



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

GARREY CARRUTHERS
GOVERNOR

October 11, 1990

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

Merrion Oil and Gas Corporation
P.O. Box 840
Farmington, NM 87499

Attention: George F. Sharpe

Administrative Order NSL-2899

Dear Mr. Sharpe:

Reference is made to your applications dated August 22 and September 5, 1990 for a non-standard Basin-Fruitland coal gas well location for your existing Western Well No. 5 which was drilled in 1958 and completed in the Gallegos Gallup Associated Pool at a standard oil well location 660 feet from the North line and 1980 feet from the East line (Unit B) of Section 7, Township 26 North, Range 11 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, the E/2 of said Section 7 shall be dedicated to the well forming a standard 320-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