



Midland Division  
Exploration Production

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

September 28, 1994

Mr. William LeMay, Director  
State of New Mexico  
Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico 87501

RECEIVED  
OCT - 5 1994  
OIL CON. DIV.  
DIST. 3

**RE: Application for an Unorthodox Well Location at  
1835 FNL and 1875 FEL of Sec. 20, T-30N, R-10W  
for Completion of Conoco's FC Federal Com No. 9  
to the Aztec Pictured Cliffs Gas Pool**

Dear Mr. Lemay:

This well was originally drilled as a potential Fruitland Coal well by Mesa Petroleum. Casing was set to TD through the Fruitland Coal, but due to the poor quality of the reservoir encountered by this wellbore it was never perforated for a completion. Conoco, as current operator of this property, is proposing to make an initial completion of this well in the Aztec Pictured Cliffs Gas Pool.

As shown by EXHIBIT A (the C-102 filed for the drilling of this well as a Fruitland Coal completion) the N/2 of Section 20 was communitized initially to form a 320-acre standard proration unit. Within this 320-acre proration unit configuration, the well was located at an orthodox location, being no closer than 790 feet to any outer boundary of the proration unit.

However, standard development for the Aztec Picture Cliffs Gas Pool is on 160-acre spacing. As shown by EXHIBIT B (the C-102 filed for the completion of this wellbore as a Pictured Cliffs producer) this well's location becomes unorthodox in this pool, since it is located only 765 feet from the western boundary of the 160-acre proration unit instead of the prescribed 790 feet.

EXHIBIT C shows (a) the subject FC Federal Com No. 9 wellbore, (b) its required 160-acre proration unit, (c) all Pictured Cliffs completions within a 12-section area, and (d) the offset operators to this spacing unit. This location is only unorthodox by 25 feet to the western boundary of the spacing unit.

This spacing unit is offset by Meridian Oil Inc. on its northern and eastern boundaries and by Amoco Production Company on the southern and western boundaries. Meridian and Amoco have both signed waivers to objection of this unorthodox location, which are attached as EXHIBITS D and E to this application.

It should be noted that EXHIBIT C shows another Pictured Cliffs completion, Conoco's Gage No. 2 well, within the spacing unit of the FC Federal Com No. 9. The Gage No. 2 well is an old open hole, oil-fraced completion that has declined to a 10 MCFGPD rate. Although there should still be additional recoverable reserves under this spacing unit, they will not be recoverable by this existing completion. Because of the poor open hole completion the well cannot be remediated and the remaining reserves are not sufficient to warrant drilling a replacement well. Therefore, the only solution to preventing the waste of these reserves is through the recompletion of the FC Federal Com No. 9 well. When the production of Pictured Cliffs hydrocarbons from the FC Federal Com No. 9 completion is approved, the Gage No. 2 completion will be shut-in and the Pictured Cliffs completion in that well will be plugged and abandoned.

It is also obvious that since the original 320-acre communitization for a Fruitland Coal completion is no longer valid the FC Federal Com No. 9 will need to be renamed. When it is approved for Pictured Cliffs production and the Gage No. 2 well is shut-in, an application will be submitted for the subject well of this application to be renamed as the Gage No. 2R, the proper designation for a replacement well for the Gage No. 2.

Since the amount of encroachment, which occurs only on the western boundary, is very small and the remaining Pictured Cliffs reserves cannot be recovered by the current completion, it is requested that this unorthodox location for an Aztec Pictured Cliffs completion be approved. Approval of this application will not significantly impair correlative rights and will promote the prevention of waste by allowing the economic recovery of Pictured Cliffs reserves that will otherwise be lost.

If there are any questions concerning this application please contact Jerry W. Hoover at (915) 686-6548.

