



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

May 4, 1998

RECEIVED
MAY 13 1998

OIL CON. DIV.
DIST. 3

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

*Administrative Order NSL-4025
(Non-Standard Subsurface Location/Producing Area)*

Dear Ms. Maddox:

Reference is made to your application dated April 9, 1998 for a non-standard infill subsurface gas producing area/bottomhole infill gas well location, pursuant to Division General Rules 104.F, 111.C(2), and 111.A(7), within an existing standard 323.89-acre gas spacing and proration unit ("GPU") comprising Lots 13 through 20 (the S/2 equivalent) of Section 30, Township 32 North, Range 10 West, NMPM, San Juan County, New Mexico.

It is our understanding that Conoco, Inc. proposes to recomplete the existing Hamilton Well No. 1-A (API No. 30-045-21644) by side tracking off of the vertical portion of the wellbore and drilling a high angle slant hole to a predetermined bottom-hole location in order to further develop the Blanco-Mesaverde Pool underlying said GPU by attempting to intersect naturally occurring fractures.

The Hamilton Well No. 1-A, located at a standard gas well location 1650 feet from the South and East lines (Lot 14/Unit J) of said Section 30, was originally drilled and completed in 1975 as an infill Blanco-Mesaverde gas well within the above-described 323.89-acre GPU.

Within this GPU Conoco, Inc. is also producing Blanco-Mesaverde gas from its Hamilton Well No. 1 (API No. 30-045-11214), located at a standard gas well location 990 feet from the South and West lines (Lot 17/Unit M) of said Section 30.

The applicable drilling window or "producing area" within the Blanco-Mesaverde Pool for said wellbore shall include that area within the subject 323.89-acre GPU that is:

- (a) no closer than 790 feet to the East, South, and West lines of the SE/4 equivalent (Lots 13, 14, 19, and 20) of said Section 30; and,
- (b) no closer than 633 feet to the North line of the subject unit boundary.

Administrative Order NSL-4025

Conoco, Inc.

May 4, 1998

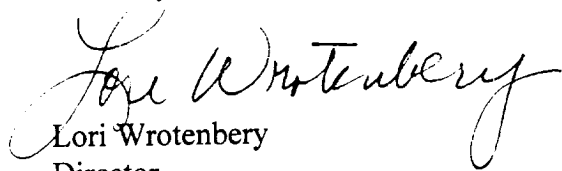
Page 2

By the authority granted me under the provisions of Rule 2(d) of 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, the above-described non-standard subsurface infill gas producing area/bottomhole infill gas well location for the Hamilton Well No. 1-A is hereby approved.

Both the Hamilton Well Nos. 1 and 1-A are to be dedicated to the subject 323.89-acre GPU. Further both wells and GPU will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest New Mexico.

The operator shall comply with all provisions of Division General Rule 111 applicable in this matter.

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

April 9, 1998

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

Re: Application for Non-Standard Location
Hamilton #1A API # 30-045-21644
Section 30, T-32-N, R-10-W, J
San Juan County, New Mexico

RECEIVED
APR 13 1998
OIL CON. DIV.
DIST. 3

Dear Mr. Stogner,

It has been proposed to sidetrack the Hamilton #1A which is located 1650' FSL & 1650' FEL, Section 30, T-32-N, R-10-W, San Juan County, New Mexico. The new bottom hole location will be 1000' FEL & 2007' FSL. The Blanco Mesaverde pool rules require this well to be at least 790' from the center section line. This well is only 633' from the center section line.

This Conoco Hamilton 1A will be sidetracked out of the original wellbore to an angle between 30 and 45 degrees beginning at the Point Lookout SS in the Cretaceous Mesaverde Group. This sidetrack is proposed in order to intersect naturally occurring fractures identified on 3-D seismic. The bottom hole location will be internally non-standard on Conoco operated leases in Section 30, T-32-N, R-10-W, San Juan County, NM. Conoco has a 100% working interest in the entire section to all depths. The proposed bottom hole location will not encroach on any non-Conoco offset leases.

The offset operator plat shows the operators who border the Hamilton #1A. The offset operators, Amoco and Burlington, have been notified of the proposed non-standard location, please see attached certification.

Conoco, Inc respectfully requests a non-standard location order be given for the Hamilton #1A based on the reasons previously stated. If there are any additional questions concerning this application please call me at (915) 686-5798.

Sincerely yours,


Kay Maddox
Regulatory Agent

Cc: Oil Conservation Division - ~~Hebb~~ *ART*
U.S. Bureau of Land Management - ~~Carlsbad~~ *RUSWELL*

R I O W



NOTES		EPNGNA MIDLAND DIVISION			
The Conoco Hamilton 1A Sidetrack location will be non-standard with respect to internal spacing boundaries in Sec. 30, T32N, R10W. Conoco owns 100% Working Interest in Sec. 30 to all depths. The map shows offset wells with Mesa Verde completions and operatorship adjacent to the subject lease.	DATE: 04/07/98	Conoco Hamilton 1A Sidetrack (API 30-045-2164400) Non-Standard Bottom Hole Location (Mesa Verde)			
	DRAWN BY: GLG				
	CHECKED BY:				
	APPROVED BY:	STATE	API	COUNTY	DRAWING
	SCALE: 1" = 2640'	045	\	30	HAM_1A
	STATE PLANE COORDINATES REFERRED TO NAD27 - N.M. WEST STATE PLANE COORDINATES ZONE - 3003		CONOCO INC. OFFICE 10 DESTA DRIVE WEST MIDLAND, TEXAS 79705		

MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
 Supersedes C-128
 Effective 1-1-55

All distances must be from the outer boundaries of the Section.

