

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

July 20, 1994

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
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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-3408

Dear Ms. Bradfield:

Reference is made to your application on behalf of Southland Royalty Company dated June 29, 1994 for a non-standard coal gas well location for the Reid Well No. 13 (API No. 30-045-07438) which was drilled in 1959 and completed in the Aztec Pictured Cliffs Pool at a standard gas well location 1650 feet from the South line and 990 feet from the East line (Unit I) of Section 18, Township 28 North, Range 9 West, NMPM, San Juan County, New Mexico.

It is my understanding that the Pictured Cliffs zone is to be downhole commingled with the Basin-Fruitland Coal Gas Pool, and pursuant to the Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool as promulgated by Division Order No. R-8768, as amended, said location is considered unorthodox.

By the authority granted me under the provisions of Rule 8 said Order No. R-8768, as amended, the above-described unorthodox coal gas well location is hereby approved. Further, the E/2 of said Section 18 shall be dedicated to the well forming a standard 320-acre gas spacing and proration unit for said pool.

Also, the operator of said well 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 produced from the Pictured Cliffs interval.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay". The signature is written in a cursive style with a long, sweeping tail that extends downwards and to the right.

William J. LeMay
Director

WJL/MES/amg

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