

e

MERIDIAN OIL

CASE # 10606

NOVEMBER 19, 1992

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

W. THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

TELEPHONE (505) 982-4285
TELEFAX (505) 982-2047

JASON KELLAHIN (RETIRED 1991)

October 26, 1992

Mr. William J. LeMay
Oil Conservation Division
310 Old Santa Fe Trail
Room 219
Santa Fe, New Mexico 87501

HAND DELIVERED

encl # 10606



RE: **First Amended Application**
Application of Meridian Oil, Inc.
for Approval of an Unorthodox Gas
Well Location, San Juan County,
New Mexico

Dear Mr. LeMay:

The above-referenced Application, filed today with the Oil Conservation Division, contained an error in the legal description of the subject well. The proposed well should be described in Township 30 North, Range 9 West, not Range 8 West. We hereby amend this application to locate the subject well in Range 9 West, NMPM. The exhibits to the Application give the correct Range description.

A copy of this letter, attached to the original application, has been sent to all affected parties as listed on Exhibit "B" of the application by Certified Mail, Return Receipt Requested.

Very truly yours,

W. Thomas Kellahin/jcl

W. Thomas Kellahin

WTK/jcl
lrr1026.330

xc: Alan Alexander - Meridian Oil Inc.
CERTIFIED MAIL - RETURN RECEIPT

WITH ORIGINAL APPLICATION

To all Parties listed on Exhibit "B"
of the Application

EXHIBIT 1

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW
EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

TELEPHONE (505) 982-4285
TELEFAX (505) 982-2047

W THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

October 23, 1992

Mr. William J. LeMay
Oil Conservation Division
310 Old Santa Fe Trail, Room 219
State Land Office Building
Santa Fe, New Mexico 87501

HAND DELIVERED

RE: Application of Meridian Oil Inc.
for Approval of an
Unorthodox Well Location,
San Juan County, New Mexico
Johnston Federal No. 270 Well

Dear Mr. LeMay:

On behalf of Meridian Oil Inc., please find enclosed our application for a hearing for the Johnston Federal 270 Well. We request that this case be set for hearing on November 19, 1992 Examiner's Docket.

By copy of this letter, including the application, to all parties listed on Exhibit "B" to the application, we are notifying them by certified mail, return receipt requested, that they have the right to appear at the hearing, to make a statement to the Division, to present evidence and cross-examine witnesses either in support of or in opposition to the application.

Very truly yours,



W. Thomas Kellahin

WTK/jcl
Enclosure

xc: with Enclosure

Alan Alexander - Farmington, NM

By Certified Mail - Return Receipt Requested

To all parties listed on Exhibit "B"
of the Application

appt1023.330

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

CASE NO. _____

IN THE MATTER OF THE APPLICATION
OF MERIDIAN OIL INC. FOR APPROVAL
OF AN UNORTHODOX GAS WELL LOCATION,
SAN JUAN COUNTY, NEW MEXICO

A P P L I C A T I O N

Comes now MERIDIAN OIL INC., by and through its attorneys, Kellahin and Kellahin, and applies to the New Mexico Oil Conservation Division for approval of an unorthodox well location in the Basin Fruitland Coal Gas Pool for its proposed Johnston Federal No. 270 Well to be drilled at an unorthodox well location 790 feet FNL and 790 feet FWL of Section 12, Township 30 North, Range 8 West, NMPM, San Juan County, New Mexico and to be dedicated to a 320 acre spacing unit consisting of the W/2 of Section 12, and in support states:

(1) Meridian Oil Inc. ("Meridian") is the proposed operator of the subject well and is a working interest owner in the W/2 of Section 12.

(2) On December 20, 1990, Union Texas Petroleum, Inc. ("Union Texas") completed its Johnston Federal #27 Well at a standard location in the SW/4 of Section 12 and

dedicated the W/2 of Section 12 to the well. See Exhibit A, attached hereto.

(3) In September, 1991, Meridian Oil Production Inc. purchased Union Texas Petroleum, Inc.'s ownership in this well. At the present time, the Johnston Federal #270 Well is capable of producing only 30 MCFPD and is shut-in.

(4) While the entire W/2 of Section 12 is potentially productive, Union Texas was unsuccessful in its attempts to obtain a commercial well in a standard quarter section in this spacing unit.

