



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

June 30, 1998

Taurus Exploration U.S.A., Inc.
2198 Bloomfield Highway
Farmington, New Mexico 87401
Attention: Richard P. Corcoran

Administrative Order NSP-1791(L)

Dear Mr. Corcoran:

Reference is made to your applications dated June 4, 1998 for the formation of a non-standard 219.52-acre gas spacing and proration unit consisting of the following acreage in both the Blanco-Mesaverde and Basin-Dakota Pools:

RIO ARriba COUNTY, NEW MEXICO
TOWNSHIP 30 NORTH, RANGE 4 WEST, NMPM
Irregular Section 19: Lots 1 through 4 and the E/2 W2.

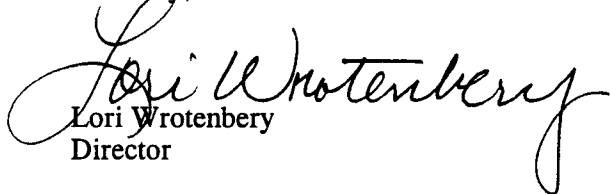
Gas production from both pools is to be dedicated to Taurus Exploration U.S.A., Inc.'s proposed: (i) Carson Unit Well No. 4 to be drilled at a standard gas well location 1561 feet from the North line and 946 feet from the West line (Unit F) of Section 19; and, (ii) Carson Unit Well No. 4-M to be drilled at an unorthodox infill gas well location 794 feet from the South line and 1551 feet from the West line (Unit N) of Section 19.

The application has been duly filed under the provisions of Rules 104.F, 104.D(2), and 605.B of the Rules and Regulations of the New Mexico Oil Conservation Division ("Division").

By the authority granted me under the provisions of Division Rules 104.F(2) and 104.D(2)(b), the above-described unorthodox Basin-Dakota/Blanco-Mesaverde "infill" gas well location for the Carson Unit Well No. 4-M and 219.52-acre non-standard gas spacing and proration unit in both the Blanco-Mesaverde and Basin-Dakota Pools are hereby approved.

Further, both of the aforementioned Carson Unit Well Nos. 4 and 4-M and both spacing units will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico.

Sincerely,


Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington