



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

March 4, 1998

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OIL CON. DIV.
DIST. 3

Conoco, Inc.
10 Desta Drive - Suite 100W
Midland, Texas 79705-4500
Attention: Kay Maddox

Administrative Order NSL-3957

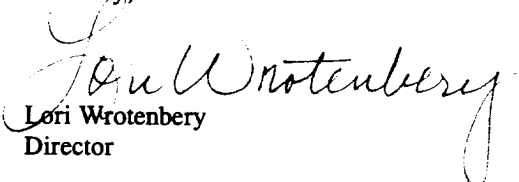
Dear Ms. Maddox:

Reference is made to your application dated February 8, 1998, which was received by the Division in Santa Fe on February 12, 1998, for an unorthodox "infill" gas well location in both the Blanco-Mesaverde and Basin-Dakota Pools for the proposed San Juan "28-7" Unit Well No. 199-E to be drilled 385 feet from the South line and 2155 feet from the West line (Unit N) of Section 18, Township 28 North, Range 7 West, NMPM, Rio Arriba County, New Mexico.

Gas production from the Blanco-Mesaverde Pool is to be included in an existing standard 304.76-acre gas spacing and proration unit comprising Lots 1, 2, 3, and 4 and the E/2 W/2 (W/2 equivalent) of said Section 18 which is currently dedicated to Conoco Inc.'s: (i) San Juan "28-7" Unit Well No. 30 (API No. 30-039-07411), located 1850 feet from the South line and 990 feet from the West line (Lot 3/Unit L) of said Section 18; and (ii) San Juan "28-7" Unit Well No. 30-A (API No. 30-039-22281), located 1840 feet from the North line and 1045 feet from the West line (Lot 2/Unit E) of said Section 18. Gas and production from the Basin-Dakota Pool is to be included in an existing non-standard 345.30-acre gas spacing and proration unit (approved by Division Order No. R-2948, dated August 16, 1965) comprising Lot 4 and the E/2 SW/4 of said Section 18 and Lots 1, 2, and 3, the E/2 NW/4, and the NE/4 SW/4 of Section 19, Township 28 North, Range 7 West, NMPM, Rio Arriba County, New Mexico, which is currently dedicated to Conoco Inc.'s San Juan "28-7" Unit Well No. 199 (API No. 30-039-21734), located at a standard gas well location 2120 feet from the South line and 800 feet from the West line (Lot 3/Unit L) of said Section 19.

By the authority granted me under the provisions of Rule 2(d) of the "General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Blanco-Mesaverde Pool/Special Rules and Regulations for the Basin-Dakota Pool," as promulgated by Division Order No. R-8170, as amended, the above-described unorthodox "infill" gas well location for the San Juan "28-7" Unit Well No. 199-E is hereby approved. All of the aforementioned wells and both GPU's 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
W. Thomas Kellahin, Counsel - Santa Fe
Jimmy D. Carlile, Conoco, Inc. - Midland, Texas