



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

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

April 16, 1998

Conoco, Inc.  
10 Desta Drive - Suite 100W  
Midland, Texas 79705-5400  
Attention: Kay Maddox

*Administrative Order NSL-4008*

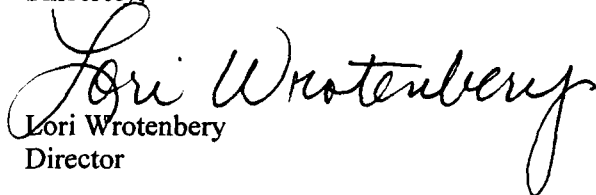
Dear Ms. Maddox:

Reference is made to your application dated March 17, 1998 for an off-pattern non-standard Basin-Fruitland coal gas well location for your existing Newsom Well No. 17-E (API No. 30-045-24722), located 860 feet from the South line and 910 feet from the East line (Unit P) of Section 20, Township 26 North, Range 8 West, NMPM, Basin-Fruitland Coal (Gas) Pool, San Juan County, New Mexico. According to the well records on file with the New Mexico Oil Conservation Division in Santa Fe, the Newsom Well No. 1-E was initially drilled in 1981 by Supron Energy Corporation c/o John H. Hill, et al and completed at a standard infill gas well location in the Basin-Dakota Pool within a standard 320-acre gas spacing and proration unit comprising the E/2 of said Section 20.

It is our understanding that the Basin-Fruitland Coal (Gas) Pool is to be perforated and said well will be recompleted such that gas production from both intervals is to be commingled downhole under authority of Division Administrative Order DHC-1615, dated August 15, 1997. This location pursuant to the "Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool," as promulgated by Division Order No. R-8768, as amended, is considered to be unorthodox. Further, the E/2 of said Section 20 is to be dedicated to said well in order to form a standard 320-acre gas spacing and proration unit for the Basin-Fruitland Coal (Gas) Pool.

By the authority granted me under the provisions of Rule 8 of said special pool rules, the above-described unorthodox coal gas well location for the Newsom Well No. 17-E is hereby approved.

Sincerely,

  
Lori Wrotenberg  
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec  
U. S. Bureau of Land Management - Farmington  
File: DHC-1615