



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

March 8, 1988

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: J. W. Smith

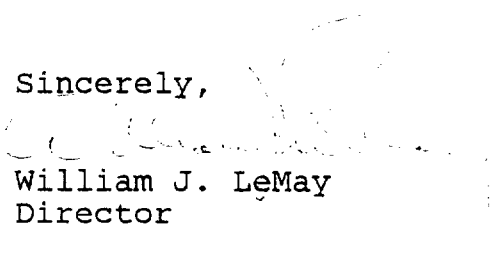
Re: Administrative
Order OLM-11

Dear Sir:

Reference is made to your letter dated December 3, 1987, whereby you requested authorization from the Division to meter the gas produced from the Howell "J" Well No. 3A located 900 feet from the South line and 1750 feet from the East line (Unit O) of Section 11, Township 30 North, Range 8 West, NMPM, Blanco Mesaverde Pool, at the Howell "E" Well No. 2 location 990 feet from the North and East lines of Section 14, Township 30 North, Range 8 West, NMPM, both in San Juan County, New Mexico. It is our understanding that off lease measurement is necessary because the Well No. 3A is located in close proximity to an environmentally sensitive area near the San Juan River.

You are therefore authorized to meter the gas produced from the Howell "J" Well No. 3A off lease at the point described above. You are further authorized to locate any separation and liquids storage facilities on the Howell "E" Lease, provided there is no intercommunication of liquids or gas produced from the above described wells. It is the responsibility of the operator to notify the transporter of the approval granted herein.

Sincerely,


William J. LeMay
Director

xc: OCD-Aztec

MERIDIAN OIL

December 3, 1987

Oil Conservation Division
Attn: Mr. Frank Chavez
P. O. Box 2088
Aztec, New Mexico 87410

Rec'd Dec 15, 1987

Mr. Chavez,

Meridian Oil Inc., requests approval for off Lease Measurement for the Howell "J" #3A, Mesa Verde, located in "O" of Sec. 11, T30N, R8W, San Juan County, New Mexico. Measurement facilities would be located at the Howell "E" #2, Mesa Verde, located in "A" of Sec. 14, T30N, R8W, San Juan County, New Mexico.

The Howell "J" #3A is located approximately 50' from the San Juan River in an area known as the "Quality Water" and a wildlife refuge. This area must be protected from noise and contamination. Moving production equipment would reduce the risk of contamination by spills or leaks of produced hydrocarbons.

Equipment would be installed on the Howell "E" #2 location approximately 1440' South. Approval would be required to enlarge location approximately 30' on the East side and 20' on the South side. This is with-in the perimeter of existing location, but would need brush cleared.

Attached are sundry notices and a diagram of location and proposed facilities at the Howell "E" #2 location.

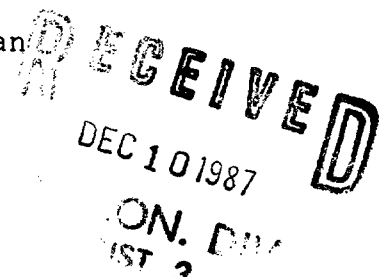
Your consideration of this problem will be greatly appreciated.

