



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



BRUCE KING
GOVERNOR

March 4, 1994

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ANITA LOCKWOOD
CABINET SECRETARY

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

Attention: Peggy Bradfield

Administrative Order NSL-3361(NSP)

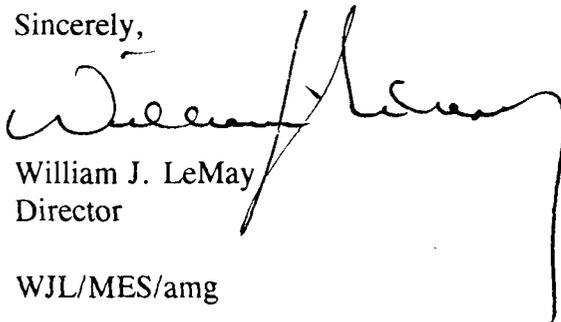
Dear Ms. Bradfield:

Reference is made to your application dated March 1, 1994, for a non-standard Pictured Cliffs gas well location for the proposed San Juan 28-5 Unit Well No. 230 to be drilled 1290 feet from the North line and 2314 feet from the East line (Unit B) of Section 25, Township 28 North, Range 5 West, NMPM, to test the wildcat Pictured Cliffs formation, Rio Arriba County, New Mexico. Lots 1 and 2 and the W/2 NE/4 (NE/4 equivalent) of said Section 25 shall be dedicated to the well forming a non-standard 184.64-acre gas spacing and proration unit for said zone.

By the authority granted me under the provisions of Division General Rules 104.F(1) and D(2), the above-described unorthodox gas well location and non-standard gas spacing and proration unit are hereby approved.

Further, it is our understanding that the Pictured Cliffs zone is to be downhole commingled with the Basin-Fruitland Coal Gas Pool in this well. The location is considered standard for the Basin-Fruitland coal gas interval, however, Meridian shall comply with all provision of the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool as promulgated by Division Order No. R-8768, as amended, pertaining to the downhole commingling of coal gas production with said Pictured Cliffs gas.

Sincerely,



William J. LeMay
Director

WJL/MES/amg

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