



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

August 22, 1990

Koch Exploration Company  
3605 N. Dustin  
Farmington, NM 87401

Attention: Delvin H. Echard

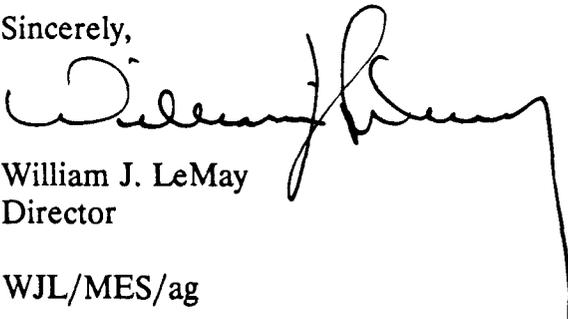
*Administrative Order NSL-2848(NSP)*

Dear Mr. Echard:

Reference is made to your application dated June 4, 1990, as supplemented by correspondence received July 2, 1990 for a non-standard coal gas well location for your Gardner "C" Well No. 3 to be located 790 feet from the South line and 750 feet from the West line (Unit N) of Irregular Section 31, Township 32 North, Range 8 West, NMPM, Basin Fruitland Coal (Gas) Pool, San Juan County, New Mexico. Lots 1 through 4 and the E/2 W/2 (W/2 equivalent) of said Section 31 shall be dedicated to the well forming a non-standard 221.10-acre gas spacing and proration unit for said pool.

By the authority granted me under the provisions of Rules 6 and 8 of the Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool as promulgated by Division Order No. R-8768, the above-described unorthodox coal gas well location and non-standard 221.10-acre gas spacing and proration unit are hereby approved.

Sincerely,

  
William J. LeMay  
Director

WJL/MES/ag

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