STATE OF NEW MEXICO



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

BRUCE KING GOVERNOR

ANITA LOCKWOOD CABINET SECRETARY POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE. NEW MEXICO 87504 (505) 827-5800

March 24, 1994

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

Attention: Peggy Bradfield

Administrative Order NSL-3372

Dear Ms. Bradfield:

Reference is made to your application dated March 2, 1994 for a non-standard Blanco-Mesaverde gas well location for your existing Zachry Well No. 50 (API No. 30-045-25597) which was drilled in 1983 and completed in the Armenta Gallup Pool at a standard oil well location 1846 feet from the North line and 621 feet from the West line (Unit E) of Section 35, Township 29 North, Range 10 West, NMPM, San Juan County, New Mexico.

It is my understanding that the Gallup oil zone is to be downhole commingled with the Blanco-Mesaverde Pool, and pursuant to the Special Rules and Regulations for the Blanco-Mesaverde Pool, as promulgated by Division Order No. R-8170, as amended, said location is considered to be unorthodox.

By the authority granted me under the provisions of Rule 2(c) of said Order No. R-8170, as amended, the above-described unorthodox gas well location is hereby approved. Further, the N/2 of said Section 35 shall be dedicated to said well forming a standard 320-acre gas spacing and proration unit for said pool.

Also, Meridian Oil, Inc. shall comply with all other provisions of Division General Rule 303.C, pertaining to the downhole commingling of gas and oil production.

Sincerely,

- D. Lettay / by MES William J. LeMay

Director

WJL/MES/amg

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

Stogner, Michael

Cole Peggy [PCole@br-inc.com] From: Saturday, August 30, 2003 3:20 PM Sent: Stogner, Michael To: RE: NSL-4942 Subject: for the moment, please send to Alan Alexander at aalexander@br-inc.com, until they figure out what they're going to do. see you ----Original Message-----From: Stogner, Michael [mailto:MSTOGNER@state.nm.us] Sent: Thu 8/28/2003 9:45 AM To: Cole Peggy Cc: Subject: RE: NSL-4942 Let go...maybe I'll see you in Gallup or Tucumcari. I have two pending administrative applications from you: (1) Zachry #50 and (2) Hardie A #1B. To whom should I send the orders to or notify if additional information is needed? Do you have their e-mail address? ----Original Message-----From: Cole Peggy [mailto:PCole@br-inc.com] Sent: Thursday, August 28, 2003 6:00 AM To: Stogner, Michael Subject: RE: NSL-4942 Michael: that's my last NSL application and order. Thanks for everything. Let's go flying!! Peqqy Cole pcole@br-inc.com <mailto:pcole@br-inc.com> 505-326-9727 ----Original Message-----From: Stogner, Michael [mailto:MSTOGNER@state.nm.us] Sent: Tuesday, August 26, 2003 2:30 PM To: Hayden, Steven; Cole Peggy Subject: NSL-4942 draft order attached <<MV&DK112.doc>>