



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



BRUCE KING
GOVERNOR

March 3, 1994

ANITA LOCKWOOD
CABINET SECRETARY

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

Robert L. Bayless
P.O. Box 168
Farmington, NM 87499

Attention: Kevin H. McCord

Administrative Order NSL-3359

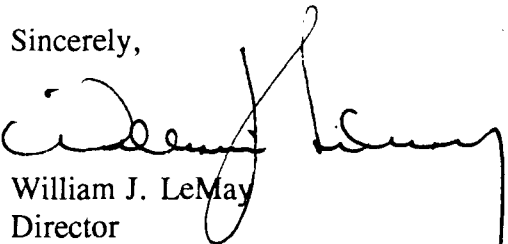
Dear Mr. McCord:

Reference is made to your application dated February 8, 1994, for a non-standard Basin-Fruitland coal gas well location for your existing Empire Well No. 1 (API No. 30-045-07427) which was drilled in 1956 and completed in the Fulcher Kutz-Pictured Cliffs Pool at a standard gas well location 990 feet from the South line and 1650 feet from the East line (Unit O) of Section 16, Township 28 North, Range 10 West, NMPM, San Juan County, New Mexico.

It is my understanding that the Pictured Cliffs zone will be properly plugged back and said well will be 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, as amended, is unorthodox. Further, the S/2 of said Section 16 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 said 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
NM State Land Office - Santa Fe