



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



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

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SANTA FE, NEW MEXICO 87504
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May 27, 1993

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

Attention: Peggy Bradfield

Administrative Order NSL-3248

Dear Ms. Bradfield:

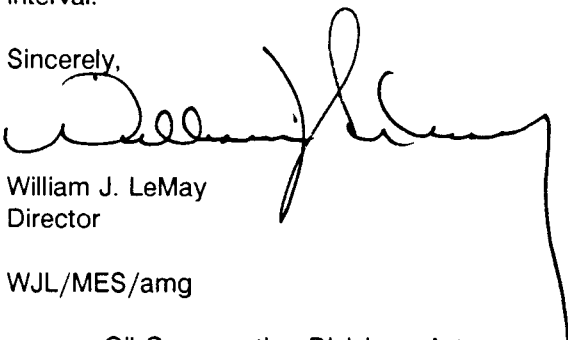
Reference is made to your application dated April 29, 1993, for a non-standard gas well location for the San Juan 28-5 Unit Well No. 200 to be drilled 1995 feet from the North line and 885 feet from the East line (Unit H) of Section 14, Township 28 North, Range 5 West, NMPM, Rio Arriba County, New Mexico.

It is our understanding that gas production from both the Basin-Fruitland Coal Gas Pool and Pictured Cliffs formation is to be commingled in the subject wellbore with the N/2 of said Section 14 dedicated to the Fruitland Coal horizon forming a standard 320-acre gas spacing and proration unit in the Basin-Fruitland Coal Gas Pool and the NE/4 dedicated to the Pictured Cliffs formation forming a standard 160-acre gas spacing and proration unit.

By the authority granted me under the provisions of Rule 8 of the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool, as promulgated by Division Order No. R-8768, as amended, and General Rule 104.F.(1), the above-described unorthodox gas well location is hereby approved.

Also, Meridian Oil, Inc. shall comply with all other provisions of said Order No. R-8768, as amended, pertaining to the downhole commingling of coal gas production with gas produced from the Pictured Cliffs interval.

Sincerely,


William J. LeMay
Director

WJL/MES/amg

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