STATE OF NEW MEXICO

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ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS

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

July 30, 1990

Evergreen Operating Corp. c/o A.R. Kendrick Box 516 Aztec, NM 87410-0516

Administrative Order NSL-2836

Dear Mr. Kendrick:

Reference is made to your application dated June 19, 1990 for a non-standard coal gas well location for your Rosa Unit Well No. 306 to be located 985 feet from the South line and 1085 feet from the East line (Unit P) of Section 22, Township 31 North, Range 4 West, NMPM, Basin Fruitland Coal (Gas) Pool, Rio Arriba County, New Mexico. The E/2 of said Section 22 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 US Bureau of Land Management - Farmington US Forest Service - Blanco