Sincerely,

James W. Smith

J. W. Smith
Production Foreman

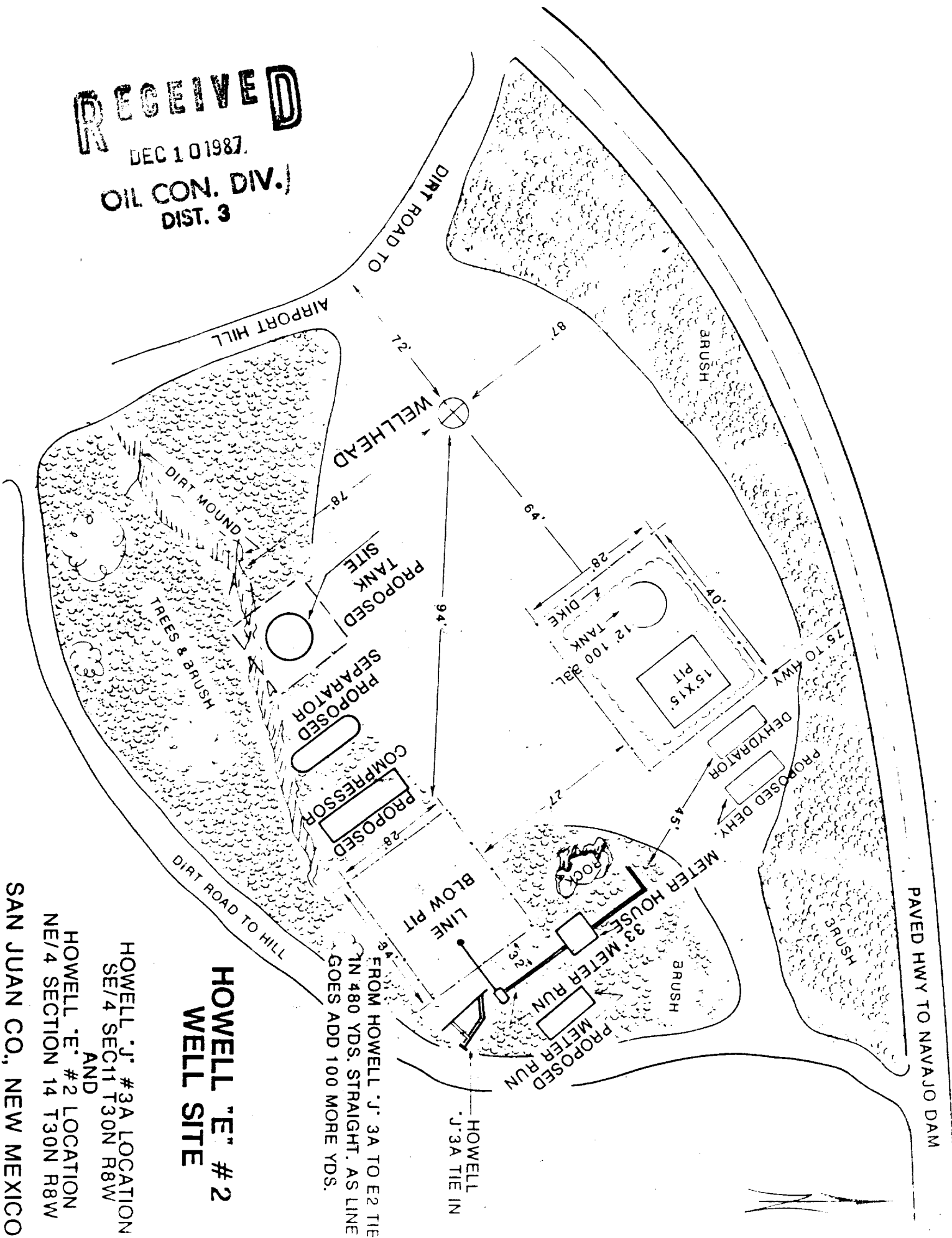
JWS/dl
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DEC 10 1987

