



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

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

January 11, 1999

Conoco, Inc.  
10 Desta Drive - Suite 100W  
Midland, Texas 79705-5400  
Attention: Kay Maddox

*Administrative Order NSL-4194*

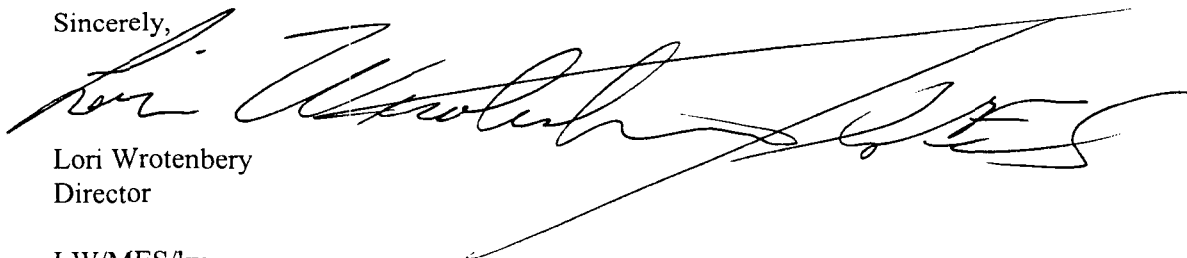
Dear Ms. Maddox:

Reference is made to your application dated December 1, 1998, which was received by the Division on December 22, 1998, for an off-pattern non-standard Basin-Fruitland coal gas well location for your existing Lackey "B-LS" Well No. 14-E (API No. 30-045-24052), located 1120 feet from the North line and 1850 feet from the West line (Unit C) of Section 30, Township 28 North, Range 9 West, NMPM, Basin-Fruitland Coal (Gas) Pool, San Juan County, New Mexico. According to the well records on file with the New Mexico Oil Conservation Division in Santa Fe, the Lackey "B-LS" Well No. 14-E was initially drilled in 1980 by El Paso Natural Gas Company and completed at a standard infill gas well location in the Basin-Dakota Pool within a standard 302.62-acre gas spacing and proration unit comprising Lots 1 and 2, the NE/4, and the E/2 NW/4 (N/2 equivalent) of Section 30.

It is our understanding that Conoco, Inc. intends to abandon the Dakota interval in this well at this time and to recomplete up-hole into the Basin-Fruitland Coal (Gas) Pool. The location of this well is considered to be unorthodox, pursuant to the "*Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool*," as promulgated by Division Order No. R-8768, as amended. Further, the N/2 equivalent of Section 30 is to be dedicated to this well in order to form a standard 302.62-acre gas spacing and proration unit for the Basin-Fruitland Coal (Gas) Pool.

By the authority granted me under the provisions of Rule 8 of these special pool rules, the above-described unorthodox coal gas well location for the Lackey "B-LS" Well No. 14-E is hereby approved.

Sincerely,



Lori Wrotenberg  
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec  
U. S. Bureau of Land Management - Farmington