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BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

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

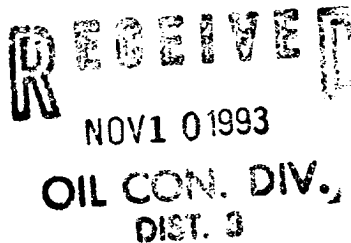


POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

November 3, 1993

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

Attention: Peggy Bradfield



Administrative Order NSL-3327

Dear Ms. Bradfield:

Reference is made to your application dated October 27, 1993, for a non-standard Pictured Cliffs gas well location for your existing San Juan 29-7 Unit Well No. 92, which was drilled in 1952, 660 feet from the South line and 1650 feet from the West line (Unit N) of Section 16, Township 29 North, Range 7 West, NMPM, Rio Arriba County, New Mexico.

It is my understanding that the present Blanco Mesaverde completion will be properly plugged back and said well will be recompleted to the Pictured Cliffs formation, which pursuant to Rule 104.B(2) of the Division's General Statewide Rules, is unorthodox. Further, the SW/4 of said Section 16 shall be dedicated to the well forming a standard 160-acre gas spacing and proration unit.

By the authority granted me under the provisions of General Rule 104.F(I), the above-described unorthodox 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/amg

cc: Oil Conservation Division - Aztec
NM State Land Office - Santa Fe