



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 25, 1997

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

Administrative Order NSL-3483-A

Dear Mr. Hoover:

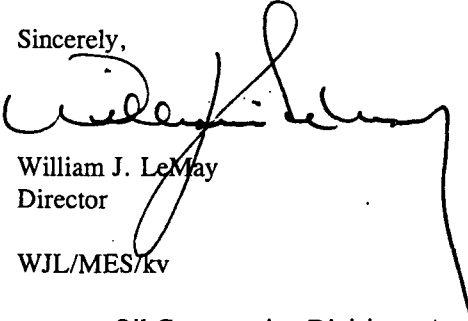
Reference is made to your application dated August 1, 1997, which was received by the Division in Santa Fe on August 4, 1997, for a non-standard off-pattern Basin-Fruitland coal gas well location for the existing State Com "AI" Well No. 33-E (API No. 30-045-24027), which was drilled in 1981 and completed in the Basin-Dakota Pool at a standard gas well location 1175 feet from the North line and 1180 feet from the West line (Unit D) of Section 32, Township 27 North, Range 9 West, NMPM, San Juan County, New Mexico, and was later recompleted up-hole into the Angles Peak-Gallup Associated Pool under the authority of Division Administrative Order NSL-3483, dated February 13, 1995.

It is our understanding at this time that the Gallup interval is to be plugged back and recompleted up-hole into the Basin-Fruitland Coal (Gas) Pool, which 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 unorthodox. Further, W/2 of said Section 32 is to be dedicated to the well to form a standard 320-acre gas spacing and proration unit for said pool.

By the authority granted me under the provisions of Rule 8 of said Order No. R-8768, as amended, the above-described unorthodox coal gas well location is hereby approved.

Division Administrative Order NSL-3483 shall be placed in abeyance until further notice.

Sincerely,



William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Aztec
New Mexico State Land Office - Santa Fe
File: NSL-3483
W. Thomas Kellahin, Counsel - Santa Fe
Dave Wacker, Conoco, Inc. - Midland, Texas