STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

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STATE LAND OFFICE BUILDING

SANTA FE, NEW MEXICO 87504 (505) 827-5800

BRUCE KING GOVERNOR

ANITA LOCKWOOD CABINET SECRETARY

April 28, 1994

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

Attention: Peggy Bradfield

Administrative Order NSL-3383

Dear Ms. Bradfield:

Reference is made to your application dated March 11, 1994, for a non-standard gas well location for San Juan 29-7 Unit Well No. 92-R to be drilled 450 feet from the South line and 2025 feet from the West line (Unit N) of Section 16, Township 29 North, Range 7 West, NMPM, Blanco Mesaverde Pool, Rio Arriba County, New Mexico. The W/2 of said Section 16 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 2(c) of the Special Rules and Regulations for the Blanco-Mesaverde Pool, as promulgated by Division Order No. R-8170, as amended, the above-described unorthodox gas well location is hereby approved.

Sincerely, William J. LeMa Director

WJL/MES/amg

cc: Oil Conservation Division - Aztec New Mexico State Land Office - Santa Fe