



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

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

June 21, 1989

Fossil Fuels, Inc.
P.O. Box 479
Dallas, TX 75221-0479

Attention: Dana Pearce,
Production Secretary

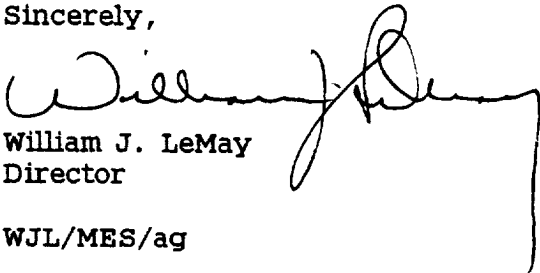
Administrative Order NSL-2666

Dear Ms. Pearce:

Reference is made to your application of June 14, 1989 for a non-standard location for your Zuni Tribal Well No. 1 to be located 2303 feet from the South line and 1373 feet from the West line (Unit K) of Section 4, Township 8 North, Range 18 West, NMPM, Cibola County, New Mexico. Said well to be drilled to a depth of approximately 2500 feet to test the Yeso and San Andres formations. If oil is encountered, the NE/4 SW/4 of said Section 4 is to be dedicated to said well forming a standard statewide 40-acre oil spacing and proration unit; or if gas is encountered, the SW/4 of said Section 4 is to be dedicated to said well forming a standard 160-acre gas spacing and proration unit (pursuant to General Rule 104.B.(II)).

By the authority granted me under the provisions of General Rule 104 F(I), the above-described unorthodox location is hereby approved.

Sincerely,



William J. LeMay
Director

WJL/MES/ag

cc: Oil Conservation Division - Santa Fe (Roy Johnson)
NM Oil and Gas Engineering Committee - Hobbs
U.S. Bureau of Land Management - Farmington
U.S. Bureau of Land Management - Albuquerque