



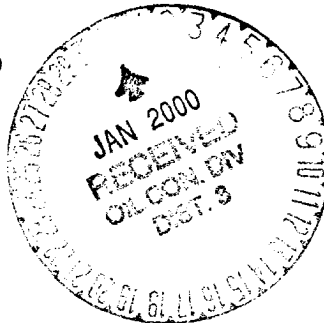
**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

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

January 28, 2000

Union Oil Company of California (UNOCAL)
P. O. Box 3100
Midland, Texas 79702

Attention: Charlotte Beeson



Telefax No. (915) 685-6709

Administrative Order NSL-4395

Dear Ms. Beeson:

Reference is made to the following: (i) your application dated January 24, 2000; and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe: all concerning Union Oil Company of California's ("UNOCAL") request 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 Basin-Dakota infill gas well location in an existing 339.08-acre lay-down gas spacing and proration unit for the Basin-Dakota Pool comprising Lots 1 through 8 (N/2 equivalent) of Section 26, Township 27 North, Range 7 West, NMPM, Rio Arriba County, New Mexico. This unit is currently dedicated to UNOCAL's Rincon Unit Well No. 172 (API No. 30-039-06930), located a standard gas well location 950 feet from the North line and 1650 feet from the East line (Lot 2/Unit B) of Section 26.

The application has been duly filed under the provisions of Rules 104.F and 605.B of the Rules and Regulations of the New Mexico Oil Conservation Division ("Division").

By the authority granted me under the provisions of Division Rule 104.F (2), the following described well recently drilled at an unorthodox infill gas well location in Section 26 is hereby approved:

Rincon Unit Well No. 172-M
1575' FNL & 1345' FWL (Lot 6/Unit F) - 26-27N-7W
(API No. 30-039-26208).

Further, both of the aforementioned Rincon Unit Wells No. 172 and 172-M and existing gas spacing and proration unit will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico.

Sincerely,

Lori Wrotenberg
Director

LW/MES/kv

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