

State of New Mexico
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT
Santa Fe, New Mexico 87505



OIL CONSERVATION DIVISION



February 6, 1995

J. K. Edwards and Associates
c/o Walsh Engineering & Production Corporation
7415 East Main
Farmington, New Mexico 87402

Attention: Paul C. Thompson

Administrative Order NSL-3477

Dear Mr. Thompson:

Reference is made to your application on behalf of the operator, J. K. Edwards and Associates by letter dated January 6, 1995 for an unorthodox coal gas well location in the Basin Fruitland Coal (Gas) pool underlying the N/2 of Section 10, Township 26 North, Range 12 West, NMPM, San Juan County, New Mexico.

It is our understanding at this time that J. K. Edwards and Associates seeks to re-enter the previously plugged and abandoned Merrion Oil & Gas Corporation Sullivan "A" Well No. 1, (API No. 30-045-05987) located 660 feet from the North line and 1980 feet from the East line (Unit B) of said Section 10, which was originally drilled in 1958 and produced from the Gallegos-Gallup Associated Pool until 1984 when it was plugged and abandoned.

VILLAGRA BUILDING - 408 Galisteo

Forestry and Resources Conservation Division
P.O. Box 1948 87504-1948
827-5830

Park and Recreation Division
P.O. Box 1147 87504-1147
827-7465

2040 South Pacheco

Office of the Secretary
827-5950

Administrative Services
827-5925

Energy Conservation & Management
827-5900

Mining and Minerals
827-5970

Oil Conservation
827-7131

Administrative Order NSL-3477

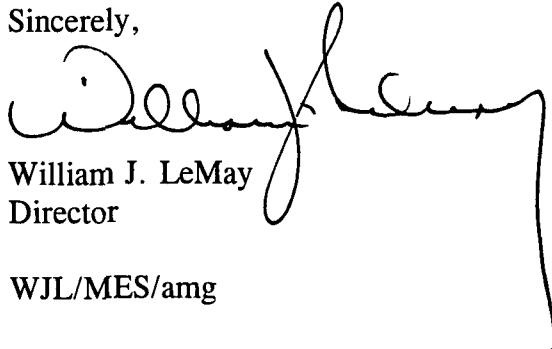
J. K. Edwards and Associates

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At this time, the applicant has made a proper filing pursuant to 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, also during the required twenty-day waiting period the Division has not received any objection to this application, therefore, the above-described unorthodox coal gas well location is hereby approved.

Sincerely,

A handwritten signature in black ink, appearing to read 'William J. LeMay', with a long, sweeping horizontal stroke extending to the right.

William J. LeMay
Director

WJL/MES/amg

cc: Oil Conservation Division - Aztec
New Mexico State Land Office - Santa Fe
US Bureau of Land Management - Farmington