

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

December 26, 1990

GARREY CARRUTHERS
GOVERNOR

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

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

Attention: Peggy Bradfield

RECEIVED
DEC 31 1990
OIL CON. DIV.
DIST. 3

Administrative Order NSL-2967

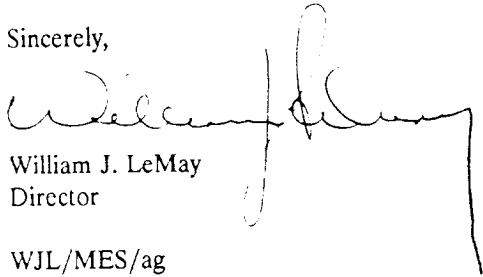
Dear Ms. Bradfield:

Reference is made to your application dated June 5, 1990, as amended by letter dated December 31, 1990, for a non-standard Basin-Fruitland coal gas well location for your existing Kutz Deep Test Well No. 2 which was drilled in 1951 and completed in the Fulcher Kutz Pictured Cliffs Pool at a standard gas well location 990 feet from the South and East lines (Unit P) of Section 28, Township 28 North, Range 10 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, is unorthodox. Further, the E/2 of said Section 28 shall be dedicated to the well forming a standard 320-acre gas spacing and proration unit for said pool.

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

Sincerely,


William J. LeMay
Director

WJL/MES/ag

cc: Oil Conservation Division - Aztec
US Bureau of Land Management - Farmington
Case File No. 10021
W. Thomas Kellahin - Santa Fe



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

BREY CAPRUTHERS
GOVERNOR

1100 JIM DIAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6170

Date: 6-15-90

Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504-2088

Re: Proposed HC _____
Proposed DHC _____
Proposed NSL X _____
Proposed SWD _____
Proposed WFX _____
Proposed PMX _____

Gentlemen:

I have examined the application dated 6-7-90

for the Mission Oil Inc. Kutz Deep Test #2
Operator Lease & Well No.

P-28-28N-10W and my recommendations are as follows:
Unit, S-T-R

Approved
Decided for Hearing

Yours truly,

Lance Bush

MERIDIAN OIL

June 5, 1990

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JUN 7 1990

OIL CON. DIV.
DIST. 3

Certified Mail

Mr. William LeMay
New Mexico Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87503

RE: Kutz Deep Test #2
990'FSL, 990'FEL
Section 28, T-28-N, R-10-W
San Juan County, New Mexico

Dear Mr. LeMay:

This is a request for administrative approval for a non-standard gas well location in the Basin Fruitland Pool.

Meridian Oil intends to plugback and recompleate the Kutz Deep Test #2 well from the Pictured Cliffs pool to the Basin Fruitland Coal Pool. The current location of this well is 990'FSL, 990'FEL, Section 28, T-28-N, R-10-W, San Juan County, New Mexico. The well is considered non-standard due to the NE-SW dedicated pattern established for the Basin Fruitland Coal Pool. To comply with the New Mexico Oil Conservation Division rules, Meridian is submitting the following for your approval of this non-standard location:

1. C-102 plat showing location of the well;
2. Plat showing offset owners/operators;
3. Affidavit of notification of offset owners/operators;
4. Copy of Well Completion Log for original completion.

A copy of this application is being submitted to all offset owners/operators by certified mail with a request that they furnish your Santa Fe office with a Waiver of Objection, and return one copy to this office.

Sincerely yours,



Peggy Bradfield
encl.

WAIVER

_____ hereby waives objection to Meridian Oil Inc.'s application for a non-standard location for their Kutz Deep Test #2 as proposed above.

By: _____ Date: _____

xc: Southland Royalty Company
Amoco Production Company
Breck Operating Company

Kutz Deep Test #2
990'FSL, 990'FEL
Section 28, T-28-N, R-10-W
San Juan County, New Mexico

I hereby certify that the following offset owners/operators have been mailed notification of our application for administrative approval for non-standard gas well location for the plugback and recompletion of the above well.

