



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

January 4, 1999

Koch Exploration Company
20 East Greenway Plaza – 6th Floor
Houston, Texas 77046-2002
Attention: Lance Harmon

Administrative Order NSL-4190

Dear Mr. Harmon:

Reference is made to your application dated December 9, 1998 for an exception to the well location requirements provided within the "Special Rules and Regulations for the Blanco-Mesaverde Pool," as promulgated by Division Order No. R-10987, for a non-standard Blanco-Mesaverde infill gas well location in an existing standard 301.09-acre stand-up gas spacing and proration unit for the Blanco-Mesaverde Pool comprising Lots 3, 4, 5, 6, 11, 12, 13, and 14 (W/2 equivalent) of Section 35, Township 32 North, Range 9 West, NMPM, San Juan County, New Mexico. This unit is currently dedicated to Koch Exploration Company's Gardner Well No. 1 (API No. 30-045-11123), located at a standard gas well location 880 feet from the South line and 950 feet from the West line (Lot 13/Unit M) of Section 35.

The application has been duly filed under the provisions of Rules 104.F and 605.B of the Rules and Regulations of the New Mexico Oil Conservation Division ("Division").

By the authority granted me under the provisions of Division Rule 104.F(2), the following described well to be drilled at an unorthodox infill gas well location in Section 35 is hereby approved:

**Gardner Well No. 1-A
2463' FNL & 854' FWL (Lot 5/Unit E)**

Further, both of the aforementioned Gardner Well Nos. 1 and 1-A and existing gas spacing and proration unit will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico.

Sincerely,

A handwritten signature in black ink, appearing to read "Lori Wrotenbery".

Lori Wrotenbery
Director

LW/MES/kv

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