

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

April 30, 1992

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

Breck Operating Corporation
c/o Walsh Engineering & Production Corp.
P.O. Drawer 419
Farmington, New Mexico 87499

Attention: Paul C. Thompson

Administrative Order NSL-3112

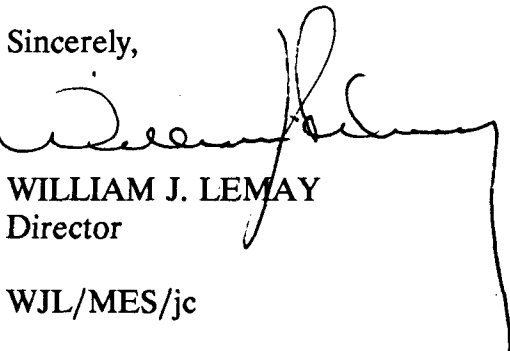
Dear Mr. Thompson:

Reference is made to your application on behalf of Breck Operating Corporation dated April 7, 1992 for a non-standard Basin-Fruitland coal gas well location for the existing Kutz Government Well No. 5-J which was drilled in May 1980 and completed in the Fulcher Kutz Pictured Cliffs Pool at a standard gas well location 1710 feet from the North line and 1820 feet from the West line (Unit F) of Section 2, Township 27 North, Range 10 West, NMPM, 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 unorthodox. Further, Lots 1 through 4 and the S/2 N/2 (N/2 equivalent) of said Section 2 shall be dedicated to the well forming standard 322.64-acre gas spacing and proration unit for said pool.

By 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.

Sincerely,


WILLIAM J. LEMAY
Director

WJL/MES/jc

cc: Oil Conservation Division - Aztec
U.S. BLM - Farmington