



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

May 4, 1995

Meridian Oil, Inc.
Attention: Peggy Bradfield
P.O. Box 4289
Farmington, New Mexico 87499-4289

Administrative Order NSL-3526

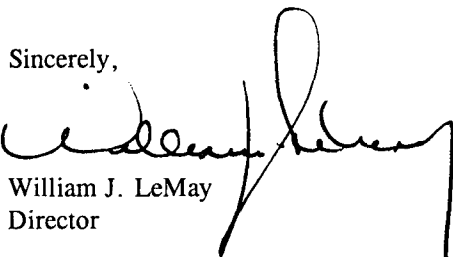
Dear Ms. Bradfield:

Reference is made to your application dated April 26, 1995 for an unorthodox gas well location for both the Blanco-Mesaverde Pool and the Pictured Cliffs formation for the proposed San Juan "29-7" Unit Well No. 83A. Said well to be drilled 950 feet from the South line and 595 feet from the East line (Unit P) of Section 3, Township 29 North, Range 7 West, NMPM, Rio Arriba County, New Mexico. It is our understanding that this well is to be dually completed in both zones.

The existing standard 318.05-acre gas spacing and proration unit in the Blanco-Mesaverde Pool comprising Lots 5 and 6, the S/2 NE/4, and SE/4 (E/2 equivalent) of said Section 3, which is presently dedicated to the San Juan "29-7" Unit Well No. 83 (API No. 30-039-07685), located at a standard gas well location 800 feet from the North and East lines (Lot 5/Unit A) of said Section 3, and the SE/4 of said Section 3 being a standard 160-acre gas spacing and proration unit for the Pictured Cliffs interval, are to be dedicated to said well.

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, and Division General Rule 104.F(1), the above-described unorthodox gas well location is hereby approved.

Sincerely,


William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington