



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

March 4, 1988

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

Jerome P. McHugh & Associates
P.O. Box 809
Farmington, New Mexico 87499-0809

Attention: James S. Hazen

Re: Administrative
Order OLM-10

Dear Sir:

Reference is made to your letter dated February 3, 1988, whereby you requested authorization from the Division to meter the gas produced from the Rainbow Seeker Well No. 1 located 1510 feet from the North line and 1450 feet from the East line (Unit G) of Section 29, Township 31 North, Range 13 West, NMPN, Basin Dakota Gas Pool, San Juan County, New Mexico, at the location where the well ties into El Paso Natural Gas Company's system located in Unit J of said Section 29.

Inasmuch as double measurement would constitute economic waste, you are hereby authorized to meter the gas produced from the Rainbow Seeker Well No. 1 off lease at the point described above subject to the following conditions:

1. All flow lines shall be maintained in a safe and adequate condition and any leaks or failures must be reported to the Division.
2. All separation and liquids storage facilities shall be located on the originating lease.
3. The meter shall be read and maintained by the gas purchaser.
4. Federal or State approval required where applicable.

In addition, all production, storage, transportation, sales, and other operations shall comply with Division Rules and Regulations. It is the responsibility of the operator to notify the transporter of this approval.

ILLEGIBLE

Sincerely,



for William J. LeMay
Director

xc: OCD-Aztec