OIL CON. DIV.
DIST. 3



HOWELL "E" #2 WELL SITE

HOWELL "J" #3A LOCATION
SE/4 SEC11 T30N R8W

AND

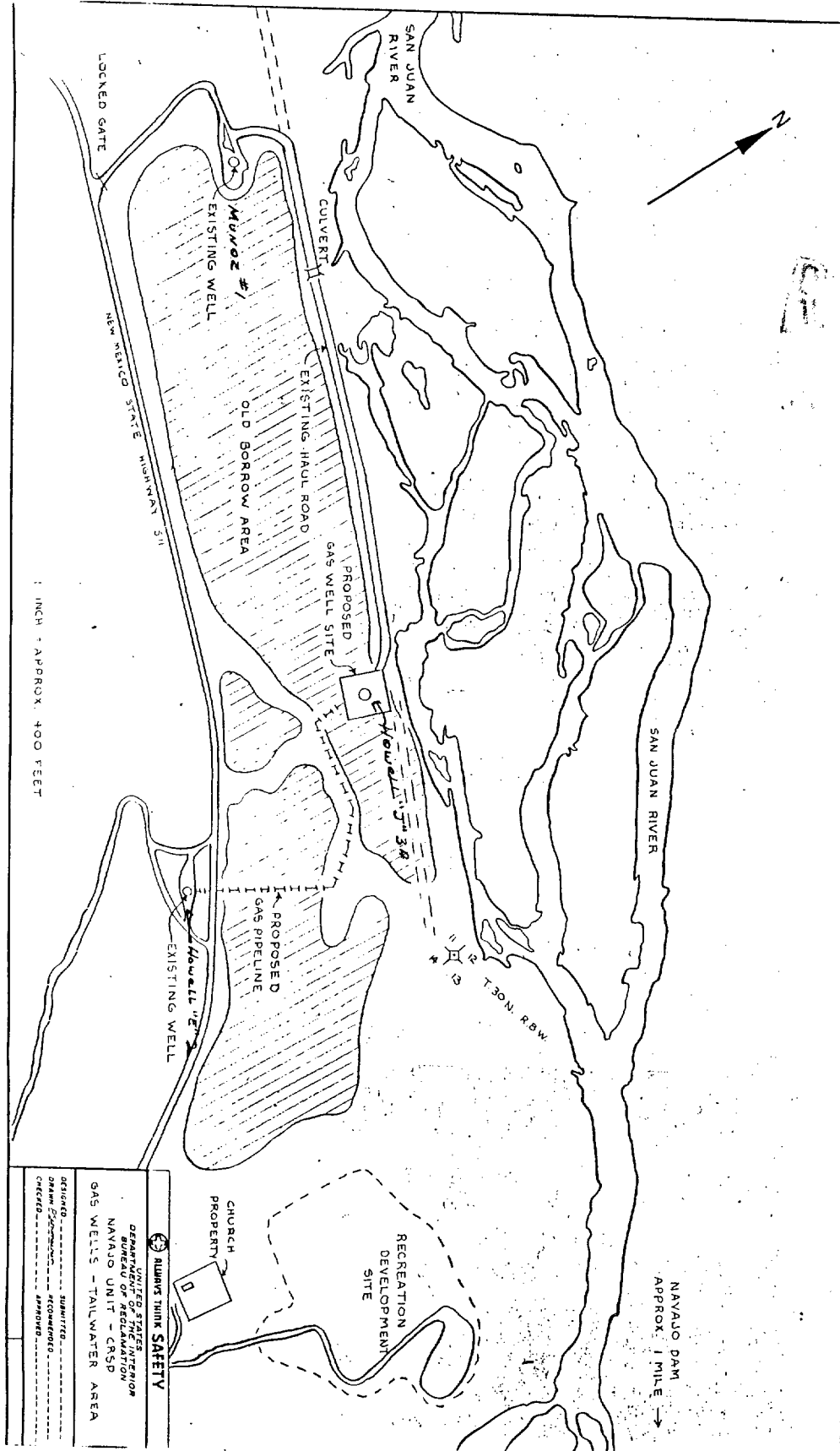
HOWELL "E" #2 LOCATION
NE/4 SECTION 14 T30N R8W

SAN JUAN CO., NEW MEXICO

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DEC 10 1987

CO
85

EXHIBIT A



UNITED STATES
 DEPARTMENT OF THE INTERIOR
 BUREAU OF RECLAMATION
 NAVAJO UNIT - CRSP
 GAS WELLS - TAILWATER AREA
 DESIGNED BY: [Signature]
 DRAWN BY: [Signature]
 CHECKED BY: [Signature]
 SUBMITTED BY: [Signature]
 APPROVED BY: [Signature]