Southland Royalty Company
P.O. Box 4289
Farmington, NM 87499

Amoco Production Company
P.O. Box 800
Denver, CO 80201

Breck Operating Company
P.O. Box 911
Breckenridge, TX 76024-0911



Peggy Bradfield
June 5, 1990

San Juan County
State of New Mexico

My commission expires August 17, 1992

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Arama, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Meridian Oil Inc.		Lease (SF-077383A) Kutz Deep Test		Well No. 2
U.S. Letter P	Section 28	Township 23 North	Range 10 West	County NMPM San Juan
Actual Footage Location of Well: 990 feet from the South line and 990 feet from the East line				
Ground level Elev. 5999.7	Producing Formation Fruitland Coal	Pool Basin	Dedicated Acreage: 320 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or ink on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
☐ Yes ☐ No If answer is "yes" type of consolidation communitization agreement will be obtained
If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, force-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.

Prepared from a plat
dated 8-17-51 by
C. O. Walker.

RECEIVED
JUN 7 1990
OIL CONSERVATION DIVISION
DIST. 3

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature
Peggy Bradfield
Printed Name
Regulatory Affairs
Position
Meridian Oil Inc.
Company
Date

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes and actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief. 5-23-90

Date Surveyed
Signature
Professional Surveyor
NEW MEXICO
6857
6857
REGISTERED LAND SURVEYOR
Neale Edwards

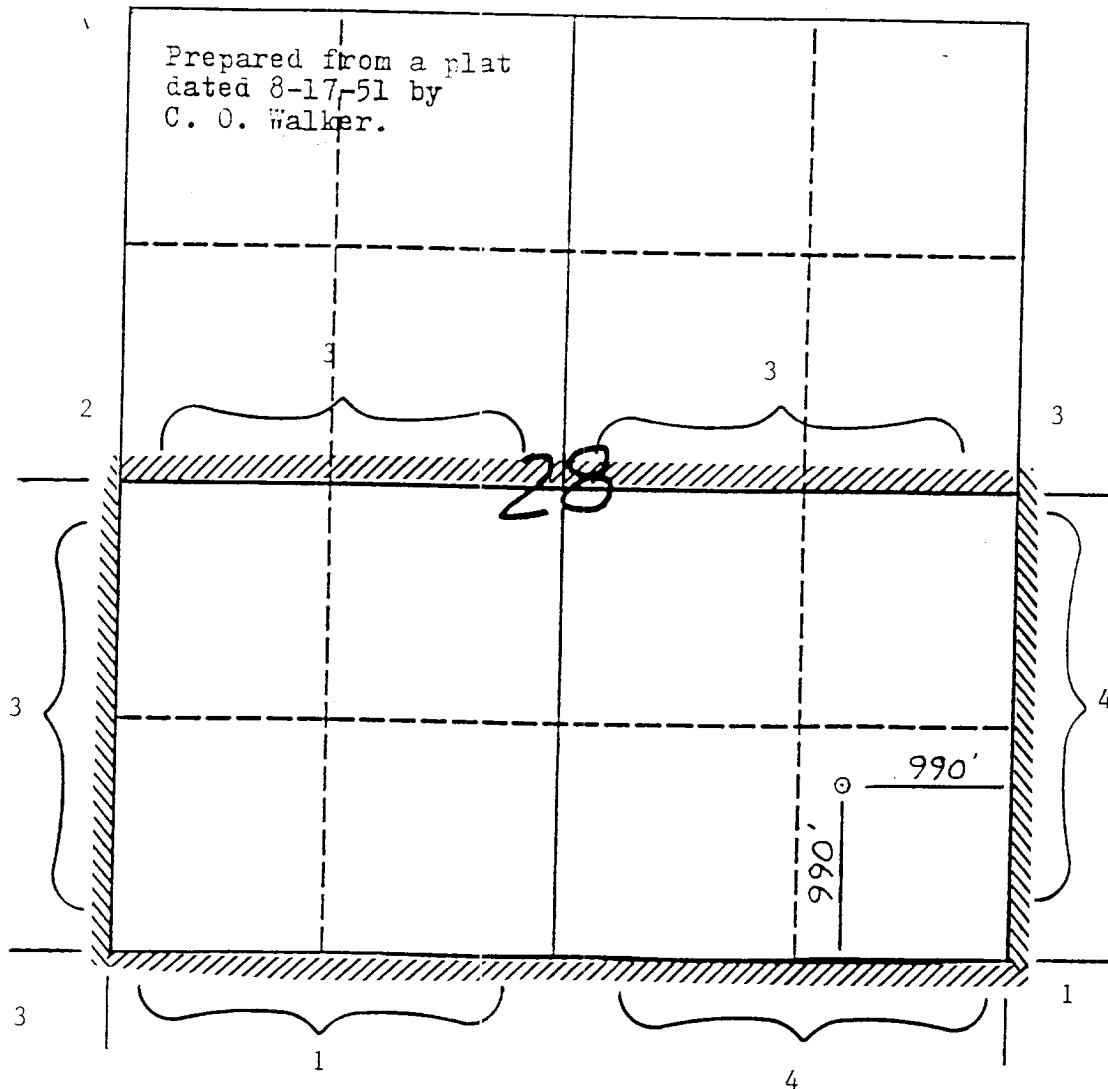
MERIDIAN OIL INC.

