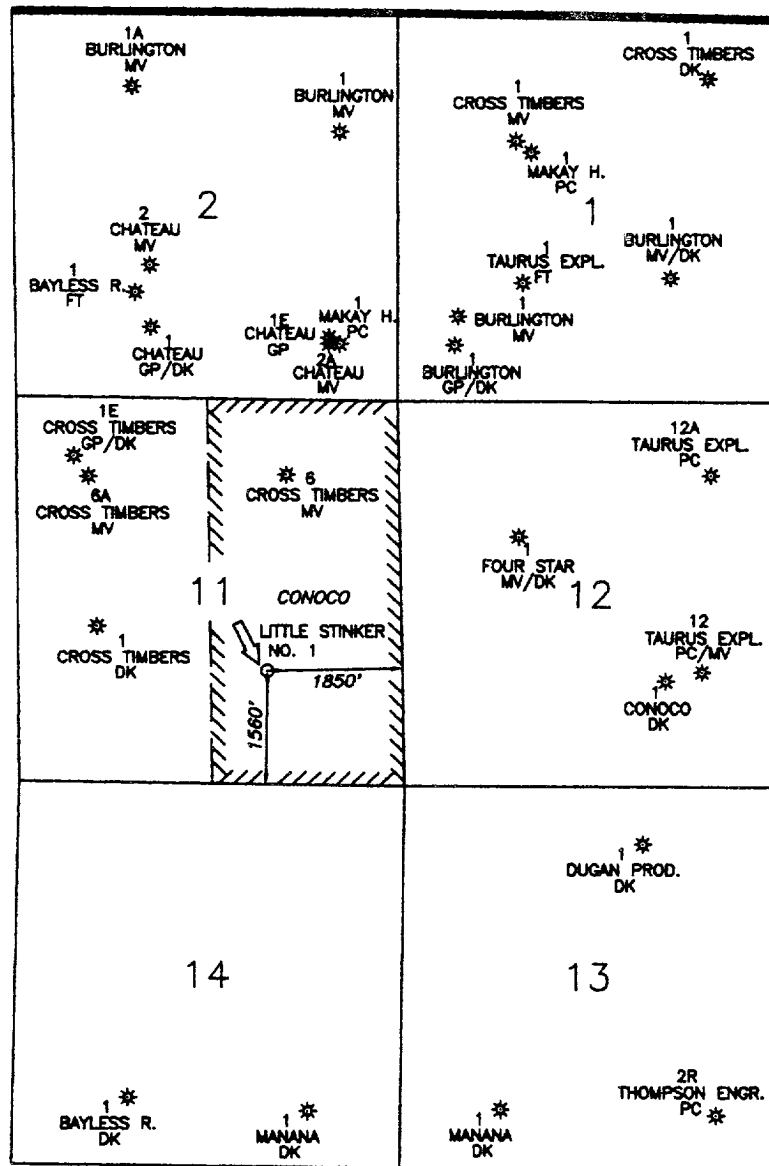
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
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12 Dedicated Acres 320	13 Joint or Infill	14 Consolidation Code	15 Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16				17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief			
				Signature <i>Jerry W. Hoover</i>			
				Printed Name Jerry W. Hoover			
				Title Sr. Conservation Coordinator			
				Date 6/26/96			
				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			

R 12 W



T
30
N

NOTES

DATE: 12/16/98

DRAWN BY: GLG

CHECKED BY:

APPROVED BY:

SCALE: 1" = 2640'

STATE PLANE COORDINATES REFERRED TO
NAD27 - N.M. WEST
STATE PLANE COORDINATES
ZONE - 3003



EPNGNA
MIDLAND DIVISION

UNORTHODOX LOCATION

Little Stinker No. 1, Sec. 11, T30N, R12W
San Juan County, New Mexico

STATE ^{API} COUNTY WELL
30 \ 045 \ 25532

DRAWING

STINK_1

CONOCO INC. OFFICE
10 DESTA DRIVE WEST
MIDLAND, TEXAS 79705

**Little Stinker #1
Section 11, T-30-N, R-12-W, J
1560' FSL & 1850' FEL
API 30-045-25532
San Juan County, NM**

RE: Unorthodox Location for Fruitland Coal Recompletion

Notification of Offset Operators:

Burlington Resources
PO Box 4289
Farmington, NM 87499

Chateau Oil & Gas
5802 US Hwy 64
Farmington, NM 87401

Taurus Exploration
2101 6th Avenue N
Birmingham, AL 35203-2784

Cross Timbers
6001 HWY 64
Farmington, NM 82401

Four Star Oil & Co.
PO Box 308
Oil City, LA 71061-0308

Manana Gas Inc.
2520 Tramway Terrace CT NE
Albuquerque, NM 87122-1317

Bayless Resources
PO Box 168
Farmington, NM 87499-0168

McKay Oil Corporation
PO Box 2014
Roswell, NM 88202-2014

The above listed operators have been notified of this application – please see attached evidence.

Z 137 529 964

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	

Z 137 529 949

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

Sent to Chateau Oil & Gas	
Street & Number 5802 US Hwy 64	
Post Office, State, & ZIP Code Farmington, Nm 87401	
Postage	\$
Certified Fee	
Special Delivery Fee	

Z 137 529 963

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

Sent to Taurus Exploration	
Street & Number 2101 1st Ave N	
Post Office, State, & ZIP Code Birmingham, AL 35203-2784	
Postage	\$
Certified Fee	
Special Delivery Fee	

Z 137 529 948

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

Sent to Cross Timbers	
Street & Number 6001 Hwy 64	
Post Office, State, & ZIP Code Farmington, Nm 8240	
Postage	\$
Certified Fee	
Special Delivery Fee	

Z 137 529 962

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

Sent to Taurus Oil & Gas	
Street & Number PO Box 308	
Post Office, State, & ZIP Code OIL CITY, PA 71061-0308	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	

Z 137 529 950

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

Sent to Manana Gas Inc	
Street & Number 2520 Tranway Terrace	
Post Office, State, & ZIP Code Albq, Nm 87122 B17	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

Z 137 529 848

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

Sent to Bayless Resources	
Street & Number PO Box 168	
Post Office, State, & ZIP Code Farmington NM 87499	
Postage	\$ 0168
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, April 1995

Z 137 529 846

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

Sent to McKay Oil Corp	
Street & Number PO Box 2014	
Post Office, State, & ZIP Code Howell, Nm 88202-	
Postage	\$ 2014
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, April 1995