



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

November 17, 1992

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

General Minerals Corporation
c/o Walsh Engineering & Production Corp.
Attention: Paul C. Thompson
204 N. Auburn
Farmington, NM 87401

Administrative Order NSL-3194

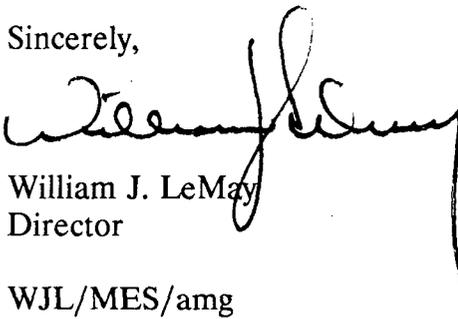
Dear Mr. Thompson:

Reference is made to your application dated October 19, 1992 for a non-standard Basin-Fruitland coal gas well location for your existing Delo Well No. 1 which was drilled in 1977 and completed in the West Kutz-Pictured Cliffs Pool at a standard gas well location 790 feet from the South and East lines (Unit P) of Section 26, Township 29 North, Range 11 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 as promulgated by Division Order No. R-8768, as amended, is unorthodox. Further, the E/2 of said Section 26 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,


William J. LeMay
Director

WJL/MES/amg

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