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JASON KELLAHIN (RETIRED 1991)

FACSIMILE COVER SHEETDATE: February 1, 2000
TIME: 1:00 PM

NUMBER OF PAGES: -1-

TO: Mark Ashley
OF: Oil Conservation Division
FAX NO: (505) 326-9781REF: NMOCD Case 12296
Basin-Fruitland Coal Gas Pool Rule change
Well location requirements

Dear Mark:

On Friday, January 28th I submitted to you a proposed order for entry in this case which included a proposed Finding (17)(b)(iv). If it is not too late, Burlington called yesterday and would like to suggest the following to replace the previously submitted language:

(iv) relaxing the footage setbacks will not impair correlative rights due to the low reservoir permeability and pressure which will minimize adverse drainage affects. Any potential adverse impact that may occur to offsetting GPUs by relaxing the footage setback requirements will be minimal and is offset by providing improved location opportunities for wells to be drilled.

Regards,

cfx: Alan Alexander
Burlington Resources

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