



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. ¹⁰⁷⁴⁴~~10729~~

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

PRE-HEARING STATEMENT

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, N.M. 87499
Attn: Alan Alexander
(505) 326-9757

ATTORNEY

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

STATEMENT OF CASE

APPLICANT:

Meridian Oil Inc. seeks approval for a high angle/horizontal directional drilling pilot project for its Cheney Federal #4 Well in the Gavilan-Mancos Pool, Rio Arriba County, New Mexico.

The proposed project includes all of Section 17, T26N, R2W, Rio Arriba County, New Mexico.

The spacing for the pool is 640 acres and Meridian proposes a single 640-acre project area spacing and proration unit to be dedicated to the well. All of the project area is under identical ownership.

Applicant proposes to drill its Cheney Federal #4 Well at standard gas well location which is anticipated to be in Unit H Section 17 and to drill in a northwesterly direction so that the producing lateral will extend across section 17 but with the final end point of the producing lateral to be not closer than 790 feet to the outer boundary of the project area.

This is a tight reservoir of low permeability blocks interconnected by high capacity fractures. Meridian is seeking to determine if horizontal drilling will result in increased ultimate recovery from this pool thereby preventing waste.

PROPOSED EVIDENCE

APPLICANT

WITNESSES	EST. TIME	EXHIBITS
Greg Jennings (geologist)	15 min.	2
Alan Alexander (landman)	10 min.	3
John Clayton (petroleum engineer)	15 min	2
Eric Bauer (drilling engineer) (drilling engineer)	10 min.	1

PROCEDURAL MATTERS

None applicable at this time.

KELLAHIN AND KELLAHIN

By: 

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