



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

January 11, 1999

Conoco, Inc.
10 Desta Drive - Suite 100W
Midland, Texas 79705-5400
Attention: Kay Maddox

Administrative Order NSL-4197

Dear Ms. Maddox:

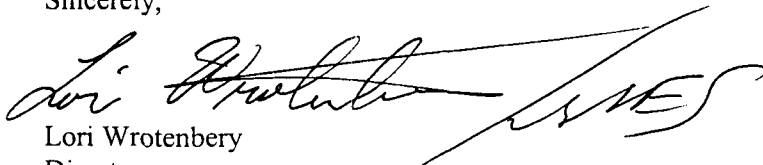
Reference is made to your application dated December 17, 1998, which was received by the Division on December 22, 1998, for an off-pattern non-standard Basin-Fruitland coal gas well location for Conoco, Inc.'s existing State "A" Gas Com. Well No. 1-E (API No. 30-045-25147), located 1850 feet from the North line and 800 feet from the West line (Unit E) of Section 36, Township 29 North, Range 11 West, NMPM, Basin-Fruitland Coal (Gas) Pool, San Juan County, New Mexico.

According to the well records on file with the New Mexico Oil Conservation Division in Santa Fe, the State "A" Gas Com. Well No. 1-E was initially drilled in 1982 by ARCO Oil & Gas Company and completed at a standard infill gas well location in the Basin-Dakota Pool within a standard 320-acre gas spacing and proration unit comprising the N/2 of Section 36.

It is our understanding that Conoco, Inc. intends to abandon the Dakota interval in this well at this time and to recompleat up-hole into the Basin-Fruitland Coal (Gas) Pool. The location of this well is considered to be unorthodox, pursuant to the "Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool," as promulgated by Division Order No. R-8768, as amended. Further, the N/2 of Section 36 is to be dedicated to this well in order to form a standard 320-acre gas spacing and proration unit for the Basin-Fruitland Coal (Gas) Pool.

By the authority granted me under the provisions of Rule 8 of these special pool rules, the above-described unorthodox coal gas well location for the State "A" Gas Com. Well No. 1-E is hereby approved.

Sincerely,


Lori Wrotenbery
Director

LW/MES/kv

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