



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2086
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

May 24, 1989

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

Attention: Peggy Bradfield

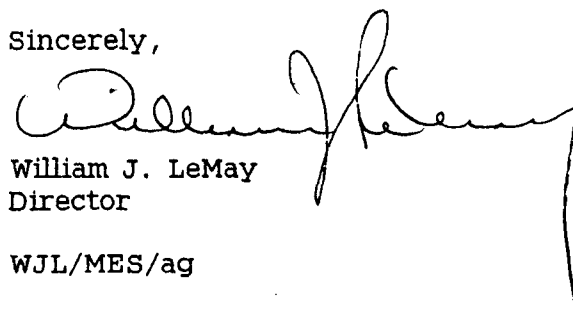
Administrative Order NSL-2657

Dear Ms. Bradfield:

Reference is made to your application of March 9, 1989, as amended May 1, 1989, for a non-standard gas well location for your Kah-Des-Pah Well No. 2 to be located 1430 feet from the South line and 2210 feet from the West line (Unit K) of Section 18, Township 26 North, Range 8 West, NMPM, Basin Dakota Pool, San Juan County, New Mexico. Lots 1 through 4 and the E/2 W/2 of said Section 18 shall be dedicated to the well forming a standard 320.28-acre gas spacing and proration unit for said pool.

By the authority granted me under the provisions of Rule 2(c) of the Special Rules and Regulations for the Basin-Dakota Pool, as promulgated by Division Order No. R-8170, as amended, the above-described unorthodox gas well location is hereby approved.

Sincerely,



William J. LeMay
Director

WJL/MES/ag

cc: Oil Conservation Division - Aztec
NM Oil and Gas Engineering Committee - Hobbs
US Bureau of Land Management - Farmington