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STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

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

July 10, 1989

Union Texas Petroleum Corporation
P.O. Box 2120
Houston, TX 77252-2120

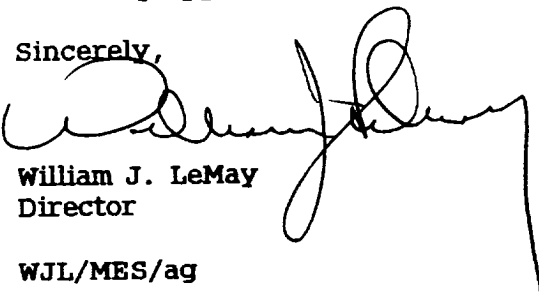
Attention: Dennis H. Cowan

Administrative Order NSL-2674

Dear Mr. Cowan:

Reference is made to your application of April 25, 1989 for a non-standard coal gas well location for your Johnston Federal Well No. 26 to be located 1820 feet from the North line and 740 feet from the West line (Unit ~~E~~) of Section 7, Township 31 North, Range 9 West, NMPM, Basin Fruitland Coal (Gas) Pool, San Juan County, New Mexico. Lots 5 through 12 (N/2 equivalent) of said Section 7 shall be dedicated to the well forming a standard 266.77-acre gas spacing and proration unit.

By the authority granted me under the provisions of Rule 8 of the Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool as promulgated by Division Order No. R-8768, the above-described unorthodox coal gas well location is hereby approved.

Sincerely,

William J. LeMay
Director
WJL/MES/ag

cc: Oil Conservation Division - Aztec
New Mexico Oil & Gas Engineering Committee - Hobbs
US Bureau of Land Management - Farmington

RECEIVED
JUL 13 1989
OIL CON. DIV.
DIST. 3