



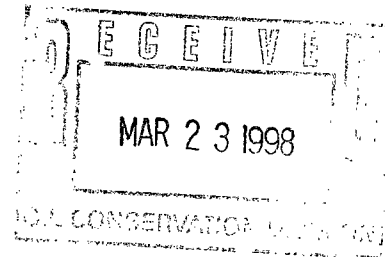
NSL 4/13/98

Mid-Continent Region
Exploration/Production

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

March 17, 1998

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



RE: Application for Unorthodox Coal Location
Newsom # 17 E
API # 30-045-24722

Dear Mr. Stogner,

Conoco's Newsom #17E is located in Section 20, T-26-N, R-8-W San Juan County, New Mexico. In addition to standard 790' set-back requirements, orthodox locations for 320 acre spaced, Basin Fruitland Coal requires that locations be situated in the NE/4 and/or SW/4 of any given Section. The Newsom # 17E meets set-back requirements but is situated in the SE/4 of Section 20; 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, and to help mitigate mechanical risk in a newer wellbore (1981 completion); Conoco, respectfully requests that a SE/4, unorthodox location be approved for completion in the Basin Fruitland Coal Pool. Note that Fruitland Coal is untested in direct offset 320's. Additionally, NMOCD Administrative Order DHC-1652 (see attached) has been issued to allow downhole commingling of production from the Basin Dakota and Fruitland Coal Pools. The BLM has approved both Conoco's notice of intent to recomple and its request to downhole commingle (see attached).

The offset operator plat shows that Burlington Resources, R. C. Resources, and Amoco 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.

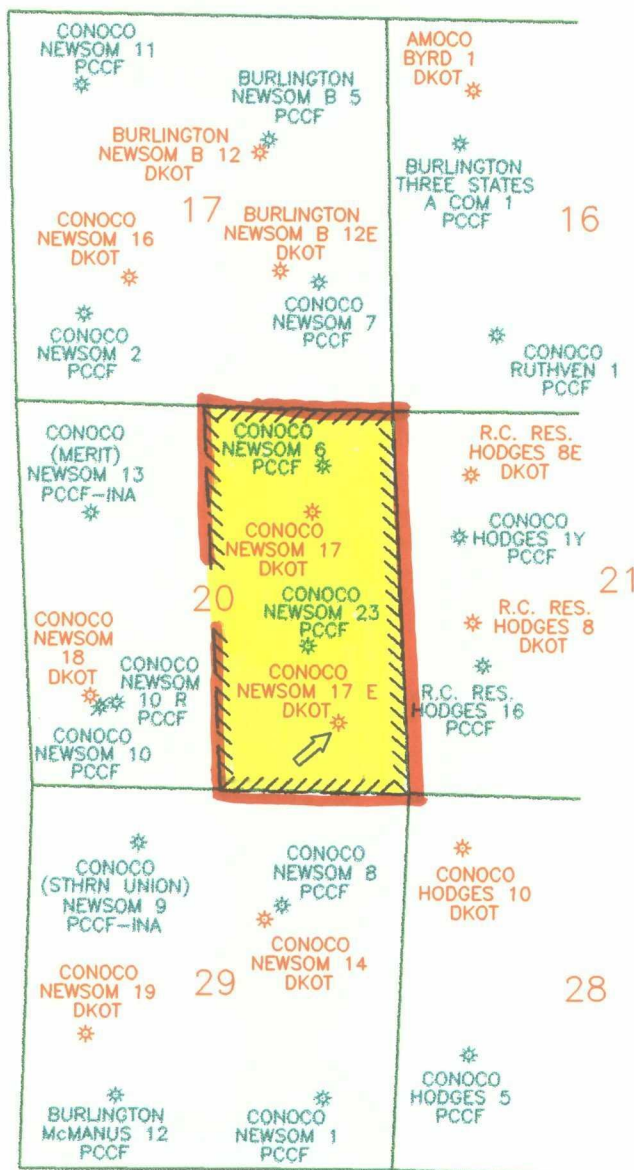
Sincerely,

Kay Maddox
Regulatory Agent/ Conoco, Inc.

