

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

GARREY CARRUTHERS
GOVERNOR

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

August 8, 1990

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

Attention: Peggy Bradfield

Administrative Order NSL-2841

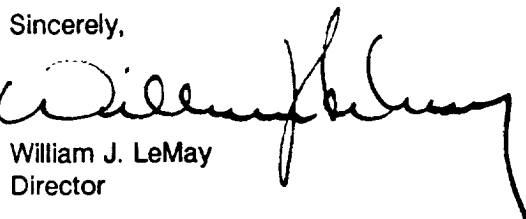
Dear Ms. Bradfield:

Reference is made to your application dated June 8, 1990 for a non-standard Basin-Fruitland coal gas well location for your existing Kutz Canyon Oil and Gas Well No. 1 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 line and 1650 feet from the East line (Unit O) of Section 17, 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 S/2 of said Section 17 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. 10019

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AUG 17 1990
OIL CON. DIV.
DIST. 3



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

ARREY CARRUTHERS
GOVERNOR

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

Date: 6-22-90

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

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

Gentlemen:

I have examined the application dated 6-12-90
for the Meridian Oil Inc. Kutz Canyon Oil & Gas #1
Operator Lease & Well No.

6-17-1984-10W and my recommendations are as follows:
Unit, S-T-R

Approve

Yours truly,

Ernest Bonilla

MERIDIAN OIL

June 8, 1990

Federal Express

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

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 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 Canyon Oil & Gas #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 17, 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.

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JUN 12 1990
OIL CON. DIV.
DIST. 3

WAIVER

_____ hereby waives objection to Meridian Oil Inc.'s application for a non-standard location for their Kutz Canyon Oil & Gas #1 as proposed above.

By: _____ Date: _____

xc: Southland Royalty Company
Breck Operating Company
Merrion Oil & Gas Corporation
Damsun Oil Co.

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DIST. 3

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

I hereby certify that the following offset owners/operators have been notified by certified mail 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

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

Merrion Oil & Gas Corporation
P.O. Box 840
Farmington, NM 87499

Damsun Oil Co.
P.O. Box 4391
Houston, TX 77210-4391



Peggy Bradfield
June 8, 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, 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 (SF-047039B) Kutz Canyon Oil & Gas		Well No. 1
Unit Letter 0	Section 17	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. 5952'	Producing Formation Fruitland Coal		Pool Basin	Dedicated Acreage: 320 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or leather 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, force-pooling, etc?
☐ Yes ☐ No If answer is "yes" type of consolidation _____
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 8-16-51 by
C. O. Walker.

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JUN 12 1990
OIL CON. DIV
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 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 of Professional Surveyor
Professional Seal
6857
6857
Certified and Registered Land Surveyor
Neale C. Edwards

