



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

July 11, 2000

**Union Oil Company of California
P. O Box 850
Bloomfield, New Mexico 87413
Attention: Michael Phillips**

Telefax No. (505) 632-0338

Administrative Order NSL-4488

Dear Mr. Phillips:

Reference is made to the following: (i) your telephone conversation with Mr. Michael E. Stogner, Engineer/Chief Hearing Officer with the New Mexico Oil Conservation Division ("Division") in Santa Fe on Tuesday morning, July 11, 2000; (ii) your application telefaxed to Santa Fe on July 11, 2000; and (iii) the records of the Division: 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 Division Order No. R-10987, for a non-standard infill gas well location in an existing standard 320-acre lay-down gas spacing and proration unit for the Basin-Dakota Pool comprising the N/2 of Section 23, Township 27 North, Range 6 West, NMPM, Rio Arriba County, New Mexico. This unit is currently dedicated to UNOCAL's Rincon Unit Well No. 146 (API No. 30-039-20157), located at a standard initial gas well location 1620 feet from the North line and 1550 feet from the East line (Unit G) of Section 23.

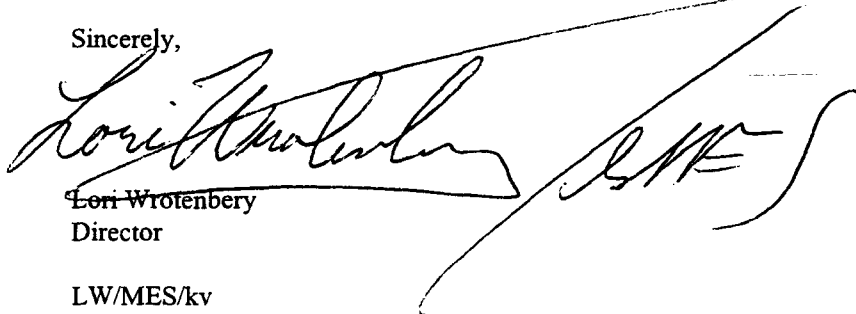
The application has been duly filed under the provisions of Division Rules 104.F and 605.B.

By the authority granted me under the provisions of Division Rule 104.F (2), the following described well to be drilled at an unorthodox infill gas well location in Section 23 is hereby approved:

**Rincon Unit Well No. 146-M
2290' FNL & 550' FWL (Unit E).**

Further, both of the aforementioned Rincon Unit Wells No. 146 and 146-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 Wrotenbery
Director

LW/MES/kv

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