

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

July 30, 1991

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

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

Attention: Peggy Bradfield

Administrative Order NSL-3035

Dear Ms. Bradfield:

Reference is made to your application dated July 8, 1991 for a non-standard Basin-Fruitland coal gas well location for your existing Lloyd Well No. 1 which was drilled in 1952 and completed in the Aztec Pictured Cliffs Pool at a standard gas well location 990 feet from the North line and 1650 feet from the West line (Unit C) of Section 24, Township 30 North, Range 11 West, NMPM, San Juan County, New Mexico.

It is my understanding that the Pictured Cliffs zone has been plugged back and said well was 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, as amended, is unorthodox. Further, Lots 1 through 8 (N/2 equivalent) of said Section 24 shall be dedicated to the well forming a standard 314.36-acre gas spacing and proration unit for said pool.

By authority granted me under the provisions of Rule 8 of said Division Order No. R-8768, the above-described unorthodox coal gas well is hereby approved.

Sincerely,

A handwritten signature in dark ink, appearing to read "William J. Lemay", written over a horizontal line.

WILLIAM J. LEMAY
Director

WJL/MES/jc

cc: Oil Conservation Division - Aztec
U.S. Bureau of Land Management - Farmington