



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

September 24, 1992



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

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STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
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Southland Royalty Company
c/o Meridian Oil, Inc.
P.O. Box 4289
Farmington, New Mexico 87499-4289

Attention: Peggy Bradfield

Administrative Order NSL-3161

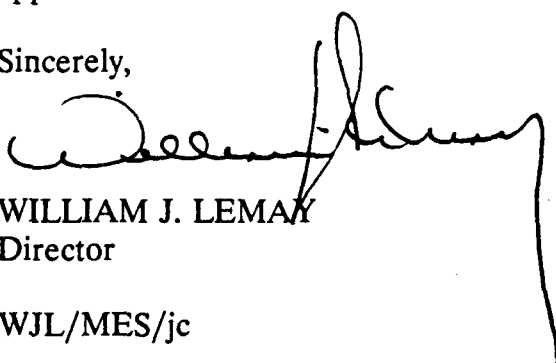
Dear Ms. Bradfield:

Reference is made to your application dated June 26, 1992 for a non-standard Basin-Fruitland coal gas well location for the existing Brink Well No. 2 which was drilled in 1936 and completed in the Fulcher Kutz Pictured Cliffs at a standard gas well location at the time 660 feet from the North and West lines (Unit D) of Section 10, Township 28 North, Range 10 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, as amended, is unorthodox. Further, Lots 1 through 4 and the E/2 W/2 (W/2 equivalent) of said Section 19 shall be dedicated to the well forming a standard 328.80-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, as amended, the above-described unorthodox coal gas well location is hereby approved.

Sincerely,


WILLIAM J. LEMAY
Director

WJL/MES/jc

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