



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

September 1, 1992

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

R & G Drilling Company
c/o KM Production Company
P.O. Box 2406
Farmington, New Mexico 87499-2406

Attention: Kevin H. McCord

Administrative Order NSL-3150

Dear Mr. McCord:

Reference is made to your application dated August 10, 1992 on behalf of the operator R & G Drilling Company for a non-standard Basin-Fruitland coal gas well location for the existing Schlosser Well No. 16 which was drilled in 1955 and completed in the West Kutz Pictured Cliffs Pool at a standard gas well location 1180 feet from the South line and 800 feet from the East line (Unit P) of Section 10, Township 27 North, Range 11 West, NMPM, San Juan County, New Mexico.

It is my understanding that the Pictured Cliffs zone will be properly plugged back and said well will be recompleted to 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 unorthodox. Further, the S/2 of said Section 10 shall be dedicated to the well forming a standard 320-acre gas spacing and proration unit for said pool.

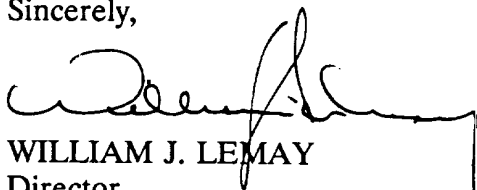
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By the authority granted me under the provisions of Rule 8 of said Division Order No. R-8768, as amended, the above-described unorthodox coal gas well location is hereby approved.

Division Case No. 10550 which was scheduled for the September 17, 1992 Examiner Hearing shall be dismissed upon approval of this administrative order.

Sincerely,

A handwritten signature in black ink, appearing to read 'William J. Lemay', is written over the printed name and title.

WILLIAM J. LEMAY
Director

WJL/MES/jc

cc: Oil Conservation Division - Aztec ✓
U.S. BLM - Farmington
Case File: 10550