



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

March 9, 1998

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

Administrative Order NSL-3962

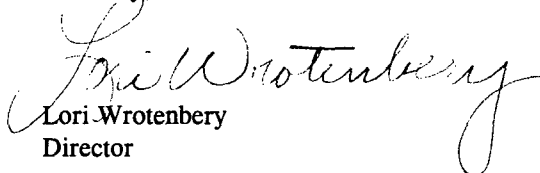
Dear Ms. Maddox:

Reference is made to the following: (i) Conoco, Inc.'s original application dated February 12, 1998 to the Albuquerque District of the U. S. Bureau of Land Management and filed with the New Mexico Oil Conservation Division on February 17, 1998; (ii) my telephone conversation with Ms. Kay Maddox on Tuesday, February 17, 1998; and, (iii) the records of the Division in Santa Fe: all concerning Conoco Inc.'s request for a non-standard Blanco-Mesaverde gas well location for its existing Jicarilla "20" Well No. 12 (API No. 30-039-24271), located 1785 feet from the North line and 335 feet from the West line (Unit E) of Section 18, Township 25 North, Range 4 West, NMPM, Blanco-Mesaverde Pool, Rio Arriba County, New Mexico. This well was initially drilled in 1988 to a total depth of 8,212 feet and completed in the West Lindrith Gallup-Dakota Oil Pool at a standard oil well location within a standard 163.36-acre oil spacing and proration unit for said interval comprising Lots 1 and 2 and the E/2 NW/4 of said Section 18.

It is our understanding that the Blanco-Mesaverde Pool will be perforated and said well will be recompleted such that production from both intervals will be commingled downhole. Pursuant to the "*General Rules for The Prorated Gas Pools of New Mexico/Special Rules and Regulations for The Blanco-Mesaverde Pool*," as promulgated by Division Order No. R-8170, as amended, said location is considered to be unorthodox. Further, Lots 1, 2, 3, and 4 and the E/2 W/2 (W/2 equivalent) of said Section 18 is to be dedicated to the Blanco-Mesaverde Pool thereby forming a standard 326.50-acre gas spacing and proration unit for said pool.

By the authority granted me under the provisions of Rule 2(d) of said special pool rules, the above-described unorthodox gas well location is hereby approved.

Sincerely,


Lori Wrotenberg
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
U. S. Bureau of Land Management - Albuquerque
W. Thomas Kellahin, Counsel - Santa Fe
Jimmy D. Carlile, Conoco, Inc. - Midland, Texas