

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

Attention: Peggy Bradfield

at a previously approved unorthodox
gas well location (Division Administrative
Order NSL-1123, dated December 26, 1979)

Rec: 2-23-94
Release: 3-15-94

Administrative Order NSL- 1123-A

Dear Ms. Bradfield:

Reference is made to your application dated February 11, 1994 for a non-standard Basin Fruitland coal
gas well location for your existing Klein Well No. 28 which was drilled in 1980 and
completed in the Basin Dakota Pool ~~at a standard well location~~ 2170 feet
from the South line and 1840 feet from the West line (Unit K) of Section 33, Township
26 North, Range 6 West, NMPM, Rio Arriba County, New Mexico.

It is my understanding that the Blanco Mesaverde gas
zone is to be downhole commingled with the Basin Dakota
~~East Gas Pool~~ Pool, and pursuant to the Special Rules and
Regulations for the Blanco-Mesaverde ~~Basin Fruitland East Gas Pool~~, as
promulgated by Division Order No. R-8768, as amended, ~~the~~
~~the~~ said location is ^{also} considered to be unorthodox.

By the authority granted me under the provisions of Rule ^{2(d)}
of said Order No. ⁸¹⁷⁰ ~~R-8768~~, as amended, the above-described
unorthodox Blanco-Mesaverde gas well location is hereby approved. Further,
the Blanco-Mesaverde interval is to be dedicated to an existing at said Section shall
~~be dedicated to said well forming a~~ standard 320-acre gas
spacing and proration unit, ~~for said pool~~ comprising the 1/2 of said
Section 33, ^{that} ~~and~~ currently has dedicated thereon the Klein Well No. 7 located in Unit "D" of
said Section 33.
~~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~~
~~produced from the~~ interval.

Sincerely,

William J. LeMay
Director

WJL/MES/ag

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

File: NSL-1123

All provisions of said Administrative
Order NSL-1123 shall remain in
full force and effect until further
notice.

3-15-94