



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

December 18, 2001

Dugan Production Corporation
P. O. Box 420
Farmington, New Mexico 87499-0420
Attention: Kurt H. Fagrelus

Telefax No. (505) 327-4613

Administrative Order NSL-4673

Dear Mr. Fagrelus:

Reference is made to the following: (i) your application dated November 19, 2001 (*application reference No. pKRV0-133340454*), which was received by the New Mexico Oil Conservation Division ("Division") in Santa Fe on November 26, 2001; and (ii) the Division's records in Santa Fe and Aztec: all concerning Dugan Production Corporation's request to drill its proposed Big Field Well No. 90 at an unorthodox Fruitland coal gas well location 555 feet from the North line and 570 feet from the East line (Lot 1/Unit A) of Section 10, Township 30 North, Range 14 West, NMPM, San Juan County, New Mexico.

Lots 1 and 2, the S/2 NE/4, and the SE/4 (E/2 equivalent) of Section 10 is to be dedicated to this well in order to form a standard 317.16-acre stand-up gas spacing and proration unit for the Basin-Fruitland Coal (Gas) Pool (71629).

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,

Lori Wrotenbery
Director

LW/MES/kv

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