Very truly yours,

A handwritten signature in black ink, appearing to read "Jerry W. Hoover". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Jerry W. Hoover  
Sr. Conservation Coordinator

OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

DISTRICT I  
P.O. Box 1960, Hobbs, NM 88240

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
1000 Rio Arriba Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

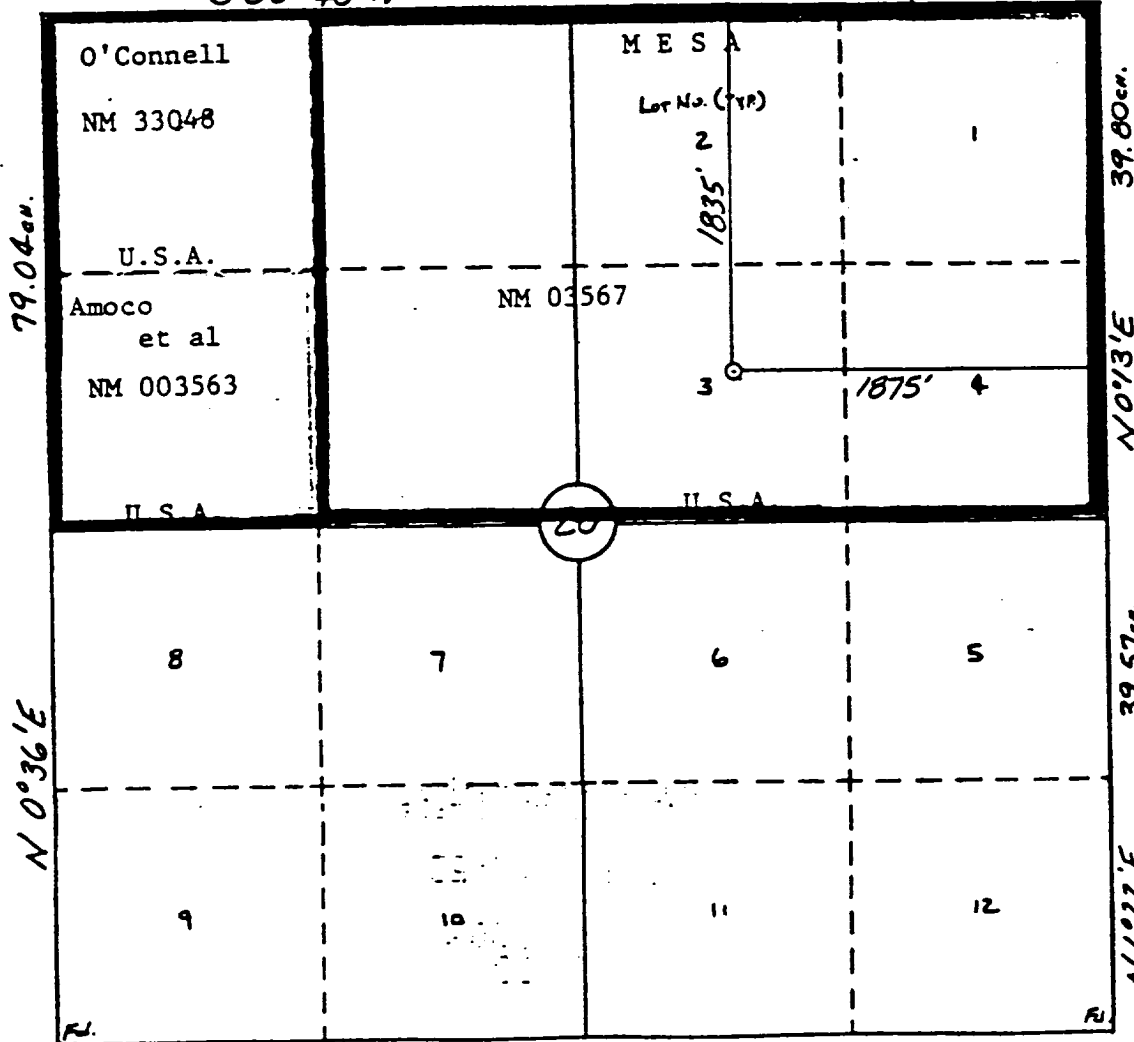
Operator <b>MESA OPERATING LIMITED PARTNERSHIP</b>			Lease <b>FC FEDERAL COM</b>		Well No. <b>#9</b>
Unit Letter <b>G</b>	Section <b>20</b>	Township <b>30 N</b>	Range <b>10 W</b>	County <b>San Juan</b>	
Actual Footage Location of Well: <b>1835</b> feet from the <b>North</b> line and <b>1875</b> feet from the <b>East</b> line					
Ground level Elev. <b>6387</b>	Producing Formation <b>Fruitland Coal</b>		Pool <b>Undesignated Basin-Fruitland Coal</b>		Dedicated Acreage: <b>N/2 317</b> Acres

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc?  
☒ Yes ☐ No If answer is "yes" type of consolidation Communitization  
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 interest, has been approved by the Division.