KM/
cc: Oil Conservation Division - Aztec

R 8 W

T
26
N



NOTES

NOTE:

NEWSOME 17 E WILL BE RECOMPLETED TO THE FRUITLAND COAL AND DOWNHOLE COMMINGLED WITH BASIN DAKOTA PRODUCTION PER ADMINISTRATIVE ORDER DHC-1652.

DATE: 3/06/98

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

CONOCO NEWSOM 17 E
UNORTHODOX COAL LOCATION APPLICATION
PLAT SHOWS ALL WELLS IN OFFSET 320'S
SAN JUAN COUNTY, NEW MEXICO

STATE	API COUNTY	WELL
30	\ 045	\ 24722

DRAWING
HODG_17E

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

District IV
PO Box 2088, Santa Fe. NM 87504-2088

PO Box 2088
Santa Fe, NM 87504-2088

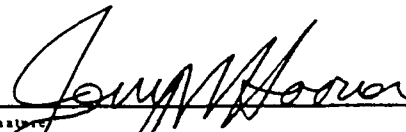
Fee Lease - 3 Copies

☐ AMENDED REPORT

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
Jerry W. Hoover
Printed Name
Sr. Conservtion Coordinator
Title

Date
Sept. 8, 1997

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

OIL CONSERVATION DIVISION

P. O. BOX 2088

Form C-102

Revised 10-1-79

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

EXHIBIT "A" - NEW MEXICO 87501

All distances shall be from the outer boundaries of the section.
EXHIBIT "A" - Location and Elevation Plat

Lessee Supron Energy		Lease SF-078433 (Newsom)		Well No. Newsom #17E
Section 20	Township 26 North	Range 8 West	County San Juan	

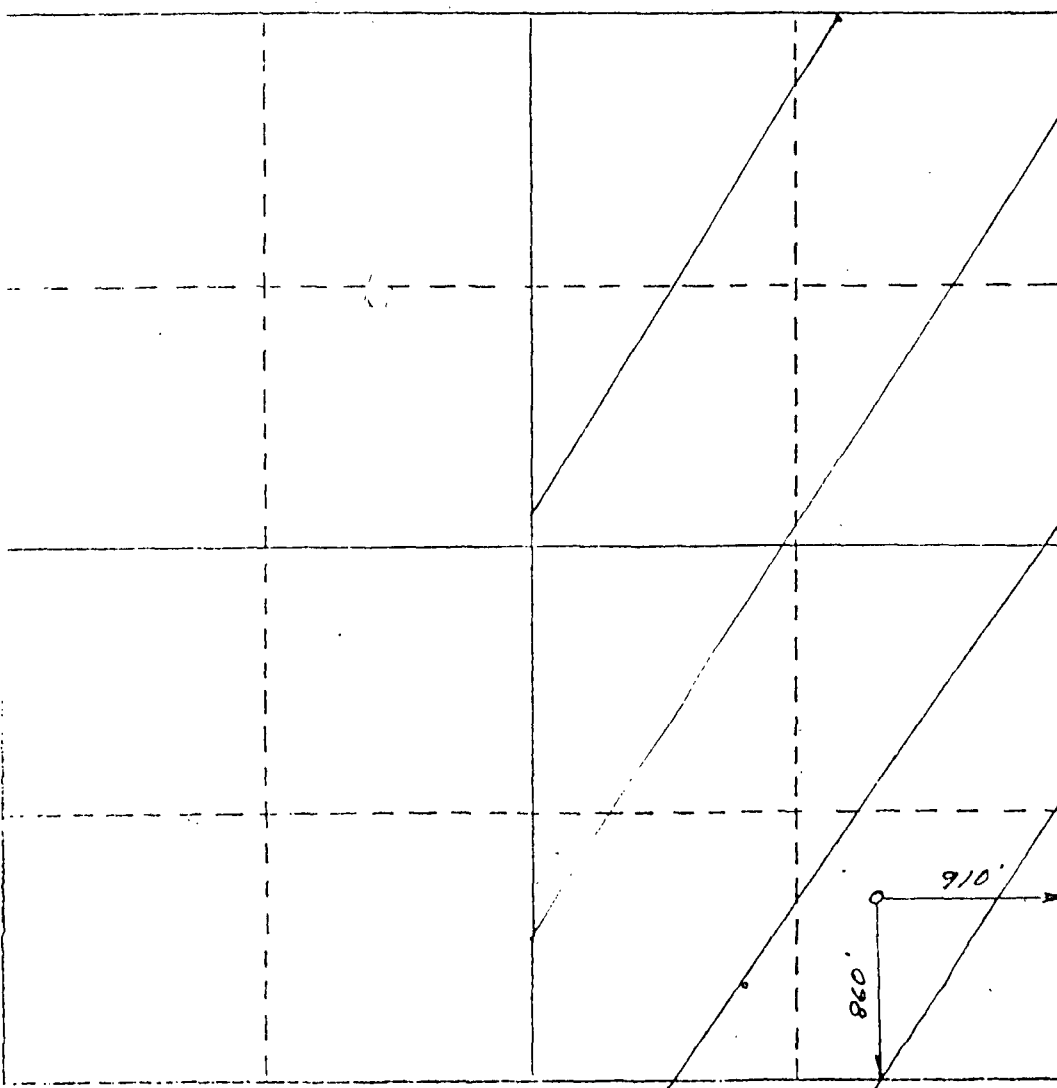
Well Location of Well: 860 feet from the South line and 910 feet from the East line	Section 6368'	Formation Dakota	Pool Basin Dakota	Dedicated Acreage: 320 Acres
--	-------------------------	----------------------------	-----------------------------	--

