



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

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

August 31, 1999

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

CORRECTED
AMENDED

Administrative Order NSL-4197

Dear Ms. Maddox:

Reference is made to the following: (i) your application dated August 1, 1999; (ii) the New Mexico Oil Conservation Division's ("Division") initial response to your application by letter from Mr. Michael E. Stogner, Engineer/Chief Hearing Officer, dated August 20, 1999; (iii) Mr. Stogner's telephone conversation with Mr. Scott Jordan in Conoco, Inc.'s Houston office on Wednesday August 25, 1999; and (iv) the Division's records, including the file on Administrative Order NSL-4197, dated January 11, 1999: all concerning Conoco, Inc.'s request to amend Division Administrative Order NSL-4197 to reflect a reorientation of this well's proposed spacing and proration unit.

Administrative Order NSL-4197 authorized Conoco, Inc. to dedicate the N/2 of Section 36, Township 29 North, Range 11 West, NMPM, San Juan County, New Mexico, thereby forming a standard 320-acre lay-down gas spacing and proration unit within the Basin-Fruitland Coal (Gas) Pool, to its existing State "A" Gas Com. Well No. 1-E (API No. 30-045-25147), located at an unorthodox gas well location 1850 feet from the North line and 800 feet from the West line (Unit E) of Section 36.

By the authority granted me under the provisions of Rule 8 of the "*Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool*," as promulgated by Division Order No. R-8768, as amended, Division Administrative Order NSL-4197 is hereby amended to show the W/2 of Section 36 is to be dedicated to the State "A" Gas Com. Well No. 1-E in order to form a standard 320-acre stand-up gas spacing and proration unit for the Basin-Fruitland Coal (Gas) Pool.

All other provisions of Administrative Order NSL-4197 shall remain in full force and effect until further notice.

Sincerely,

Lori Wrotenberg
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
Scott Jordan, Conoco, Inc.
600 North Dairy Ashford
Dubai Building – Room 3032
Houston, Texas 77079