



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

March 4, 1988

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

Coleman Oil & Gas Inc.
P.O. Drawer 3337
Farmington, New Mexico 87499

Attention: L.O. Van Ryan

RECEIVED
MAR 08 1988
OIL CON. DIV.
DIST. 3

Re: Administrative
Order OLM-8

Dear Sir:

Reference is made to your letter dated February 11, 1988, whereby you requested authorization from the Division to meter the gas produced from the Anderson Well No. 1 located 1740 feet from the South line and 1980 feet from the West line (Unit K) of Section 22, Township 24 North, Range 8 West, NMM, Lybrook Gallup Pool, San Juan County, New Mexico, at the location where the well ties into Mesa Operating Limited Partnership's system located in Unit B of said Section 22.

Inasmuch as double measurement would constitute economic waste, you are hereby authorized to meter the gas produced from the Anderson Well No. 1 off lease at the point described above subject to the following conditions:

1. All flow lines shall be maintained in a safe and adequate condition and any leaks or failures must be reported to the Division.
2. All separation and liquids storage facilities shall be located on the originating lease.
3. The meter shall be read and maintained by the gas purchaser.
4. This approval is subject to like approval by the BLM.

In addition, all production, storage, transportation, sales, and other operations shall comply with Division Rules and Regulations. It is the responsibility of the operator to notify the transporter of this approval.

Sincerely,

WJ LeMay
for William J. LeMay
Director

xc: OCD-Aztec