

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

OK  
⑨  
GARREY CARRUTHERS  
GOVERNOR

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

August 14, 1990

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

Attention: Peggy Bradfield

*Administrative Order NSL-2842*

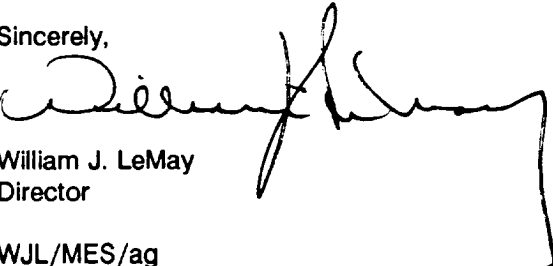
Dear Ms. Bradfield:

Reference is made to your application dated June 5, 1990 for a non-standard Basin-Fruitland coal gas well location for your existing Kutz Deep Test Well No. 1 which was drilled in 1951 and completed in the Fulcher Kutz Pictured Cliffs Pool at a standard gas well location gas 990 feet from the South line and 1650 feet from the East line (Unit O) of Section 21, Township 28 North, Range 10 West, NMPM, San Juan County 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 21 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  
W. Thomas Kellahin - Santa Fe  
File: Case No. 10020

RECEIVED  
AUG 17 1990  
OIL CON. DIV.,  
DIST. 3



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION  
AZTEC DISTRICT OFFICE

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

OIL CONSERVATION DIVISION  
BOX 2088  
SANTA FE, NEW MEXICO 87501

DATE 6-15-90

RE: Proposed MC \_\_\_\_\_  
Proposed DHC \_\_\_\_\_  
Proposed NSL ✓ \_\_\_\_\_  
Proposed SWD \_\_\_\_\_  
Proposed WFX \_\_\_\_\_  
Proposed PMX \_\_\_\_\_

Gentlemen:

I have examined the application dated 6-7-90  
for the Mention Oil Inc. Kutz Deep Test #1  
Operator Lease and Well No. Unit, 0-2/200-10W.  
and my recommendations are as follows:

Approve

Docketed for Hearing

Yours truly,

Ernest Bosch

# MERIDIAN OIL

June 5, 1990

**RECEIVED**  
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 #1  
990'FSL, 1650'FEL  
Section 21, 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 recomplete the Kutz Deep Test #1 well from the Pictured Cliffs pool to the Basin Fruitland Coal Pool. The current location of this well is 990'FSL, 1650'FEL, Section 21, 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 #1 as proposed above.

By: \_\_\_\_\_ Date: \_\_\_\_\_

xc: Southland Royalty Company  
Amoco Production Company  
Breck Operating Company

01000000

01000000

Kutz Deep Test #1  
990'FSL, 1650'FEL  
Section 21, 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

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

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT II  
P.O. Drawer DD, Artesia, 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 Kutz Deep Test (SF-077383A)		Well No. 1
Unit Letter 0	Section 21	Township 28 North	Range 10 West	County San Juan	
Actual Footage Location of Well: 990 feet from the South line and 1650 feet from the East line					
Ground level Elev. 6124'	Producing Formation Fruitland Coal		Pool Basin	Dedicated Acreage: 320 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or machine marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, forced-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, forced-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 CON. DIV.  
DIST. 3

21

990'  
1650'

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 of 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  
NEALE EDWARDS  
6857  
6857  
NEALE EDWARDS  
NEALE EDWARDS

