

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

CASE NO. 9535
ORDER NO. R-8857-A

APPLICATION OF MERIDIAN OIL, INC.
FOR COMPULSORY POOLING, UNORTHODOX
GAS WELL LOCATION AND NON-STANDARD
GAS PRORATION UNIT, SAN JUAN COUNTY,
NEW MEXICO

NUNC PRO TUNC ORDER

BY THE DIVISION:

It appearing to the Division that Order No. R-8857, dated February 3, 1989, does not correctly state the intended order of the Division,

IT IS THEREFORE ORDERED THAT:

(1) Finding Paragraph No. (3) is hereby amended to read in its entirety as follows:

"(3) The applicant, Meridian Oil, Inc., seeks an order pooling all mineral interests in the Basin-Fruitland Coal Gas Pool underlying Lots 3 and 4 and the E/2 SW/4 of Section 7 and Lots 1, 2, 3 and 4 and the E/2 W/2 of Section 18, Township 30 North, Range 8 West, NMPM, San Juan County, New Mexico, forming a non-standard 334.94-acre gas spacing and proration unit, to be dedicated to its Howell "C" Com Well No. 301 to be drilled at an unorthodox coal gas well location 1660 feet from the North line and 1320 feet from the West line (Unit F) of said Section 18."

(2) Decretory Paragraph No. (1) is hereby amended to read in its entirety as follows:

"(1) All mineral interests, whatever they may be, are hereby pooled in the Basin-Fruitland Coal Gas Pool underlying Lots 3 and 4 and the E/2 SW/4 of Section 7 and Lots 1, 2, 3 and 4 and the E/2 W/2 of Section 18, Township 30 North, Range 8 West, NMPM, San Juan County, New Mexico, forming a non-standard 334.94-acre gas spacing and proration unit, to be dedicated to the Meridian Oil, Inc. Howell "C" Com Well No. 301 to be drilled at an unorthodox gas well location 1660 feet from the North line and 1320 feet from the West line (Unit F) of said Section 18."

PROVIDED HOWEVER THAT, the operator of said unit shall commence the drilling of said well on or before the 15th day of April, 1989, and shall thereafter continue the drilling of said well with due diligence to a depth sufficient to test the Fruitland Coal formation.

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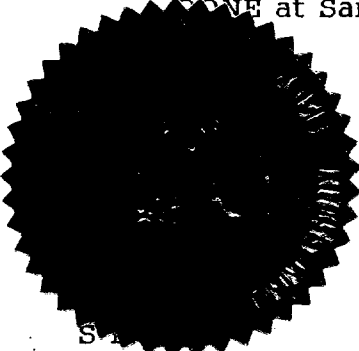
PROVIDED FURTHER THAT, in the event said operator does not commence the drilling of said well on or before the 15th day of April, 1989, Ordering Paragraph No. (1) of this order shall be null and void and of no effect whatsoever, unless said operator obtains a time extension from the Division for good cause shown.

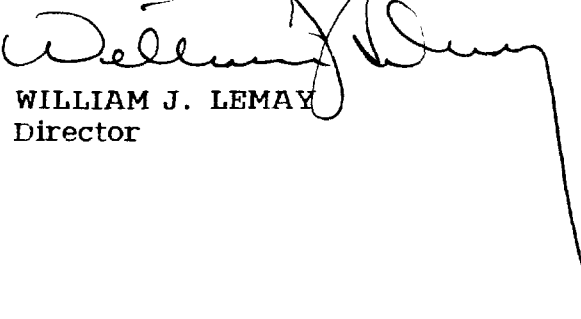
PROVIDED FURTHER THAT, should said well not be drilled to completion, or abandonment, within 120 days after commencement thereof, said operator shall appear before the Division Director and show cause why Ordering Paragraph No. (1) of this order should not be rescinded."

(3) The corrections set forth in this order be entered nunc pro tunc as of February 3, 1989.

DONE at Santa Fe, New Mexico, on this 3rd day of March, 1989.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION




WILLIAM J. LEMAY
Director