



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

March 3, 1998

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

Administrative Order NSL-3955

Dear Ms. Maddox:

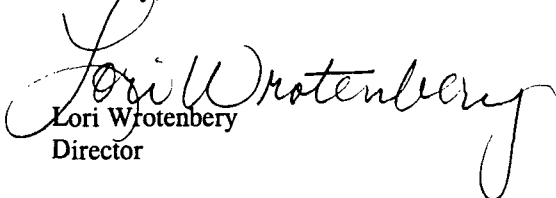
Reference is made to your application dated February 23, 1998, which was received by the Division in Santa Fe on February 25, 1998, for an unorthodox gas well location for both the Blanco-Mesaverde and Basin-Dakota Pools for the existing San Juan "28-7" Unit Well No. 216 (API No. 30-039-20875) located 2290 feet from the North line and 980 feet from the East line (Unit H) of Section 8, Township 27 North, Range 7 West, NMPM, Rio Arriba County, New Mexico.

The existing standard 320-acre gas spacing and proration unit in the Blanco-Mesaverde Pool comprising the E/2 of said Section 8, which is presently dedicated to Conoco, Inc.'s San Juan "28-7" Unit Well No. 96 (API No. 30-039-07129), located at a standard gas well location 1700 feet from the North line and 1800 feet from the East line (Unit G) of said Section 8, and the E/2 of said Section 8, being a standard 320-acre gas spacing and proration unit for the Basin Dakota Pool, are 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-1794, dated February 24, 1998.

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. 216 is hereby approved.

Sincerely,


Lori Wrotenberg
Director

LW/MES/kv

cc: Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
W. Thomas Kellahin, Counsel - Santa Fe
Jimmy D. Carlile, Conoco, Inc. - Midland, Texas
File: DHC-1794