



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

March 5, 1998

Louis Dreyfus Natural Gas Corporation
c/o James Bruce
P. O. Box 1056
Santa Fe, New Mexico 87504

Administrative Order NSL-3959

Dear Mr. Bruce:

Reference is made to your application dated February 13, 1998 on behalf of the operator, Louis Dreyfus Natural Gas Corporation, for an off-pattern non-standard Basin-Fruitland coal gas well location for the existing Federal "32" Well No. 21 (API No. 30-045-24793), located 990 feet from the North line and 1840 feet from the West line (Unit C) of Section 32, Township 27 North, Range 11 West, NMPM, Basin-Fruitland Coal (Gas) Pool, San Juan County, New Mexico. This well was initially drilled in 1981 by DEPCO, Inc. to a total depth of 1,875 feet and completed in the West Kutz-Pictured Cliffs Pool at a standard gas well location for a standard 160-acre gas spacing and proration unit for said interval comprising the NW/4 of said Section 32.

It is our understanding at this time that the Pictured Cliffs interval is to be plugged back and said well is to be recompleted up-hole into the Basin-Fruitland Coal (Gas) Pool. Pursuant to the "*Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool*," as promulgated by Division Order No. R-8768, as amended, the well location is considered to be off-pattern and unorthodox. The W/2 of said Section 32 is to be dedicated to the 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 said special pool rules, the above-described off-pattern non-standard coal gas well location for the existing Federal "32" Well No. 21 is hereby approved.

Sincerely,

Handwritten signature of Lori Wrotenbery in cursive script.
Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington