



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

October 21, 1997

Thompson Engineering and Production Corporation
c/o Walsh Engineering & Production Corporation
7415 East Main
Farmington, New Mexico 87402
Attention: Paul C. Thompson

Administrative Order NSL-3886

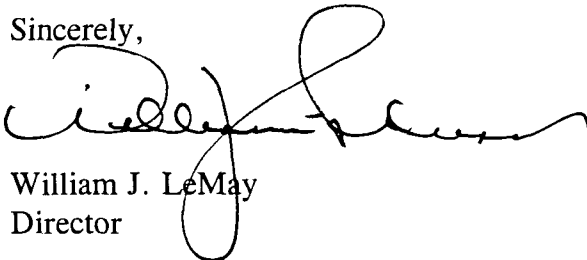
Dear Mr. Thompson:

Reference is made to your application dated October 8, 1997 for a non-standard Basin-Fruitland coal gas well location for your existing J. W. Goddard Well No. 3 (API No. 30-045-05937), which was drilled in 1958 to a total depth of 5,229 feet, and is located 2100 feet from the South line and 1980 feet from the West line (Unit K) of Section 11, Township 26 North, Range 12 West, NMPM, San Juan County, New Mexico.

It is our understanding that this well is to be recompleted uphole into 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 off-pattern and unorthodox. Further, the W/2 of said Section 11 is to be dedicated to the well to form 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 Order No. R-8768, as amended, the above-described unorthodox coal gas well location is hereby approved.

Sincerely,


William J. LeMay
Director

WJL/MES/kv

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