



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



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

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SANTA FE, NEW MEXICO 87504
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March 24, 1994

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

Attention: Peggy Bradfield

Administrative Order NSL-3372

Dear Ms. Bradfield:

Reference is made to your application dated March 2, 1994 for a non-standard Blanco-Mesaverde gas well location for your existing Zachry Well No. 50 (API No. 30-045-25597) which was drilled in 1983 and completed in the Armenta Gallup Pool at a standard oil well location 1846 feet from the North line and 621 feet from the West line (Unit E) of Section 35, Township 29 North, Range 10 West, NMPM, San Juan County, New Mexico.

It is my understanding that the Gallup oil zone is to be downhole commingled with the Blanco-Mesaverde Pool, and pursuant to the Special Rules and Regulations for the Blanco-Mesaverde Pool, as promulgated by Division Order No. R-8170, as amended, said location is considered to be unorthodox.

By the authority granted me under the provisions of Rule 2(c) of said Order No. R-8170, as amended, the above-described unorthodox gas well location is hereby approved. Further, the N/2 of said Section 35 shall be dedicated to said well forming a standard 320-acre gas spacing and proration unit for said pool.

Also, Meridian Oil, Inc. shall comply with all other provisions of Division General Rule 303.C, pertaining to the downhole commingling of gas and oil production.

Sincerely,

William J. LeMay / by MES

William J. LeMay
Director

WJL/MES/amg

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