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

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IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 10488
Order No. R-9692

APPLICATION OF MERIDIAN OIL INC.
FOR A HIGH ANGLE/HORIZONTAL DIRECTIONAL
DRILLING PILOT PROJECT, SPECIAL OPERATING
RULES THEREFOR, A NON-STANDARD OIL
PRORATION UNIT, A SPECIAL PROJECT OIL
ALLOWABLE, AND SPECIAL GOR ASSIGNMENT,
SAN JUAN COUNTY, NEW MEXICO.

RECEIVED
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OIL CON. DIV
DIST. 3

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on June 25, 1992, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 13th day of July, 1992, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Meridian Oil Inc., seeks authority to initiate a high angle/horizontal directional drilling pilot project in the Gallup formation underlying the SW/4 of Section 24, Township 32 North, Range 13 West, NMPM, San Juan County, New Mexico.

(3) The applicant proposes to utilize its existing USA Well No. 2 located at a standard surface location 930 feet from the South line and 1050 feet from the West line (Unit M) of Section 24 by sidetracking and drilling in the following unconventional manner: