

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 24, 1990

Nassau Resources, Inc.
c/o Jerome P. McHugh & Associates
P.O. Box 809
Farmington, NM 87499-0809

Attention: Fran Perrin

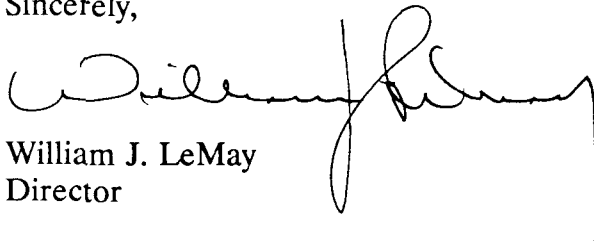
Administrative Order NSL-2830

Dear Ms. Perrin:

Reference is made to your application dated May 23, 1990 for a non-standard coal gas well location for your Cowsaround "21" Well No. 1 to be located 680 feet from the North and East lines (Unit A) of Section 21, Township 26 North, Range 12 West, NMPM, Basin Fruitland Coal (Gas) Pool, San Juan County, New Mexico. The N/2 of said Section 21 shall be dedicated to the well forming a standard 320-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
US Bureau of Land Management - Farmington
Bureau of Indian Affairs - Farmington