



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

well 31
cc: PAB no
SB Da
Area 2
DRUG FREE

BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 875
(505) 827-5800

August 11, 1994

MERIDIAN OIL

AUG 15

**FARMINGTON, NEW MEXICO
REGULATORY**

Meridian Oil, Inc.
P.O. Box 4289
Farmington, NM 37499-4289

Attention: Peggy Bradfield

Administrative Order NSL-3417

Dear Ms. Bradfield:

Reference is made to your application dated July 8, 1994, for a non-standard gas well location for C.M. Morris Well No. 100 to be drilled 1340 feet from the North line and 1405 feet from the East line (Unit G) of Section 10, Township 27 North, Range 10 West, NMPM, Fulcher Kutz-Pictured Cliffs Pool, San Juan County, New Mexico. The NE/4 of said Section 10 shall be dedicated to the well forming a standard 160-acre gas spacing and proration unit.

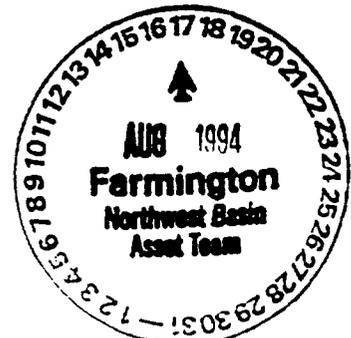
By the authority granted me under the provisions of General Rule 104.F(1) the above-described unorthodox gas well location is hereby approved.

Sincerely,

William J. LeMay
Director

WJL/MES/amg

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



cc: P. A. Bna
Area 2
SB Da

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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BRUCE KING
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POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

ADMINISTRATIVE ORDER DHC-1023

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

Attention: Arden L. Walker

*C.M. Morris Well No. 100
Unit G, Section 10, Township 27 North, Range 10 West, NMPM,
San Juan County, New Mexico.
Basin-Fruitland Coal and Fulcher-Kutz-Pictured Cliffs Pools*

Dear Mr. Clayton:

Reference is made to your recent application for an exception to Rule 303-A of the Division Rules and Regulations to permit the subject well to commingle production from both pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303-C, and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the two zones is hereby placed in abeyance.

In accordance with the provisions of Rule 303-C-4., total commingled oil production from the subject well shall not exceed 20 barrels per day, and total water production shall not exceed 40 barrels per day. The maximum amount of gas which may be produced daily from the well shall be determined by Division Rules and Regulations or by the gas allowable for each respective prorated pool as printed in the Division's San Juan Basin Gas Proration Schedule.

Assignment of allowable to the well and allocation of production from the well shall be in accordance with the allocation formula shown on Exhibit "A", attached hereto and made a part hereof. Any condensate production will be allocated entirely to the Fulcher-Kutz-Pictured Cliffs interval.

Administrative Order DHC-1023
Meridian Oil Company
August 2, 1994
Page 2

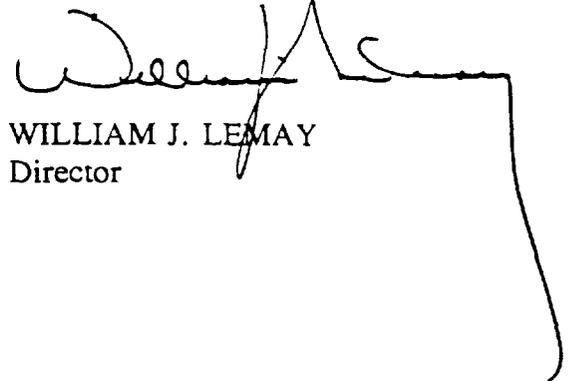
The operator is responsible for reporting the monthly gas production from the subject well to the Division utilizing the allocation formula adopted herein. An annual report shall be submitted by the operator to both the Aztec and Santa Fe offices of the Division showing the complete computations for the previous twelve-month period.

FURTHER: The operator shall notify the Aztec District Office of the Division upon implementation of the commingling process.

Pursuant to Rule 303-C-5, the commingling authority granted by the order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 2nd day of August, 1994.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

S E A L

WJL/DRC/amg

cc: Oil Conservation Division - Aztec
U.S. Bureau of Land Management - Farmington