



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

September 14, 1990

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

Attention: Peggy Bradfield

Administrative Order NSL-2857

Dear Ms. Bradfield:

Reference is made to your application dated August 16, 1990 for a non-standard Basin-Fruitland coal gas well location for your existing San Juan 27-4 Well No. 122 which was drilled in 1985 and completed in the Blanco Mesaverde Pool at a standard gas well location 1470 feet from the South line and 1850 feet from the East line (Unit J) of Section 2, Township 27 North, Range 4 West, NMPM, Rio Arriba County, New Mexico.

It is my understanding that the Mesaverde 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, the S/2 NE/4, and SE/4 (E/2 equivalent) of said Section 2 shall be dedicated to the well forming a standard 319.96-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 black ink, appearing to read "William J. LeMay".

William J. LeMay
Director

WJL/MES/ag

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