

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

May 22, 1990

Union Texas Petroleum Corporation
P.O. Box 2120
Houston, TX 77252-2120

Attention: Ken E. White

Amended Administrative Order NSL-2382

Dear Mr. White:

Reference is made to your application dated April 24, 1990 for a non-standard Cedar Hill-Fruitland Basal Coal Gas well location for your Payne Well No. 11 which was drilled in September, 1987 and completed in the Basin-Dakota Pool at a previously approved non-standard gas well location (Division Administrative Order NSL-2382, dated August 24, 1987) 590 feet from the North line and 810 feet from the East line (Unit A) of Section 27, Township 32 North, Range 10 West, NMPM, San Juan County, New Mexico.

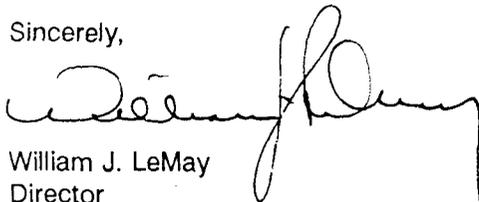
It is my understanding that the Basin Dakota zone will be properly plugged back and said well will be recompleted to the Cedar Hill-Fruitland Basal Coal Gas Pool, which pursuant to the Special Rules and Regulations for the Cedar Hill-Fruitland Basal Coal Gas Pool, as promulgated by Division Order No. R-7588, as amended, is unorthodox.

By the authority granted me under the provisions of Rule 8 of said Division Order No. R-8768, the above-described unorthodox coal gas well location is hereby approved.

Further, Lots 1 through 8 (E/2 equivalent) of Section 27 shall be dedicated to the well forming a standard 305.02-acre, more or less, gas spacing and proration unit for said pool.

Said original Division Order NSL-2382 shall be placed in abeyance until further notice.

Sincerely,



William J. LeMay
Director

WJL/MES/ag

cc: Oil Conservation Division - Aztec
US Bureau of Land Management - Farmington