



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

June 1, 1999

Texakoma Oil & Gas Corporation
c/o A. R. Kendrick
P. O. Box 516
Aztec, New Mexico 87410

Administrative Order NSL-4294

Dear Mr. Kendrick:

Reference is made to your application dated May 6, 1999 on behalf of the operator, Texakoma Oil & Gas Corporation, for an off-pattern non-standard Basin-Fruitland coal gas well location for their proposed La Plata "7" Well No. 1 (API No. 30-045-29920) to be drilled 790 feet from the South line and 650 feet from the East line (Unit P) of Section 7, Township 31 North, Range 13 West, NMPM, San Juan County, New Mexico. The E/2 of Section 7 is to be dedicated to this well in order to form a standard 320-acre gas spacing and proration unit for the Basin-Fruitland Coal (Gas) Pool.

The application has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division and 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.

It is our understanding that a well drilled into the Basin-Fruitland Coal (Gas) Pool at the proposed off-pattern non-standard coal gas well location will be at a slightly more favorable geologic position within the gas productive coal seam interval than a well drilled at a location considered to be standard for this 320-acre E/2 dedication.

By the authority granted me under the provisions of these special pool rules and Division General Rule 104.F (2), the above-described unorthodox coal gas well location is hereby approved.

Sincerely,


Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec