

CNG PRODUCING COMPANY
P.O. BOX 15746
PITTSBURG, PA 15244
(412) 787-4109

JANUARY 29, 1991

ROY LYONS
PHILLIPS PETROLEUM
300 WEST ARRINGTON
FARMINGTON, NEW MEXICO 87401

RE: UNORTHODOX GAS WELL LOCATION
BASIN FRUITLAND COAL
534' FSL, 507' FWL, SEC 30, T32N, R7W
SAN JUAN COUNTY, NEW MEXICO

DEAR MR. LYONS:

ENCLOSED ARE COPIES OF A LETTER AND APPLICATION CNG PRODUCING COMPANY HAS SENT TO THE NEW MEXICO OIL CONSERVATION DIVISION REQUESTING ADMINISTRATIVE APPROVAL OF AN UNORTHODOX WELL LOCATION FOR THE GRASSY CANYON WELL #2.

PLEASE REVIEW THIS MATERIAL AND THEN SIGN THE WAIVER OF OBJECTION AND RETURN A COPY TO MR. LeMAY IN SANTA FE AND TO CNG OFFICE IN PITTSBURG. THE COPY OF THE APPLICATION IS FOR YOUR FILES.

YOUR COOPERATION IN THIS MATTER IS GREATLY APPRECIATED.

SINCERELY,



W.B. MARTIN, JR.
OPERATOR REPRESENTATIVE