

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING  
GOVERNOR

ANITA LOCKWOOD  
CABINET SECRETARY

March 11, 1994

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SANTA FE, NEW MEXICO 87504  
(505) 827-5800

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

Attention: Peggy Bradfield

**Administrative Order NSL-3365**

Dear Ms. Bradfield:

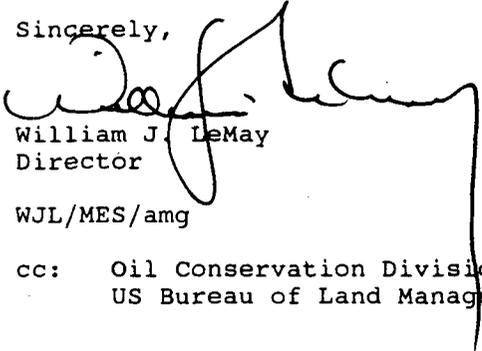
Reference is made to your application date March 2, 1994 for an unorthodox gas well location for both the Basin-Fruitland Coal Gas Pool and the Undesignated Tapacito Pictured Cliffs Pool for the proposed San Juan 28-5 Unit Well No. 236. Said well to be drilled 285 feet from the South line and 955 feet from the West line (Unit M) of Section 26, Township 28 North, Range 5 West, NMPM, Rio Arriba County, New Mexico. It is our understanding that both said zones are to be downhole commingled.

The S/2 of said Section 26 being a standard 320-acre gas spacing and proration unit in the Basin-Fruitland Coal Gas Pool and the SW/4 of said Section 26 being a standard 160-acre gas spacing and proration unit in the Undesignated Tapacito Pictured Cliffs Pool are to be dedicated to said well.

By the 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, and Rule 2(c) of the "General Rules and Regulations for the Tapacito Pictured Cliffs Pool", as promulgated by Division Order No. R-8170, as amended, the above-described unorthodox gas well location is hereby approved.

Also, Meridian Oil, Inc. shall comply with all other provisions of said Order No. R-8768, as amended, pertaining to the downhole commingling of coal gas production with gas from the Undesignated Tapacito Pictured Cliffs interval.

Sincerely,

  
William J. LeMay  
Director

WJL/MES/amg

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