



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-2892

Dear Mr. Williams:

Reference is made to your application dated September 5, 1990 for a non-standard coal gas well location for your Gallegos Canyon Unit Well No. 397 to be located 1555 feet from the South line and 1965 feet from the West line (Unit K) of Section 36, Township 29 North, Range 13 West, NMPM, Basin Fruitland Coal (Gas) Pool, San Juan County, New Mexico. The W/2 of said Section 36 shall be dedicated to the well forming a standard 320-acre gas spacing and proration unit for said pool.

By the authority granted me under the provisions of Rule 8 of the Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool as promulgated by Division Order No. R-8768, the above-described unorthodox coal gas well location is hereby approved.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay", written over a horizontal line.

William J. LeMay
Director

WJL/MES/ag

cc: Oil Conservation Division - Aztec
NM State Land Office - Santa Fe