STATE OF NEW MEXICO

BRUCE KING

ENERGY, MINERALS AND NATURAL RÉSOURCES DEPARTMENT

OIL CONSERVATION DIVISION

59 29-4 Vist #543 M-3-29N-7W

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

October 24, 1991 PERFORAN OFF

FARMINGIL

Meridian Oil Inc. P.O. Box 4289

Farmington, New Mexico 87499-4289

Attention: Peggy Bradfield

Amended

Administrative Order NSL-3070

Dear Ms. Bradfield:

Reference is made to your application dated October 17, 1991 for a non-standard coal gas well location for your San Juan 24-7 Unit Well No. 543 to be located 480 feet from the South line and 680 feet from the West line (Unit M) of Section 3, Township 29 North, Range 7 West, NMPM, Basin Fruitland Coal (Gas) Pool, Rio Arriba County, New Mexico. The W/2 equivalent of said Section 3 shall be dedicated to the well forming a standard 317.83-acre gas spacing and proration unit for said pool.

29-7

By authority granted me under the provisions of Rule 8 of the Special Rules and Regulations for the Basin Fruitland Coal (Gas) Pool as promulgated by Division Order No. R-8768, as amended, the above described unorthodox coal gas well location is hereby approved.

Sincerely,

WILLIAM J. LEMAY

Director

WJL/MES/jc

Oil Conservation Division - Aztec cc:

USBLM - Farmington

JUL1 0 1992

OIL CON. DIV DIST. 3