



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

WF —

RECEIVED

August 30, 1995

SEP 05 1995

OIL CON. DIV.  
DIST. 2

Medallion Production Company  
c/o William F. Carr  
Campbell, Carr & Bergo, P.A.  
P. O. Box 2208  
Santa Fe, NM 87504-2208

RE: Application of Medallion Production Company for approval to drill its U.S.A. "20" Well No. 1 at an unorthodox gas well location 990' FSL - 1100' FEL (Unit P) of Section 20, Township 15 South, Range 28 East, NMPM, Chaves County, to test the Atoka and Morrow formations within a 320-acre gas spacing and proration unit comprising the S/2 of said Section 20

Dear Mr. Carr:

The proposed well and 320-acre unit is bounded to the east and north by the Buffalo Valley-Pennsylvanian Gas Pool, therefore, the Medallion proposed well is subject to the "General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Buffalo Valley-Pennsylvanian Gas Pool," as promulgated by Division Order No. R-8170, as amended, which allows wells to be located either in the NW/4 or SE/4 of a section and is to be located no closer than 990 feet to the outer boundary of the quarter section nor closer than 330 feet to any governmental quarter-quarter section line.

Since this location is only unorthodox internally, it may qualify for administrative approval. I offer this only as a suggestion.

The application sent over on Tuesday, August 29, 1995, has been scheduled on the docket for hearing before a Division Examiner on September 21, 1995.

Medallion Production Company  
August 31, 1995  
Page Two

Should you have any questions or comments concerning this matter, please contact me in Santa Fe at (505) 827-8185.

Sincerely,

A handwritten signature in black ink, appearing to read "Micheal E. Stogner". The signature is fluid and cursive, with a long horizontal stroke at the end.

Micheal E. Stogner  
Chief Hearing Examiner

cc: Oil Conservation Division - Artesia  
US Bureau of Land Management - Roswell  
Case File