



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

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

February 28, 1995

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

Attention: Peggy Bradfield

Administrative Order NSL-3493(P)

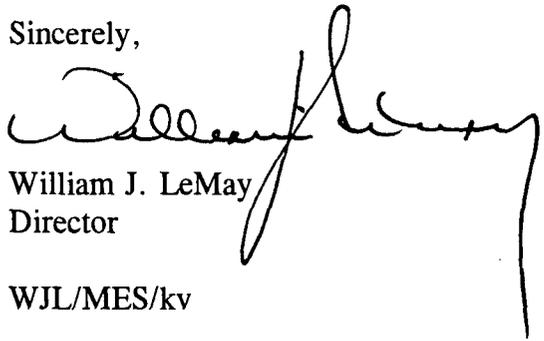
Dear Ms. Bradfield:

Reference is made to your application dated February 7, 1995 for a non-standard Blanco-Mesaverde gas well location for your existing Zachry Well No. 54 (API No. 30-045-25596) which was drilled in 1983 and completed in the Armenta Gallup Oil Pool at a standard oil well location 715 feet from the South line and 925 feet from the West line (Unit M) of Section 12, Township 28 North, Range 10 West, NMPM, San Juan County, New Mexico.

It is my understanding that the Gallup interval will be properly plugged back and said well will be recompleted to the Blanco-Mesaverde Pool, which pursuant to the Special Rules and Regulations for the Pool as promulgated by Division Order No. R-8170, as amended, is unorthodox. Further, all of said irregular Section 12 shall be dedicated to the well forming a non-standard 270.11-acre gas spacing and proration unit for said pool.

By the authority granted me under the provisions of Rule 2(c) and 2(a)4 of the Special Rules and Regulations for the Blanco-Mesaverde Pool, as promulgated by Division Order No. R-8170, as amended, the above-described unorthodox Blanco-Mesaverde gas well location for the Zachry Well No. 54 and non-standard 270.11-acre gas spacing and proration unit are hereby approved.

Sincerely,


William J. LeMay
Director

WJL/MES/kv

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