



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

March 31, 1999

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

Administrative Order NSL-4249

Dear Mr. Prather:

Reference is made to your application dated March 29, 1999 for an exception to the well location requirements provided within the "*Special Rules and Regulations for the Basin-Dakota Pool*," as promulgated by New Mexico Oil Conservation Division ("Division") Order No. R-10987, for a non-standard infill gas well location in an existing standard 320-acre stand-up gas spacing and proration unit for the Basin-Dakota Pool comprising the W/2 of Section 23, Township 30 North, Range 5 West, NMPM, Rio Arriba County, New Mexico. This unit is currently dedicated to Phillips Petroleum Company's San Juan "30-5" Unit Well No. 83 (API No. 30-039-22728), located a standard gas well location 1480 feet from the South line and 950 feet from the West line (Unit L) of Section 23.

The application has been duly filed under the provisions of Division Rules 104.F and 605.B.

By the authority granted me under the provisions of Division Rule 104.F(2), the following described well to be drilled at an unorthodox infill gas well location in Section 23 is hereby approved:

**San Juan "30-5" Unit Well No. 83-M
230' FNL & 1440' FWL (Unit C)**

Further, both of the aforementioned San Juan "30-5" Unit Well Nos. 83 and 83-M and existing gas spacing and proration unit will be subject to all existing rules,

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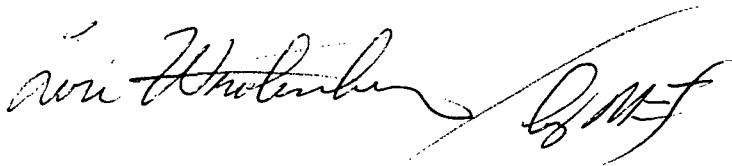
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regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lori Wrotenbery", followed by a large, stylized flourish or initial.

Lori Wrotenbery
Director

LW/MES/kv

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

Remarks: The subject application further requested approval for this well at an unorthodox infill gas well location in the Blanco-Mesaverde Pool. Pursuant to the recently revised "*Special Rules for the Blanco-Mesaverde Pool*", as promulgated by Division Order No. R-10987-A (see copy attached) this request is deemed unnecessary.