(5) The E/2 of Section 12 is already dedicated to a Fruitland Coal Gas well located in the NE/4 of Section 12 and Meridian's only remaining alternative is to attempt to locate a well in the NW/4 of Section 12.

(6) Meridian seeks to drill its Johnston Federal #270 Well in the Basin Fruitland Coal Gas Pool at an unorthodox location 790 feet FNL and 790 feet FWL of Section 12 as a replacement well for the Johnston Federal #27 Well which will either be plugged and abandoned or used as a pressure observation well after the replacement well is completed.

(7) The proposed location is unorthodox for the Basin-Fruitland Coal Gas Pool because it is located in the NW/4 of the section rather than the NE/4 or the SW/4 of the section, thus requiring an exception to Rule 7 of the Basin Fruitland Case Gas Pool Rules (Order No. R-8768).

(8) The proposed unorthodox location is necessary in order for the applicant to economically recover Basin-Fruitland Coal Gas Pool reserves that are present in the W/2 of Section 12 and to avoid having this acreage drained by offsetting Basin Fruitland Coal Gas wells.

(9) Meridian requests that this matter be docketed for hearing on the Division Examiner docket now scheduled for November 19, 1992.

(10) A copy of this application has been sent to all offsetting operators and interested parties who might be affected by this application as identified and set forth on Exhibits B.

WHEREFORE, Meridian requests that this matter be set for hearing on November 19, 1992 before a duly appointed Examiner of the Oil Conservation Division and that after

Application of Meridian Oil Inc.
Page 4

notice and hearing as required by law, the Division enter
its order granting this application.

