

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR



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

January 8, 1992

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

Attention: Carl Kolbe

Administrative Order NSL-3087

Dear Mr. Kolbe:

Reference is made to your application dated December 6, 1991 for a non-standard gas well location for your Gallegos Canyon Unit Well No. 505 to be located 1204 feet from the South line and 1160 feet from the East line (Unit P) of Section 17, Township 29 North, Range 12 West, NMPM, West Kutz Pictured Cliffs Pool, San Juan County, New Mexico. Lots 9, 10, 15 and 16 (SE/4 equivalent) of said Section 17 shall be dedicated to the well forming a standard 158.42-acre gas spacing and proration unit for said pool.

By authority granted me under the provisions of General Rule 104F.(1), the above described unorthodox gas well location is hereby approved.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. Lema".

WILLIAM J. LEMAY
Director

WJL/MES/jc

cc: Oil Conservation Division - Aztec
U.S. BLM - Farmington