



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



BRUCE KING
GOVERNOR

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

November 5, 1991

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

Attention: Carl Kolbe

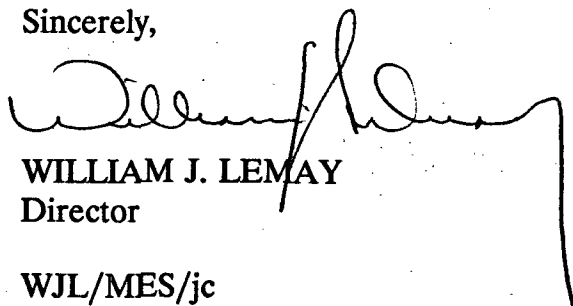
Administrative Order NSL-3072

Dear Mr. Kolbe:

Reference is made to your application dated October 9, 1991 for a non-standard gas well location for your Gallegos Canyon Unit Well No. 518 to be located 1225 feet from the South line and 1150 feet from the West line (Unit M) of Section 25, Township 29 North, Range 12 West, NMPM, Undesignated West Kutz Pictured Cliffs Pool, San Juan County, New Mexico. The SW/4 of said Section 25 shall be dedicated to the well forming a standard 160-acre gas spacing and proration unit for said pool.

By authority granted me under the provisions of General Rule 104F.I. of the above described unorthodox gas well location is hereby approved.

Sincerely,



WILLIAM J. LEMAY
Director

WJL/MES/jc

cc: Oil Conservation Division - Aztec