



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

September 8, 1997

Roddy Production Company, Inc.
P. O. Box 2221
Farmington, New Mexico 87499-2221
Attention: Kenneth E. Roddy

Administrative Order NSL-3863

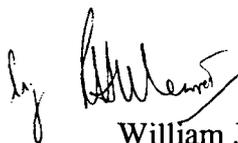
Dear Mr. Roddy:

Reference is made to your application dated August 4, 1997 for a non-standard Basin-Fruitland coal gas well location for your existing Lucerne Federal Well No. 5 (API No. 30-045-29223), which was drilled in 1995 and completed in the West Kutz-Pictured Cliffs Pool at a standard gas well location 1190 feet from the South line and 1450 feet from the East line (Unit O) of Section 17, Township 28 North, Range 11 West, NMPM, San Juan County, New Mexico.

It is our understanding that the Pictured Cliffs interval will be properly plugged back and said well will be recompleted 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 off-pattern and unorthodox. Further, the E/2 of said Section 17 is to be dedicated to the 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 for the Lucerne Federal Well No. 5 is hereby approved.

Sincerely,

 Deputy Director

William J. LeMay
Director

WJL/MES/kv

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