



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

July 26, 1995

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

Attention: Peggy Bradfield

Administrative Order NSL-3037-A

Dear Ms. Bradfield:

Reference is made to your application dated April 24, 1995 for an non-standard Basin Fruitland coal gas well location for your existing Huerfano Unit Well No. 215 (API No. 30-045-20800) which was drilled in 1971 and completed in the Basin-Dakota Pool at a standard gas well location 1090 feet from the North line and 1840 feet from the West line (Unit C) of Section 9, Township 26 North, Range 10 West, NMPM, San Juan County, New Mexico.

In 1991 the Dakota interval was abandoned and the well was recompleted uphole into the Angels Peak-Gallup Associated Pool as a gas well. By Division Administrative Order NSL-3037, dated August 1, 1991, the location of said well, being unorthodox pursuant to the Special Rules and Regulations for the Angels Peak-Gallup Associated Pool, as promulgated by Division Order No. R-5353, as amended, was approved.

It is our understanding at this time that the Gallup interval will now be plugged back and said well will be recompleted uphole into 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 as amended, is unorthodox. Further, the W/2 of said Section 9 shall be dedicated to the well to form a standard 320-acre gas spacing and proration unit for said pool.

Administrative Order NSL-3037-A

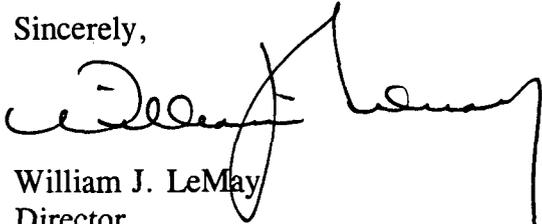
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By the authority granted me under the provisions of Rule 8 of said Order No. R-8768, as amended, the above-described unorthodox coal gas well location is hereby approved. Further, the original Division Administrative Order NSL-3037, shall be placed in abeyance until further notice.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay". The signature is written in a cursive style with a large, sweeping flourish at the end.

William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
File: NSL-3037