



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

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

January 10, 1989

Meridian Oil, Inc.
21 Desta Drive
Midland, TX 79705

Attention: Connie Monahan,
Operations Tech III

Administrative Order NSL-2614

Dear Ms. Monahan:

Reference is made to your application of December 19, 1988 for a non-standard gas well location for your Cannonball Federal Well No. 1 to be located 1060 feet from the South line and 2180 feet from the West line (Unit N) of Section 7, Township 14 South, Range 28 East, NMPM, to test the Atoka formation, Chaves County, New Mexico. Lots 3 and 4, the E/2 SW/4 and the SE/4 of said Section 7 shall be dedicated to the well forming a 327.35-acre gas spacing and proration unit for said formation.

By the authority granted me under the provisions of General Rule 104 F(I), the above-described unorthodox gas well location is hereby approved.

Sincerely,

A handwritten signature in cursive script that reads "William J. LeMay".

for William J. LeMay
Director

WJL/MES/ag

cc: Oil Conservation Division - Artesia
New Mexico Oil & Gas Engineering Committee - Hobbs
U.S. Bureau of Land Management