STATE OF NEW MEXICO



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING GOVERNOR

ANITA LOCKWOOD CABINET SECRETARY

November 3, 1993

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-3327

Dear Ms. Bradfield:

Reference is made to your application dated October 27, 1993, for a non-standard Pictured Cliffs gas well location for your existing San Juan 29-7 Unit Well No. 92, which was drilled in 1952, 660 feet from the South line and 1650 feet from the West line (Unit N) of Section 16, Township 29 North, Range 7 West, NMPM, Rio Arriba County, New Mexico.

It is my understanding that the present Blanco Mesaverde completion will be properly plugged back and said well will be recompleted to the Pictured Cliffs formation, which pursuant to Rule 104.B(2) of the Division's General Statewide Rules, is unorthodox. Further, the SW/4 of said Section 16 shall be dedicated to the well forming a standard 160-acre gas spacing and proration unit.

By the authority granted me under the provisions of General Rule 104.F(I), the above-described unorthodox gas well location is hereby approved.

Sincerely,

William J. LeMa

Director

WJL/MES/amg

cc: Oil Conservation Division - Azte

NM State Land Office - Santa Fe