



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

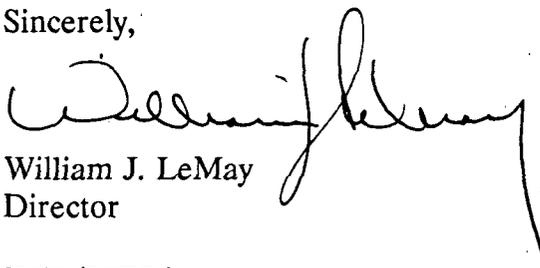
*Administrative Order NSL-2895*

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. 394 to be located 705 feet from the South line and 1555 feet from the West line (Unit N) of Section 30, Township 29 North, Range 12 West, NMPM, Basin Fruitland Coal (Gas) Pool, San Juan County, New Mexico. Lots 1 through 4 and the E/2 W/2 (W/2 equivalent) of said Section 30 shall be dedicated to the well forming a standard 318.24-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