



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

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

June 17, 1999

Great Western Drilling Company  
P. O. Box 1659  
Midland, Texas 79702  
Attention: Berry D. Simpson

*Administrative Order NSL-4313*

Dear Mr. Simpson:

Reference is made to the following: (i) your application dated May 24, 1999; and (ii) the New Mexico Oil Conservation Division's ("Division") records in Santa Fe: all concerning Great Western Drilling Company's ("Great Western") request for an off-pattern non-standard Basin-Fruitland coal gas well location for the existing J. E. Decker Well No. 7 (**API No. 30-045-23102**), located 1480 feet from the South line and 1580 feet from the East line (Lot 2/Unit J) of irregular Section 12, Township 32 North, Range 12 West, NMPM, Basin-Fruitland Coal (Gas) Pool, San Juan County, New Mexico.

All of irregular Section 12, being a standard 336.00-acre lay-down gas spacing and proration unit for the Basin-Fruitland Coal (Gas) Pool, is to be dedicated to this well.

It is our understanding that the J. E. Decker Well No. 7 was initially drilled in 1978 and completed at a standard gas well location in the Blanco-Pictured Cliffs Pool within a standard 168.00-acre gas spacing and proration unit comprising Lots 1 and 2 and the S/2 SE/4 of Section 12.

It is further understood that Great Western intends to abandon the Pictured Cliffs interval in this well at this time and to recomplete 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 location of this well is considered to be unorthodox.

This 336.00-acre unit currently exists and is dedicated to Great Western's J. E. Decker Well No. 9 (**API No. 30-045-27426**), located at a standard coal gas well location 1506 feet from the South line and 938 feet from the West line (Lot 4/Unit L) of Section 12. Per your application and Division Rule 104.D(3) the J. E. Decker Well No. 9 is to cease producing gas from the Basin-Fruitland Coal (Gas) Pool at such time as the subject J. E. Decker Well No. 7 is successfully recompleted as a producing Basin-Fruitland coal gas well and connected to a pipeline.

By the authority granted me under the provisions of Rule 8 of these special pool rules the above-described unorthodox Basin-Fruitland coal gas well location for Great Western's J. E. Decker Well No. 7 is hereby approved.

Sincerely,

Lori Wrotenbery  
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec