



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

July 10, 2000

Vastar Resources, Inc.
15375 Memorial Drive
Houston, Texas 77079
Attention: Michael Rodgers

Administrative Reinstatement of Division Order No. R-8845
Administrative Order NSL-4486

Dear Mr. Rodgers:

Reference is made to the following: (i) your application dated June 19, 2000; and (ii) the New Mexico Oil Conservation Division's ("Division") records in Santa Fe, including the file on Division Case No. 9559: all concerning Vastar Resources, Inc.'s ("Vastar") request to essentially reinstate the previous approval of an off-pattern non-standard Basin-Fruitland coal gas well location to be drilled 1170 feet from the North line and 830 feet from the West line (Lot 1/Unit D) of Section 19, Township 32 North, Range 4 West, NMPM, Rio Arriba County, New Mexico. Lots 1, 2, 3, and 4 and the E/2 W/2 (W/2 equivalent) of Section 19 is to be dedicated to this well in order to form a standard 300.52-acre stand-up gas spacing and proration unit for the Basin-Fruitland Coal (Gas) Pool.

By Division Order No. R-8844, issued in Case No. 9559 dated January 17, 1989, Nassau Resources, Inc.'s ("Nassau") application for 19 unorthodox coal gas well locations within the Carracas Unit Area in Township 32 North, Ranges 4 and 5 West, NMPM, Rio Arriba County, New Mexico was approved. The above-described location for Nassau's proposed Carracas Unit "19-B" Well No. 4 was included within the provisions of Division Order No. R-8844 but was never drilled.

Vastar's application has been duly filed 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.

By the authority granted me under the provisions of these special pool rules, the above-described unorthodox coal gas well location to be designated the Carracas "19-B" Well No. 4 is hereby approved.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

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