



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-4196*

Dear Ms. Maddox:

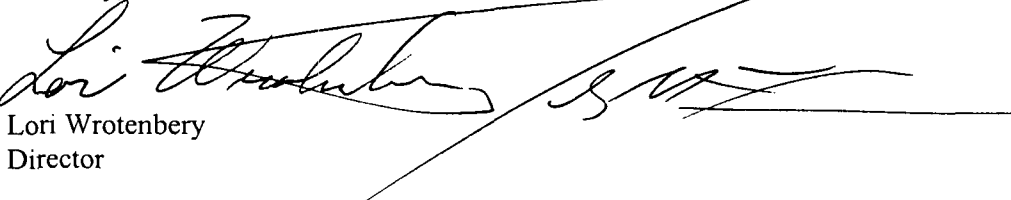
Reference is made to your application dated December 17, 1998, which was received by the Division on December 22, 1998, for an off-pattern non-standard Basin-Fruitland coal gas well location for Conoco, Inc.'s existing Little Stinker Well No. 1 (API No. 30-045-25532), located 1560 feet from the South line and 1850 feet from the East line (Unit J) of Section 11, Township 30 North, Range 12 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 Little Stinker Well No. 1 was initially drilled in 1982 by Jerome P. McHugh and completed as an initial well in the Basin-Dakota Pool at a standard gas well location within a standard 316.11-acre gas spacing and proration unit comprising Lots 1, 2, 7, 8, 9, and 10 and the S/2 SE/4 (E/2 equivalent) of Section 11.

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 E/2 equivalent of Section 11 is also to be dedicated to this well in order to form a standard 316.11-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 Little Stinker Well No. 1 is hereby approved.

Sincerely,



Lori Wrotenbery  
Director

LW/MES/kv

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