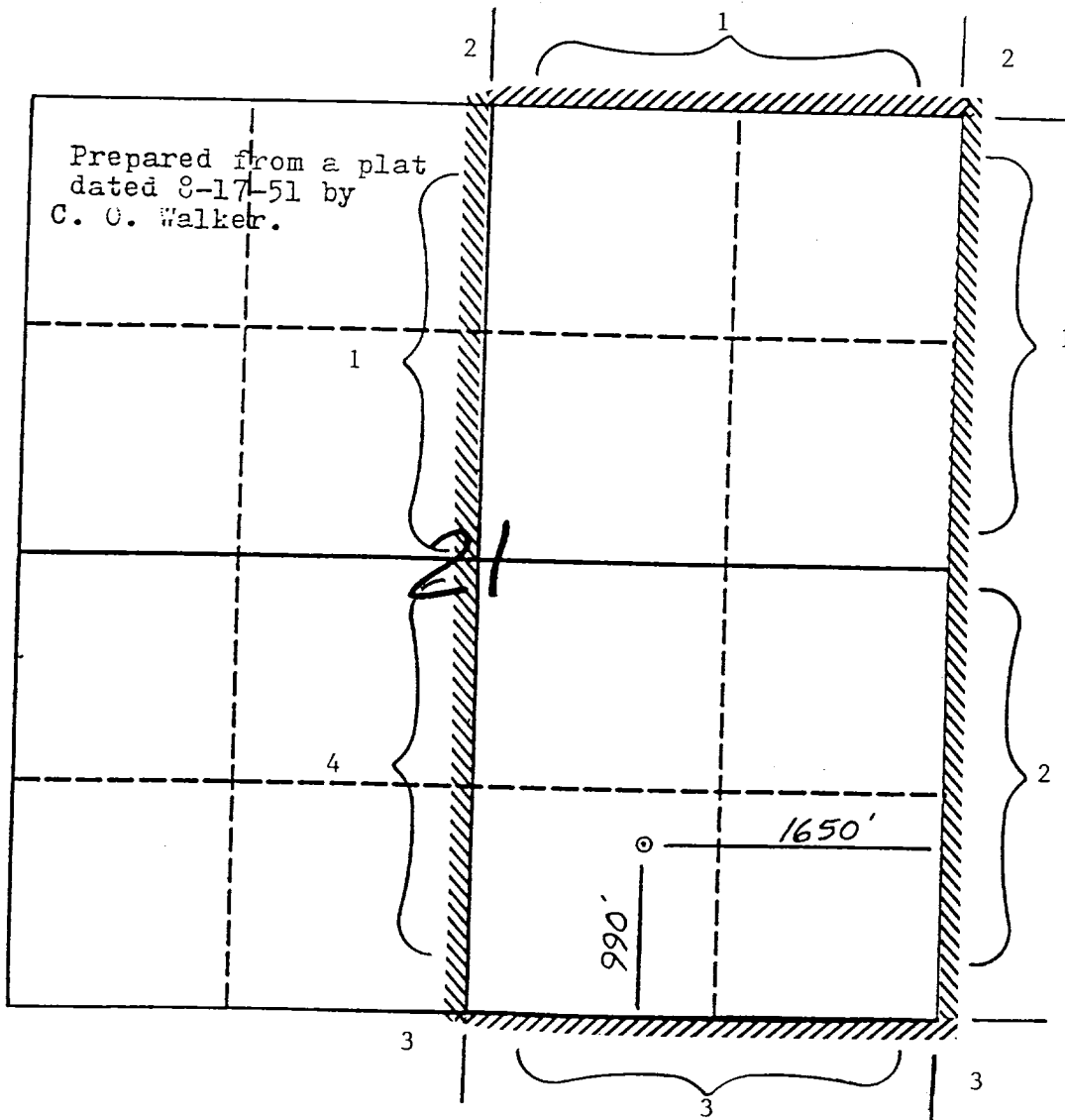
MERIDIAN OIL INC.

Well Name Kutz Deep Test #1

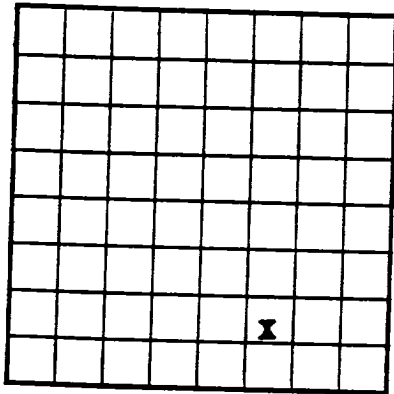
Footage---- 990' FSL; 1650' FEL

APPLICATION FOR NON-STANDARD PRORATION UNIT

County San Juan State New Mexico Section 21 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



LOCATE WELL CORRECTLY

 U. S. LAND OFFICE Santa Fe  
 SERIAL NUMBER 077383  
 LEASE OR PERMIT TO PROSPECT Kutz

 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 Deep Test Field Fulcher-Kutz State New Mexico  
 Well No. 1 Sec. 21 T. 28N R. 10W Meridian 10N County San Juan  
 Location 990 ft. (S.) of 8 Line and 1650 ft. (W.) of 2 Line of Sec. 21 Elevation 6120  
 (Denote gas 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. COEDate November 20, 1951Title ---

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

 Commenced drilling October 5, 1951 Finished drilling October 11, 1951

## OIL OR GAS SANDS OR ZONES

(Denote gas by G)

 No. 1, from 2152 to 2210 (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 --- to --- 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—	
8-5/8	21	6	---	---	---	---	---	---	---
5-7/8	17	6	---	---	---	---	---	---	---
1-3/4	11	6	---	---	---	---	---	---	---
HISTORY OF OIL OR GAS WELL									

## MUDDING AND CEMENTING RECORD

Size casing	Where set	Number sacks of cement	Method used	Mud gravity	Amount of mud used
8-5/8	103	60	Circulating	---	---
5-7/8	2158	140	Single Stage	---	---

## PLUGS AND ADAPTERS

 Heaving plug—Material --- Length --- Depth set ---  
 Adapters—Material --- Size ---





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

GARREY CARRUTHERS  
GOVERNOR

June 29, 1990

POST OFFICE BOX 208B  
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 Canyon Oil and Gas Well No. 1, 990' FSL - 1650' FWL (Unit O), Section 17, 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

100 JUN 21 AM 8 37

June 19, 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: Kutz Canyon Oil & Gas #1  
990' FSL, 1650' FEL  
Section 17, T-28-N, R-10-W  
San Juan County, New Mexico

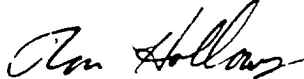
Dear Mr. LeMay:

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 request for the non-standard gas well location. To grant such a location 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  
L54/0618b

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

