

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

May 29, 1990

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

Attention: Peggy Bradfield

Administrative Order NSL-2804

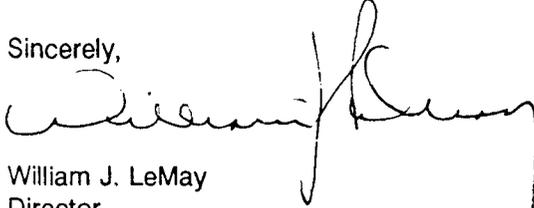
Dear Ms. Bradfield:

Reference is made to your application dated May 7, 1990 for a non-standard Basin-Fruitland coal gas well location for your existing Simms Federal Well No. 2 which was drilled in 1981 and completed in the East Blanco Pictured Cliffs Extension Area at a standard gas well location 1120 feet from the South line and 1850 feet from the East line (Unit O) of Section 11, Township 30 North, Range 4 West, NMPM, Rio Arriba County, New Mexico.

It is my understanding that the Pictured Cliffs zone will be properly plugged back and said well will be recompleted to the Basin-Fruitland Coal Gas Pool, which pursuant to the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool as promulgated by Division Order No. R-8768, is unorthodox. Further, the E/2 equivalent of said Section 11 shall be dedicated to the well forming a standard 320-acre, more or less, gas spacing and proration unit for said pool.

By the authority granted me under the provisions of Rule 8 of said Division Order No. R-8768, the above-described unorthodox coal gas well location is hereby approved.

Sincerely,



William J. LeMay
Director

WJL/MES/ag

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

L. E. Bosch

Received 5/4/90 / 5/8/90
Relined 5/29/90

May 25, 1990

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

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