



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

June 12, 1996

MERIDIAN OIL

JUN 14 1996

**FARMINGTON, NEW MEXICO
REGULATORY**

Meridian Oil, Inc.
Attention: Peggy Bradfield
P. O. Box 4289
Farmington, New Mexico 87499-4289

RE: *Nye Well No. 17 (API No. 30-045-24871):
1860' FSL - 1110' FWL (Unit L) of Section 1, Township 30
North, Range 11 West, NMPM, San Juan County, New
Mexico.*

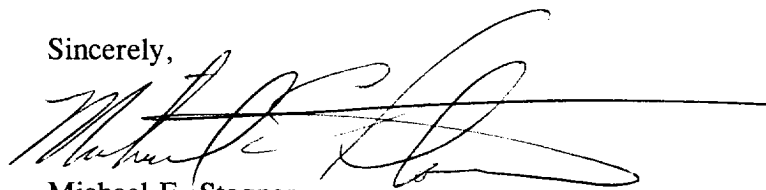
Dear Ms. Bradfield:

Upon reviewing all of the information provided me, it appears that pursuant to the "*General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Basin-Dakota Pool*", as promulgated by Division Order No. R-8170, as amended, which includes provisions for 320-acre gas spacing and proration units ("GPU") and well location requirements whereby the initial well drilled on a GPU shall be located be no closer than 790 feet to the outer boundary of the quarter section on which the well is located and not closer than 130 feet to any quarter-quarter section line or subdivision inner boundary and the infill well drilled on an existing GPU shall be in the quarter section not containing a Mesaverde gas well and shall be located with respect to the restrictions as previously described, the subject location for the Nye Well No. 1 is considered to be "standard". Further, the type of deviation proposed for this well is governed by Division General Rule 111.C and is administered by the Aztec District Office of the Division.

Therefore no additional approval by the Santa Fe office of the Oil Conservation Division is necessary at this time.

The subject application is being returned, should you have any questions or comments concerning this matter, please contact me in Santa Fe at (505) 827-8185. Thank you.

Sincerely,



Michael E. Stogner
Chief Hearing Officer/Engineer

cc: OCD - Aztec