



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

GARREY CARRUTHERS
GOVERNOR

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

December 29, 1989

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

Attention: Peggy Bradfield

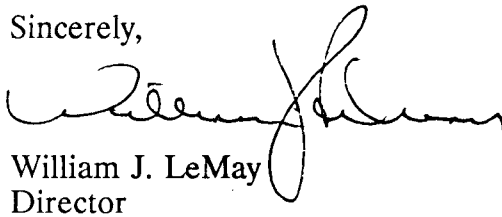
Administrative Order NSL-2742

Dear Ms. Bradfield:

Reference is made to your application of December 20, 1989 for a non-standard coal gas well location for your existing Graham Well No. 1 located 2150 feet from the South line and 390 feet from the West line (Unit L) of Section 26, Township 27 North, Range 10 West, NMPM, Basin Fruitland Coal (Gas) Pool, San Juan County, New Mexico, which is presently completed in the Fulcher Pictured Cliffs Pool. The S/2 of said Section 26 shall be dedicated to the well forming a standard 320-acre gas spacing and proration unit for said pool.

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
US Bureau of Land Management - Farmington