STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS

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

January 3, 1990

Blackwood & Nichols Co. P.O. Box 1237 Durango, CO 81302

Attention: William F. Clark,

Operations Manager

Administrative Order NSP-1590(L)

Dear Mr. Clark:

Reference is made to your applications of October 7, 1989 and December 11, 1989 for a non-standard 351.89 acre gas proration unit comprising all of Irregular Section 6, Township 31 North, Range 6 West, NMPM, Basin-Fruitland Coal Gas Pool, San Juan County, New Mexico.

It is my understanding that this unit is to be dedicated to your Northeast Blanco Unit Well No. 426 to be drilled at an unorthodox coal gas well location 1730 feet from the South line and 740 feet from the West line (Unit L) of said Section 6, hereby approved under provisions of Rule 8 of the Special Rules and Regulations for this pool as promulgated by Division Order No. R-8768.

Also, by authority granted me under the provisions of Rule 6 of said Order No. R-8768, the above non-standard gas proration unit is hereby approved.

Sincerely,

William J. LeMay

Director

WJL/MES/ag

cc: Oil Conservation Division - Aztec

US Bureau of Land Management - Farmington