

CNG PRODUCING COMPANY
P.O. BOX 15746
PITTSBURG, PA 15244
(412) 787-4109

JANUARY 29, 1991

MR. PAUL THOMPSON
NORTHWEST PIPELINE CORP.
3539 EAST 30TH STREET
FARMINGTON, NEW MEXICO 87401

RE: UNORTHODOX GAS WELL LOCATION
BASIN FRUITLAND COAL
634' FSL, 507' FWL, SEC 30, T32N, R7W
SAN JUAN COUNTY, NEW MEXICO

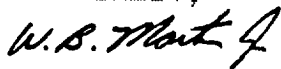
DEAR PAUL:

ENCLOSED ARE COPIES OF A LETTER AND APPLICATION CNG PRODUCING COMPANY HAS SENT TO THE NEW MEXICO OIL CONSERVATION DIVISION REQUESTING ADMINISTRATIVE APPROVAL OF AN UNORTHODOX WELL LOCATION FOR THE GRASSY CANYON WELL #2.

PLEASE REVIEW THIS MATERIAL AND THEN SIGN THE WAIVER OF OBJECTION AND RETURN A COPY TO MR. LEMAY IN SANTA FE AND TO CNG OFFICE IN PITTSBURG. THE COPY OF THE APPLICATION IS FOR YOUR FILES.

YOUR COOPERATION IN THIS MATTER IS GREATLY APPRECIATED.

SINCERELY,



W.B. MARTIN, JR.
OPERATOR REPRESENTATIVE