OIL CONSERVATION DIVISION 2040 South Pacheco Street Santa Fe, New Mexico 87505 (505) 827-7131.

February 12, 1998

Thompson Engineering and Production Corporation c/o Walsh Engineering & Production Corporation 7415 East Main
Farmington, New Mexico 87402
Attention: Paul C. Thompson

Administrative Order NSL-3943

Dear Mr. Thompson:

Reference is made to your application dated January 21, 1998 for a non-standard gas well location within the South Gallegos-Fruitland Sand-Pictured Cliffs Pool for the existing J. W. Goddard Well No. 9 (API No. 30-045-05956), which was drilled by Skelly Oil Company in 1958 and is located 1920 feet from the North line and 640 feet from the West line (Unit E) of Section 11, Township 26 North, Range 12 West, NMPM, San Juan County, New Mexico. The SE/4 of said Section 11 is to be dedicated to said well to form a standard 160-acre gas spacing and proration unit for said pool.

The application has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division").

By the authority granted me under the provisions of Division General Rule 104.F(2), the above-described unorthodox gas well location is hereby approved.

Sincerely,

Fou Wrotenbery Lori Wrotenbery

Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec

U.S. Bureau of Land Management - Farmington