STATE OF NEW MEXICO



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

DIL CONSERVATION DIVISION

GARREY CARRUTHERS

November 28, 1990

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

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

Attention: Peggy Bradfield

Administrative Order NSL-2948

Dear Ms. Bradfield:

Reference is made to your application dated August 31, 1990 for a non-standard Basin-Fruitland coal gas well location for your existing Turner Hughes Well No. 2 which was drilled in 1966 and completed in the South Blanco Pictured Cliffs Pool at a standard gas well location 1025 feet from the North line and 885 feet from the West line (Unit D) of Section 11, Township 27 North, Range 9 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 N/2 of said Section 11 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 above-described unorthodox coal gas well location is hereby approved.

Sincerely. William J. LeMay Director

WJL/MES/ag

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