



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

BRUCE KING
GOVERNOR

August 2, 1991

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

Meridian Oil Inc.
P.O. Box 51810
Midland, TX 79710-1810

Attn: Connie L. Malik

Re: C. W. Shepard Federal #8 (1100/N & 1980/W)
Unit C, Sec. 5, T26S, R37E

Gentlemen:

This will confirm your conversation with Evelyn Downs of this office regarding the above-referenced well. As she indicated the location is unorthodox for a 160-ac Rhodes Yates-SR Gas Pool location due to the fact that it is too close to the quarter/quarter section line. Our general gas spacing rules for 160 acre pools require that the well be no nearer than 330 feet to a quarter quarter line.

You may make application for approval of a non-standard location or you may move the well to a standard location for this pool. The well cannot be produced if drilled at the 110/N & 1980/W location until an order has been issued authorizing this location.

Also, you have a Shepherd "B" #4 in the Rhodes Yates-SR Gas pool in this same section and with the same lease number. You have permitted this well as the C.W. Shepard Federal #8. If this is the same lease could we get you to change the name of one so they will both be the same.

Very truly yours,

OIL CONSERVATION DIVISION

Jerry Sexton
Supervisor, District I

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MERIDIAN OIL

AUG 7 1991

MIDLAND, TEXAS
ENVIRONMENTAL/REGULATORY

— CLKM
— MLP
— well file