



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

April 27, 2001

Lori Wrotenbery

Director

Oil Conservation Division

Conoco, Inc.
600 N. Dairy Ashford - Dubai 3084
Houston, Texas 77079
Attention: Deborah Marberry

Telefax No. (281) 293-5466

Administrative Order NSL-4579

Dear Ms. Marberry:

Reference is made to the following: (i) your application dated March 9, 2001, but was not received by the New Mexico Oil Conservation Division ("Division") in Santa Fe until March 26, 2001; (ii) your telephone conversation with Mr. Michael E. Stogner, Engineer/Chief Hearing Officer on Friday, April 27, 2001; and (iii) the Division's records in Santa Fe and Aztec: all concerning Conoco, Inc.'s request 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-B, dated June 30, 2000, as amended by Division Order No. R-10987-B (1), dated August 10, 2000. Lots 13 through 20 (S/2 equivalent) of Section 30, Township 32 North, Range 10 West, NMPM, San Juan County, New Mexico is to be dedicated Conoco, Inc.'s proposed well in order to form a standard 323.89-acre lay-down gas spacing and proration unit for the Basin-Dakota Pool.

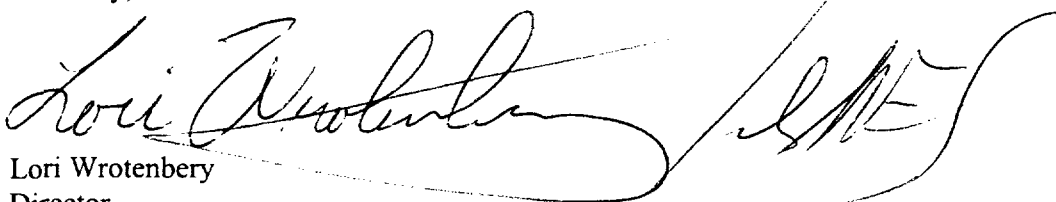
The application has been duly filed under the provisions of Division Rules 104.F and 605.B.

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 30 is hereby approved:

Hamilton Well No. 1-B
1455' FSL & 2600' FWL (Lot 15/Unit K).

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