



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

October 12, 1990

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

BHP Petroleum
5847 San Felipe
Suite 3600
Houston, TX 77057

Attention: Chuck Williams

Administrative Order NSP-1604(L)

Dear Mr. Williams:

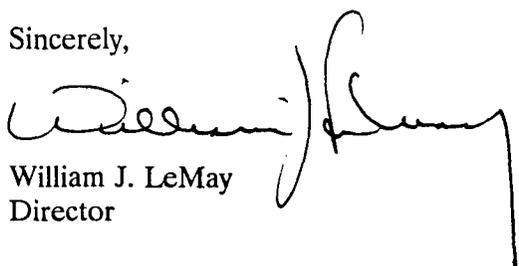
Reference is made to your application dated August 22, 1990 for a 132.99-acre non-standard gas proration unit consisting of the following acreage in either the Undesignated West Kutz Pictured Cliffs Pool or the Undesignated Fulcher Kutz Pictured Cliffs Pool:

SAN JUAN, NEW MEXICO
TOWNSHIP 28 NORTH, RANGE 11 WEST, NMPM
Irregular Section 7: Lots 3, 4 and 5 and the SE/4 SW/4

It is my understanding that this unit is to be dedicated to your Gallegos Canyon Unit Well No. 516 to be drilled at a non-standard gas well location 1745 feet from the South line and 950 feet from the West line (Unit L) of said Section 7.

By authority granted me under the provisions of Division General Rules 104.F.I. and 104.D.II, the above non-standard gas proration unit and unorthodox gas well location is hereby approved.

Sincerely,


William J. LeMay
Director

WJL/MES/ag

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