

KELLAHIN, KELLAHIN AND AUBREY

ATTORNEYS AT LAW

EL PATIO BUILDING

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SANTA FE, NEW MEXICO 87504-2265

W. THOMAS KELLAHIN*
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*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW
*ALSO ADMITTED IN ARIZONA

JASON KELLAHIN (RETIRED 1991)

June 30, 1992

Mr. David Catanach
Hearing Examiner
Oil Conservation Division
310 Old Santa Fe Trail, Room 218
State Land Office Building
Santa Fe, New Mexico 87501

HAND DELIVERED

Re: Application of Meridian Oil Inc.
for a High Angle/Horizontal Directional
Drilling Pilot Project, Special
Operating Rules therefor, Including
a Non-Standard Oil Proration Unit and
a Special Project Oil Allowable,
San Juan County, New Mexico
NMOCD Case 10487

Dear Mr. Catanach:

On behalf of Meridian Oil Inc., please find enclosed for your consideration, a draft order for entry in the referenced case. I have enclosed a floppy disk with this document on it for your convenience.

Please let me know if there is anything I can do to assist you in expediting the processing of this case.

Very truly yours,



W. Thomas Kellahin

WTK/jcl
Enclosure
cc: Mr. Alan Alexander (w/encl.)

1trt630a.330

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, A
NON-STANDARD OIL PRORATION UNIT, A
SPECIAL PROJECT OIL ALLOWABLE, AND
SPECIAL GOR ASSIGNMENT, SAN JUAN
COUNTY, NEW MEXICO

CERTIFICATE OF MAILING

AND

COMPLIANCE WITH ORDER R-8054

W. THOMAS KELLAHIN, attorney in fact and authorized representative of MERIDIAN OIL INC., states that the notice provisions of Division Rule 1207 (Order R-8054) have been complied with, that Applicant has caused to be conducted a good faith diligent effort to find the correct addresses of all interested parties entitled to receive notice, that on MAY 19, 1992, I caused to be mailed by certified mail return-receipt requested notice of this hearing and a copy of the application for the above referenced case along with the cover letter, at least twenty days prior to the hearing set for JUNE 25, 1992, to the parties shown in the application as evidenced by the attached copies of return receipt cards, and that pursuant to Division Rule 1207, notice has been given at the correct addresses provided by such rule.



W. Thomas Kellahin

SUBSCRIBED AND SWORN to before me this 24TH day of
JUNE, 1992.


Notary Public

My Commission Expires:

10/7/95

cert624C.330

BEFORE EXAMINER GATANACH
OIL CONSERVATION DIVISION
MERIDIAN EXHIBIT NO. <u>87</u>
CASE NO. <u>10487</u>

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
 Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. (Extra charge) 2. Restricted Delivery (Extra charge)

3. Article Addressed to: ABO Petroleum Corp. 105 S. 4th Street Artesia, NM 88210	4. Article Number P676-666-309
	Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise
Always obtain signature of addressee or agent and <u>DATE DELIVERED</u> .	
5. Signature - Address X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X <i>Mike Bunt</i>	
7. Date of Delivery 05-22-92	

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT
 WTK - B. DIA 17-1

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
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1. Show to whom delivered, date, and addressee's address. (Extra charge) 2. Restricted Delivery (Extra charge)

3. Article Addressed to: Amoco Production Co. P.O. Box 800 Denver, CO 80202	4. Article Number P676-666-310
	Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise
Always obtain signature of addressee or agent and <u>DATE DELIVERED</u> .	
5. Signature - Address X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X <i>LAJ</i>	
7. Date of Delivery <i>5/26</i>	

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT
 Merid. WTK - B. Dia 17-1

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
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1. Show to whom delivered, date, and addressee's address. (Extra charge) 2. Restricted Delivery (Extra charge)

3. Article Addressed to: Apache Corporation P.O. Box 36370 Denver, CO 80203	4. Article Number P676-666-311
	Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise
Always obtain signature of addressee or agent and <u>DATE DELIVERED</u> .	
5. Signature - Address X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X <i>B. J. Jones</i>	
7. Date of Delivery <i>5/22/92</i>	

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT
 Merid. WTK - B. Dia 17-1

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
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1. Show to whom delivered, date, and addressee's address. (Extra charge) 2. Restricted Delivery (Extra charge)

3. Article Addressed to: LT Barringer/WH Atkins c/o John Barringer 11 W. Nettleton Memphis, TN 38103	4. Article Number P676-666-316 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and DATE DELIVERED.
5. Signature - Address X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X	
7. Date of Delivery 6/4/92 John W. Barringer	

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT
 Mend - WTK - B. Dia 17-1

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
 Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. (Extra charge) 2. Restricted Delivery (Extra charge)

3. Article Addressed to: Celcius Energy Co. P.O. Box 11070 Salt Lake City, UT 84147	4. Article Number P676-666-312 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and DATE DELIVERED.
5. Signature - Address X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X Steve Chapman	
7. Date of Delivery 5-26-92	

