

MERIDIAN OIL

OIL CONSERVATION DIVISION
RECEIVED

'90 AUG 13 AM 8 50

August 9, 1990

Federal Express

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

RE: Huerfanito Unit #93
790'FNL, 790'FWL
Section 25, T-27-N, R-09-W
San Juan, 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 Huerfanito Unit #93 well from the Pictured Cliffs pool to the Basin Fruitland Coal Pool. The current location of this well is 790'FNL, 790'FWL, Section 25, T-27-N, R-09-W, San Juan, 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

Meridian Oil Inc. hereby waives objection to Meridian Oil Inc.'s application for a non-standard location for their Huerfanito Unit #93 as proposed above.

By:  Date: 8/10/90

xc: Meridian Oil Inc.



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 22, 1990

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

Attention: Peggy Bradfield

*RE: Unorthodox coal gas well location, Huerfanito Unit No. 93, 790'
FN & WL (Unit D); 25-T27N-R9W, NMPM, Basin-Fruitland
Coal Gas Pool, San Juan County, New Mexico.*

Dear Ms. Bradfield:

Having received several applications in the past to recomplete existing wells to the Basin-Fruitland Coal Gas Pool at unorthodox coal gas well locations, usually Pictured Cliffs wells, which are off pattern for coal gas development, it appears that additional information may be necessary to properly evaluate future filings in instances when there are two wells in the proposed coal spacing unit producing from the same formation in which the one to be recompleted is also off-pattern.

In the immediate instance, the proposed W/2 320-acre coal dedication has two South Blanco Pictured Cliffs Gas wells; the Huerfanito Well No. 93 located in Unit D and the Huerfanito Unit Well No. 46 located in Unit M. Why was the No. 93 chosen over the No. 96 well? Also, how does this off-pattern recompletion effect coal development in the immediate area? Please submit any supporting production data, engineering evaluation and related technical data to support your choice of wells for recompletion. Also submit a plat of the offsetting sections showing the coal completions presently planned or currently producing and provide a discussion addressing the proposed off-pattern development.

Should you have any questions, please contact me.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: Oil Conservation Division - Aztec
US Bureau of Land Management - Farmington

MERIDIAN OIL

OIL CONSERVATION DIVISION
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'90 SEP 7 AM 8 28

August 29, 1990

New Mexico Oil Conservation Division
Attn: Mr. Michael E. Stogner
P.O. Box 2088
Santa Fe, New Mexico 87504

RE: Huerfanito Unit #93
790' FNL, 790' FWL (Unit D)
Section 25, T27N, R09W
Basin Fruitland Coal Gas Pool
San Juan County, New Mexico
Unorthodox Coal Gas Well Location

Dear Mr. Stogner:

At the time Meridian Oil submitted the above-referenced unorthodox coal gas well location for your approval, we were aware that two South Blanco Pictured Cliffs gas wells were located in the W/2 320-acre coal dedication. Therefore, in response to your letter dated August 20, 1990 regarding the subject well, the following is submitted:

The primary justification of choosing the Huerfanito Unit #93 over the Huerfanito Unit #46 (standard location) concerns the known mechanical integrity of the Huerfanito Unit #93 wellbore. The Huerfanito Unit #46 wellbore failed in 1983 and its wellbore mechanical condition is judged to be poor. The well will be plugged and abandoned. Pictured Cliffs wells which have mechanical wellbore problems are less desirable recompletion candidates than uneconomic wells having mechanical integrity. Since the Huerfanito Unit #93 productivity is uneconomic at 10 MCF/D its plugback to the Fruitland Coal can be justified. Recompletion of the Huerfanito Unit #93 will allow us to produce Fruitland Coal reserves without creating economic waste by drilling a new well. There should be no correlative rights problem.

The Huerfanito Unit #93 well meets setback footage requirements. We recognize the Huerfanito Unit #93 is off pattern; however, in the near future we anticipate proposing a recompletion well in the SE/4 of Section 25. As indicated in the plat a proposed recompletion in SE/4 of Section 30 will be back on pattern. We have no other proposed recompletions in the area at this time. The working and royalty ownership in the W/2 and NE/4 of Section 25 is common. The direct offset acreage in SW/4 of Section 24; SE/4 of Section 23 and NE/4 of Section 26 is committed to the Huerfanito Unit.

New Mexico Oil Conservation Division
Huerfanito Unit #93
Page Two

Included is the requested plat of offsetting dedicated units showing completed coal projects and those proposed to date. Although all proposed coal gas well development projects are included, additional projects may be proposed in the future. Because it is less desirable from an economic standpoint to drill new wells in this area, the off pattern development of this unit utilizing the existing subject wellbore represents the most prudent operation for the immediate area.

Should you have any questions, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "R. E. Fraley", with a stylized flourish at the end.

Richard E. Fraley
Regional Production Engineer

REF/CRB:tt

attachments

cc: Oil Conservation Division/Aztec
US Bureau of Land Management/Farmington

DATE: AUGUST 27, 1990
 NAME: HUERFANITO UNIT #93
 FORM: FRUITLAND COAL

LOCATION
 UNIT: D
 SEC: 25
 T4N: 27
 R4G: 9

T
27
N

LEGEND

*
 WELLNAME
 EXISTING FORMATION -
 PRIOR TO RECOMPLETION

<p>[23]</p> <p>* HUERFANITO UNIT #55 (PC) COMPLETED R/C</p>	<p>[24]</p>	<p>[19]</p>
<p>[26]</p> <p>* HUERFANITO UNIT #93 (PC) PROPOSED FTC R/C</p>	<p>[25]</p> <p>* H.L. GENTLE #1 (PC) PROPOSED FTC R/C</p>	<p>[30]</p> <p>* NAVAJO INDIAN B #1 (PC) PROPOSED FTC R/C</p>
<p>[35]</p> <p>* HUERFANITO UNIT #29 (PC) COMPLETED R/C</p>	<p>[36]</p> <p>* HUERFANITO UNIT #151 COMPLETED NEW DRILL</p>	<p>[31]</p>