



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



BRUCE KING
GOVERNOR

July 12, 1993

ANITA LOCKWOOD
CABINET SECRETARY

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

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

RECEIVED
JUL 19 1993
OIL CON. DIV
DIST. 3

Administrative Order NSL-3282

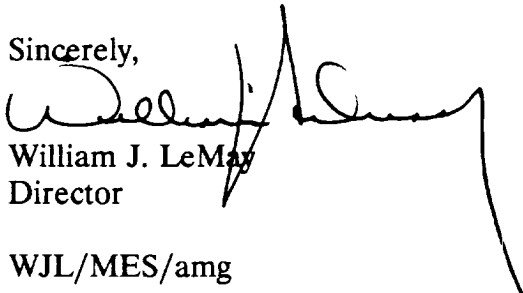
Dear Ms. Bradfield:

Reference is made to your application dated June 17, 1993 for a non-standard Pictured Cliffs gas well location for your proposed San Juan 29-4 Unit Well No. 200 to be drilled 1990 feet from the South line and 1850 feet from the West line (Unit K) of Section 30, Township 29 North, Range 4 West, NMPM, Rio Arriba County, New Mexico. It is my understanding that the Pictured Cliffs zone is to be downhole commingled with the Basin Fruitland Coal Gas Pool, and pursuant to the Special Rules and Regulations for the Basin Fruitland Coal Gas Pool as promulgated by Division Order No. R-8768, as amended, said location is standard. However, pursuant to General Rule 104.C(3), said location is considered unorthodox in the Pictured Cliffs interval.

By the authority granted me under the provisions of Division General Rule 104.F(1), the above-described unorthodox gas well location is hereby approved. Further, the W/2 equivalent and SW/4 equivalent of said Section 30 shall be dedicated to said well forming standard 320-acre and 160-acre, more or less, gas spacing and proration units for the Fruitland Coal and Pictured Cliff zones, respectively.

Also, Meridian Oil, Inc. shall comply with all other provisions of said Order No. R-8768, as amended, pertaining to the downhole commingling of coal gas production with gas produced from the Pictured Cliffs interval.

Sincerely,



William J. LeMay
Director

WJL/MES/amg

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