



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

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

August 25, 1999

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

Administrative Order NSL-4350

Dear Mr. Prather:

Reference is made to your application dated August 23, 1999 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. Lots 8 and 9, the S/2 NE/4, and the SE/4 (E/2 equivalent) of Section 6, Township 30 North, Range 6 West, NMPM, Rio Arriba County, New Mexico is to be dedicated to the subject well in order to form a standard 319.55-acre stand-up gas spacing and proration unit for the Basin-Dakota Pool.

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 recently drilled at an unorthodox gas well location in Section 6 is hereby approved:

**San Juan "31-6" Unit Well No. 3-R
1580' FNL & 1915' FEL (Unit G)
(API No. 30-039-26077).**

Further, the aforementioned well and spacing 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