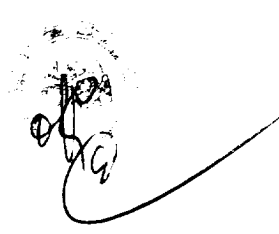


STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION


GARREY CARRUTHERS
GOVERNOR

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

October 12, 1990

BHP Petroleum
5847 San Felipe
Suite 3600
Houston, TX 77057

Attention: Chuck Williams

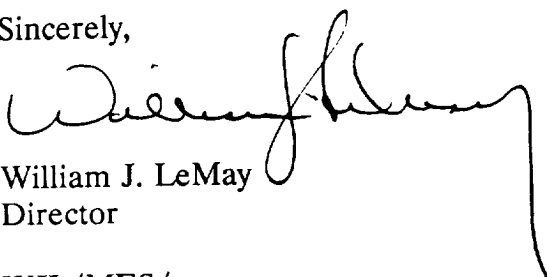
Administrative Order NSL-2894

Dear Mr. Williams:

Reference is made to your application dated September 5, 1990 for a non-standard gas well location for your **Gallegos Canyon Unit Well No. 514** to be located 880 feet from the South line and 2415 feet from the East line (Unit O) of Section 34, Township 29 north, Range 12 West, NMPM, Undesignated West Kutz Pictured Cliffs Pool, San Juan County, New Mexico. The SE/4 of said Section 34 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 104F.I. the above-described unorthodox gas well location is hereby approved.

Sincerely,


William J. LeMay
Director

WJL/MES/ag

cc: Oil Conservation Division - Aztec

RECEIVED
OCT 17 1990
OIL CON. DIV.
DIST. 3