

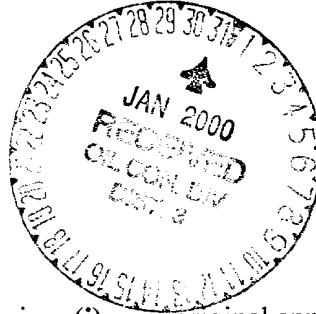


**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

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

January 28, 2000

**Conoco, Inc.
P. O. Box 2197 - DU3066
Houston, Texas 77252
Attention: Yolanda Perez**



Administrative Order NSL-4393

Dear Ms. Perez:

Reference is made to the following: (i) your original application dated October 28, 1999; (ii) the New Mexico Oil Conservation Division's ("Division") initial response on Monday, November 1, 1999 from Mr. Michael E. Stogner, Chief Hearing Officer/Engineer, requesting additional information through voice mail; (iii) Mr. Stogner's second voice mail message requesting additional data on Wednesday, November 3, 1999; (iv) your voice mail message for Mr. Stogner on Thursday, November 4, 1999 requesting that this incomplete application be returned; (v) your resubmitted application dated January 5, 2000; and (vi) the Division's records in Santa Fe: all concerning Conoco, Inc.'s request 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, for a non-standard Basin-Dakota infill gas well location in an existing non-standard 331.55-acre gas spacing and proration unit for the Basin-Dakota Pool (approved by Division Order No. R-2948, issued in Case No. 3272 and dated August 16, 1965) comprising Lots 1 and 2 and the SE/4 SE/4 of irregular Section 9 and Lots 2, 3, and 4, the S/2 SW/4, and the SW/4 SE/4 of irregular Section 10, both in Township 28 North, Range 7 West, NMPM, Rio Arriba County, New Mexico. This unit is currently dedicated to Conoco, Inc.'s San Juan "28-7" Unit Well No. 235 (API No. 30-039-21327), located at a gas well location considered to be standard at that time 1100 feet from the South line and 1150 feet from the West line (Unit M) of Section 10.

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 infill gas well location also in Section 10 is hereby approved:

**San Juan "28-7" Unit Well No. 235-M
1725' FSL & 1910' FEL (Lot 2/Unit J).**

30-039-21327

Further, both of the aforementioned San Juan "28-7" Unit Wells No. 235 and 235-M and existing 331.55-acre non-standard gas spacing and proration unit will be subject to all existing rules,

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regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico.

Sincerely,



Lori Wrotenberg

Director

LW/MES/kv

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