



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

GARREY CARRUTHERS  
GOVERNOR

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

July 3, 1990

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

Attention: Peggy Bradfield

*Administrative Order NSL-2820*

Dear Ms. Bradfield:

Reference is made to your application dated May 22, 1990 for a non-standard Basin-Fruitland coal gas well location for your existing McAdams Well No. 3 which was drilled in 1952 and completed in the Fulcher Kutz Pictured Cliffs Pool at a standard gas well location 990 feet from the South and East lines (Unit P) of Section 5, Township 27 North, Range 10 West, NMPM, San Juan County, New Mexico.

It is my understanding that the Pictured Cliffs 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, Lots 1 and 2, S/2 NE/4, SE/4 (E/2 equivalent) of said Section 5 shall be dedicated to the well forming a standard 321.04-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,

A handwritten signature in dark ink, appearing to read "William J. LeMay", written over a horizontal line.

William J. LeMay  
Director

WJL/MES/ag

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