



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

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

March 30, 1999

**Phillips Petroleum Company  
5525 Highway 64 - NBU 3004  
Farmington, New Mexico 87401  
Attention: S. Scott Prather**

*Administrative Order NSL-4246(NSP)*

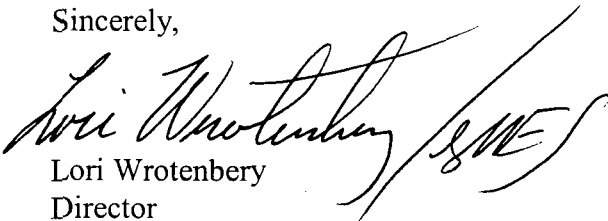
Dear Mr. Prather:

Reference is made to your application dated February 22, 1999 for an unorthodox Basin-Fruitland coal gas well location for Phillips Petroleum Company's proposed San Juan "32-8" Unit Well No. 247 to be drilled 1885 feet from the South line and 185 feet from the West line (Lot 3/Unit L) of irregular Section 19, Township 32 North, Range 8 West, NMPM, Basin-Fruitland Coal (Gas) Pool, San Juan County, New Mexico.

The 223.40 acres comprising Lots 1, 2, 3, and 4 and the E/2 W/2 (W/2 equivalent) of irregular Section 19 is to be dedicated to this well; however, pursuant to Rule 4 of the "*Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool*," as promulgated by Division Order No. R-8768, as amended, this proposed unit is considered to be non-standard.

By the authority granted me under the provisions of Rules 6 and 8 of the special pool rules for the Basin-Fruitland Coal (Gas) Pool, the above-described unorthodox coal gas well location and non-standard 223.40-acre gas spacing and proration unit are hereby approved.

Sincerely,



Lori Wrotenbery  
Director

LW/MES/kv

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