

STATE OF NEW MEXICO

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ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION AZTEC DISTRICT OFFICE

BRUCE KING GOVERNOR ANTIA LOCKWOOD

1000 RIO BRAZOS ROAD AZIEC, NEW MEXICO 87410 (505) 334-6178

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Date: 2/4/6/3	-
Oil Conservation Division P.O. Box 2088 Santa Fe, NM 87504-2088	
RE: Proposed MC	Proposed DHC Proposed SWD Proposed PMX Proposed DD
Gentlemen:	
	Cation received on 2//23 Restart 7 LEASE & WELL NO.
	and my recommendations are as follows:
Yours truly,	
7).0	

MERIDIAN OIL

January 26, 1993

FEB 1 1993

OIL CON. DIV

DIST. 3

New Mexico Oil Conservation Division Attn: Mr. William J. LeMay P.O. Box 2088 310 Old Santa Fe Trail Santa Fe, New Mexico 87501

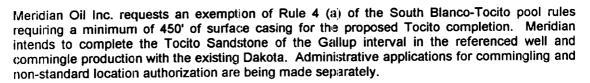
RE:

Surface Casing Requirement Exemption South Blanco Tocito Extension / Basin Dakota

Reuter #2

NW/SW/4, Section 34, T27N, R06W Rio Arriba County, New Mexico

Dear Mr. LeMay



The referenced well is within one mile of the existing boundaries of the South Blanco-Tocito pool. The completion and resulting production will be considered a pool extension.

The referenced well is currently completed in the Dakota only and has 8 5/8" surface casing set at 292' KB. This string is cemented to surface and was adequately pressure tested prior to drill out. The existing surface casing will be adequate to protect all potable water-bearing strata encountered under proposed producing conditions of the commingled streams.

Production and reserve estimates, based on offset analogy, would not economically support drilling a new wellbore. Meridian has no other available wellbores for plug back on this leasehold to develop these reserves. Utilization of the referenced wellbore is considered the only viable alternative. Exemption of the surface casing requirements for the proposed commingling project will allow Meridian to develop its Tocito reserves while providing prevention of wasted resources and protection of correlative rights.

Sincerely,

Arden L. Walker, Jr.

Regional Production Engineer

DTB:tg

cc: Frank T. Chavez - NMOCD/Aztec