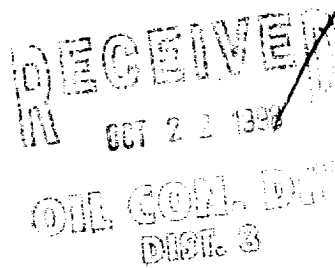




NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7731

October 20, 1998



Texakoma Oil & Gas Corporation
c/o A. R. Kendrick
Box 516
Aztec, New Mexico 87410

Administrative Order NSL-4153

Dear Mr. Kendrick:

Reference is made to your application dated September 29, 1998 on behalf of the operator, Texakoma Oil & Gas Corporation ("Texakoma"), for an unorthodox gas well location in the Undesignated Flora Vista-Fruitland Sand Pool for their existing Federal "8" FC Well No. 2 (API No. 30-045-28917), which was drilled in 1993 and completed in the Basin-Fruitland Coal (Gas) Pool at a standard gas well location 1060 feet from the South line and 1890 feet from the West line (Lot 13/Unit N) of Section 8, Township 30 North, Range 12 West, NMPM, San Juan County, New Mexico.

It is our understanding that the Fruitland Coal interval will be properly plugged back and that this well will be recompleted up-hole into the Undesignated Flora Vista-Fruitland Sand Pool, in which Lots 11 through 14 (SE/4 equivalent) of Section 8 is to be dedicated in order to form a standard 159.28-acre gas spacing and proration for this pool. Pursuant to Division General Rule 104.C(3)(a), this well location is considered to be unorthodox for the gas bearing Fruitland sand interval.

The application has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division").

By the authority granted me under the provisions of Division General Rule 104.F(2), the above-described unorthodox Fruitland sand 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