



NSL 8/4/97

Mid-Continent Region
Exploration/Production

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

July 11, 1997

JUL 14 1997

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

RE: Application for Approval of an Unorthodox Fruitland Coal Location for the Federal No. 21 Well, located at 315' FNL & 720' FWL, Sec. 9, T-27N, R-8W, caused by Recompletion from a deeper horizon

Dear Mr. Stogner:

This well was originally drilled by Mesa Petroleum as a potential Dakota completion under the name of Federal No. 16-E. This unorthodox drilling location for the Basin Dakota Pool was approved by Administrative Order NSL-1141 (ATTACHMENT 1) following the receipt of waivers from offset operators. Letters to the offset operators stated "the reason for this unorthodox location is because of terrain difficulties."

When the Dakota was found to be nonproductive, the well was recompleted to the Chacra formation which necessitated a name change to the current Federal No. 21. It is now desired to recomplete the well to the Fruitland Coal under the same name. This location for the recompletion will be unorthodox (a) because of the 315' distance from the north line, which was previously approved for the drilling of the well to a deeper horizon, and (b) because it is not in the SW/4 of the section as stipulated by Rule 7 of the Basin Fruitland Coal special pool rules.

ATTACHMENT 2 is a map showing (a) all Fruitland Coal completions in the surrounding sections, (b) the proposed Federal No. 21 recompletion, (c) the W/2 spacing unit, and (d) the names of the offset operators. Note that there are no completions to the Southeast of the Federal No. 21 location indicating that it is on the edge of current FC development and does not warrant the step-out drilling of a new well at an orthodox location in the SW/4 of Section 9, as required by Rule 7. The only economical way to access any remaining reserves in the W/2 of Section 9 would be through the recompletion of an existing well.

Therefore, it is requested that an unorthodox location for the recompletion of the Federal No. 21 to the Fruitland Coal be approved both (a) for the footage exception, as previously approved for deeper zones, and (b) for the unorthodox quarter-section location for the first Fruitland Coal well in the west half of Section 9 be granted.

A copy of this application has been sent to offset operators as shown on the map by certified mail and copies of the certified mail receipts are included as ATTACHMENT 3. If there are any further questions concerning this application please call me 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 a long horizontal stroke extending to the right.

Jerry W. Hoover
Sr. Conservation Coordinator

cc: Oil Conservation Division - Aztec



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

LARRY KEHOE
SECRETARY

January 14, 1980

JAN 17 1980
POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Mesa Petroleum Co.
2800 Lincoln Center Building
1660 Lincoln Street
Denver, Colorado 80264

Attention: Mr. Jed W. Lemmons
Division Land Manager

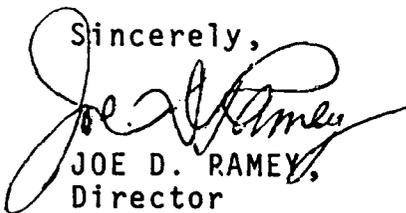
Administrative Order NSL-1141

Gentlemen:

Reference is made to your application for a non-standard location for your Federal Well No. 16-E to be located 315 feet from the North line and 720 feet from the West line of Section 9, Township 27 North, Range 8 West, NMPM, Basin Dakota Pool, San Juan County, New Mexico.

By authority granted me under the provisions of Rule 3 of Order No. R-1670-V, the above-described unorthodox location is hereby approved.

