



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

November 3, 1993

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ANITA LOCKWOOD
CABINET SECRETARY

Merrion Oil and Gas Corporation
P.O. Box 840
Farmington, NM 87499-0840

Attention: Steven S. Dunn

Administrative Order NSL-3326

Dear Mr. Dunn:

Reference is made to your application dated September 16, 1993, for a non-standard Basin-Fruitland coal gas well location for your existing Serendipity Well No. 1 which was drilled in 1983 and completed in the Bisti-Lower Gallup Oil Pool at a standard oil well location 1650 feet from the South line and 2310 feet from the East line (Unit J) of Section 26, Township 26 North, Range 13 West, NMPM, San Juan County, New Mexico.

It is my understanding that the Bisti-Lower Gallup zone was properly plugged back and recompleted to the Basin-Fruitland Coal Gas Pool in December 1992, and pursuant to the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool as promulgated by Division Order No. R-8768, as amended, said location is now unorthodox. Further, the E/2 of said Section 26 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, as amended, the above-described unorthodox coal gas well location is hereby approved.

Sincerely,

William J. LeMay
Director

WJL/MES/amg

cc: Oil Conservation Division - Aztec
US Bureau of Land Management - Farmington
File: Case No. 10800