

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 MEX CO 87504
(505) 827-5800

July 17, 1989

El Paso Natural Gas Company
c/o Meridian Oil, Inc.
P.O. Box 4289
Farmington, NM 87499-4289

Attention: Peggy Bradfield

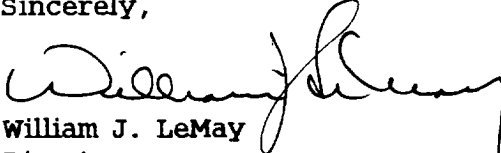
Administrative Order NSL-2678

Dear Ms. Bradfield:

Reference is made to your application of June 8, 1989 for a non-standard coal gas well location for your San Juan 28-6 Unit Well No. 406 to be located 680 feet from the South line and 1140 feet from the West line (Unit N) of Section 19, Township 28 North, Range 6 West, NMPM, Basin Fruitland Coal (Gas) Pool, Rio Arriba County, New Mexico. Lots 1, 2, 3 and 4 and the E/2 W/2 of said Section 19 shall be dedicated to the well forming a standard 262.76-acre gas spacing and proration unit for said pool.

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, the above-described unorthodox coal gas well location is hereby approved.

Sincerely,


William J. LeMay
Director

WJL/MES/ag

cc: Oil Conservation Division - Aztec
New Mexico Oil & Gas Engineering Committee - Hobbs
US Bureau of Land Management - Farmington

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JUL 21 1989
OIL CON. DIV
DIST. 9