



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-230-A

Dear Ms. Maddox:

Reference is made to your application dated December 17, 1998, which was received by the Division on December 22, 1998, for a non-standard Basin-Fruitland coal gas well location for Conoco, Inc.'s existing Lackey "B-LS" Well No. 15 (API No. 30-045-07238), located 330 feet from the North line and 1715 feet from the East line (Unit B) of Section 29, Township 28 North, Range 9 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 Lackey "B-LS" Well No. 15 was initially drilled in 1961 by El Paso Natural Gas Company and completed as an initial well in the Basin-Dakota Pool at an unorthodox gas well location (approved by Division Administrative Order NSL-250, dated April 28, 1961) within a standard 320-acre gas spacing and proration unit comprising the N/2 of Section 29.

It is our understanding that Conoco, Inc. intends to abandon the Dakota interval in this well at this time and to recomplete up-hole into the Basin-Fruitland Coal (Gas) Pool. The location of this well is also 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 N/2 of Section 29 is also to be dedicated to this well in order to form a standard 320-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 Lackey "B-LS" Well No. 15 is hereby approved.

Division Administrative Order NSL-230 shall be placed in abeyance until further notice.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
File: NSL-230

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