

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



February 3, 1992

BRUCE KING
GOVERNOR

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

Breck Operating Corporation
Box 911
Breckenridge, Texas 76424

Attention: Kevin Duncan

Administrative Order NSL-3094

Dear Mr. Duncan:

Reference is made to your application filed by Mr. E.N. Walsh dated January 8, 1992 for a non-standard Basin-Fruitland coal gas well location for the existing Kutz Government Well No. 9 which was drilled in 1953 and completed in the Fulcher Kutz Pictured Cliffs Pool at a standard gas well location 1650 feet from the North line and 990 feet from the West line (Unit E) of Section 20, Township 28 North, Range 10 West, NMPM, San Juan County, New Mexico.

It is my understanding that the Pictured Cliffs zone 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, which pursuant to the Special Rules and Regulations for Basin-Fruitland Coal Gas Pool as promulgated by Division Order No. R-8768, as amended, is unorthodox. Further, the W/2 of said Section 20 shall be dedicated to the well forming a standard 320-acre gas spacing and proration unit for said pool.

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

Sincerely,

A handwritten signature in black ink, appearing to read "William J. Lemay". The signature is written in a cursive style and is positioned above the typed name and title.

WILLIAM J. LEMAY
Director

WJL/MES/jc

cc: Oil Conservation Division - Aztec
U.S. BLM - Farmington