



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

January 4, 1990

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Blackwood & Nichols Co.
P.O. Box 1237
Durango, CO 81302

Attention: William F. Clark,
Operations Manager

Administrative Order NSP-1591

Dear Mr. Clark:

Reference is made to your application of December 11, 1989 for a 367.13-acre non-standard gas proration unit comprising all of Irregular Section 1, Township 31 North, Range 7 West, NMPM, Basin-Fruitland Coal Gas Pool, San Juan County, New Mexico.

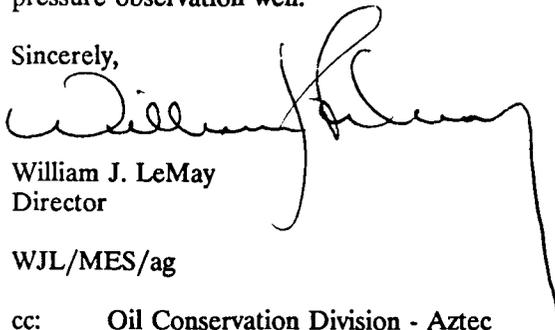
It is my understanding that this unit is to be dedicated to your Northeast Blanco Unit Well No. 462 to be drilled at a standard coal gas well location 805 feet from the South line and 1370 feet from the West line (Unit N) of said Section 1.

There is currently a 181.40 acre non-standard gas proration unit for the Basin-Fruitland Coal (Gas) Pool comprising Lots 5 and 6 and the SE/4 of said Section 1 which is dedicated to the applicant's Northeast Blanco Unit Well No. 212 located 1030 feet from the South line and 1650 feet from the East line (Unit O) of said Section 1. Said non-standard unit and unorthodox well locations were authorized by Division Administrative Order NSP-1564(L).

It is my understanding that the No. 212 well will be converted to a pressure observation well.

By authority granted me under the provisions of Rule 6 of the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool, as promulgated by Division Order No. R-8768, the above non-standard gas proration unit is hereby approved. Also, Division Administrative Order NSP-1564(L) will be placed in abeyance until further notice and the Northeast Blanco Unit Well No. 212 will cease production and will be converted to a pressure observation well.

Sincerely,


William J. LeMay
Director

WJL/MES/ag

cc: Oil Conservation Division - Aztec
US Bureau of Land Management - Farmington
File: NSP-1564(L)