



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

August 16, 1995

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

Attention: Peggy Bradfield

Administrative Order NSL-3563

Dear Ms. Bradfield:

Reference is made to your application dated June 23, 1995 for a non-standard Basin-Fruitland coal gas well location for your existing McClure Well No. 1 (API No. 30-045-08653) which was drilled in 1953 and completed in the Aztec Pictured Cliffs Pool at a standard gas well location 990 feet from the South line and 1650 feet from the East line (Unit O) of Section 3, Township 29 North, Range 11 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 and 2, and the S/2 NE/4, and the SE/4 (E/2 equivalent) of said Section 3 shall be dedicated to the well forming a standard 305.47-acre gas spacing and proration unit for said pool.

By the authority granted me under the provisions of Rule 8 of said Order No. R-8768, as amended, the above-described unorthodox coal gas well location is hereby approved.

Sincerely,

William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Aztec