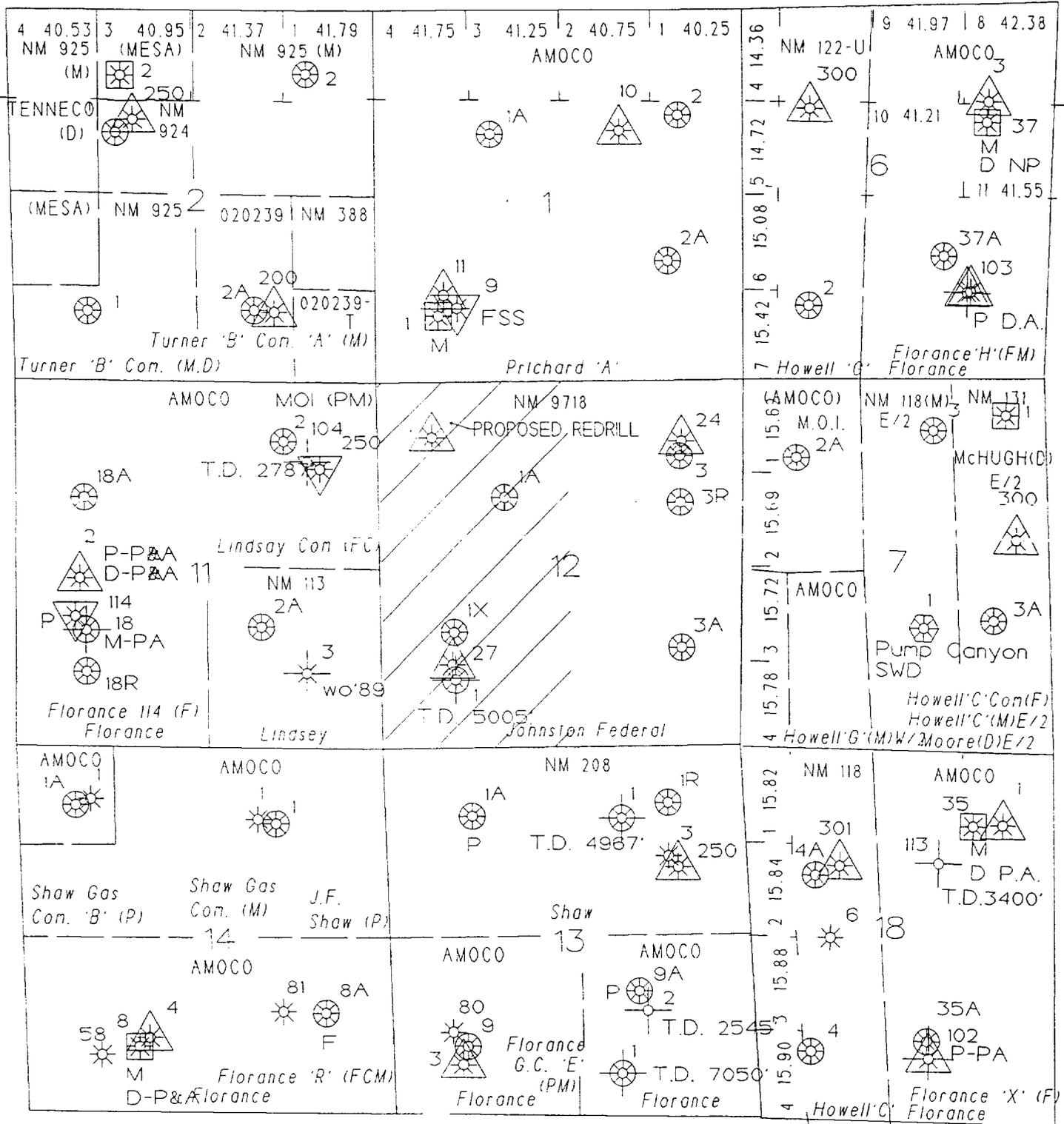
Respectfully submitted,

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', written in a cursive style.

W. Thomas Kellahin
Kellahin and Kellahin
P.O. Box 2265
Santa Fe, New Mexico 87504-2265
(505) 982-4285
Attorneys for Applicant