0 330 660 990 1320 1650 1980 2310 2640 2970 3300 3630 3960 4290 4620 4950 5280 5610 5940 6270 6600 6930 7260 7590 7920 8250 8580 8910 9240 9570 9900 0

S 85° 40' W

78.56 ca.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature R. E. Mathis

Printed Name **R. E. Mathis**

Position **Regulatory Agent**

Company **Mesa Operating Ltd Partner**

Date **8/25/89**

Date

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

8-9-89

Date Surveyed

**William E. Mahoney II**

Signature William E. Mahoney II

Professional Surveyor

NEW MEXICO

#8466

Professional Land Surveyor

EXHIBIT A

District I  
PO Box 1988, Hobbs, NM 88241-1988  
District II  
PO Drawer DD, Artesia, NM 88211-8719  
District III  
1008 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-10  
Revised February 21, 1999  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 AFI Number 30-045-27501		2 Pool Code 71280		3 Pool Name Aztec Pictured Cliffs	
4 Property Code NA		5 Property Name FC Federal Com.			6 Well Number 9
7 OGRID No. 005073		8 Operator Name CONOCO INC.			9 Elevation 6387'

10 Surface Location

UL or lot no. G	Section 20	Township 30N	Range 10W	Lot Idn 3	Feet from the 1835	North/South line North	Feet from the 1875	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 Idn	Feet from the	North/South line	Feet from the	East/West line	County
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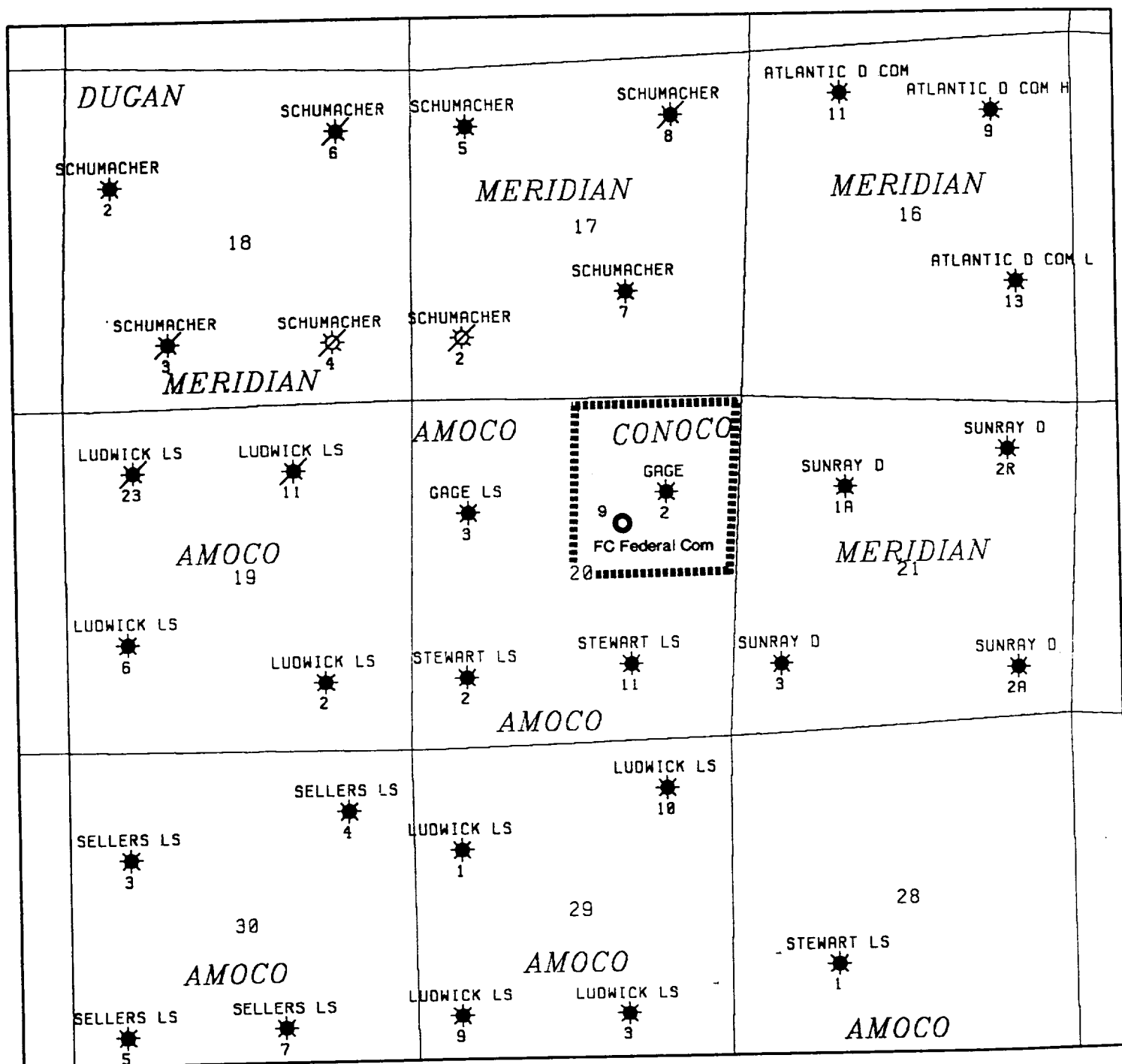
12 Dedicated Acres 156.18	13 Joint or Infill	14 Consolidation Code	15 Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16				17 OPERATOR CERTIFICATION			
				<p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature <i>Jerry W. Hoover</i> Printed Name Jerry W. Hoover Title SR. Conservation Coordinator Date 9/21/94</p>			
				<p>18 SURVEYOR CERTIFICATION</p> <p>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.</p> <p>Date of Survey Signature and Seal of Professional Surveyer:</p>			
				Certificate Number			

