



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



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

September 30, 1994

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

Conoco, Inc.
10 Desta Drive, Suite 100W
Midland, TX 79705-4500

Attention: Jerry Hoover

Administrative Order NSL-3427

Dear Mr. Hoover:

Reference is made to your application dated September 28, 1994, for a non-standard Aztec-Pictured Cliffs gas well location for your existing FC Federal Com Well No. 9 which was drilled in 1989 to test the Basin-Fruitland Coal Gas Pool at a standard gas well location 1835 feet from the North line and 1875 feet from the East line (Unit G) of Section 20, Township 30 North, Range 10 West, NMPM, San Juan County, New Mexico.

It is my understanding that the Fruitland Coal zone will be properly plugged-back and said well will be recompleted to the Aztec-Pictured Cliffs Gas Pool, which pursuant to the provisions of Division General Rule No. 104.C(3), is an unorthodox gas well location. Further, the NE/4 of said Section 20 shall be dedicated to the subject well forming a standard 156.18-acre gas spacing and proration unit for said pool.

By the authority granted me under the provisions of Rule 104.F, the above-described unorthodox gas well location is hereby approved.

Pursuant to your application, the Supervisor of the Aztec District Office of the Division shall be advised at such time as the existing Gage Well No. 2, an existing Pictured Cliffs producing well in the NE/4 of Section 20, is plugged and abandoned in conformance with Division Memorandum dated July 27, 1988 and August 3, 1990.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay".

William J. LeMay
Director

WJL/DRC/amg

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