

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

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DEC 21 1989  
OIL CON. DIV  
DIST. 2

GARREY CARRUTHERS  
GOVERNOR

December 19, 1989

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE NEW MEXICO 87504  
(505) 827-5600

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

Attention: Peggy Bradfield

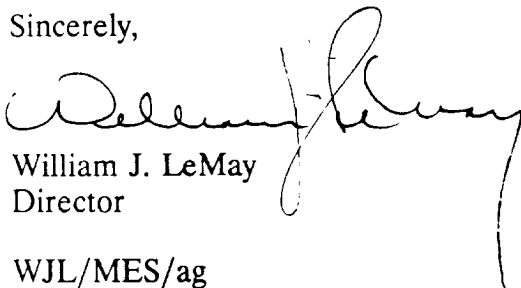
*Administrative Order NSL-2737*

Dear Ms. Bradfield:

Reference is made to your application of December 8, 1989 for a non-standard coal gas well location for your Jicarilla 123 Well No. 17 to be located 1125 feet from the South line and 1655 feet from the East line (Unit O) of Section 6, Township 25 North, Range 4 West, NMPM, Basin Fruitland Coal (Gas) Pool, Rio Arriba County, New Mexico. The E/2 of said Section 6 shall be dedicated to the well forming a standard 320-acre gas spacing and proration unit for said pool. This location is necessitated by the existing well being plugged back from the Pictured Cliffs formation for recompletion in the Fruitland Coalbed formation.

By the authority granted me under the provisions of Rule 8 of the Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool as promulgated by Division Order No. R-8768, the above-described unorthodox coal gas well location is hereby approved.

Sincerely,



William J. LeMay  
Director

WJL/MES/ag

cc: Oil Conservation Division - Aztec  
New Mexico Oil & Gas Engineering Committee - Hobbs  
US Bureau of Land Management - Farmington