



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

August 27, 1996

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

Administrative Order NSL-3698

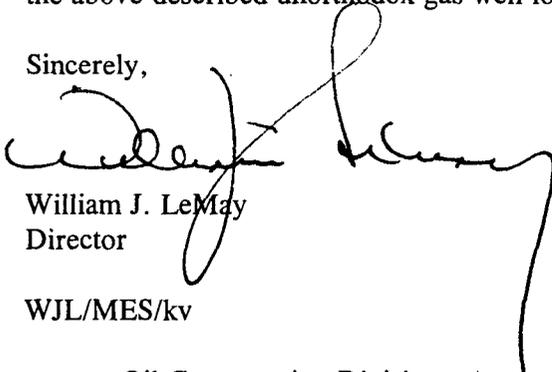
Dear Mr. Hoover:

Reference is made to your application dated August 16, 1996 for an unorthodox gas well location for both the Blanco-Mesaverde and Basin-Dakota Pools for the existing San Juan "28-7" Unit Well No. 234 (API No. 30-039-21063) located 2150 feet from the South line and 1840 feet from the East line (Unit J) of Section 15, Township 28 North, Range 7 West, NMPM, Rio Arriba County, New Mexico.

Production from both pools in said well is to be included to the existing standard 320-acre gas spacing and proration units comprising the E/2 of said Section 15, which the Mesaverde production is currently dedicated to Conoco's San Juan "28-7" Unit Well No. 23 (API No. 30-039-07433), located at a standard gas well location 990 feet from the North and East lines (Unit A) of said Section 15 and the Dakota production is currently dedicated to Conoco's San Juan "28-7" Unit Well No. 234-E (API No. 30-039-22396), located at a standard gas well location 1040 feet from the North line and 1540 feet from the East line (Unit B) of said Section 15.

By the authority granted me under the provisions of Rule 2(d) of the "Special Rules and Regulations for the Blanco-Mesaverde Pool" and the "Basin-Dakota Pool", as promulgated by Division Order No. R-8170, as amended, the above-described unorthodox gas well location is hereby approved.

Sincerely,


William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
W. Thomas Kellahin - Santa Fe
File: DHC-1252