



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

September 25, 1992

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

ANITA LOCKWOOD
CABINET SECRETARY

Evergreen Operating Corporation
c/o A.R. Kendrick
P.O. Box 516
Aztec, New Mexico 87410

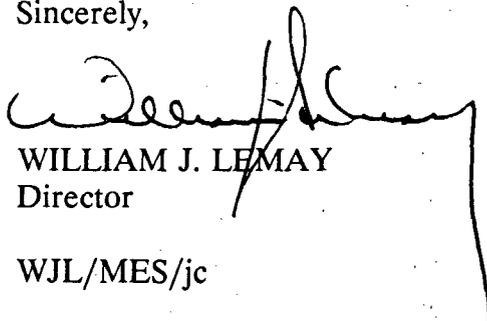
Administrative Order NSL-3162

Dear Mr. Kendrick:

Reference is made to your application on behalf of the operator Evergreen Operating Corporation by letter dated September 4, 1992 for a non-standard coal gas well location for the Schalk 32 Well No. 2 to be located 560 feet from the South line and 1800 feet from the West line (Unit N) of Section 32, Township 31 North, Range 4 West, NMPM, Basin Fruitland Coal (Gas) Pool, Rio Arriba County, New Mexico. The S/2 of said Section 32 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 the Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool as promulgated by Division Order No. R-8768, as amended, the above-described unorthodox coal gas well location is hereby approved.

Sincerely,



WILLIAM J. LEMAY
Director

WJL/MES/jc

cc: Oil Conservation Division - Aztec
U.S. BLM - Farmington, New Mexico
U.S. Forest Service - Blanco, N.M.