

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

OK
GARREY CARRUTHERS
GOVERNOR

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

September 12, 1990

Meridian Oil, Inc.
P.O. Box 4289
Farmington, NM 87499-4289

Attention: Peggy Bradfield

RECEIVED
SEP 18 1990
OIL CON. DIV.
DIST. 3

Administrative Order NSL-2860

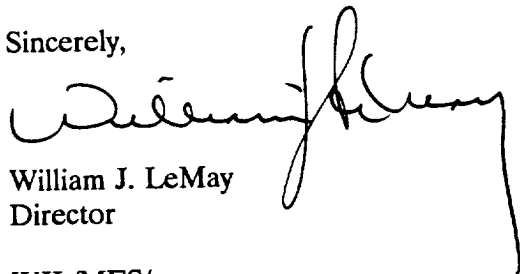
Dear Ms. Bradfield:

Reference is made to your application dated August 8, 1990 for a non-standard Basin-Fruitland coal gas well location for your existing Huerfano Unit Well No. 237 which was drilled in 1973 and completed as a gas well in the Angel Peak Gallup Associated Pool 1090 feet from the North line and 1550 feet from the West line (Unit C) of Section 17, Township **28 North, Range 9 West**, NMPM, San Juan County, New Mexico.

It is my understanding that the Gallup 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, is unorthodox. Further, the W/2 of said Section 17 shall be dedicated to the well forming 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 Division Order No. R-8768, the above-described unorthodox coal gas well location is hereby approved.

Sincerely,



William J. LeMay
Director

WJL/MES/ag

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