appt1023.330

EXHIBIT "A"
JOHNSTON FEDERAL # 270
 790'FNL, 790'FWL
 SECTION 12-30N-9W



FRUITLAND COAL SPACING UNIT

PICTURED CLIFFS WELL

FRUITLAND COAL WELL

MESAVERDE WELL

DAKOTA WELL

MERIDIAN OIL

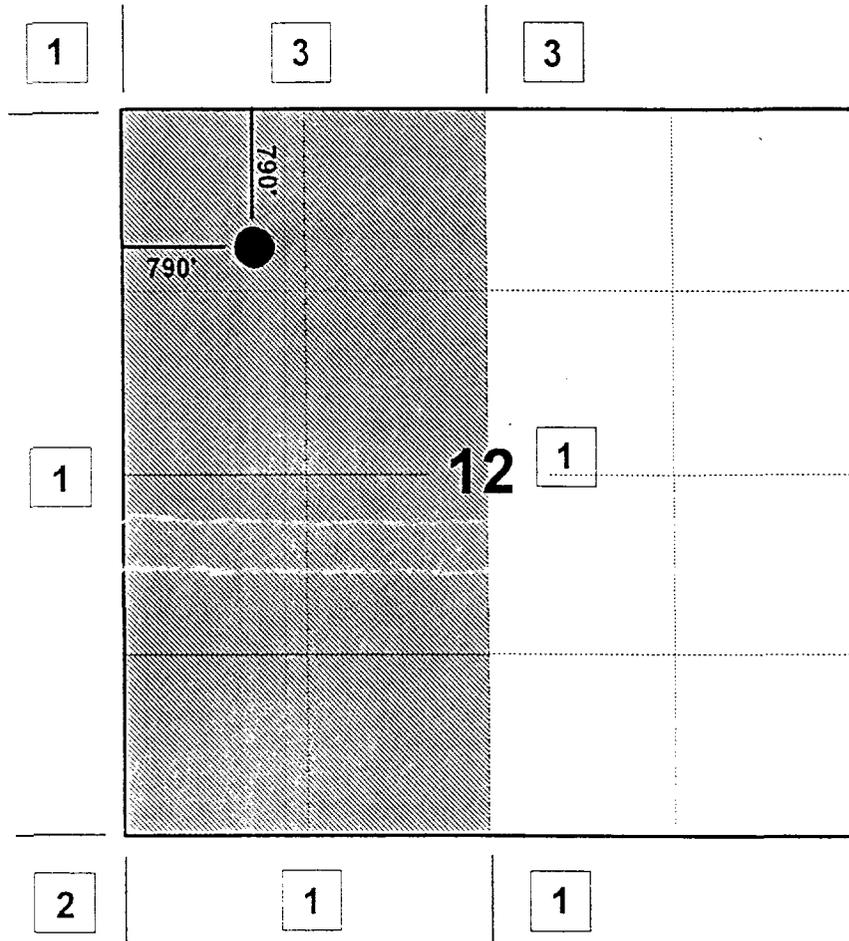
MERIDIAN OIL INC

OFFSET OPERATOR \ OWNER PLAT

JOHNSTON FEDERAL #270

Unorthodox Well Location

Township 30 North, Range 09 West



1) Meridian Oil Inc

2) Albert M. Senter, Jr PO Box 335, Albuquerque, NM 87114

Amoco Production Company PO Box 800, Denver, CO 80201

3) Amoco Production Company

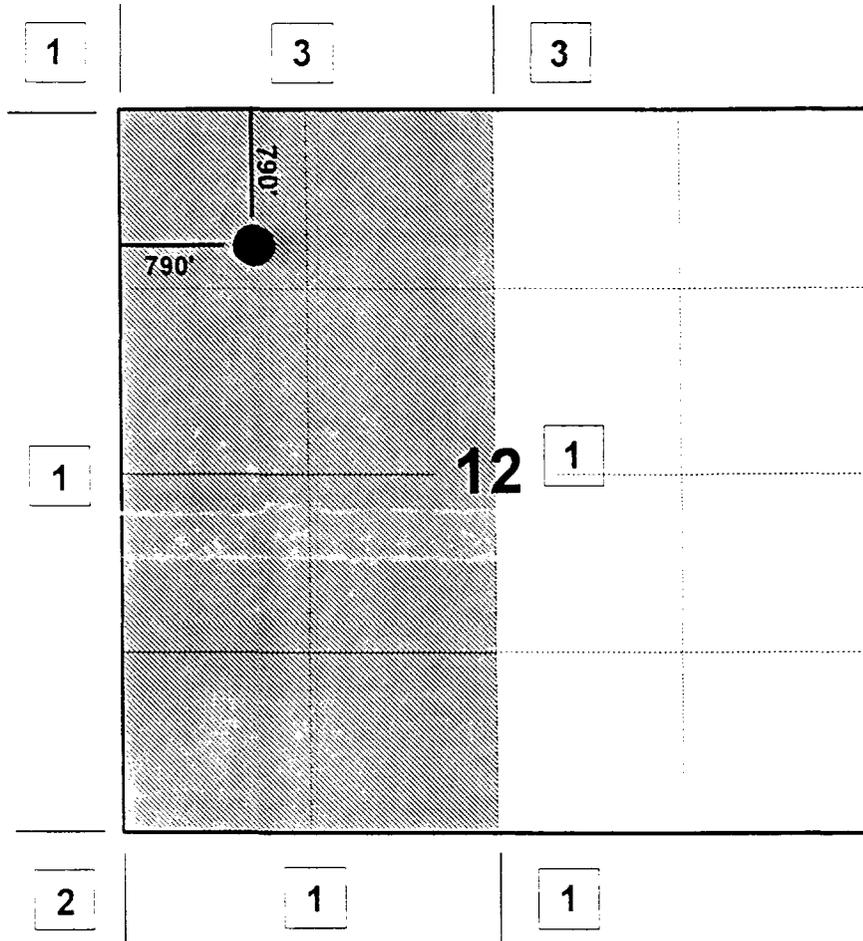
MERIDIAN OIL INC

OFFSET OPERATOR \ OWNER PLAT

