



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

GARREY CARRUTHERS
GOVERNOR

November 16, 1989

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Southland Royalty Co.
c/o Meridian Oil, Inc.
P.O. Box 4289
Farmington, NM 87499-4289

Attention: Peggy Bradfield

Administrative Order NSP-1587

Dear Ms. Bradfield:

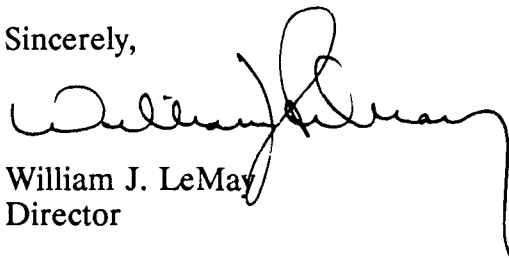
Reference is made to your application on behalf of Southland Royalty Company on October 10, 1989, for a 314.78-acre non-standard gas proration unit consisting of the following acreage in the Basin-Fruitland Coal Gas Pool:

SAN JUAN COUNTY, NEW MEXICO
TOWNSHIP 32 NORTH, RANGE 8 WEST, NMPM
Section 7: All

It is my understanding that this unit is to be dedicated to your Trail Canyon Well No. 100 to be drilled at a previously authorized unorthodox coal gas well location, pursuant to Decretory Paragraph No. (4) of Division Order No. R-8768, 1790 feet from the South line and 810 feet from the East line (Unit I) of said Section 7.

By authority granted me under the provisions of Rule 6 of the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool, as promulgated by said Order No. R-8768, the above non-standard gas proration unit is hereby approved.

Sincerely,



William J. LeMay
Director

WJL/MES/ag

cc: Oil Conservation Division - Aztec
NM Oil and Gas Engineering Committee - Hobbs
US Bureau of Land Management - Farmington