



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

March 17, 1998

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

Administrative Order NSL-3975

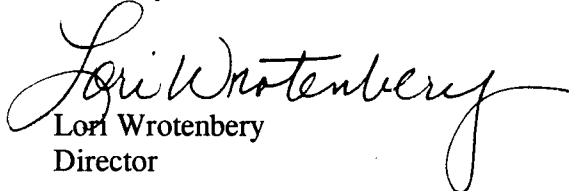
Dear Ms. Maddox:

Reference is made to your application dated February 19, 1998, which was received by the Division in Santa Fe on February 23, 1998, for an unorthodox "infill" gas well location in both the Blanco-Mesaverde and Basin-Dakota Pools for the proposed San Juan "28-7" Unit Well No. 156-M to be drilled 1045 feet from the South line and 1890 feet from the East line (Unit O) of Section 10, Township 27 North, Range 7 West, NMPM, Rio Arriba County, New Mexico.

Gas production attributed to said well from both pools is to be included in the existing standard 320-acre gas spacing and proration units comprising the E/2 of said Section 10. The Mesaverde production is currently dedicated to Conoco's San Juan "28-7" Unit Well No. 88 (API No. 30-039-07147), located at a standard gas well location 830 feet from the North line and 1109 feet from the East line (Unit A) of said Section 10, and the Dakota production is currently dedicated to the San Juan "28-7" Unit Well No. 156 (API No. 30-039-20417), located at a standard gas well location 990 feet from the North line and 1750 feet from the East line (Unit B) of said Section 10.

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. 156-M is hereby approved.

Sincerely,


Lori Wrotenberg
Director

LW/MES/kv

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