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT
 Mend - WTK - B. Dia 17-1

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
 Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. (Extra charge) 2. Restricted Delivery (Extra charge)

3. Article Addressed to: Condor Oil Corp. P.O. Box 25130 Wilmington, DE 19899	4. Article Number P676-666-313 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and DATE DELIVERED.
5. Signature - Address X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X	
7. Date of Delivery 5/23/92	

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT
 Mend - WTK - B. Dia 17-1

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
 Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. (Extra charge) 2. Restricted Delivery (Extra charge)

3. Article Addressed to:

 EP Operating Co.
 P.O. Box 2649
 Dallas, TX 75221

4. Article Number
 P676-666-314

Type of Service:
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Address
 X

6. Signature - Agent
 X *R. Part*

7. Date of Delivery
 MAY 26 1992

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT
Mend - WTK - B. Dia 17-1

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
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1. Show to whom delivered, date, and addressee's address. (Extra charge) 2. Restricted Delivery (Extra charge)

3. Article Addressed to:

 EVKO Development
 4710 Cabrillo St.
 San Francisco, CA 94121

4. Article Number
 P676-666-315

Type of Service:
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Address
 X *Mahida Rojas*

6. Signature - Agent
 X

7. Date of Delivery

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT
Mend WTK - B. Dia 17-1

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1. Show to whom delivered, date, and addressee's address. (Extra charge) 2. Restricted Delivery (Extra charge)

3. Article Addressed to:

 Morgan Richardson
 Operating Co.
 P.O. Box 9808
 Denver, CO 80209

4. Article Number
 P676-666-317

Type of Service:
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Address
 X

6. Signature - Agent
 X *Dawn Huffer*

7. Date of Delivery
 5-22-92

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT
Mend - WTK - B. Dia 17-1

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1. Show to whom delivered, date, and addressee's address. (Extra charge) 2. Restricted Delivery (Extra charge)

3. Article Addressed to: Myco Industries, Inc. 105 S. 4th St. Artesia, NM 88210	4. Article Number P676-666-318
	Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise
Always obtain signature of addressee or agent and DATE DELIVERED.	
5. Signature - Address X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X <i>Mike Duns</i>	
7. Date of Delivery 05-22-92	

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT
 Mend - WTL - B. Dia 17-1

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1. Show to whom delivered, date, and addressee's address. (Extra charge) 2. Restricted Delivery (Extra charge)

3. Article Addressed to: Oxford Exploration 4582 S. Ulster St. #1500, Stanford Pl-3 Denver, CO 80237	4. Article Number P676-666-319
	Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise
Always obtain signature of addressee or agent and DATE DELIVERED.	
5. Signature - Address X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X <i>Lita A. Merg</i>	
7. Date of Delivery	

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT
 Mend - NTK - B. Dia 17-1

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1. Show to whom delivered, date, and addressee's address. (Extra charge) 2. Restricted Delivery (Extra charge)

3. Article Addressed to: Yates Petroleum Corp. 105 S. 4th Street Artesia, NM 88210	4. Article Number P676-666-321
	Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise
Always obtain signature of addressee or agent and DATE DELIVERED.	
5. Signature - Address X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X <i>Mike Duns</i>	
7. Date of Delivery 05-22-92	

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1. Show to whom delivered, date, and addressee's address. (Extra charge) 2. Restricted Delivery (Extra charge)

<p>3. Article Addressed to:</p> <p>Yates Drilling Co. 105 S. 4th St. Artesia, NM 88210</p>	<p>4. Article Number P676-666-320</p> <p>Type of Service:</p> <p><input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise</p> <p>Always obtain signature of addressee or agent and <u>DATE DELIVERED.</u></p>
<p>5. Signature - Address X .</p>	<p>8. Addressee's Address (ONLY if requested and fee paid)</p>
<p>6. Signature - Agent X <i>Mike Burt</i></p>	
<p>7. Date of Delivery 05-22-92</p>	

KELLAHIN, KELLAHIN AND AUBREY

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

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W. THOMAS KELLAHIN*
KAREN AUBREY†

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RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW
†ALSO ADMITTED IN ARIZONA

JASON KELLAHIN (RETIRED 1991)

June 2, 1992

Mr. William J. LeMay
Oil Conservation Division
Room 218
State Land Office Building
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

HAND DELIVERED

RE: Applications 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 a special GOR assignment,
San Juan County, New Mexico,
NMOCD Case No. 10486, and
NMOCD Case No. 10487, and
NMOCD Case No. 10488.

RECEIVED

JUN 03 1992

OIL CONSERVATION DIVISION

Dear Mr. LeMay:

On behalf of Meridian Oil Inc. we respectfully
request that the above-referenced cases be continued to
the next Examiner's hearing docket, now scheduled for
June 25, 1992.

Very truly yours,

W. Thomas Kellahin

WTK/jcl
xc: Alan Alexander

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