



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

September 27, 2001

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



Telefax No. (505) 334-2555

Administrative Order NSL-4647

Dear Mr. Kendrick:

Reference is made to the following: (i) your application on behalf of the operator Texakoma Oil & Gas Corporation ("Texakoma") dated September 5, 2001 (*application reference No. pKRV0-125332020*); (ii) your supplemental correspondence with Mr. Michael E. Stogner, Engineer in Santa Fe with the Division, by letters and telefaxes dated September 12, 13, 18, and 21, 2001; and (iii) the Division's records in Aztec and Santa Fe: all concerning Texakoma's request for a replacement Fruitland Sand gas well to be drilled at an unorthodox gas well location within a standard 160-acre gas spacing and proration unit comprising the NE/4 of Section 21, Township 30 North, Range 12 West, NMPM, Flora Vista-Fruitland Sand Pool (76600), San Juan County, New Mexico.

It is our understanding that Texakoma's proposed Amoco Well No. 1-R (API No. 30-045-30785) is to be located 1693 feet from the North line and 397 feet from the East line (Unit H) of Section 21.

This application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

Gas production from the Flora Vista-Fruitland Sand Pool within the NE/4 of Section 21 is currently dedicated to Texakoma's Amoco Well No. 1 (API No. 30-045-26514), located a standard gas well location 810 feet from the North line and 880 feet from the East line (Unit A) of Section 21.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described Amoco Well No. 1-R, to be drilled to and completed within the Flora Vista-Fruitland Sand Pool as a replacement gas well in this existing 160-acre gas spacing and proration unit at an unorthodox gas well location, is hereby approved.

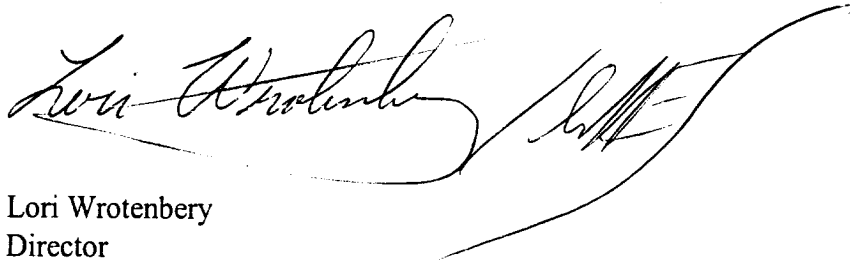
It is further ordered that at the time the Amoco Well No. 1-R is successfully completed



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within the Flora Vista-Fruitland Sand Pool, Texakoma shall cease producing Fruitland Sand gas production from its Amoco Well No. 1.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lori Wrotenbery", followed by a large, sweeping flourish that extends to the right.

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec /

