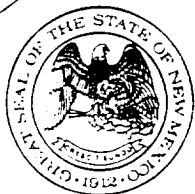


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STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

October 12, 1994

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

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

Attention: Peggy Bradfield

RECEIVED
OCT 19 1994
OIL CON. DIV.
DIST. 3

Administrative Order NSP-1704

Dear Ms. Bradfield:

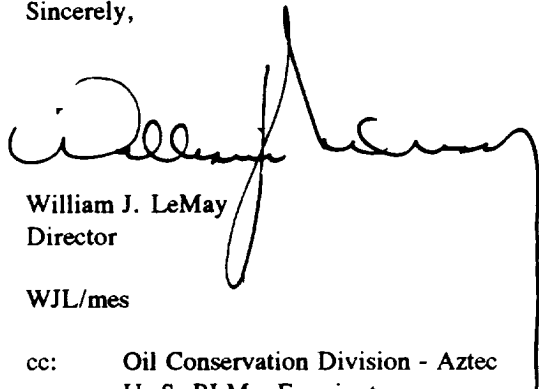
Reference is made to your application dated August 8, 1994 for a 145.52-acre non-standard gas spacing and proration unit consisting of the following acreage in the Undesignated Blanco-Pictured Cliffs Pool:

SAN JUAN COUNTY, NEW MEXICO
TOWNSHIP 31 NORTH, RANGE 10 WEST, NMPM
Section 1: Lots 15 through 18

It is my understanding that this unit is to be dedicated to your proposed San Juan 32-9 Unit Well No. 115, to be drilled at a standard gas well location 1640 feet from the South line and 975 feet from the West line (Lot 16/Unit L) of said Section 1.

By authority granted me under the provisions of Division General Rule 104.D(2), the above-described non-standard gas spacing and proration unit is hereby approved.

Sincerely,


William J. LeMay
Director
WJL/mes

cc: Oil Conservation Division - Aztec
U. S. BLM - Farmington