



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



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

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

March 21, 1994

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

Attention: Peggy Bradfield

Administrative Order NSL-3370

Dear Ms. Bradfield:

Reference is made to your application dated February 25, 1994, for a non-standard Basin-Fruitland coal gas well location for your existing Huerfano Unit Well No. 259 (API No. 30-045-21411) which was drilled in 1974 and completed in the Basin-Dakota Pool at a standard gas well location 1180 feet from the North line and 1500 feet from the West line (Unit C) of Section 6, Township 26 North, Range 10 West, NMPM, San Juan County, New Mexico.

It is my understanding that the Basin Dakota 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, as amended, is unorthodox. Further, Lots 3 through 7, the SE/4 NW/4 and E/2 SW/4 (W/2 equivalent) of said Section 6 shall be dedicated to the well forming a standard 317.11-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, as amended, the above-described unorthodox coal gas well location is hereby approved.

Sincerely,

William J. LeMay / by MES

William J. LeMay
Director

WJL/MES/amg

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