

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

April 28, 1994

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

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

Attention: Peggy Bradfield

Administrative Order NSL-3385(NSP)

Dear Ms. Bradfield:

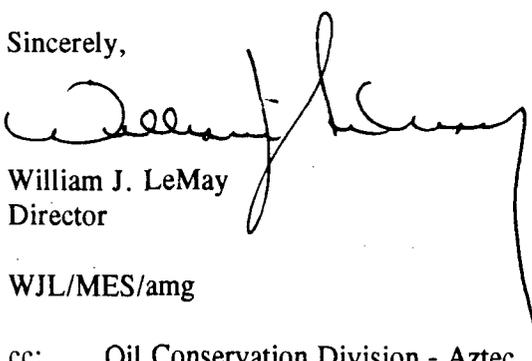
Reference is made to your application date April 4, 1994 for an unorthodox gas well location for both the Basin-Fruitland Coal Gas Pool and the Undesignated Gobernador-Pictured Cliffs Pool for the proposed San Juan 28-5 Unit Well No. 242. Said well to be drilled 1575 feet from the South line and 215 feet from the West line (Lot 4/Unit L) of Irregular Section 12, Township 28 North, Range 5 West, NMPM, Rio Arriba County, New Mexico. It is our understanding that both said zones are to be downhole commingled.

All of said Irregular Section 12 being a non-standard 299.04-acre gas spacing and proration unit in the Basin-Fruitland Coal Gas Pool and Lots 3 and 4 and the S/2 SW/4 (SW/4 equivalent) of said Section 12 being a non-standard 139.81-acre gas spacing and proration unit in the Undesignated Gobernador-Pictured Cliffs Pool are to be dedicated to said well.

By the authority granted me under the provisions of Rules 6 and 8 of the "Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool", as promulgated by Division Order No. R-8768, as amended, and Division General Rules 104.F(1) and 104.D(2), the above-described unorthodox gas well locations and non-standard gas spacing and proration units are hereby approved.

Also, Meridian Oil, Inc. shall comply with all other provisions of said Order No. R-8768, as amended, pertaining to the downhole commingling of coal gas production with gas from the Undesignated Gobernador-Pictured Cliffs interval.

Sincerely,


William J. LeMay
Director

WJL/MES/amg

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