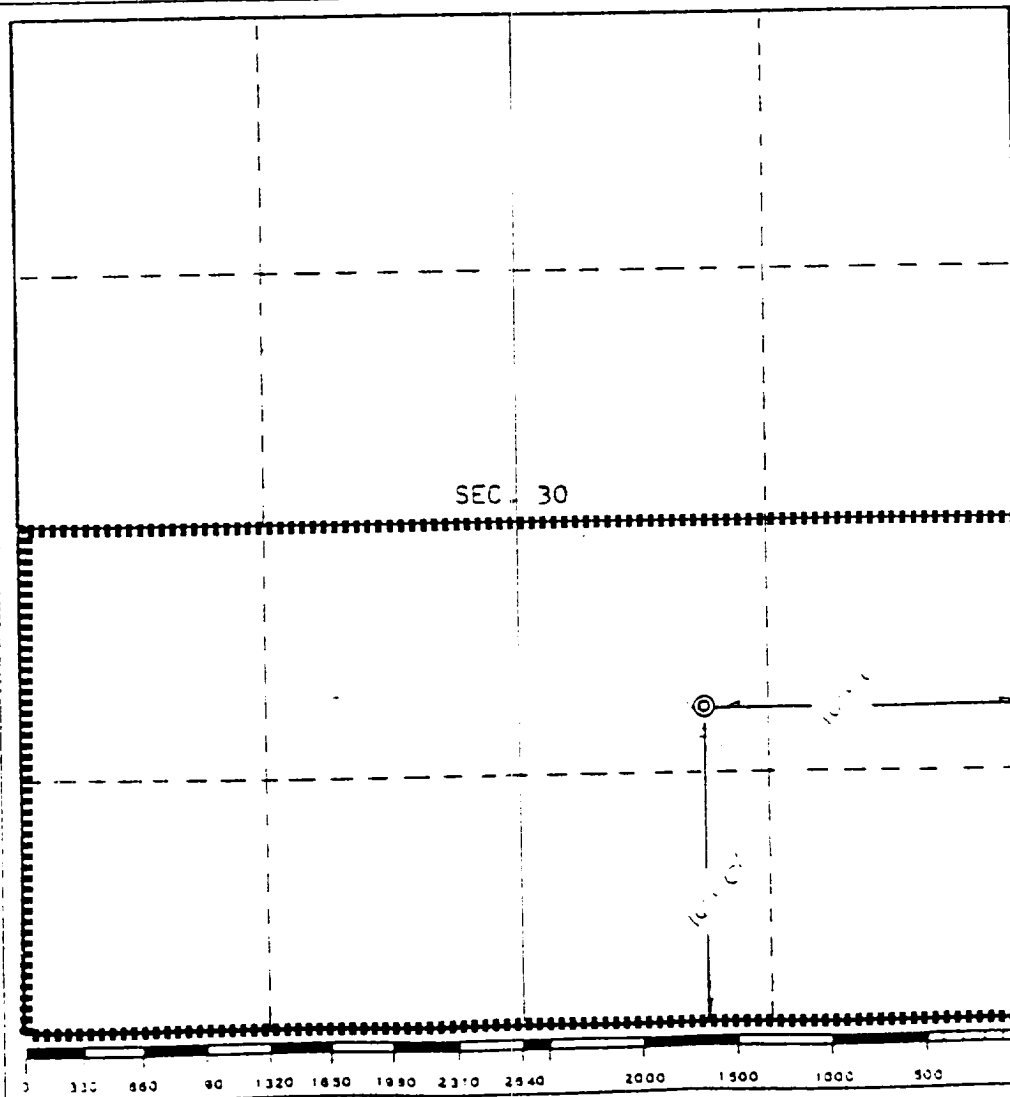
Operator Mesa Petroleum Co.			Lease Hamilton		Well No. 1-A 80864
Unit Letter J	Section 30	Township 32 North	Range 10 West	County San Juan	
Actual Footage Location of Well:					
1650 feet from the South line and		1650 feet from the East line			
Ground Level Elev. 6091	Producing Formation mesaverde	Pool BLANCO mesaverde	Dedicated Acreage: 300		

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 communization, unitization, force-pooling, etc?

☐ Yes ☐ No 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 communization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

Name _____

Position _____

Company _____

Date _____

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 knowledge and belief.

Date Surveyed _____

December 14, 1974

Professional Engineer
 and or Land Surveyor

E. V. Echonawk

Registration No. **3602**
E. V. Echonawk LS