

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

August 19, 1991

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SANTA FE, NEW MEXICO 87504
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Meridian Oil, Inc.
P.O. Box 4289
Farmington, New Mexico 87499-4289

Attention: Peggy Bradfield

Administrative Order NSL-3040

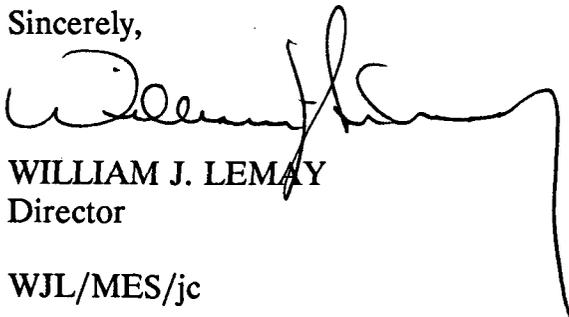
Dear Ms. Bradfield:

Reference is made to your application dated July 25, 1991 for a non-standard Basin-Fruitland coal gas well location for your existing Huerfano Unit Well No. 138 which was drilled in 1963 and completed in the Angels Peak-Gallup Associated Pool at a standard oil and gas well location 800 feet from the North and West lines (Unit D) of Section 22, 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 R-8768, as amended, is unorthodox. Further, the N/2 of said Section 22 shall be dedicated to the well forming a standard 320-acre gas spacing and proration unit for said pool.

By 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/jc

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