



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

December 28, 1993

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Southland Royalty Company
c/o Meridian Oil, Inc.
P.O. Box 4289
Farmington, NM 87499-4289

Attention: Peggy Bradfield

Administrative Order NSL-3339

Dear Ms. Bradfield:

Reference is made to your application on behalf of the operator, Southland Royalty Company, dated December 2, 1992 for a non-standard Basin-Fruitland coal gas well location for the existing Hanks Well No. 18-M which was drilled in 1981 and dually completed in the Basin Dakota and Blanco Mesaverde Pools at a standard gas well location 1610 feet from the South line and 1070 feet from the East line (Unit I) of Section 5, Township 27 North, Range 9 West, NMPM, San Juan County, New Mexico.

It is my understanding that both the Dakota and Mesaverde intervals 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 No. R-8768, as amended, is unorthodox. Further, Lots 1 and 2, the S/2 SE/4 and SE/4 (E/2 equivalent) of said Section 5 shall be dedicated to the well forming a standard 319.73-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