



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

January 3, 1996

Dugan Production Corporation
P.O. Box 420
Farmington, NM 87499-0420

Attention: Sherman E. Dugan, Vice President

Administrative Order NSL-3613

Dear Mr. Dugan:

Reference is made to your application dated November 29, 1995 for a non-standard coal gas well location for your proposed Lee's Ferry Well No. 90 to be drilled 2510 feet from the South line and 1850 feet from the East line (Unit J) of Section 19, Township 24 North, Range 8 West, NMPM, Basin Fruitland Coal (Gas) Pool, San Juan County, New Mexico. The E/2 of said Section 19 shall be dedicated to said well to form 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,

A handwritten signature in black ink, appearing to read "William J. LeMay".

William J. LeMay
Director

WJL/MES/kv

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