



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

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

November 1, 1999

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

Administrative Order NSL-4374

Dear Mr. Prather:

Reference is made to your application dated October 7, 1999 for an unorthodox Basin-Fruitland coal gas well location for Phillips Petroleum Company's existing San Juan "32" Federal 34 Well No. 1 (API No. 30-045-29759) recently drilled 2510 feet from the North line and 1640 feet from the East line (Unit G) of Section 34, Township 32 North, Range 9 West, NMPM, Basin-Fruitland Coal (Gas) Pool, San Juan County, New Mexico.

Lots 1, 2, 7, 8, 9, 10, 15, and 16 (E/2 equivalent) of Section 34 is to be dedicated to this well in order to form a standard 306.70-acre stand-up gas spacing and proration unit for the Basin-Fruitland Coal (Gas) 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 Wrotenbery
Director

LW/MES/kv

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