

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

Garrey Carruthers  
GOVERNOR

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

March 7, 1990

Bannon Energy Incorporated  
c/o Holcomb Oil and Gas  
P.O. Box 2058  
Farmington, NM 87499

Attention: W.J. Holcomb

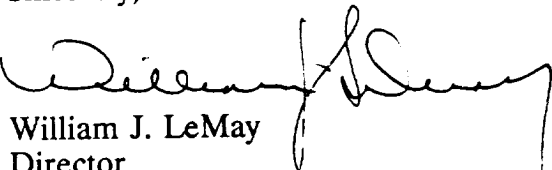
*Administrative Order NSL-2762*

Dear Mr. Holcomb:

Reference is made to your application of February 6, 1990 on behalf of Bannon Energy, Inc. for a non-standard gas well location for your ~~Sullivan #2 Well No. 1~~ located 730 feet from the North line and 2175 feet from the West line ~~(Sullivan #2) of Section 25, Township 29 North, Range 11 West~~ NMPM, Aztec Fruitland Sand Pool, San Juan County, New Mexico. The NW/4 of said Section 25 shall be dedicated to the well forming a standard 160-acre gas spacing and proration unit.

By the authority granted me under the provisions of General Rule 104 (I) the above-described unorthodox gas well location is hereby approved.

Sincerely,

  
William J. LeMay  
Director

WJL/MES/ag

cc: Oil Conservation Division - Aztec  
Bannon Energy Incorporated - Houston

RECEIVED  
MAR 13 1990  
OIL CON. DIV  
DIST. 3