

NSL-1141A

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NSL 1141 A
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Rec: ~~8-4-97~~
7-14-97
+ 8-4-97
Susp: 8-4-97
+ 8-25-97
Released: ~~8-19-97~~

August 19, 1997

Received by the Division in Santa Fe on August 4, 1997 with supplemental information which served to complete this application Conoco's request

Conoco, Inc.
10 Desta Drive - Suite 100W
Midland, Texas 79705-4500

Attention: Jerry W. Hoover

Received by the Division in Santa Fe on July 14, 1997

Administrative Order NSL-1141-A

Dear Mr. Hoover:

amended application

Reference is made to: (i) your original application dated July 11, 1997; (ii) the Division's initial response to said application by letter from Mr. Michael E. Stogner dated July 17, 1997; (iii) your ~~response by letter~~ response by letter dated July 22, 1997; and, (v) to the records of the Division in Santa Fe: all of which concern Conoco, Inc.'s request for an unorthodox gas well location in both the Basin-Fruitland Coal (Gas) Pool and the Otero-Chacra Pool for the existing Federal Well No. 21 (API No. 30-045-24183), located 315 feet from the North line and 720 feet from the West line (Unit D) of Section 9, Township 27 North, Range 8 West, NMPM, San Juan County, New Mexico. The subject well, formerly designated the Federal Well No. 16-E, was drilled by Mesa Petroleum Company in 1981 to test the Basin-Dakota Pool at an unorthodox infill gas well location (approved by Division Administrative Order NSL-1141, dated January 14, 1980) within the existing 320-acre standard gas spacing and proration unit comprising the W/2 of said Section 9.

It is our understanding that Conoco, Inc. intends to downhole commingle both the Fruitland coal and Chacra gas producing intervals in said well under authority of Division Administrative Order DHC-1624, dated August 15, 1997; and, pursuant to Division General Rule 104.C(3) and Rule 7 of the "Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool", as promulgated by Division Order No. R-8768, as amended, said location is also unorthodox for both the Otero-Chacra and Basin-Fruitland Coal gas intervals, respectively.

The W/2 of said Section 9 being a standard 320-acre gas spacing and proration unit for the Basin-Fruitland Coal (Gas) Pool and the NW/4 of said Section 9 being a standard 160-acre gas spacing and proration unit for the Otero-Chacra Pool, are to be dedicated to said well.

By the authority granted me under the provisions of Rule 8 of said special Basin-Fruitland Coal (Gas) Pool rules and Division General Rules 104.F(2), the above-described unorthodox gas well location is hereby approved.

Sincerely,

William J. LeMay
Director

WJL/MES/kv

W. Thomas Kellabing, Counsel - Santa Fe
cc: Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
File: NSL-1141
DHC-1624

Dave Wacker - Midland, TX