



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

GARREY CARRUTHERS
GOVERNOR

November 6, 1990

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

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

Attention: Peggy Bradfield

Administrative Order NSL-2931

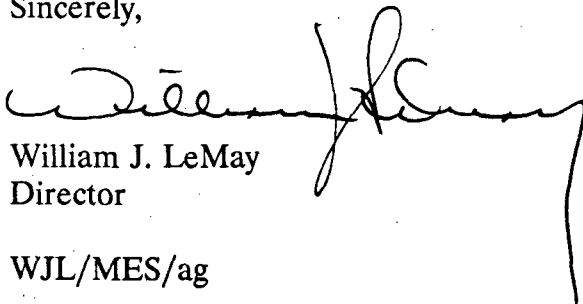
Dear Ms. Bradfield:

Reference is made to your application dated September 11, 1990 for a non-standard Basin-Fruitland coal gas well location for your existing Magnolia Com Well No. 1 which was drilled in 1958 and completed in the Ballard Pictured Cliffs Pool at a standard gas well location 1630 feet from the North line and 994 feet from the East line (Unit I) of Section 32, Township 27 North, Range 9 West, NMPM, San Juan County, New Mexico.

It is my understanding that the Pictured Cliffs zone 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, is unorthodox. Further, the E/2 of said Section 32 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 said 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