



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

June 17, 1998

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OIL CON. DIV.

Phillips Petroleum Company
5525 Highway 64 - NBU 3004
Farmington, New Mexico 87401
Attention: S. Scott Prather

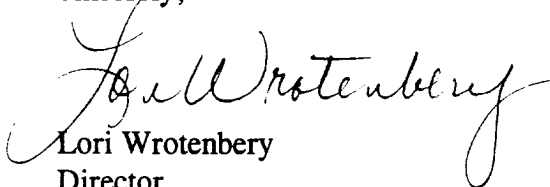
Administrative Order NSL-4056

Dear Mr. Prather:

Reference is made to your application dated May 28, 1998 for a non-standard Basin-Fruitland coal gas well location for Phillips Petroleum Company's proposed San Juan "32" Federal 28 Well No. 1 to be drilled 432 feet from the South line and 783 feet from the West line (Lot 13/Unit M) of Section 28, Township 32 North, Range 9 West, NMPM, Basin-Fruitland Coal (Gas) Pool, San Juan County, New Mexico. Lots 3, 4, 5, 6, 11, 12, 13, and 14 (W/2 equivalent) of Section 28 are to be dedicated to the well in order to form a standard 317.78-acre gas spacing and proration unit for this pool.

By the authority granted me under the provisions of Rule 8 of the "*Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool*," as promulgated by Division Order No. R-8768, as amended, the above-described unorthodox coal gas well location is hereby approved.

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 for Phillips Petroleum Company - Santa Fe