STATE OF NEW MEXICO

THE STATE OF LEGISLATION OF THE STATE OF THE

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

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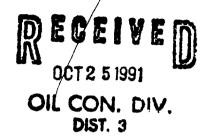
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October 23, 1991

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

Amoco Production Company P.O. Box 800 Denver, Colorado 80201

Attention: J.W. Hawkins



Administrative Order NSL-3065

Dear Bill:

Reference is made to your application dated October 1, 1991 for a non-standard Basin-Fruitland coal gas well location for your existing Madeleine N. Galt "H" Well No. 1E which was drilled in 1981 and dually completed in the Basin Dakota and Otero Chacra Pools at a standard location for both zones 1740 feet from the North line and 790 feet from the West line (Unit E) of Section 1, Township 27 North, Range 10 West, NMPM, San Juan County, New Mexico.

It is my understanding that both the Chacra and Dakota zones will be 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, Lots 3 and 4, the S/2 NW/4 and SW/4 (W/2 equivalent) of said Section 1 shall be dedicated to the well forming a standard 320.90-acre gas spacing and proration unit for said pool.

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

Sincerely,

WILLIAM J. LEMA

Director

WJL/MES/jc

cc: Oil Conservation Division - Aztec VU.S. BLM - Farmington