NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

July 16, 2001

M & G Drilling Company, Inc.
c/o KM Production Company
P. O. Box 2406
Farmington, New Mexico 87499-2406
Attention: Kevin H. McCord

Administrative Order NSL-4609

Dear Mr. McCord:

Reference is made to the following: **(i)** your application submitted to the New Mexico Oil Conservation Division ("Division") on June 14, 2001; and **(ii)** the Division's records in Santa Fe and Aztec: all concerning M & G Drilling Company's request for an off-pattern non-standard Basin-Fruitland coal gas well location for the existing Hardie Well No. 62 (**API No. 30-045-22311**), located 935 feet from the South line and 1010 feet from the East line (Lot 14/Unit P) of Section 14, Township 29 North, Range 12 West, NMPM, Basin-Fruitland Coal (Gas) Pool (**71629**), San Juan County, New Mexico. Lots 7 through 14 (S/2 equivalent) of Section 14 is to be dedicated to this well in order to form a standard 330.52-acre lay-down gas spacing and proration unit for the Basin-Fruitland Coal (Gas) Pool.

By the authority granted me under the provisions of Rule 8 of the "*Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool*," as promulgated by Division Order No. R-8768, as amended, the above-described unorthodox coal gas well location is hereby approved.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

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