



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

September 12, 1990

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

Attention: Peggy Bradfield

Administrative Order NSL-2861

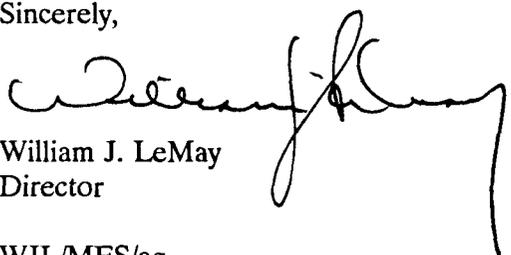
Dear Ms. Bradfield:

Reference is made to your application dated August 8, 1990 for a non-standard Basin-Fruitland coal gas well location for your existing Huerfano Unit Well No. 234 which was drilled in 1978 and completed as a gas well in the Angel Peak Gallup Associated Pool 1180 feet from the South line and 1750 feet from the East line (Unit O) of Section 7, Township 26 North, Range 9 West, NMPM, San Juan County, New Mexico.

It is my understanding that the Gallup 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, Lots 3 and 4, the E/2 SW/4 and the SE/4 (S/2 equivalent) of said Section 7 shall be dedicated to the well forming a standard 324.16-acre 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