



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

GARREY CARRUTHERS
GOVERNOR

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SANTA FE, NEW MEXICO 87504
(505) 327-1400

November 20, 1989

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

Attention: Ken E. White,
Regulatory Permit Coordinator

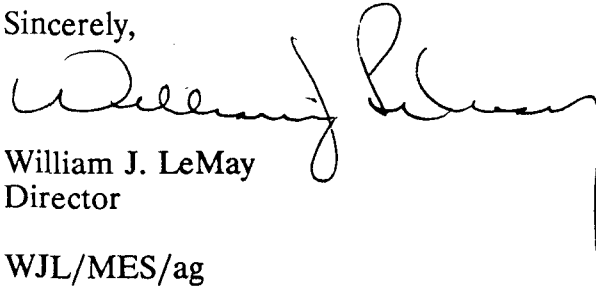
Administrative Order NSL-2709

Dear Mr. White:

Reference is made to your application of August 30, 1989 for a non-standard coal gas well location for your Payne "M" Well No. 3 to be located 2155 feet from the North line and 355 feet from the East line (Unit H) of Section 20, Township 32 North, Range 10 West, NMPM, Basin Fruitland Coal (Gas) Pool, San Juan County, New Mexico. The N/2 of said Section 20 shall be dedicated to the well forming a standard 320-acre gas spacing and proration unit for said pool.

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