



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

February 16, 1998

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

Administrative Order NSL-3951

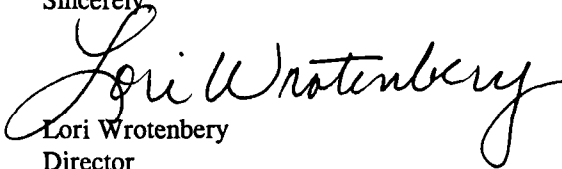
Dear Ms. Maddox:

Reference is made to your application dated February 8, 1998, which was received by the Division in Santa Fe on February 12, 1998, for an unorthodox "infill" gas well location in both the Blanco-Mesaverde and Basin-Dakota Pools for the proposed San Juan "28-7" Unit Well No. 215-M to be drilled 410 feet from the North line and 2250 feet from the West line (Lot 3/Unit C) of Section 4, Township 27 North, Range 7 West, NMPM, Rio Arriba County, New Mexico.

Gas production attributed to said well from both pools is to be included in the existing standard 319.79-acre gas spacing and proration units comprising Lots 3 and 4, the S/2 NW/4, and the SW/4 (W/2 equivalent) of said Section 4. The Mesaverde production is currently dedicated to Conoco's San Juan "28-7" Unit Well No. 95 (API No. 30-039-07159), located at a standard gas well location 890 feet from the South and West lines (Unit M) of said Section 4, and the Dakota production is currently dedicated to the San Juan "28-7" Unit Well No. 215 (API No. 30-039-20862), located at a standard gas well location 1460 feet from the South line and 1550 feet from the West line (Unit K) of said Section 4.

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, the above-described unorthodox "infill" Dakota/Mesaverde gas well location for the San Juan "28-7" Unit Well No. 215-M is hereby approved.

Sincerely,


Lori Wrotenberg
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