



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

April 21, 1999

Phillips Petroleum Company
5525 Highway 64 – NBU 3004
Farmington, New Mexico 87401
Attention: S. Scott Prather

Administrative Order NSL-4261

Dear Mr. Prather:

Reference is made to your application dated March 29, 1999 for an exception to the well location requirements provided within the "*Special Rules and Regulations for the Basin-Dakota Pool*," as promulgated by New Mexico Oil Conservation Division ("Division") Order No. R-10987. Lots 3 and 4, the SW/4, and the W/2 SE/4 (S/2 equivalent) of Section 12, Township 30 North, Range 5 West, NMPM, Rio Arriba County, New Mexico is to be dedicated to the proposed well in order to form a standard 268.85-acre lay-down gas spacing and proration unit for the Basin-Dakota Pool.

The application has been duly filed under the provisions of Division Rules 104.F and 605.B.

By the authority granted me under the provisions of Division Rule 104.F(2), the following described well to be drilled at an unorthodox gas well location in Section 12 is hereby approved:

San Juan "30-5" Unit Well No. 112
1190' FSL & 1730' FEL (Unit O).

Further, the aforementioned well and spacing unit will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in

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Northwest, New Mexico.

Sincerely,



Lori Wrotenbery
Director

LW/MES/kv

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

Remarks: The subject application further requested approval for this well at an unorthodox gas well location in the Blanco-Mesaverde Pool. Pursuant to the recently revised “*Special Rules for the Blanco-Mesaverde Pool*”, as promulgated by Division Order No. R-10987-A this request is deemed unnecessary.