



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

November 23, 1999

Greystone Energy, Inc.
9155 E. Nichols Ave. - Suite 350
Englewood, Colorado 80112
Attention: Brian D. Voigt

Telefax No. (303) 925-0543

Administrative Order NSL-4380

Dear Mr. Voigt:

Reference is made to the following: (i) your application dated November 1, 1999 for an exception to Rule 7 of the "*Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool*," as promulgated by New Mexico Oil Conservation Division ("Division") Order No. R-8768, as amended; and (ii) the records of the Division in Santa Fe: all concerning Greystone Energy, Inc.'s ("Greystone") request for authorization to reenter the plugged and abandoned Hallwood Petroleum, Inc. Langendorf Well No. 2 (API No. 30-045-25926), located 1110 feet from the South line and 875 feet from the East line (Unit P) of Section 34, Township 31 North, Range 13 West, NMPM, San Juan County, New Mexico.

This well, to be redesignated the McIntock Well No. 1 by Greystone, was originally drilled to a total depth of 2,155 feet in 1984 and completed in the Fruitland Sand interval. This well never produced commercial volumes of gas and in 1993 was finally plugged and abandoned.

It is our understanding that Greystone now intends to reenter this well and attempt a completion in the Basin-Fruitland Coal (Gas) Pool within a standard 320-acre stand-up gas spacing and proration unit comprising the E/2 of Section 34.

By the authority granted me under the provisions of Rule 8 of these special coal gas pool rules, the above-described off-pattern non-standard coal gas well location for this well is hereby approved.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

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