



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

April 13, 1998

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

Administrative Order NSL-3998

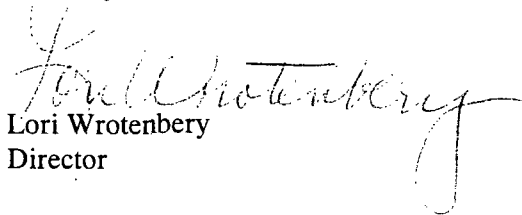
Dear Ms. Maddox:

Reference is made to your application dated March 17, 1998 and to the records of the Division in Santa Fe concerning Conoco Inc.'s request for a non-standard Blanco-Mesaverde gas well location for the existing Jicarilla "22" Well No. 6 (API No. 30-039-20442), located 830 feet from the North line and 670 feet from the East line (Unit A) of Section 22, Township 25 North, Range 4 West, NMPM, Blanco-Mesaverde Pool, Rio Arriba County, New Mexico. This well was initially drilled in 1971 to a total depth of 7,990 feet and completed in the West Lindrith Gallup-Dakota Oil Pool at a standard oil well location within a standard 160-acre oil spacing and proration unit for said interval comprising the NE/4 of said Section 22.

It is our understanding that the Blanco-Mesaverde Pool will be perforated and said well will be recompleted such that production from both intervals will be commingled downhole. Pursuant to the "General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Blanco-Mesaverde Pool," as promulgated by Division Order No. R-8170, as amended, said location is considered to be unorthodox. Further, the E/2 of said Section 22 is to be dedicated to the Blanco-Mesaverde Pool thereby forming a standard 320-acre gas spacing and proration unit for said pool.

By the authority granted me under the provisions of Rule 2(d) of said special pool rules, the above-described unorthodox gas well location is hereby approved.

Sincerely,



Lori Wrotenbery
Director

LW/MES/kv

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