



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



September 22, 1992

BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

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-3160

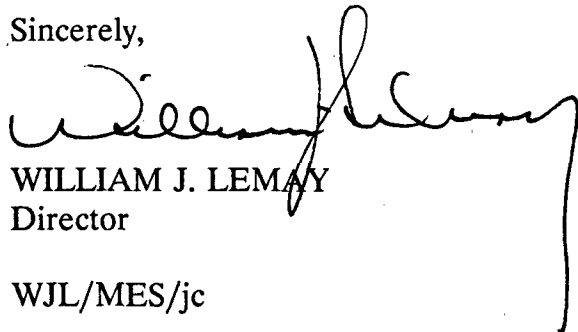
Dear Ms. Bradfield:

Reference is made to your application dated August 28, 1992 for a non-standard Kutz Gallup oil well location for your existing Angel Peak Well No. 1 which was drilled in 1960 and completed in the Basin Dakota Pool at a standard gas well location 1150 feet from the South line and 1090 feet from the West line (Unit M) of Section 2, Township 27 North, Range 11 West, NMPM, San Juan County, New Mexico.

It is my understanding that the Kutz Gallup Oil zone is to be downhole commingled with the Basin Dakota Pool, and pursuant to General Rule 104.C.(1) said location is considered to be unorthodox.

By the authority granted me under the provisions of General Rule 104.F.(1), the above-described unorthodox oil well location is hereby approved. Further, the SW/4 SW/4 of said Section 2 shall be dedicated to said well forming a standard 40-acre oil spacing and proration unit for said Gallup pool.

Sincerely,



WILLIAM J. LEMAY
Director

WJL/MES/jc

cc: Oil Conservation Division - Aztec
U.S. BLM - Farmington
File: DHC-840