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Conoco Inc.  
P.O. Box 2197  
Houston, TX 77252

June 20, 2002

Ms. Lori Wrotenberg, Director  
New Mexico Oil Conservation Division  
1220 So. St. Francis Drive  
Santa Fe, NM 87505

02 JUN 21 11:30 AM  
NEW MEXICO

Dear Ms. Wrotenberg,

**RE: Application of the Fruitland Coalbed Methane Study Committee to amend Rule 4 and Rule 7 of the Special Rules and Regulations of the Basin-Fruitland Coal Gas Pool and for the termination of the Cedar Hills-Fruitland Basal Coal Gas Pool and the concomitant expansion of the Basin-Fruitland Coal Gas Pool, Rio Arriba, San Juan, McKinley and Sandoval Counties, New Mexico**

Conoco Inc. supports the application by the Fruitland Coalbed Methane Study Committee to the New Mexico Oil Conservation Division for authorization under certain restrictions of drilling up to two wells in a standard 320-acre gas proration and spacing unit in the Basin-Fruitland Coal Gas Pool. We have reviewed the results from pilot infill wells drilled by Burlington Resources Oil and Gas Company and believe the 160-acre infill wells are necessary to recover additional gas reserves that would otherwise be left behind. The proposed rule change will facilitate recovery of additional gas reserves using downhole commingling; thereby, requiring fewer wellbores, and minimizing surface impacts associated with wellpads, roads and pipelines.

Conoco Inc. further supports adoption of the recommended rule changes for wells located in the "Low Productivity Area" of the Pool and for special administrative procedures for infill wells drilled in the "High Productivity Area" of the Pool as identified in the application.

Conoco Inc. believes NMOCD approval of the application for optional 160-acre increased density in the Basin-Fruitland Coal Gas Pool will be in the best interests of all parties by allowing recovery of additional gas reserves while protecting the correlative rights of all owners and minimizing surface impacts of development.

Yours sincerely,

David L. Wacker  
Sr. Regulatory Consultant  
Lobo/San Juan Business Unit  
EP-USSA