



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

August 19, 1991

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

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

Attention: Peggy Bradfield

Administrative Order NSL-3040

Dear Ms. Bradfield:

Reference is made to your application dated July 25, 1991 for a non-standard Basin-Fruitland coal gas well location for your existing Huerfano Unit Well No. 138 which was drilled in 1963 and completed in the Angels Peak-Gallup Associated Pool at a standard oil and gas well location 800 feet from the North and West lines (Unit D) of Section 22, Township 26 North, Range 9 West, NMPM, San Juan County, New Mexico.

It is my understanding that the Gallup 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 R-8768, as amended, is unorthodox. Further, the N/2 of said Section 22 shall be dedicated to the well forming a standard 320-acre gas spacing and proration unit for said pool.

By 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,

A handwritten signature in black ink, appearing to read "William J. Lemay", written over the printed name and title.

WILLIAM J. LEMAY
Director

WJL/MES/jc

cc: Oil Conservation Division - Aztec
U.S. Bureau of Land Management - Farmington