

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY



POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

July 11, 1994

Meridian Oil, Inc.
P.O. Box 51810
Midland, TX 79710-1810

Attention: Donna J. Williams

Administrative Order NSP-1700(L)

Dear Ms. Williams:

Reference is made to your application dated May 23, 1994 to reinstate the previously approved 156.98-acre non-standard gas spacing and proration unit in the Eumont Gas Pool (Division Order No. R-998, dated May 10, 1957) comprising Lots 3, the NE/4 SW/4 and SE/4 (N/2 S/2 equivalent) of Section 7, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico.

It is our understanding that the original well dedicated to this unit, the H.T. Mattern Well No. 1, located 1650 feet from the South line and 330 feet from the West line (Unit L) of said Section 7, was plugged and abandoned in March 1993.

A second well approved for simultaneous dedication to this unit under the authority of Division Administrative Order NSL-3034(SD), dated July 30, 1991, for the H.T. Mattern Well No. 2 located 1650 feet from the South and West lines (Unit K) of said Section 7, was never recompleted to the Eumont Gas Pool.

It is our understanding that this unit is to be dedicated to the proposed H.T. Mattern Well No. 3 to be drilled at an unorthodox gas well location 1930 feet from the South line and 2188 feet from the West line (Unit K) of said Section 7.

By the authority granted me under the provisions of Rule 2(a)4 and 2(c) of said Order No. R-8170, as amended, the above-described unorthodox gas well location is hereby granted and approval to continue operating the above-described acreage as a non-standard gas proration unit, with allowable to be assigned thereto in accordance with Rule 5 of said pool rules based upon the unit size of 156.98 acres.

Administrative Order NSP-1700(L)

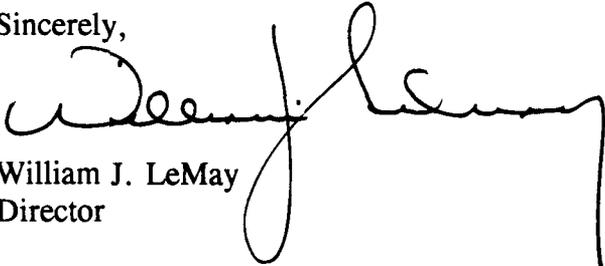
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Both Division Order No. R-998 and Administrative Order NSL-3034(SD) are hereby placed in abeyance until further notice.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay". The signature is written in a cursive style with a large, looping initial "W".

William J. LeMay
Director

WJL/MES/amg

cc: Oil Conservation Division - Hobbs
US Bureau of Land Management - Carlsbad
File: NSL-3034(SD)