



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

February 8, 1999

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

Attention: Kay Maddox

Administrative Order NSP-1799(L)

Dear Ms. Maddox:

Reference is made to the following: (i) your application dated January 11, 1999; and (ii) to the records of the New Mexico Oil Conservation Division in Santa Fe ("Division"): concerning Conoco, Inc.'s request for a non-standard 321.22-acre gas spacing and proration unit consisting of the following acreage in the Basin-Fruitland Coal (Gas) Pool:

RIO ARRIBA COUNTY, NEW MEXICO
TOWNSHIP 28 NORTH, RANGE 7 WEST, NMPM
Irregular Section 11: Lot 1
Irregular Section 12: All.

It is our understanding that this unit is to be dedicated to Conoco, Inc.'s proposed San Juan "28-7" Unit Well No. 218-E (API No. 30-039-26065), to be drilled at an off-pattern unorthodox coal gas well location 1030 feet from the South line and 1025 feet from the East line (Unit P) of Section 12.

The above-described acreage conforms to an existing non-standard gas spacing and proration unit in the Basin-Dakota Pool approved under the authority of Division Order No. R-2948, issued in Case No. 3272 dated August 16, 1965.

By the authority granted me under the provisions of Rules 6 and 8 of the "Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool", as promulgated by Division Order No. R-8768, as amended, the above-described unorthodox coal gas well location and non-standard gas spacing and proration unit are hereby approved.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

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