



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

GARREY CARRUTHERS  
GOVERNOR

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

December 8, 1989

Southland Royalty Co.  
c/o Meridian Oil, Inc.  
P.O. Box 4289  
Farmington, NM 87499-4289

Attention: Peggy Bradfield

*Administrative Order NSL-2732*

Dear Ms. Bradfield:

Reference is made to your application of November 13, 1989 on behalf of Southland Royalty Company for an unorthodox coal gas well location for the Hagood Well No. 1, which is presently completed in the Kutz Pictured Cliffs Pool at a standard gas well location 790 feet from the South and East lines (Unit P) of Section 34, Township 29 North, Range 13 West, NMPM, San Juan County, New Mexico. It is my understanding that the Pictured Cliffs zone will be properly plugged back and said well will be recompleted in the Basin-Fruitland Coal Gas Pool. Pursuant to the Special Rules and Regulations for Basin-Fruitland Coal (Gas) Pool as promulgated by Division Order No. R-8768, the well location for said Hagood Well No. 1 is an unorthodox coal gas well location.

Therefore, pursuant to Rule 8 of said Division Order No. R-8768, the subject well location is hereby approved as an unorthodox coal gas well location.

Sincerely,

A handwritten signature in black ink, appearing to read 'William J. LeMay', written over a horizontal line.

William J. LeMay  
Director

WJL/MES/ag

cc: Oil Conservation Division - Aztec  
US Bureau of Land Management - Farmington  
NM Oil and Gas Engineering Committee - Hobbs