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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?

☐ 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 communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division



CERTIFICATION

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

 Name **George Lapaseotes**
 V. President Powers Elevation

 Position
 Agent Consultant for

 Company
 Supron Energy Corporation

 Date
 November 14, 1980

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
 Registered Professional Engineer
 an. Vor. and Curve

Certificate No.

Newsom #17E
API # 30-045-24722
Section 20, T-26-N, R-8-W
San Juan County, NM

RE: Non-Orthodox location Request

Offset Operators:

Burlington Resources
PO Box 4289
Farmington, NM 87499

Amoco
PO Box 800
Denver, CO 80201

R C Resources
8340 Meadow Rd STE 230
Dallas, TX 75231

P 497 374 025

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to R C Resources	
Street & Number 8340 Meadow Rd STE 230	
Post Office, State, & ZIP Code Dallas, TX 75231	
Postage	\$

P 497 374 043

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to Amoco	
Street & Number PO Box 800	
Post Office, State, & ZIP Code Denver, CO 80201	

P 497 374 042

US Postal Service

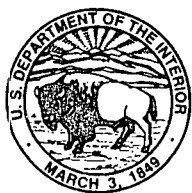
Receipt for Certified Mail

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	
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



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington District Office
1235 La Plata Highway, Suite A
Farmington, New Mexico 87401

September 12, 1997

IN REPLY REFER TO:

NMSF 078433 (WF)
3162.7-3 (07400)

Mr. Jerry W. Hoover
Senior Conservation Coordinator
Conoco Inc.
10 Desta Drive, Ste. 100W
Midland, TX 79705-4500

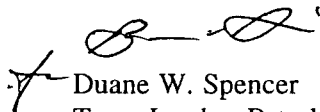
RE: Downhole Commingling
No. 17E Newsom
860' FSL & 910' FEL
Sec. 20, T. 26 N., R. 8 W.
San Juan County, New Mexico

Dear Mr. Hoover:

Your application to downhole commingling the Basin Fruitland Coal and Basin Dakota formations in the referenced well has been reviewed. Allocation will be determined by projecting the production for the Dakota formation and taking the difference to determine the allocated production for the Fruitland formation.. Approval to downhole commingling is hereby granted using the subtraction method.

