



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

July 1, 1996

Dugan Production Corp.
P. O. Box 420
Farmington, New Mexico 87499-0420
Attention: Gary Brink

Administrative Order NSL-3685

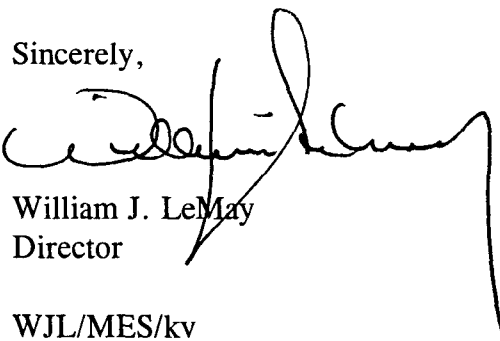
Dear Mr. Brink:

Reference is made to your application dated June 5, 1996 for a non-standard Basin-Fruitland coal gas well location for your existing Irish Well No. 2 (API No. 30-045-26093), which was drilled in 1984 and completed in the WAW-Fruitland Sand-Pictured Cliffs Pool at a standard gas well location 790 feet from the South and East lines (Unit P) of Section 11, Township 26 North, Range 13 West, NMPM, San Juan County, New Mexico.

It is our understanding that the Fruitland Sand-Pictured Cliffs interval 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.

By the authority granted me under the provisions of Rule 8 of said Order No. R-8768, as amended, the above-described unorthodox coal gas well location for the Irish Well No. 2 is hereby approved.

Sincerely,


William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Aztec
U.S. Bureau of Land Management - Farmington