



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

December 12, 1990

GARREY CARRUTHERS
GOVERNOR

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-2958(NSP)

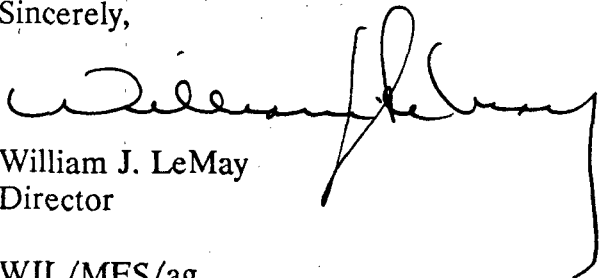
Dear Ms. Bradfield:

Reference is made to your applications dated October 22, November 13 and November 29, 1990 for a non-standard Basin-Fruitland coal gas well location for your existing Jicarilla 126-S Well No. 5 which was drilled in 1956 and completed in the South Blanco Pictured Cliffs Pool at a standard gas well location 890 feet from the North line and 990 feet from the West line (Unit D) of Irregular Section 2, Township 24 North, Range 4 West, NMPM, Rio Arriba 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 N/2 equivalent of said Section 2 shall be dedicated to the well forming a non-standard 446.61-acre gas spacing and proration unit for said pool.

By the authority granted me under the provisions of Rules 6 and 8 of said Division Order No. R-8768, the above-described unorthodox coal gas well location and non-standard gas proration unit are hereby approved.

Sincerely,


William J. LeMay
Director

WJL/MES/ag

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