



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

January 26, 1990

BHP Petroleum (Americas), Inc.
5847 San Felipe
Suite 3600
Houston, TX 77057

Attention: Paul C. Bertoglio,
Sr. Petroleum Engineer

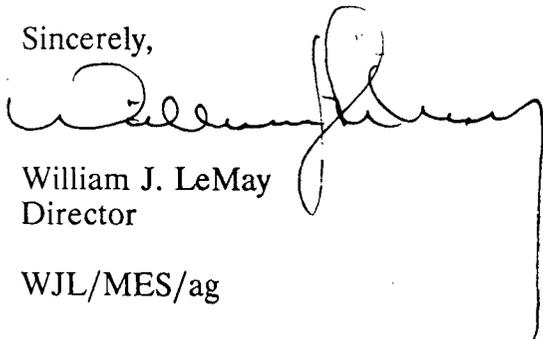
Administrative Order NSL-2750

Dear Mr. Bertoglio:

Reference is made to your application of December 14, 1989 for a non-standard coal gas well location for your existing E.H. Pipkin Well No. 8-E located 950 feet from the South line and 890 feet from the East line (Unit P) of Section 1, Township 27 North, Range 11 West, NMPM, Basin Fruitland Coal (Gas) Pool, San Juan County, New Mexico, which is presently completed in the Basin-Dakota Gas Pool. Lots 1 and 2, the S/2 NE/4 and SE/4 of said Section 1 shall be dedicated to the well forming a standard 320.24-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,



William J. LeMay
Director

WJL/MES/ag

cc: Oil Conservation Division - Aztec
US Bureau of Land Management - Farmington