Well Name Kutz Deep Test #2

Footage---- 990' FSL; 990' FEL

APPLICATION FOR NON-STANDARD PRORATION UNIT

County San Juan State New Mexico Section 28 Township 28N Range 10W



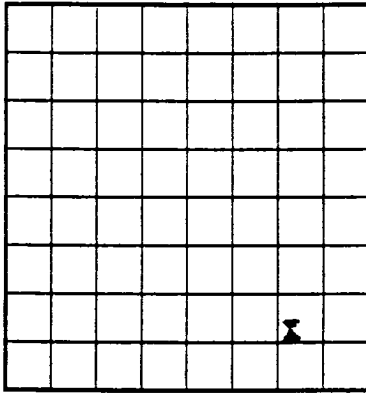
REMARKS: 1) Meridian Oil Inc.
2) Southland Royalty Company
3) Amoco Production Company
4) Breck Operating Company
PO Box 911
Breckenridge, TX 76024-0911

Form 9-390

U. S. LAND OFFICE Santa Fe

SERIAL NUMBER 077383

LEASE OR PERMIT TO PROSPECT Dee Tes



LOCATE WELL CORRECTLY

UNITED STATES
 DEPARTMENT OF THE INTERIOR
 GEOLOGICAL SURVEY

LOG OF OIL OR GAS WELL

Company El Paso Natural Gas Co. Address P.O. Box 997, Farmington, New Mexico
 Lessor or Tract Kutz Deer Test Field Pulcher Data State New Mexico
 Well No. 2 Sec. 28 T. 23N R. 10W Meridian 10N County San Juan
 Location 990 ft. (N.) of 3 Line and 990 ft. (W.) of 5 Line of Sec. 28 Elevation 6005
 (Denote base relative to sea level)

The information given herewith is a complete and correct record of the well and all work done thereon so far as can be determined from all available records.

Signed ORIGINAL SIGNED E. J. JOE

Date November 20, 1951 Title Petroleum Engineer

The summary on this page is for the condition of the well at above date.

Commenced drilling October 10, 1951 Finished drilling October 30, 1951

OIL OR GAS SANDS OR ZONES

(Denote gas by G)

No. 1, from 1977 to 2095 (G) No. 4, from _____ to _____
 No. 2, from _____ to _____ No. 5, from _____ to _____
 No. 3, from _____ to _____ No. 6, from _____ to _____

IMPORTANT WATER SANDS

No. 1, from 585 to 595 No. 3, from _____ to _____
 No. 2, from _____ to _____ No. 4, from _____ to _____

