STATE OF NEW MEXICO



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING GOVERNOR June 15, 1992

POST OFFICE BOX 2088 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-3118

Dear Ms. Bradfield:

Reference is made to your application dated May 21, 1992 for a non-standard Gallup gas well location for your existing Huerfano Unit Well No. 217 which was drilled in 1971 and completed in the Basin Dakota Pool at a standard gas well location 1450 feet from the North and East lines (Unit G) of Section 29, Township 27 North, Range 10 West, NMPM, San Juan County, New Mexico.

It is my understanding that the Dakota zone will be properly plugged back and said well will be recompleted to the Angels Peak - Gallup Associated Pool, which pursuant to the Special Rules and Regulations for the Angels Peak - Gallup Associated Pool as promulgated by Division Order No. R-5353, as amended, is unorthodox. Further, the N/2 of said Section 29 shall be dedicated to the well forming a standard 320-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-5353, as amended, the above described unorthodox gas well location is hereby approved.

Sincerely,

WILLIAM J. LEMA

Director

WJL/MES/jc

cc: Oil Conservation Division - Aztec

U.S. BLM - Farmington