



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

April 17, 1998

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

Administrative Order NSL-4010

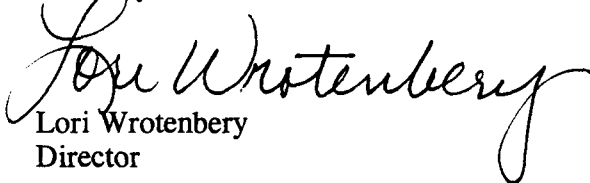
Dear Mr. Corcoran:

Reference is made to your application dated April 8, 1998, for an unorthodox "infill" gas well location in both the Blanco-Mesaverde and Basin-Dakota Pools for your proposed San Juan "32-5" Unit Well No. 17-M to be drilled 627 feet from the South line and 1517 feet from the West line (Unit N) of Section 26, Township 32 North, Range 6 West, NMPM, Rio Arriba County, New Mexico.

Gas production attributed to said well from both pools is to be included in the existing standard 320-acre gas spacing and proration units comprising the W/2 of said Section 26. The Mesaverde production is currently dedicated to your San Juan "32-5" Unit Well No. 7 (API No. 30-039-07992), located 940 feet from the North line and 1850 feet from the West line (Unit C) of said Section 26, and the Dakota production is currently dedicated to the San Juan "32-5" Unit Well No. 17 (API No. 30-039-07993), located at an unorthodox gas well location (approved by Division Administrative Order NSL-238, dated December 19, 1960) 900 feet from the North line and 2450 feet from the West line (Unit C) of said Section 26.

By the authority granted me under the provisions of Rule 2(d) of the "General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Blanco-Mesaverde Pool/Special Rules and Regulations for the Basin-Dakota Pool," as promulgated by Division Order No. R-8170, as amended, the above-described unorthodox "infill" Dakota/Mesaverde gas well location for the San Juan "32-5" Unit Well No. 17-M is hereby approved.

Sincerely,


Lori Wrotenberg
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
U. S. Bureau of Reclamation - Durango, Colorado
File: NSL-238 /