



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



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

October 26, 1992

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

Bonneville Fuels Corporation
1660 Lincoln
Suite 1800
Denver, CO 80264

Attention: L.D. Lillo

Administrative Order NSL-2986-A

Dear Mr. Lillo:

Reference is made to your application dated September 29, 1992 for a non-standard coal gas well location for your existing Scott Federal 23 Well No. 42 which was drilled in February/March, 1991 and completed in the West Kutz-Pictured Cliffs Pool at a previously approved unorthodox gas well location (Division Administrative Order NSL-2986, dated January 31, 1991) located 1620 feet from the North line and 330 feet from the East line (Unit H) of Section 23, Township 27 North, Range 11 West, NMPM, Basin Fruitland Coal Gas Pool, San Juan County, New Mexico.

It is my understanding that the Pictured Cliffs zone will be properly 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 also unorthodox. Further, the E/2 of said Section 23 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 said Division Order No. R-8768, as amended, the above-described unorthodox coal gas well location is hereby approved.

Administrative Order NSL-2986-A

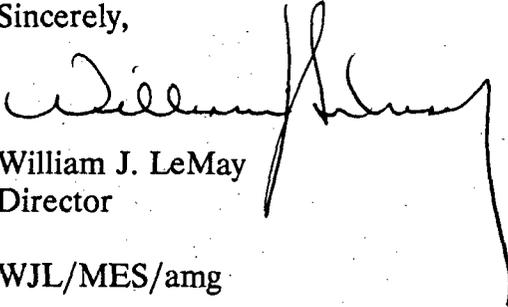
Bonneville Fuels Corporation

October 26, 1992

Page 2

Further, the original Division Administrative Order NSL-2986, dated January 31, 1991 is hereby placed in abeyance until further notice.

Sincerely,



William J. LeMay
Director

WJL/MES/amg

cc: Oil Conservation Division - Aztec
US Bureau of Land Management - Farmington
File: NSL-2986