



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

BRUCE KING
GOVERNOR

February 26, 1991

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

CNG Producing Company
P.O. Box 15746
Pittsburgh, PA 15244

Attention: W. B. Martin, Jr.

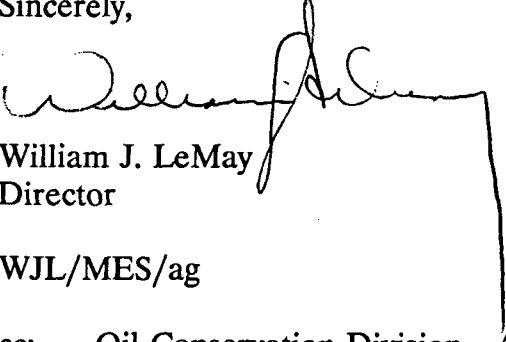
Administrative Order NSL-2991

Dear Mr. Martin:

Reference is made to your application dated January 29, 1991 for a non-standard coal gas well location for your Grassy Canyon Well No. 2 to be located 634 feet from the South line and 507 feet from the West line (Unit M) of Section 30, Township 32 North, Range 7 West, NMPM, Basin Fruitland Coal Gas Pool, San Juan County, New Mexico. Lots 3, 4, 5, 6, 7 and 8 and the E/2 SW/4 (S/2 equivalent) of said Section 30 shall be dedicated to the well forming a standard 310.49-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