



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

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

April 22, 1996

Meridian Oil, Inc.
Attention: Peggy Bradfield
P.O. Box 4289
Farmington, New Mexico 87499-4289

Administrative Order NSL-3661

Dear Ms. Bradfield:

Reference is made to your application dated March 14, 1996 for an unorthodox gas well location for both the Blanco-Mesaverde Pool and the Pictured Cliffs formation for the proposed San Juan "29-7" Unit Well No. 4A. Said well to be drilled 1980 feet from the North line and 595 feet from the West line (Unit E) of Section 10, Township 29 North, Range 7 West, NMPM, Rio Arriba County, New Mexico. It is our understanding that this well is to be dually completed in both zones.

The existing standard 320-acre gas spacing and proration unit in the Blanco-Mesaverde Pool comprising W/2 of said Section 10, which is presently dedicated to the San Juan "29-7" Unit Well No. 4 (API No. 30-039-07642), located at a standard gas well location 990 feet from the South line and 1650 feet from the West line (Unit N) of said Section 10, and the NW/4 of said Section 10 being a standard 160-acre gas spacing and proration unit for either the Undesignated Blanco-Pictured Cliffs Pool or La Jara-Pictured Cliffs Pool, are to be dedicated to said well.

By authority granted me under the provisions of **Rule 2(d)** of the "*General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Blanco-Mesaverde Pool*", as promulgated by Division Order No. R-8170, as amended, and **Division General Rule 104.F(2)**, the above-described unorthodox gas well location is hereby approved.

Sincerely,

William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington