



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

BRUCE KING
GOVERNOR

December 7, 1994

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

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

Attention: Peggy Bradfield

Administrative Order NSL-3442

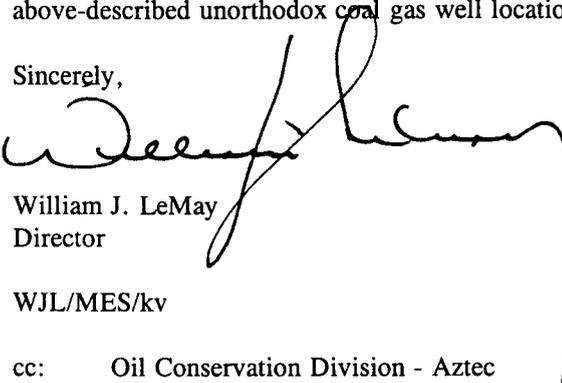
Dear Ms. Bradfield:

Reference is made to your application dated November 10, 1994 for a non-standard Basin-Fruitland coal gas well location for your existing Sanchez Well No. 2 (API No. 30-045-08979) which was drilled in 1955 and completed in the Aztec-Pictured Cliffs Pool at a standard gas well location 1650 feet from the South and East lines (Lot 6/Unit L) of Section 34, Township 30 North, Range 10 West, NMPM, San Juan County, New Mexico.

It is my understanding that the Pictured Cliffs 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 No. R-8768, as amended, is unorthodox. Further, Lots 5 through 12 (S/2 equivalent) of said Section 34 shall be dedicated to the well forming a standard 316.84-acre gas spacing and proration unit for said pool.

By the authority granted me under the provisions of Rule 8 of said Division Order No. R-8768, as amended, the above-described unorthodox coal gas well location is hereby approved.

Sincerely,


William J. LeMay
Director

WJL/MES/kv

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