



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



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

July 12, 1993

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

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

Administrative Order NSL-3277

Dear Ms. Bradfield:

Reference is made to your application dated June 16, 1993 for an unorthodox gas well location in both the Basin Fruitland Coal Gas Pool and Pictured Cliffs formation for your proposed San Juan 28-5 Unit Well No. 232 to be drilled 1490 feet from the South line and 610 feet from the West line (Unit L) of Section 24, Township 28 North, Range 5 West, NMPM, Rio Arriba County, New Mexico. It is our understanding that production from both the Basin Fruitland Coal and Pictured Cliffs intervals are to be downhole commingled.

By the authority granted me under the provisions of Rule 8 of the Special Rules and Regulations for the Basin Fruitland Coal Gas Pool as promulgated by Division Order No. R-8768, as amended, and Division General Rule 104.F(1), the above-described unorthodox gas well location is hereby approved. Further, the S/2 equivalent and the SW/4 of said Section 24 shall be dedicated to said well forming a standard 344.45-acre and 160-acre gas spacing and proration units for the Fruitland Coal and Pictured Cliff zones, respectively.

Also, Meridian Oil, Inc. shall comply with all other provisions of Said Order No. R-8768, as amended, pertaining to the downhole commingling of coal gas production with gas produced from the Pictured Cliffs interval.

Sincerely,

William J. LeMay
Director

WJL/MES/amg

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