



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

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

August 30, 1996

Amoco Production Company
Southern Rockies Business Unit
P.O. Box 800
Denver, Colorado 80201
Attention: Pamela W. Staley

Administrative Order NSL-3701

Dear Ms. Staley:

Reference is made to your application dated August 13, 1996 for a non-standard Basin-Fruitland coal gas well location for your existing Gallegos Canyon Unit Well No. 332 (API No. 30-045-25475) which was drilled in 1984 and completed in the West Kutz-Pictured Cliffs Pool at a standard gas well location 930 feet from the South line and 1080 feet from the East line (Lot 20/Unit P) of Section 31, Township 29 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 unorthodox. Further, Lots 5, 6, 11, 12, 13, 14, 19, and 20 (the E/2 equivalent) of said Section 31 shall be dedicated to the well to form a 313.08-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 is hereby approved.

Sincerely,

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

William J. LeMay
Director

WJL/MES/kv

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