



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

April 14, 1993

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

Meridian Oil, Inc.
P.O. Box 4289
Farmington, NM 84799-4289

Attention: Peggy Bradfield

Administrative Order NSL-3223

Dear Ms. Bradfield:

Reference is made to your application dated January 22, 1993 for a non-standard South Blanco-Tocito oil well location for your existing Reuter Well No. 2 which was drilled in 1962 and completed in the Basin-Dakota Pool at a standard gas well location 1450 feet from the South line and 790 feet from the West line (Unit L) of Section 34, Township 27 North, Range 6 West, NMPM, Rio Arriba County, New Mexico.

It is my understanding that the Undesignated South Blanco-Tocito zone is to be downhole commingled with the Basin-Dakota Pool, and pursuant to the Special Rules and Regulations for the South Blanco-Tocito Oil Pool, as promulgated by Division Order No. R-1191, as amended, said location is considered unorthodox.

By the authority granted me under the provisions of said Order No. R-1191, as amended and Division Memorandum No. 4-86, the above-described unorthodox oil well location is hereby approved. Further, the W/2 SW/4 of said Section 34 shall be dedicated to said well forming a standard 80-acre oil spacing and proration unit for said pool.

Also, Meridian shall comply with all other provisions of Division General Rules 303.C through G, pertaining to the downhole commingling of oil production with gas produced from the Basin-Dakota interval.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay".

William J. LeMay
Director

WJL/MES/amg

cc: Oil Conservation Division - Aztec
US Bureau of Land Management - Farmington
File: DHC-878