



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



BRUCE KING
GOVERNOR

July 8, 1993

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STATE LAND OFFICE BUILDING
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ANITA LOCKWOOD
CABINET SECRETARY

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

Attention: Peggy Bradfield

Administrative Order NSL-3279(NSP)

Dear Mr. Bradfield:

Reference is made to your application dated June 18, 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. 228 to be drilled 715 feet from the North line and 755 feet from the East line (Unit A) 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 N/2 equivalent and the NE/4 of said Section 24 shall be dedicated to said well forming a standard 343.91-acre and a non-standard 183.91-acre gas spacing and proration units for the Fruitland Coal and Pictured Cliff zones, respectively. The aforementioned 183.91-acre Pictured Cliffs spacing and proration unit is hereby approved pursuant to Division General Rule 104.D(2).

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