JOHNSTON FEDERAL #270

Unorthodox Well Location

Township 30 North, Range 09 West



1) Meridian Oil Inc

2) Albert M. Senter, Jr

PO Box 335, Albuquerque, NM 87114

Amoco Production Company

PO Box 800, Denver, CO 80201

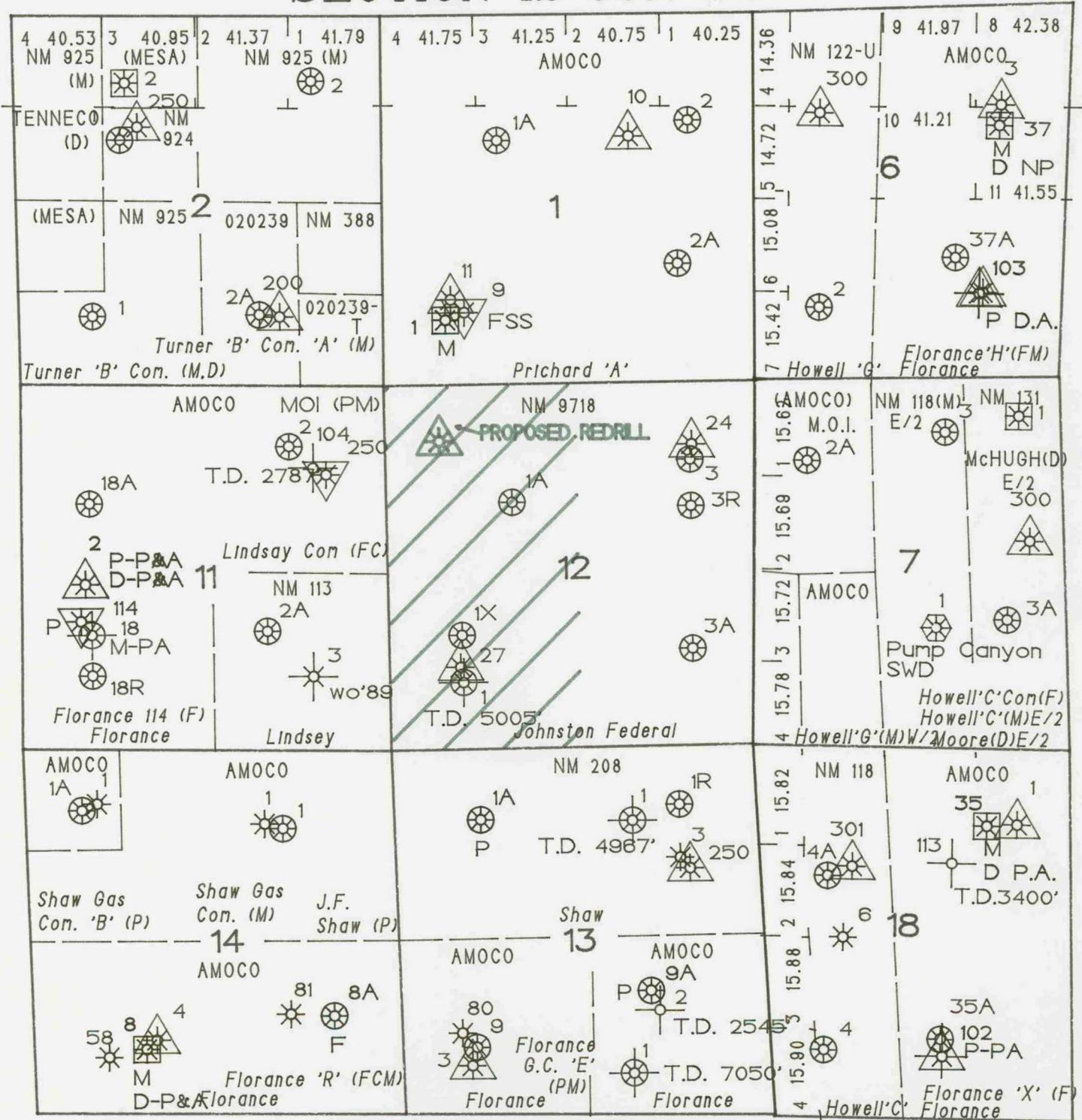
3) Amoco Production Company

EXHIBIT 2

JOHNSTON FEDERAL # 270

790'FNL, 790'FWL

SECTION 12-30N-9W



FRUITLAND COAL SPACING UNIT

- PICTURED CLIFFS WELL
- FRUITLAND COAL WELL
- MESAVERDE WELL
- DAKOTA WELL

MERIDIAN

EXHIBIT 3

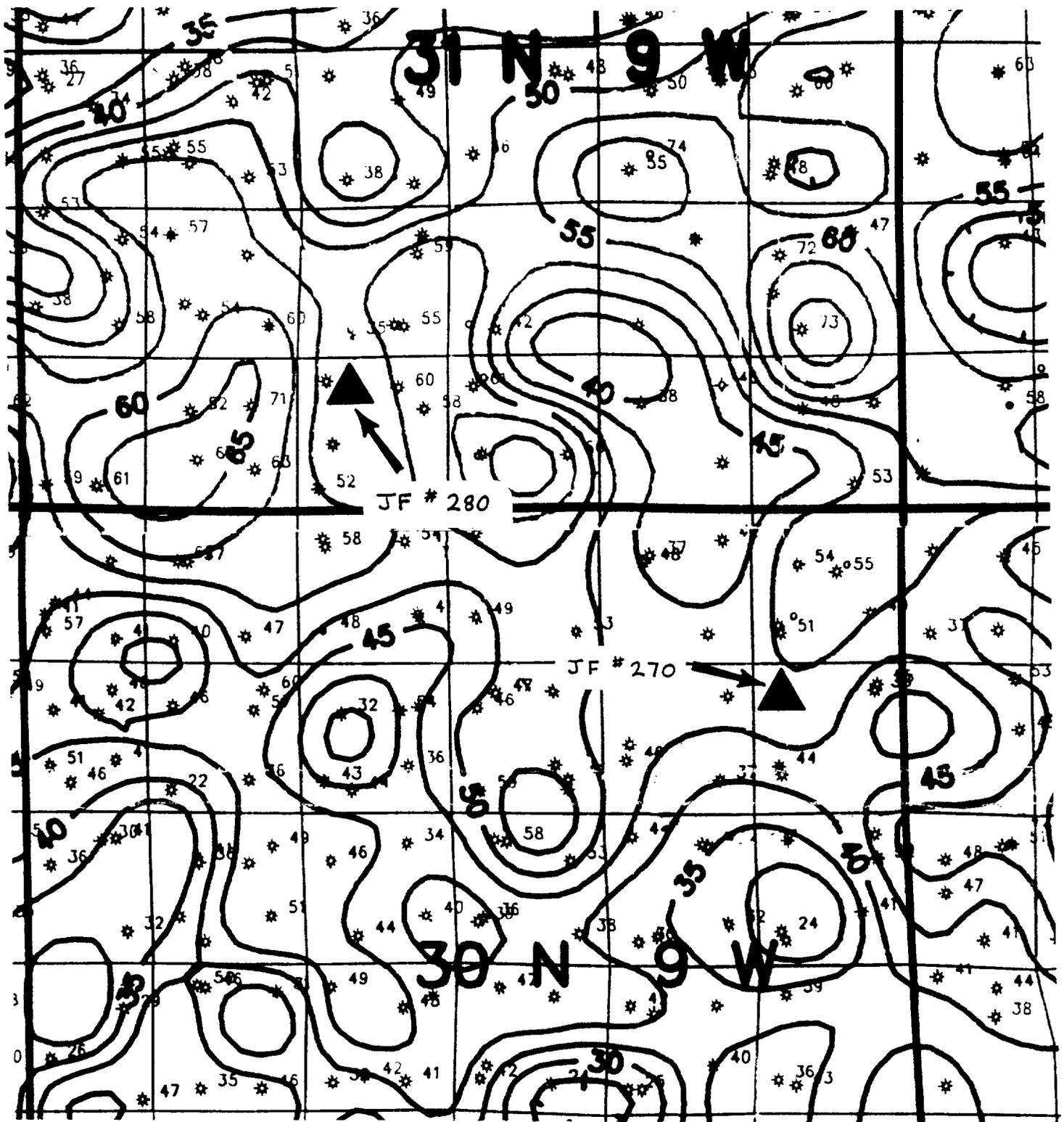


EXHIBIT 4

ISOPACH
 FRUITLAND COAL
 CI = 5'
 GLJ 11/92

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. 10606

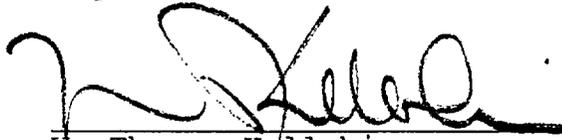
APPLICATION OF MERIDIAN OIL INC.
FOR APPROVAL OF AN UNORTHODOX COAL
GAS WELL LOCATION, SAN JUAN COUNTY,
NEW MEXICO

CERTIFICATE OF MAILING

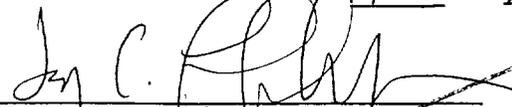
AND

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 OCTOBER 26, 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 NOVEMBER 19, 1992 to the parties shown in the application as evidenced by the attached copies of return receipt cards, white certified mail receipts and returned envelopes, 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 17TH day of
NOVEMBER, 1992.

