



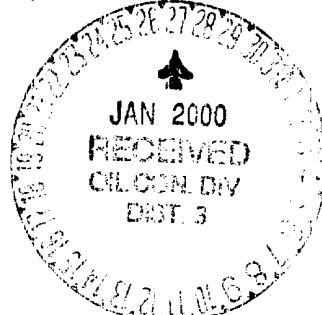
**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

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

January 21, 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-4391

Dear Ms. Beeson:

Reference is made to the following: (i) your application dated January 20, 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 replacement gas well location in an existing standard 320-acre lay-down gas spacing and proration unit for the Basin-Dakota Pool comprising the S/2 of Section 22, Township 27 North, Range 6 West, NMPM, Rio Arriba County, New Mexico. This unit is currently dedicated to UNOCAL's Rincon Unit Well No. 158-M (API No. 30-039-25057), located a standard gas well location 1535 feet from the South line and 1480 feet from the East line (Unit J) of Section 22.

Initial development of Basin-Dakota gas production within the subject 320-acre unit commenced in 1961 when El Paso Natural Gas Company drilled its Rincon Unit Well No. 158 (API No. 30-039-06951) at a standard gas well location 1090 feet from the South line and 1460 feet from the West line (Unit N) of Section 22. It is our understanding that this well was plugged and abandoned by UNOCAL in November 1995.

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 22 is hereby approved:

30-039-26207
**Rincon Unit Well No. 158-R -
2425' FS & WL (Unit F). - 22-27-6**

Further, both of the aforementioned Rincon Unit Wells No. 158-M and 158-R and existing gas spacing and proration unit will be subject to all existing rules, regulations, policies, and

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

Sincerely,

A handwritten signature in black ink, appearing to read "Lori Wrotenbery", followed by a stylized flourish or set of initials.

Lori Wrotenbery

Director

LW/MES/kv

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