STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

BRUCE KING GOVERNOR

ANITA LOCKWOOD CABINET SECRETARY November 11, 1992

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

Phillips Petroleum Company Attention: W. Frank Hulse, III 5525 Highway 64, NBU 3004 Farmington, NM 87401

Administrative Order NSL-3187

Dear Mr. Hulse:

Reference is made to your application dated November 5, 1992 for a non-standard coal gas well location for your San Juan 32-7 Unit Well No. 236 to be located 870 feet from the South line and 2008 feet from the West line (Unit N) of Section 28, Township 32 North, Range 7 West, NMPM, Basin Fruitland Coal Gas Pool, San Juan County, New Mexico. The W/2 of said Section 28 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, as amended, the above-described unorthodox coal gas well location is hereby approved.

Sincerely, William J. LeMay Director WJL/MES/amg

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