



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

November 8, 2000

Lori Wrotenbery
Director
Oil Conservation Division

Conoco, Inc.
600 N. Dairy Ashford - Dubai 3066
Houston, Texas 77079
Attention: Deborah Marberry

Administrative Order NSL-3952-A

Dear Ms. Marberry:

Reference is made to the following: (i) your initial application dated October 5, 2000; (ii) the New Mexico Oil Conservation Division's ("Division") response by letter dated October 23, 2000 from Mr. Michael E. Stogner, Engineer in Santa Fe; (iii) your response by letter dated October 31, 2000 with the necessary information to complete this application; and (iv) the records of the Division in Aztec and 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 Division Order No. R-10987-B, dated June 30, 2000, for a non-standard Basin-Dakota replacement gas well location within an existing standard 320-acre stand-up gas spacing and proration unit for the Basin-Dakota Pool comprising the E/2 of Section 30, Township 28 North, Range 7 West, NMPM, Rio Arriba County, New Mexico. This unit is currently assigned to Conoco, Inc.'s San Juan "28-7" Unit Well No. 249-M (**API No. 30-039-25802**), located at an unorthodox gas well location (approved by Division Administrative Order NSL-3952, dated February 17, 1998) 855 feet from the South line and 2365 feet from the East line (Unit O) of Section 30.

This application has been duly filed under the provisions of Division Rules 104.F and 605.B.

Initial development of Basin-Dakota gas production within this 320-acre unit commenced in 1978 when El Paso Natural Gas Company drilled its San Juan "28-7" Unit Well No. 249 (**API No. 30-039-21636**) at a standard gas well location 1610 feet from the North line and 830 feet from the East line (Unit H) of Section 30. It is our understanding that the Dakota interval was abandoned in 1993 and this well was recompleted up-hole into the Basin-Fruitland Coal (Gas) Pool.

By the authority granted me under the provisions of Division Rule 104.F (2), the following described well to be drilled as a replacement to the initial gas well on this 320-acre unit at an unorthodox gas well location is hereby approved:

San Juan "28-7" Unit Well No. 249-F
10' FNL & 920' FEL (Unit A).

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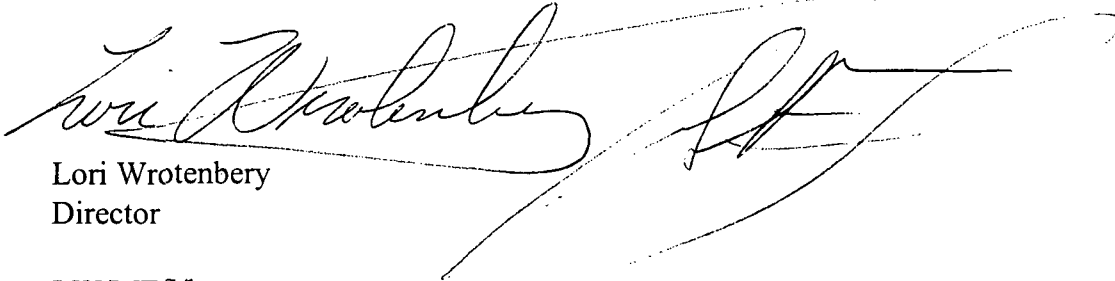
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Further, both of the aforementioned San Juan "28-7" Unit Wells No. 249-M and 249-F and existing gas spacing and proration unit will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico.

Sincerely,

A large, stylized handwritten signature in dark ink, likely belonging to Lori Wrotenbery, is written over a horizontal line. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
File: NSL-3952