



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

July 28, 1995

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

Administrative Order NSL-2102-A

Dear Ms. Bradfield:

Reference is made to your application dated January 23, 1995 for a non-standard gas well location in both the Blanco-Mesaverde and Undesignated Ensenada-Gallup Pools for your existing Vaughn Well No. 15E (API No. 30-039-23822), which was drilled in 1985 and completed in the Basin-Dakota Pool at an unorthodox gas well location (approved by Division Administrative Order NSL-2102, dated August 5, 1985) 940 feet from the South line and 650 feet from the East line (Unit P) of Section 28, Township 26 North, Range 6 West, NMPM, Rio Arriba County, New Mexico.

It is our understanding that the Dakota interval will be plugged back and that said well will be recompleted up-hole into both the Blanco-Mesaverde and Undesignated Ensenada-Gallup Pools, whereby the production from both intervals will be commingled downhole under authority of Division Order No. R-10239, issued in Case 11038 and dated November 14, 1994.

The existing standard 320-acre gas spacing and proration unit in the Blanco-Mesaverde Pool comprising the E/2 of said Section 28, which is presently dedicated to the applicant's Vaughn Well No. 15 (API No. 30-039-20377), located at a standard gas well location 1030 feet from the North line and 990 feet from the East line (Unit A) of said Section 28, and the SE/4 of said Section 28 being a standard 160-acre gas spacing and proration unit for the Undesignated Ensenada-Gallup Pool, are to be dedicated to said well.

By the authority granted me under the provisions of Rule 2(c) 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(1), the above-described unorthodox gas well location is hereby approved.

Administrative Order NSL-2102-A

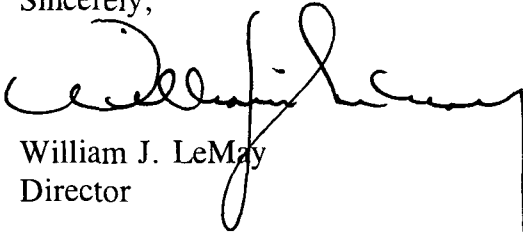
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The original Division Administrative Order NSL-2102, dated August 5, 1985, shall be placed in abeyance until further notice.

Sincerely,

A handwritten signature in black ink, appearing to read 'William J. LeMay', is written over the typed name and title. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
File: Case No. 11038
NSL-2102