



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

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

August 22, 1990

Dugan Production Corp.
P.O. Box 420
Farmington, NM 87499-0420

Attention: Mr. Jim L. Jacobs

Administrative Order NSL-2851

Dear Mr. Jacobs:

Reference is made to your application dated July 31, 1990 for a non-standard Basin-Fruitland coal gas well location for your existing Blazer Well No. 2 which was drilled in 1989 as an unsuccessful Pictured Cliffs Wildcat at a standard gas well location gas 1190 feet from the South line and 1500 feet from the East line (Unit O) of Section 11, Township 30 North, Range 14 West, NMPM, San Juan County, New Mexico.

It is my understanding that the Pictured Cliffs zone has been properly plugged back and said well has been recompleted to the Basin-Fruitland Coal Gas Pool, which pursuant to the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool as promulgated by Division Order No. R-8768, is unorthodox. Further, Lots 1 and 2, S/2 NE/4, and SE/4 (E/2 equivalent) of said Section 11 shall be dedicated to the well forming a standard 315.03-acre gas spacing and proration unit for said pool.

By the authority granted me under the provisions of Rule 8 of said Division Order No. R-8768, the above-described unorthodox coal gas well location is hereby approved.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay", written over a horizontal line.

William J. LeMay
Director

WJL/MES/ag

cc: Oil Conservation Division - Aztec
US Bureau of Land Management - Farmington