



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

July 9, 2001

Lori Wrotenbery
Director
Oil Conservation Division

Richardson Operating Company
c/o Permits West, Inc.
37 Verano Loop
Santa Fe, New Mexico 87505
Attention: Brian Wood

Administrative Order NSL-4604

Dear Mr. Wood:

Reference is made to the following: (i) your application on behalf of the operator, Richardson Operating, Inc. ("Richardson"), that was submitted to the New Mexico Oil Conservation Division ("Division") on June 4, 2001; and (ii) the Division's records in Santa Fe and Aztec: all concerning Richardson's request for an unorthodox gas well location in both the Undesignated Harper Hill-Fruitland Sand-Pictured Cliffs Pool and Basin-Fruitland Coal (Gas) Pool for its proposed W. F. Federal "25" Well No. 1 to be drilled 2130 feet from the North line and 575 feet from the East line (Lot 2/Unit H) of Section 25, Township 30 North, Range 14 West, NMPM, San Juan County, New Mexico.

It is our understanding that Richardson intends to dually complete this well and that: (i) Lots 1, 2, 3, 6, and 7, the W/2 NE/4, and the NW/4 SE/4 (E/2 equivalent) of Section 25, being a standard 290.38-acre stand-up gas spacing and proration unit for the Basin-Fruitland Coal (Gas) Pool; and (ii) Lots 1 and 2 and the W/2 NE/4 (NE/4 equivalent) of Section 25, being a standard 144.12-acre gas spacing and proration unit for the Undesignated Harper Hill-Fruitland Sand-Pictured Cliffs Pool, are to be dedicated to the subject W. F. Federal "25" Well No. 1.

This application has been duly filed under the provisions of: (i) Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999; and (ii) the applicable provisions of the "*Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool*," as promulgated by Division Order No. R-8768, as amended.

By the authority granted me under the provisions of Division Rule 104.F (2) and Rule 8 of the special Basin-Fruitland Coal (Gas) Pool rules, the above-described unorthodox Fruitland coal and Pictured Cliffs gas well location for the subject W. F. Federal "25" Well No. 1 is hereby approved.

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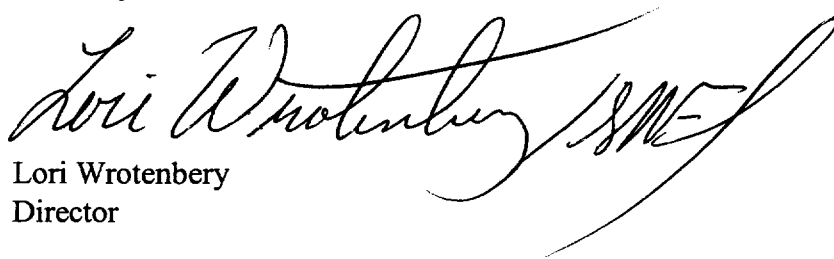
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Jurisdiction of this case is retained for the entry of such further orders as the Division deems necessary.

Sincerely,

A handwritten signature in cursive script, reading "Lori Wrotenberg" followed by a stylized monogram or set of initials.

Lori Wrotenberg
Director

LW/MES/kv

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