



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

April 3, 1997

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

Administrative Order NSL-3784

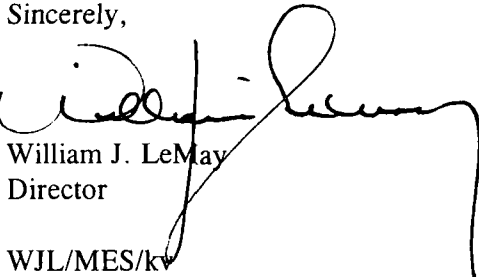
Dear Mr. Hoover:

Reference is made to: (i) your original application dated March 20, 1997; (ii) my letter dated March 25, 1997 withdrawing this application; and, (iii) your re-submittal of this application with supplemental data dated March 31, 1997, all of which refer to Conoco's request for an unorthodox "infill" gas well location for both the Blanco-Mesaverde and Basin-Dakota Pools for the proposed San Juan "28-7" Unit Well No. 232-M to be drilled 2425 feet from the South line and 500 feet from the East line (Unit I) of Section 20, Township 28 North, Range 7 West, NMPM, Rio Arriba County, New Mexico.

Production from both pools from said well is to be included to the existing standard 320-acre gas spacing and proration units comprising the E/2 of said Section 20, which the Mesaverde production is currently dedicated to Conoco's San Juan "28-7" Unit Well No. 47 (API No. 30-039-07389), located at a standard gas well location 817 feet from the North line and 838 feet from the East line (Unit A) of said Section 20 and the Dakota production is currently dedicated to the San Juan "28-7" Unit Well No. 232 (API No. 30-039-20993), located at a standard gas well location 1765 feet from the North line and 1490 feet from the East line (Unit G) of said Section 20.

By the authority granted me under the provisions of Rule 2(d) of the "*General Rules For The Prorated Gas Pools of New Mexico/Special Rules and Regulations For The Blanco-Mesaverde Pool/Special Rules and Regulations for the Basin-Dakota Pool*", as promulgated by Division Order No. R-8170, as amended, the above-described unorthodox "infill" Dakota/Mesaverde gas well location for the San Juan "28-7" Unit Well No. 232-M is hereby approved.

Sincerely,



William J. LeMay
Director

WJL/MES/kv

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