



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

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



December 28, 1993

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Southland Royalty Company
c/o Meridian Oil, Inc.
P.O. Box 4289
Farmington, NM 87499-4289

Attention: Peggy Bradfield

RECEIVED
DEC 30 1993
OIL CON. DIV.
DIST. 3

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B-5-27N-9W
I
Administrative Order NSL-3339

Dear Ms. Bradfield:

Reference is made to your application on behalf of the operator, Southland Royalty Company, dated December 2, 1992 for a non-standard Basin-Fruitland coal gas well location for the existing Hanks Well No. 18-M which was drilled in 1981 and dually completed in the Basin Dakota and Blanco Mesaverde Pools at a standard gas well location 1610 feet from the South line and 1070 feet from the East line (Unit I) of Section 5, Township 27 North, Range 9 West, NMPM, San Juan County, New Mexico.

It is my understanding that both the Dakota and Mesaverde intervals will be properly plugged back and said well will be recompleted to the Basin-Fruitland Coal Gas Pool, which pursuant to the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool as promulgated by Division Order No. R-8768, as amended, is unorthodox. Further, Lots 1 and 2, the S/2 SE/4 and SE/4 (E/2 equivalent) of said Section 5 shall be dedicated to the well forming a standard 319.73-acre gas spacing and proration unit for said pool.

By the authority granted me under the provisions of Rule 8 of said Division Order No. R-8768, as amended, the above-described unorthodox coal gas well location is hereby approved.

Sincerely,

William J. LeMay
Director

WJL/MES/amg

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

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