CASING RECORD

Size casing	Weight per foot	Threads per inch	Make	Amount	Kind of shoe	Cut and pulled from	Perforated		Purpose
							From—	To—	
<u>8-5/8</u>	<u>21</u>	<u>8</u>	<u>BLK</u>	<u>119</u>	<u>BLK</u>	<u>Surface</u>			<u>Production</u>
<u>5-9/16</u>	<u>11.6</u>	<u>8</u>	<u>BLK</u>	<u>1977</u>	<u>BLK</u>	<u>Surface</u>			<u>Production</u>
<u>1</u>	<u>STD</u>	<u>8</u>	<u>BLK</u>	<u>2050</u>	<u>BLK</u>	<u>Surface</u>			<u>Siphon</u>

MUDDING AND CEMENTING RECORD

Size casing	Where set	Number sacks of cement	Method used	Mud gravity	Amount of mud used
<u>8-5/8</u>	<u>120</u>	<u>60</u>	<u>Circulated</u>		
<u>5-9/16</u>	<u>1983</u>	<u>150</u>	<u>Single Stage</u>		

PLUGS AND ADAPTERS

Heaving plug—Material _____ Length _____ Depth set _____

Adapters—Material _____ Size _____

FOLD MARK



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

GARREY CARRUTHERS
GOVERNOR

June 29, 1990

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

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

Attention: Peggy Bradfield

RECEIVED
JUL 2 1990
OIL CON. DIV.
DIST. 3

RE: Administrative Application for an unorthodox coal gas well location; Kutz Deep Test No. 2, 990' FSL - 990' FEL (Unit P), Section 28, Township 28 North, Range 10 West, NMPM, Basin Fruitland Coal Gas Pool, San Juan County, New Mexico.

Dear Ms. Bradfield:

This agency has received an objection from Breck Operating Corporation to the subject filing in a timely manner (see copy attached); therefore, this matter will be set for hearing before an examiner on the next available docket scheduled for July 25, 1990.

Please provide adequate notice for such an application prior to the hearing as required by Division General Rule 1207.

If you should have any questions concerning this matter, please contact me.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

MES/ag

cc: Oil Conservation Division - Aztec
US Bureau of Land Management - Farmington
Breck Operating Corporation Breckenridge, TX

BRECK OPERATING CORP.

P. O. BOX 911
BRECKENRIDGE, TEXAS 76024-0911

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June 15, 1990

CERTIFIED MAIL -
RETURN RECEIPT REQUESTED

New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87503

Attention: Mr. William LeMay

Re: Feasel A #3
990' FNL, 1070' FWL
Section 34, T-28-N, R-10-W
San Juan County, New Mexico

Kutz Deep Test #2
990' FLS, 990' FEL
Section 28, T-28-N, R-10-W
San Juan County, New Mexico

Kutz Deep Test #1
990' FSL, 1650' FEL
Section 21, T-28-N, R-10-W
San Juan County, New Mexico

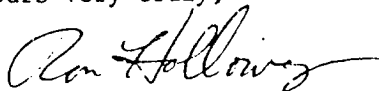
Dear Mr. LeMay:

This letter is written on behalf of B.B.L., Ltd. B.B.L., Ltd. owns working interests in the acreage that offsets the requested non-standard gas well locations requested by Meridian Oil Inc. for the Basin Fruitland Coal Pool.

We are opposed to Meridian's requests for the non-standard gas well locations. To grant such locations would work a hardship on B.B.L., Ltd. and would create drainage problems for B.B.L., Ltd. We believe the established drainage patterns will best protect the correlative rights of all parties.

Also, B.B.L., Ltd. has approached Meridian about forming pooled units for recompletion possibilities in the Fruitland Coal in the same sections at standard locations. For these reasons we request that their requests be denied.

Yours very truly,



Ronald A. Holloway
Land Manager

RAH/sm
L54/61590a



817-559-3355

New Mexico Oil Conservation Division
RE: Feasel "A" #3, et al
June 18, 1990

cc: MERIDIAN OIL INC.
3535 East 30th Street
P. O. Box 4289
Farmington, New Mexico 87499-4289
Attention: Mr. David Pogue