



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



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

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

April 28, 1994

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

Attention: Peggy Bradfield

Administrative Order NSL-3386

Dear Ms. Bradfield:

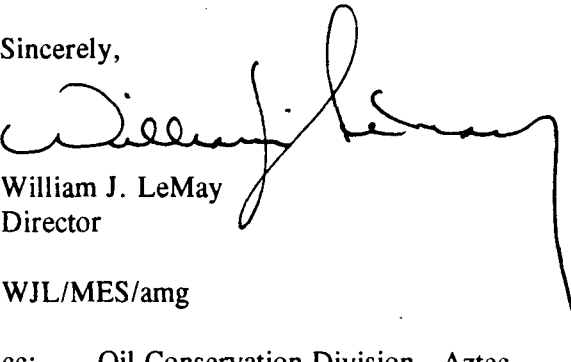
Reference is made to your application date April 4, 1994 for an unorthodox gas well location for both the Basin-Fruitland Coal Gas Pool and the Undesignated East Blanco-Pictured Cliffs Pool for the proposed Brown Well No. 200. Said well to be drilled 190 feet from the South line and 1915 feet from the West line (Unit N) of Section 31, Township 29 North, Range 4 West, NMPM, Rio Arriba County, New Mexico. It is our understanding that both said zones are to be downhole commingled.

Lots 1 through 4 and the E/2 W/2 (W/2 equivalent) of said Section 31 being a standard 318.46-acre gas spacing and proration unit in the Basin-Fruitland Coal Gas Pool and Lots 3 and 4 and the E/2 SW/4 (SW/4 equivalent) of said Section 31 being a 159.61-acre gas spacing and proration unit in the Undesignated East Blanco-Pictured Cliffs Pool are to be dedicated to said well.

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 Division 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 from the Undesignated East Blanco-Pictured Cliffs interval.

Sincerely,



William J. LeMay
Director

WJL/MES/amg

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