Sincerely,



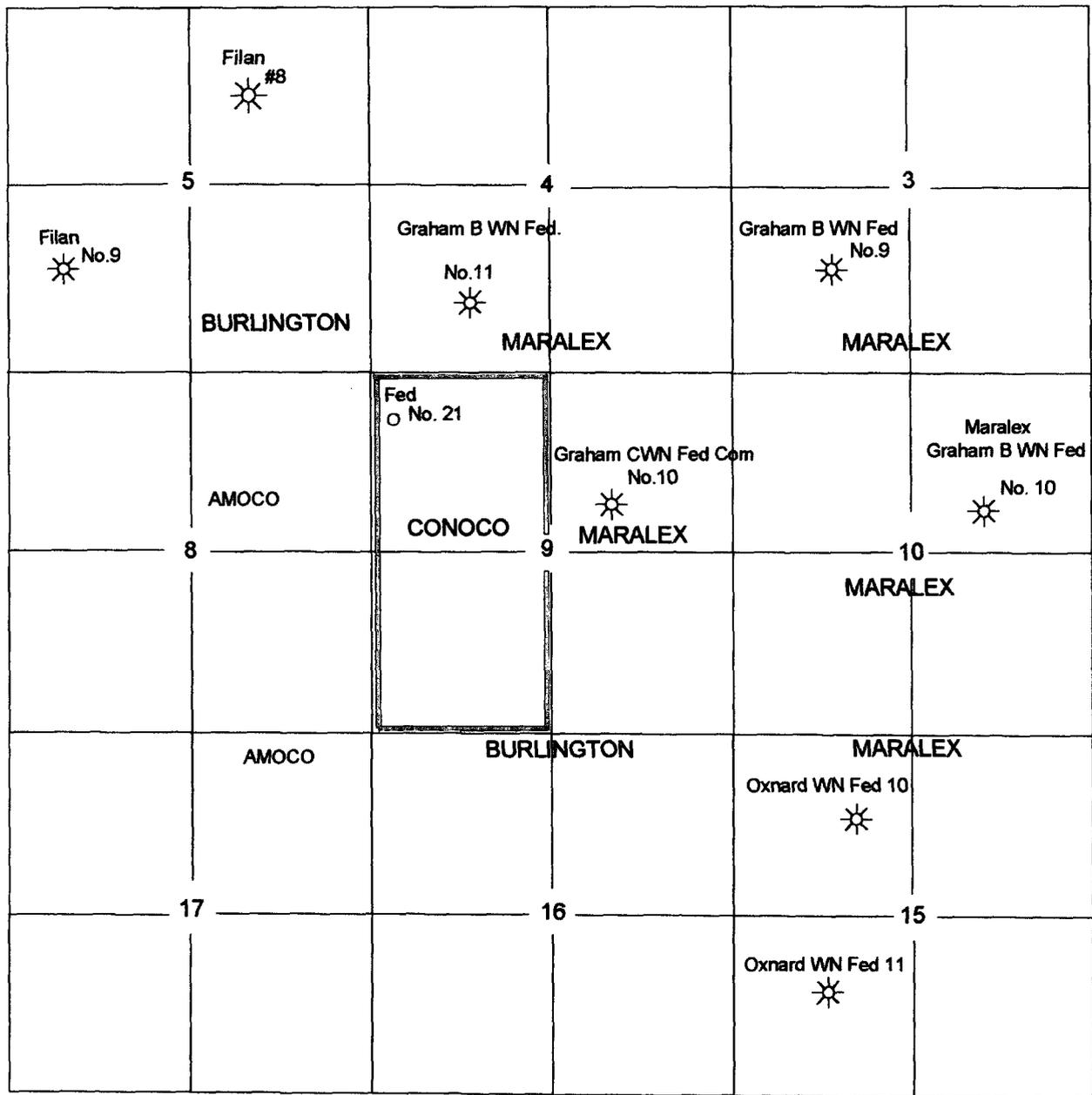
JOE D. RAMEY,
Director

JDR/RLS/dr

cc: Oil Conservation Division - Aztec
Oil & Gas Engineering Committee - Hobbs
U. S. Geological Survey - Farmington

ATTACHMENT 1

R 7 W



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CONOCO

Fruitland Producers & Offset Operators
Unorthodox Fruitland Locations

Z 740 467 185



Receipt for Certified Mail

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

Sent to
Amoco Production Co.
P.O. Box 800
Denver, CO 80201

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 7/10/97	

PS Form 3800, March 1993

Z 740 467 184



Receipt for Certified Mail

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

Sent to
Meridian Oil Inc.
P.O. Box 4289
Farmington, NM 87499

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 7/10/97	

PS Form 3800, March 1993

Z 740 467 186



Receipt for Certified Mail

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

Sent to Maralex Resources	
Street and No. 621 17th, Ste. 1125	
P.O., State and ZIP Code Denver, CO 80293	
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 7/10/97	

PS Form 3800, March 1993