



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 S. PACHECO  
SANTA FE, NEW MEXICO 87505  
(505) 827-7131

November 8, 1995

**BHP Petroleum (Americas) Inc.**  
**1360 Post Oak Boulevard**  
**Suite 1360**  
**Houston, Texas 77056-3020**

**Attention: Carl Kolbe**

*Administrative Order NSL-3592*

Dear Mr. Kolbe:

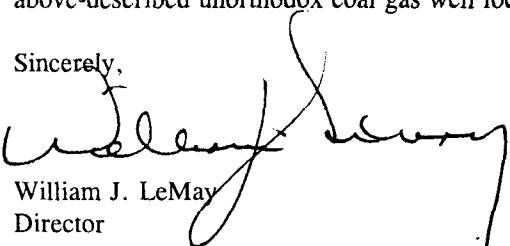
Reference is made to your application dated September 21, 1995 for a non-standard Basin-Fruitland coal gas well location for your existing Gallegos Canyon Unit Well No. 56 (API No. 30-045-07041), which was drilled in 1952 and completed in the West Kutz-Pictured Cliffs Pool at a standard gas well location 1650 feet from the North line and 990 feet from the West line (Unit E) of Section 35, Township 28 North, Range 12 West, NMPM, San Juan County, New Mexico.

It is our understanding that the Pictured Cliffs interval 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 also unorthodox.

It is our further understanding that said well is to be a replacement well for your Gallegos Canyon Unit Well No. 57 (API No. 30-045-06976), located at a standard coal gas well location 990 feet from the South and West lines (Unit M) of said Section 35, which is currently dedicated to the W/2 of said Section 35 being a standard 320-acre gas spacing and proration unit for said pool.

By the authority granted me under the provisions of Rule 8 of said Order No. R-8768, as amended, the above-described unorthodox coal gas well location for the Gallegos Canyon Unit Well No. 56 is hereby approved.

Sincerely,

  
William J. LeMay  
Director

WJL/MES/kv

cc: Oil Conservation Division - Aztec  
U.S. Bureau of Land Management - Farmington