STATE OF NEW MEXICO



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS

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

July 5, 1990

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

Attention: Peggy Bradfield

Administrative Order NSL-2823

Dear Ms. Bradfield:

Reference is made to your application dated June 5, 1990 for a non-standard Basin-Fruitland coal gas well location for your existing Feasel A Well No. 1 which was drilled in 1952 and completed in the Fulcher Kutz Pictured Cliffs Pool at a standard gas well location 1750 feet from the North line and 840 feet from the West line (Unit E) of Section 32, Township 28 North, Range 10 West, NMPM, San Juan County, New Mexico.

It is my understanding that the Pictured Cliffs zone will be properly plugged back and said well will be recompleted to the Basin-Fruitland Coal Gas Pool, which pursuant to the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool as promulgated by Division Order No. R-8768, is unorthodox. Further, the W/2 of said Section 32 shall be dedicated to the well forming a standard 320-acre gas spacing and proration unit for said pool.

By the authority granted me under the provisions of Rule 8 of said Division Order No. R-8768, the abovedescribed unorthodox coal gas well location is hereby approved.

Sincerely, 0 William J. LeMay Director

WJL/MES/ag

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