



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

August 31, 1998

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

Administrative Order NSL-4123

Dear Ms. Maddox:

Reference is made to your application submitted to the New Mexico Oil Conservation Division ("Division") on August 10, 1998 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. The N/2 of Section 28, Township 26 North, Range 7 West, NMPM, Rio Arriba County, New Mexico is to be dedicated to the proposed well in order to form a standard 320-acre gas spacing and proration unit for the Basin-Dakota Pool.

The application has been duly filed under the provisions of Division Rules 104.F and 605.B of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division").

By the authority granted me under the provisions of Division Rule 104.F(2), the following described well to be drilled at an unorthodox gas well location in Section 28 is hereby approved:

**Porkchop Federal "28" Well No. 1
435' FNL & 1180' FEL (Unit A).**

Further, the aforementioned well and spacing unit will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

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