

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

BRUCE KING
GOVERNOR

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

May 28, 1991

Phillips Petroleum Company
300 W. Arrington
Suite 200
Farmington, NM 87401

Attention: Ms. Gail Bearden

Administrative Order NSP-1626

Dear Ms. Bearden:

Reference is made to your application dated April 22, 1991 for a 232.73-acre, more or less, non-standard gas proration unit consisting of the following acreage in the Basin-Fruitland Coal Gas Pool:

RIO ARRIBA, NEW MEXICO
TOWNSHIP 29 NORTH, RANGE 6 WEST, NMPM

Section 1: Lots 5, 6, 9, 10, 11, 14 and 15, the SW/4 NE/4, and that portion of Tract No. 37 lying east of the projected north/south line which separates Lots 6 and 11 and the SW/4 NE/4 of the Section with Lots 7 and 12 and the SE/4 NW/4 of this section (E/2 equivalent) as shown on the official U. S. Public Land Resurvey dated July 19, 1915.

It is my understanding that this unit is to be dedicated to your San Juan 29-6 Unit Well No. 237 drilled at a standard coal gas well location 1189 feet from the North line and 1106 feet from the East line (Unit B) of said Section 1.

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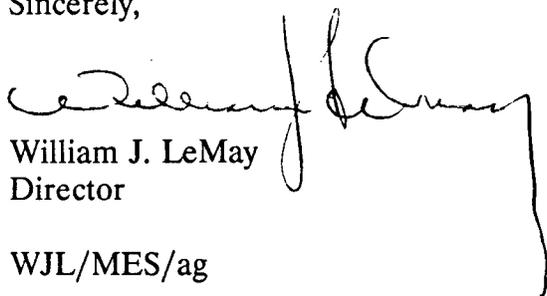
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By authority granted me under the provisions of Rule 6 of the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool, as promulgated by Division Order No. R-8768, the above non-standard gas proration unit is hereby approved.

Sincerely,

A handwritten signature in cursive script, appearing to read "William J. LeMay". The signature is written in dark ink and is positioned above the typed name and title.

William J. LeMay
Director

WJL/MES/ag

cc: Oil Conservation Division - Aztec
US Bureau of Land Management - Farmington