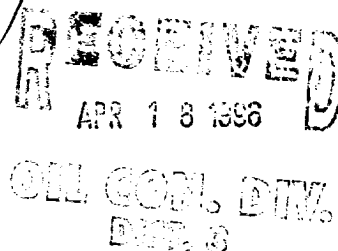




STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

April 11, 1996



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

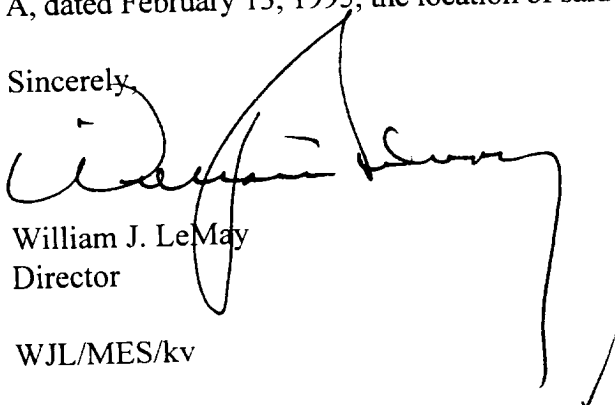
Administrative Order NSL-3657

Dear Ms. Bradfield:

Reference is made to your application dated March 15, 1996 for a non-standard gas well location to test the Undesignated Barker Dome-Desert Creek Pool for Meridian's proposed Ute Mountain Ute Well No. 41 to be drilled at an unorthodox gas well location 1730 feet from the North line and 1930 feet from the East line (Unit G) of Section 30, Township 32 North, Range 14 West, NMPM, as projected into the unsurveyed Ute Mountain Indian Reservation, San Juan County, New Mexico. The E/2 equivalent of said Section 30 shall be dedicated to said well to form a standard 320-acre gas spacing and proration unit for said pool.

By authority granted me under the provisions of **Rule 5** of the "*Special Rules and Regulations for the Barker Dome-Desert Creek Pool*", as promulgated by Division Order No. R-46-A, dated February 13, 1995, the location of said Ute Mountain Ute Well No. 41 is hereby approved.

Sincerely,



William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Aztec
U. S. BLM - Durango, Colorado