



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

April 13, 1998

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

Administrative Order NSL-3999

Dear Ms. Maddox:

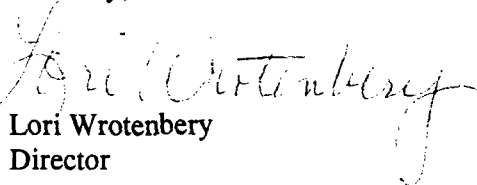
Reference is made to your application dated March 17, 1998 and to the records of the Division in Santa Fe concerning Conoco, Inc.'s request for an unorthodox gas well location in the Blanco-Mesaverde, Basin-Dakota, and Otero-Chacra Pools for the existing Jicarilla "K" Well No. 17 (30-039-20433) located 1450 feet from the South line and 2140 feet from the West line (Unit K) of Section 12, Township 25 North, Range 5 West, NMPM, Rio Arriba County, New Mexico.

The S/2 of said Section 12, being a standard 320-acre gas spacing and proration unit for the Blanco-Mesaverde and Basin-Dakota Pools and the SW/4 of said Section 12 being a standard 160-acre gas spacing and proration unit for the Otero-Chacra Pool, are to be dedicated to said well.

It is our understanding that Conoco, Inc. intends to downhole commingle the Blanco-Mesaverde, Basin-Dakota, and Otero-Chacra Pools in said well under authority of Division Administrative Order DHC-1613, dated August 15, 1997.

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, and Division General Rule 104.F(2) the above-described unorthodox gas well location for the Jicarilla "K" Well No. 17 is hereby approved.

Sincerely,



Lori Wrotenbery
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
File: DHC-1613