



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



BRUCE KING
GOVERNOR

June 28, 1993

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

ANITA LOCKWOOD
CABINET SECRETARY

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

Attention: Carl Kolbe

Administrative Order NSL-3273(NSP)

Dear Mr. Kolbe:

Reference is made to your application dated June 7, 1993, 1992 for a non-standard Basin-Fruitland coal gas well location for your existing Gallegos Canyon Unit Well No. 321 which was drilled in 1981 and completed in the West Kutz-Pictured Cliffs Pool at a standard gas well location 810 feet from the South line and 1540 feet from the East line (Unit O) of Section 12, Township 28 North, Range 13 West, NMPM, San Juan County, New Mexico.

It is my understanding that the Pictured Cliffs zone will be properly plugged back and said well will be recompleted to the Basin-Fruitland Coal Gas Pool, which pursuant to the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool as promulgated by Division Order No. R-8768, as amended, is unorthodox. Further, all of said Section 12 shall be dedicated to the well forming a non-standard 275.40-acre gas spacing and proration unit for said pool.

By the authority granted me under the provisions of Rule 8 of said Division Order No. R-8768, as amended, the above-described unorthodox coal gas well location and non-standard gas spacing and proration unit are hereby approved.

Sincerely,

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

William J. LeMay
Director

WJL/MES/amg

cc: Oil Conservation Division - Aztec
US Bureau of Land Management - Farmington