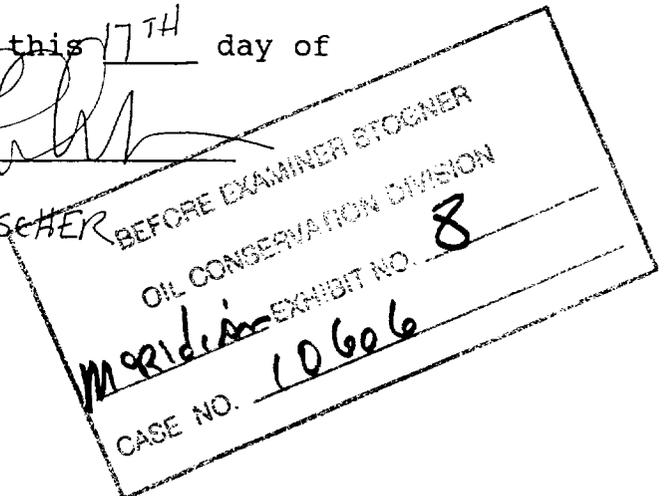

Notary Public
JAY C. LAUBSEHER

My Commission Expires:

10/7/95

cert1117.330

EXHIBIT 7



SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt Fee will provide you the signature of the person delivered to and the date of delivery.

I also wish to receive the following services (for an extra fee):

1. Addressee's Address

2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
Amoco Production Company
P.O. Box 800
Denver, CO 80201

4a. Article Number
P676 666 148

4b. Service Type

Registered Insured

Certified COD

Express Mail Return Receipt for Merchandise

7. Date of Delivery
10/26/92

5. Signature (Addressee)

6. Signature (Agent)

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

PS Form 3811, November 1990 *U.S. GPO: 1991-287-006 **DOMESTIC RETURN RECEIPT**
Mend JOHN 270

P 676 666 147

Certified Mail Receipt
No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Albert M. Senter, Jr.
P.O. Box 335
Albuquerque, NM 87114

Postage	\$ 1.52
Certified Fee	1.00
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.00
Return Receipt Showing to Whom, Date, & Address of Delivery	
TOTAL Postage & Fees	\$2.52
Postmark or Date	Mend - John 270 10/26/92

PS Form 3800, June 1990

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt Fee will provide you the signature of the person delivered to and the date of delivery.

I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
- 2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
 Albert M. Senter, Jr.
 P.O. Box 335
 Albuquerque, NM 87114

4a. Article Number
 P676 666 147

4b. Service Type
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

7. Date of Delivery

5. Signature (Addressee)

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

6. Signature (Agent)

PS Form 3811, November 1990 * U.S. GPO: 1991-287-066 DOMESTIC RETURN RECEIPT

Merid JOHN 270

Thank you for using Return Receipt Service.

RECEIVED NOV 04 1992

ALBUQUERQUE, NM

Dr
Closed

MAIL P 676 666 147

TO:
 KELLAHIN AND KELLAHIN
 El Patio - 117 N. Guadalupe
 P.O. Box 2265
 Santa Fe, New Mexico 87504-2265

Albert M. Senter, Jr.
 P.O. Box 335
 Albuquerque, NM 87114

NOV 28 1992
 2.52



PETRO WIRELINE

PO BOX 2900 - 700 DUSTIN RD.
FARMINGTON, NEW MEXICO 87499
(505) 326-6669



CASED HOLE COMPENSATED NEUTRON LOG

LOC: JOHNSTON FEDERAL #27
WELL: JOHNSTON FEDERAL #27
COMPANY: UNION TEXAS PETROLEUM

COMPANY UNION TEXAS PETROLEUM
 WELL JOHNSTON FEDERAL #27
 FIELD BASIN FRUITLAND COAL
 COUNTY SAN JUAN STATE N. M.

LOCATION
 1250' FNL . 1010' FNL
 Sec. 12 Twp. 30-N Rge. 9-W

Other Services
 GR/CBL
 PERFORATE
 BRIDGE PLUG

Permanent datum GROUND LEVEL Elev. 5827'
 Measured From K. B. 12 Above Perm. Datum Elev. K. B. 5839'
 Logging Measured From KELLY BUSHING G. L. 5827'

17-08-90	Type Fluid in Hole	WATER	
Tkt. Run No. 1583 ONE	Dens.	Visc.	
Time-Driller 2653'	Time Well Ready		
Time-Logger 2653'	Logger on Bottom		
Log Interval 2652'	Equip.	Location	113-84-0589 FARMINGTON
Log Interval 2125'	Recorded By	DRD	
Rec. Temp.	Witnessed By	MR. ZARENBA	

BOREHOLE RECORD

TUBING RECORD

No	Bit	From	To	Size	Wgt	From	To

CASING RECORD

LINER

Wgt	From	To	Size	Wgt	From	To
23#	SURFACE	2407'				
18#	SURFACE	2699'				

