



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



June 29, 1992

BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

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

N.M. & O. Operating Company
23 West 4th - Suite 900
Tulsa, Oklahoma 74103-5094

Attention: Chris Phillips

Administrative Order NSL-3124

Dear Mr. Phillips:

Reference is made to your application dated May 6, 1992 for a non-standard Basin-Fruitland coal gas well location for your existing Koon Well No. 1 which was drilled in 1952 and completed in the Gavilan Pictured Cliffs Pool at a standard gas well location 990 feet from the South and East lines (Unit P) of Section 14, Township 25 North, Range 2 West, NMPM, Rio Arriba County, New Mexico.

It is my understanding that the Pictured Cliffs was recently plugged back and said well was 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 unorthodox. Further, the E/2 of said Section 14 shall be dedicated to the well forming 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 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 printed name and title.

WILLIAM J. LEMAY
Director

WJL/MES/jc

cc: Oil Conservation Division - Aztec