STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

POST OFFICE BOX 2088

STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87504

(505) 827-5800

BRUCE KING GOVERNOR

January 6, 1993

ANITA LOCKWOOD CABINET SECRETARY

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

Attention: C. Carl Kolbe

Administrative Order NSL-3214 This Rhould Re Unit (L)

Dear Mr. Kolbe:

Reference is made to your application dated December 15, 1992 for a non-standard gas well location for your Puffer State "A" Well No. 1 to be located 1980 feet from the South line and 1250 feet from the West line (Unit K) of Section 24, Township 8 South, Range 27 East, NMPM, Undesignated Palma Mesa Silvro - Ordovician Gas Pool, Chaves County, New Mexico. The S/2 of said Section 24 shall be dedicated to the well forming a standard 320-acre gas spacing and proration unit.

By the authority granted me under the provisions of General Rule 104.F(2) the abovedescribed unorthodox gas well location is hereby approved.

Sincerely, WILLIAM J. LEN Director WJL/MES/jc Oil Conservation Division - Artesia cc: NMSLO - Santa Fe File: NSL-2942 Case No.9721