EXHIBIT B

# AZTEC PICTURED CLIFFS COMPLETIONS



..... 160-Acre PC Spacing Unit

EXHIBIT C

## WAIVER TO OBJECTION

**Application of Conoco Inc. for Unorthodox Gas Well Location  
for Completion of its FC Federal Com No. 9, located at  
1835 FNL and 1875 FEL of Section 20, T-30N, R-10W to the  
Aztec Pictured Cliffs Gas Pool**

We, the undersigned, as an offset operator to the northern and eastern boundaries of the 160-acre spacing unit required for Conoco's completion of its FC Federal Com No. 9 at an unorthodox location in the Aztec Pictured Cliffs Gas Pool, waive any objection to the above described application.

**Company Name:** Meridian Oil Inc.

**Signature:**

John F. Zet

**Title:**

Area Landman

**Date:**

September 28, 1994

**EXHIBIT D**

## WAIVER TO OBJECTION

Application of Conoco Inc. for Unorthodox Gas Well Location  
for Completion of its FC Federal Com No. 9, located at  
1835 FNL and 1875 FEL of Section 20, T-30N, R-10W to the  
Aztec Pictured Cliffs Gas Pool

We, the undersigned, as an offset operator to the northern and eastern boundaries of the 160-acre spacing unit required for Conoco's completion of its FC Federal Com No. 9 at an unorthodox location in the Aztec Pictured Cliffs Gas Pool, waive any objection to the above described application.

Company Name: Amoco Production Company

Signature:

Gary R. White

Title:

Sr. Land Negotiator

Date:

September 30, 1994

EXHIBIT E

Z 111 016 099



**Receipt for  
Certified Mail**

No Insurance Coverage Provided  
Do not use for International Mail  
(See Reverse)

Sent to <i>Amaco Production Co.</i>	
Street and No. <i>P.O. Box 800</i>	
P.O., State and ZIP Code <i>Denver, CO 80201</i>	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date  <i>9/30/94</i>	

PS Form 3800, March 1993

Z 111 016 346



**Receipt for  
Certified Mail**

No Insurance Coverage Provided  
Do not use for International Mail  
(See Reverse)

Sent to <i>Meridian Oil Inc.</i>	
Street and No. <i>P.O. Box 4287</i>	
P.O., State and ZIP Code <i>Farmington, NM 87499</i>	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date  <i>9/30/94</i>	

PS Form 3800, March 1993