



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



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

February 25, 1994

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

Robert L. Bayless
Attention: Kevin H. McCord
P.O. Box 168
Farmington, NM 87499

Administrative Order NSL-3355

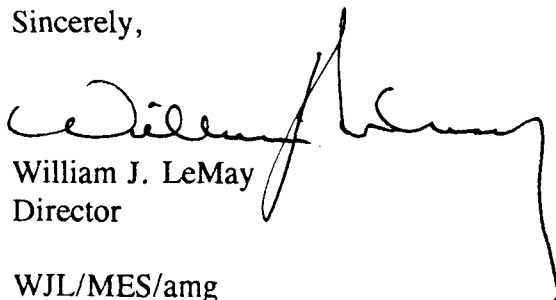
Dear Mr. McCord:

Reference is made to your application dated February 2, 1994 for a non-standard Basin-Fruitland coal gas well location for the existing Merrion Oil and Gas Corporation Bimson Well No. 1 (API No. 30-045-07530) which was drilled in 1959/1960 and completed in the Fulcher Kutz-Pictured Cliffs Pool at a standard gas well location 760 feet from the North line and 1586 feet from the West line (Unit C) of Section 17, Township 28 North, Range 10 West, NMPM, San Juan County, New Mexico.

It is my understanding that Robert L. Bayless will replace Merrion Oil and Gas Corporation as the operator of this well. It is also our 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, the N/2 of said Section 17 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.

Sincerely,



William J. LeMay
Director

WJL/MES/amg

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