



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

May 25, 1999

Phillips Petroleum Company
5525 Highway 64 – NBU 3004
Farmington, New Mexico 87401
Attention: Scott Prather

Administrative Order NSL-4290

Dear Mr. Prather:

Reference is made to your application dated May 14, 1999 for an exception to the well location requirements provided within the "*Special Rules and Regulations for the Basin-Dakota Pool*," as promulgated by New Mexico Oil Conservation Division ("Division") Order No. R-10987, for a non-standard infill gas well location in an existing standard 320-acre lay-down gas spacing and proration unit for the Basin-Dakota Pool comprising the N/2 of Section 14, Township 29 North, Range 6 West, NMPM, Rio Arriba County, New Mexico. This unit is currently dedicated to Phillips Petroleum Company's San Juan "29-6" Unit Well No. 84 (API No. 30-039-07623), located at a standard initial gas well location 1635 feet from the North line and 1745 feet from the East line (Unit G) of Section 14.

The application has been duly filed under the provisions of Division Rules 104.F and 605.B.

By the authority granted me under the provisions of Division Rule 104.F(2), the following described well to be drilled at an unorthodox infill gas well location in Section 14 is hereby approved:

**San Juan "29-6" Unit Well No. 84-M
1305' FNL & 925' FWL (Unit D).**

Further, both of the aforementioned San Juan "29-6" Unit Well Nos. 84 and 84-M and existing gas spacing and proration unit will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico.

Sincerely,

Lori Wrotenberg
Director

LW/MES/kv

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