



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

July 12, 1989

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

Attention: William F. Clark,
Operations Manager

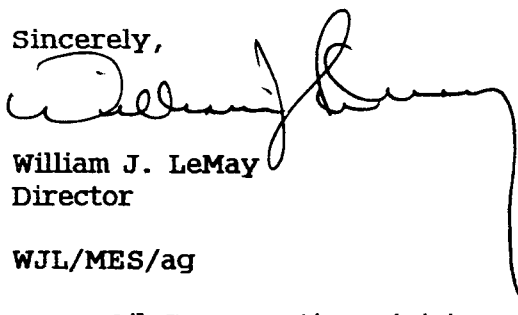
Administrative Order NSL-2675

Dear Mr. Clark:

Reference is made to your application of April 24, 1989 for a non-standard coal gas well location for your Northeast Blanco Unit Well No. 463 to be located 2510 feet from the South line and 2400 feet from the East line (Unit J) of Section 18, Township 30 North, Range 7 West, NMPM, Basin Fruitland Coal (Gas) Pool, San Juan County, New Mexico. The E/2 equivalent of said Section 18 shall be dedicated to the well forming a standard 320-acre, more or less, 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