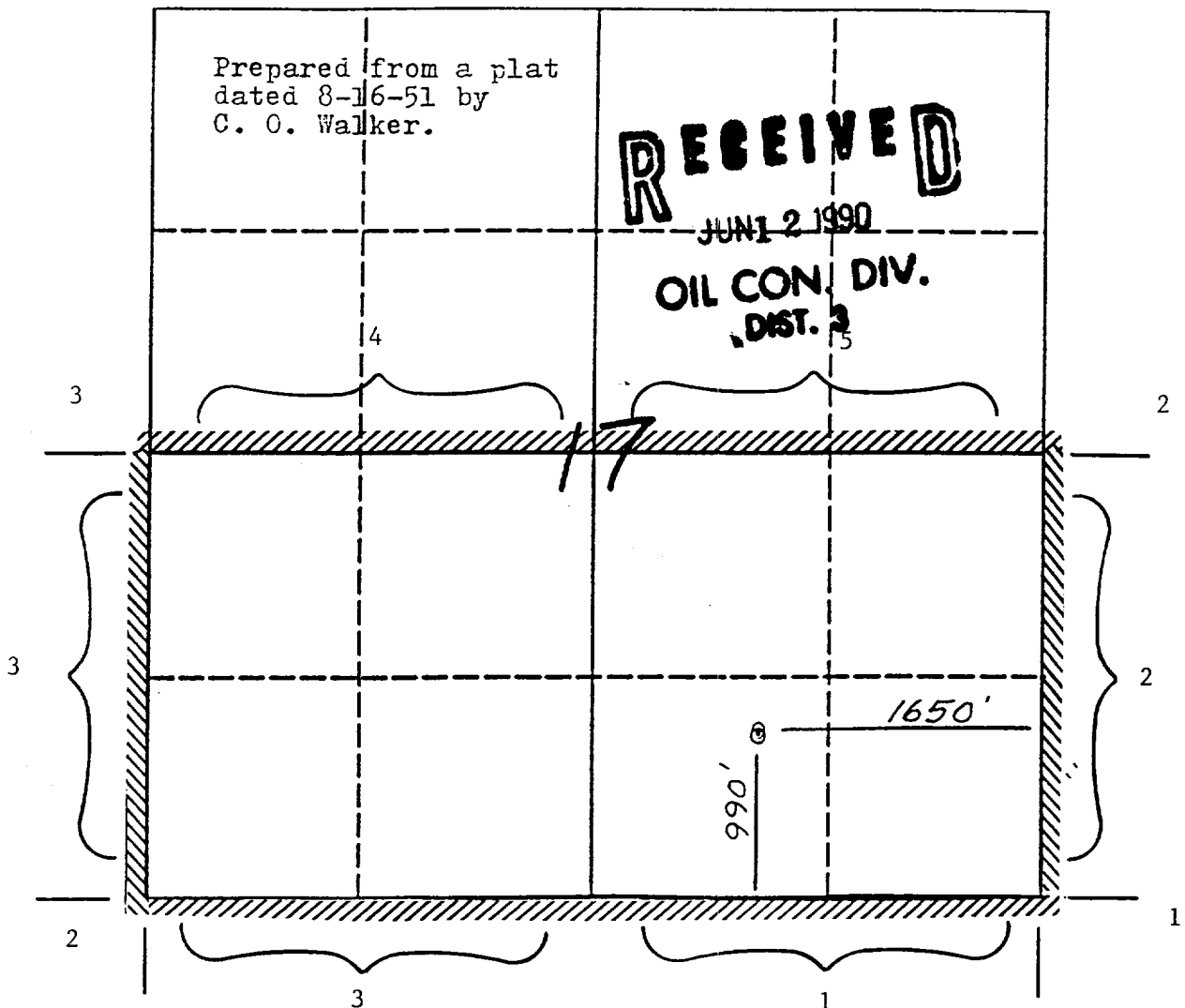
0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

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OIL COM. DIV.
DIST. 3

Well Name Kutz Canyon Oil & Gas #1

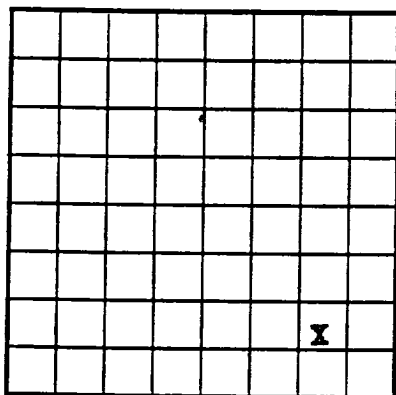
Footage 990' FSL; 1650' FEL

County San Juan State New Mexico Section 17 Township 28N Range 10W



Remarks 1)Meridian Oil, Inc.
2)Southland Royalty Company
3)Breck Operating Company, PO Box 911, Breckenridge, TX 76024-0911
4)Merrion Oil & Gas Corporation
5)Damsun Oil Co., PO Box 4391, Houston, TX 77210-4391

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JUL 15 1960
OFF. CON. DIV.
& TAG.



LOCATE WELL CORRECTLY

 U. S. LAND OFFICE Santa Fe
 SERIAL NUMBER 047039-B
 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 Company Address P.O. Box 997, Farmington, New Mexico
 Lessor or Tract Kutz Canyon C. & G. Field Fulcher-Kutz State New Mexico
 Well No. 1 Sec. 17 T. 28N R. 10W Meridian NMPM County San Juan
 Location 990 ft. (N.) of Line and 990 (W.) of E Line of Sec. 17 Elevation 5957
(Dariusz floor 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. COELDate November 20, 1951Title Petroleum Engineer

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

Commenced drilling October 7, 1951 Finished drilling October 18, 1951

OIL OR GAS SANDS OR ZONES

(Denote gas by G)

 No. 1, from 2002 to 2050 (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 962 to 1035 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>Natl</u>	<u>2002</u>	<u>HWCO</u>				<u>Surf casing</u>
<u>5-9/16</u>	<u>21.65</u>	<u>8</u>	<u>Natl</u>	<u>2003</u>	<u>HWCO</u>				<u>Production</u>
<u>1</u>	<u>1.68</u>	<u>8</u>	<u>Natl</u>	<u>2006</u>	<u>HWCO</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>2002</u>	<u>60</u>	<u>Circulated</u>		
<u>5-9/16</u>	<u>2003</u>	<u>140</u>	<u>Single Stage</u>		

PLUGS AND ADAPTERS

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