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STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

September 4, 1996

RECEIVED
SEP 10 1996
OIL CON. DIV.
DIST. 3

Burlington Resources Oil & Gas Company
P.O. Box 4289
Farmington, New Mexico 87499
Attention: Peggy Bradfield

Administrative Order NSL-3703

Dear Ms. Bradfield:

Reference is made to your application dated August 12, 1996 for a non-standard Basin-Fruitland coal gas well location for your existing Huerfano Unit Well No. 242 (API No. 30-045-21222) which was drilled in 1973 and completed in the Angle Peak-Gallup Associated Pool 1025 feet from the South line and 1550 feet from the East line (Unit O) of Section 12, Township 26 North, Range 10 West, NMPM, San Juan County, New Mexico.

It is our understanding that the Gallup interval will be properly plugged back and said well will be recompleted up-hole to the Basin-Fruitland Coal (Gas) Pool, which pursuant to the "*Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool*", as promulgated by Division Order No. R-8768, as amended, is unorthodox. Further, the E/2 of said Section 12 shall be dedicated to said well to form a standard 320-acre gas spacing and proration unit for said pool.

By the authority granted me under the provisions of Rule 8 of said Order No. R-8768, as amended, the above-described unorthodox coal gas well location is hereby approved.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay".

William J. LeMay
Director

WJL/MES/kv

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