If you have further questions regarding this correspondence, contact Brian W. Davis at (505) 599-6367.

Sincerely,


Duane W. Spencer
Team Leader, Petroleum Management

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

5. Lease Designation and Serial No.

SF 078433

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Newsom Well # 17E

9. API Well No.

30-045-24722

10. Field and Pool, or Exploratory Area

Basin Fruitland Coal

11. County or Parish, State

San Juan County

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil-
Well ☒ Gas
Well ☐ Other

2. Name of Operator

CONOCO INC.

3. Address and Telephone No.

10 DESTA DR. STE. 100W, MIDLAND, TX. 79705-4500 (915) 686-5424

4. Location of Well (Footage, Sec., T. R. M. or Survey Description)

860 FSL & 910 FEL
Section 20, T-26-N, R-8-W

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Repon
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☒ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☐ Other

- ☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracuring
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Repon results of multiple completion well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

It is proposed that this well be recompleted in the Fruitland Coal using the following procedure:

1. RIH w/CIBP set @ 2300'
2. RIH w/GR/CCL logs, log from 5640-4600' ?
3. Perforate Fruitland Coal 1900 - 2115'
4. RIH 2 3/8" tbg to 2115', clean perms w/700 gals 15% HCL
5. Frac/ stimulate Fruitland Coal
6. RIH w/ 2 3/8" tbg land @ 2008'
7. Put well on Production

*** Downhole Commingle C-107 A was sent 8/27/97
An unorthodox Fruitland Coal application will be filed with OCD

RECEIVED
BLM
97 SEP 11 AM 10:58
0701 HARRINGTON, NM

14. I hereby certify that the foregoing is true and correct

Signed

Jerry W. Hoover

Title

Jerry W. Hoover

Sr. Conservation Coordinator

Date

9/8/97

(This space for Federal or State office use)

Approved by

Terry Lane

Title

Terry Lane

Date

9/15/97

Conditions of approval if any:

BLM(5), NMOCD(1), SHEAR, PONCA, COST ASST, FILE ROOM



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

ADMINISTRATIVE ORDER DHC-1652

Conoco Inc.
10 Desta Drive
Suite 100W
Midland, Texas 79705-4500

Attention: Ms. Ann E. Ritchie

*Newsom No. 17E
API No. 30-045-24722
Unit P, Section 20, Township 26 North, Range 8 West, NMPM,
San Juan County, New Mexico.
Basin-Dakota (Prorated Gas - 71599) and
Basin-Fruitland Coal (Gas - 71629) Pools*

Dear Ms. Ritchie:

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the above described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303.C., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the zones is hereby placed in abeyance.

The maximum amount of gas which may be produced daily from the well shall be determined by Division Rules and Regulations or by the gas allowable for each respective prorated pool as printed in the Division's San Juan Basin Gas Proration Schedule.

Production from the subject well shall be allocated as follows:

Gas production from the Basin-Dakota Gas Pool shall be determined utilizing the mid-year average production forecast submitted by the applicant as an attachment to the downhole commingling application. Gas production from the Basin-Fruitland Coal Gas Pool shall be determined by subtracting Basin-Dakota Gas Pool production from the well's total monthly gas production.

The allocation method established herein may be altered at some time subsequent to initiating downhole commingling operations upon request by the operator and for good cause shown.

Administrative Order DHC-1652

Conoco Inc.

September 9, 1997

Page 2

REMARKS: The operator shall notify the Aztec District Office of the Division upon implementation of the commingling process.

Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 9th day of September, 1997.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

WILLIAM J. LEMAY
Director

S E A L

WJL/DRC

cc: Oil Conservation Division - Aztec
Bureau of Land Management-Farmington