

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

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

CASE NO. 10487

APPLICATION OF MERIDIAN OIL INC. FOR
A HIGH ANGLE/HORIZONTAL DIRECTIONAL
DRILLING PILOT PROJECT, SPECIAL OPERATING
RULES THEREFOR AND OTHER RELIEF,
SAN JUAN COUNTY, NEW MEXICO

RECEIVED

JUN 19 1992

PRE-HEARING STATEMENT

OIL CONSERVATION DIVISION

This pre-hearing statement is submitted by MERIDIAN OIL
INC. as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT

MERIDIAN OIL INC.
P.O. Box 4289
Farmington, NM 87499
ATTN: Alan Alexander

ATTORNEY

W. Thomas Kellahin
KELLAHIN, KELLAHIN & AUBREY
P.O. Box 2265
Santa Fe, NM 87504
(505) 982-4285

OPPOSITION OR OTHER PARTY

ATTORNEY

N/A

STATEMENT OF CASE

APPLICANT

Applicant seeks to initiate a high angle/horizontal directional drilling pilot project in the Designated and Undesignated Horseshoe-Gallup Oil Pool in an area that includes the N/2 and SW/4 of Section 17 and Lots 1 and 2, E/2, and E/2 NW/4 of Section 18, both in Township 30 North, Range 15 West, NMPM, San Juan County, New Mexico. Applicant seeks special operating rules therefor, a non-standard oil proration unit, a special project allowable, and special GOR assignment. Within said area the applicant seeks to dedicate up to 320 acres to a horizontal well (its Black Diamond 17 No. 1) to be drilled from an unorthodox surface oil well location in the NW/4NW/4 (Unit D) of said Section 17. Special rules and provisions would be promulgated for the area including the designation of a prescribed area limiting the horizontal displacement of the producing interval of the wellbore, special allowable considerations, and the adoption of a special gas/oil ratio of 4,500 to 1.

OPPOSITION OR OTHER PARTY

N/A

PROPOSED EVIDENCE

APPLICANT

WITNESSES	EST. TIME	EXHIBITS
Scott Daves Reservoir Engineer	10 Min.	1 Exhibit
Jim Hornbeck Geologist	15 Min.	3 Exhibits
Alan Alexander Landman	10 Min.	1 Exhibit
Eric Bauer Drilling Engineer	10 Min.	2 Exhibits

OPPOSITION

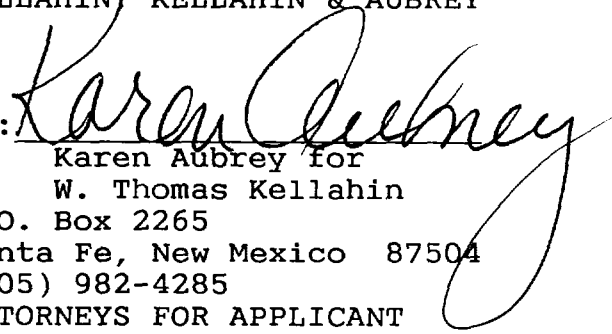
WITNESSES	EST. TIME	EXHIBITS
SEE OPPOSITION FILING, IF ANY		

PROCEDURAL MATTERS

None applicable at this time.

KELLAHIN) KELLAHIN & AUBREY

By:


Karen Aubrey for
W. Thomas Kellahin
P.O. Box 2265
Santa Fe, New Mexico 87504
(505) 982-4285
ATTORNEYS FOR APPLICANT