



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

September 9, 1997

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

Administrative Order NSL-3865

Dear Mr. Hoover:

Reference is made to your application dated September 8, 1997, which was received by the Division in Santa Fe on September 9, 1997, for an unorthodox gas well location for both the Blanco-Mesaverde and Basin-Dakota Pools for the existing San Juan "28-7" Unit Well No. 111 (API No. 30-039-20991) located 2320 feet from the South line and 1060 feet from the West line (Unit L) of Section 20, Township 27 North, Range 7 West, NMPM, Rio Arriba County, New Mexico. The W/2 of said Section 20, being a standard 320-acre gas spacing and proration unit in both the Basin-Dakota and Blanco-Mesaverde Pools, is to be dedicated to said well.

It is our understanding that Conoco Inc. intends to downhole commingle both the Blanco-Mesaverde and Basin-Dakota Pools in said well under authority of Division Administrative Order DHC-1545, dated May 2, 1997.

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 Dakota/Mesaverde gas well location for the San Juan "28-7" Unit Well No. 111 is hereby approved.

Sincerely,

by William J. LeMay
William J. LeMay
Director

Deputy Director

WJL/MES/kv

cc: Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
U. S. Bureau of Reclamation - Durango, Colorado
W. Thomas Kellahin, Counsel - Santa Fe
Dave Wacker, Conoco, Inc. - Midland, Texas
File: DHC-1545