STATE OF NEW MEXICO



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS

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-2896

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. 390 to be located 245 feet from the South line and 1530 feet from the West line (Unit N) of Section 23, Township 29 North, Range 13 West, NMPM, Basin Fruitland Coal (Gas) Pool, San Juan County, New Mexico. The W/2 of said Section 23 shall be dedicated to the well forming a standard 320-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