



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



BRUCE KING
GOVERNOR

July 30, 1992

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

ANITA LOCKWOOD
CABINET SECRETARY

Phillips Petroleum Company
5525 Highway 64 - NBU 3004
Farmington, New Mexico 87401

Attention: Richard Allred

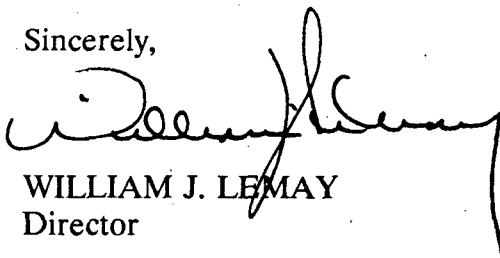
Administrative Order NSL-3142

Dear Mr. Allred:

Reference is made to your application dated July 17, 1992 for a non-standard coal gas well location for your San Juan 32-7 Unit Well No. 234 to be located 2162 feet from the North line and 271 feet from the East line (Unit H) of Section 32, Township 32 North, Range 7 West, NMPM, Basin Fruitland Coal (Gas) Pool, San Juan County, New Mexico. The E/2 of said Section 32 shall be dedicated to the well forming a standard 320-acre, more or less, 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, 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
NMSLO - Santa Fe
U.S. Bureau of Reclamation - Durango, CO