



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING  
GOVERNOR

ANITA LOCKWOOD  
CABINET SECRETARY

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

December 21, 1993

KELLAHIN AND KELLAHIN  
Attorneys at Law  
P. O. Drawer 2265  
Santa Fe, New Mexico 87504

RE: CASE NO. 10885  
ORDER NO. R-10041

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Sincerely,

*Sally Martinez*  
Sally E. Martinez  
Administrative Secretary

cc: BLM - Farmington  
Aztec Office - OCD

**BARKER CREEK, PARADOX (PENNSYLVANIAN)  
GAS POOL  
BLANCO (PICTURED CLIFFS) GAS POOL  
GAVILAN (PICTURED CLIFFS) GAS POOL  
UTE DOME (PARADOX) GAS POOL**

San Juan and Rio Arriba Counties, New Mexico

Order No. R-46, Adopting Spacing Rules for the Aztec-Pictured Cliffs Gas Pool, the Barker Creek, Paradox-Pennsylvanian Gas Pool, the Blanco-Pictured Cliffs Gas Pool, the Gavilan-Pictured Cliffs Gas Pool, the South Kutz Canyon-Pictured Cliffs Gas Pool, the West Kutz Canyon-Pictured Cliffs Gas Pool, the La Plata-Mesaverde Gas Pool, the Northwest La Plata-Mesaverde Gas Pool, the South La Plata-Mesaverde Gas Pool, and the Ute Dome-Paradox Gas Pool, San Juan and Rio Arriba Counties, New Mexico, December 29, 1950.

**NOTE:** Order No. R-1670 Supersedes this order as it relates to Aztec (Pictured Cliffs) Gas Pool, South Kutz Canyon and West Kutz Canyon (Pictured Cliffs) consolidated into West Kutz (Pictured Cliffs) Gas Pool, La Plata (Mesaverde) Northwest La Plata (Mesaverde), and South La Plata (Mesaverde) Gas Pools were consolidated into Blanco-Mesaverde Gas Pool.

*The application of the Oil Conservation Commission upon its own motion for establishing a well spacing pattern for each of the designated gas pools in the counties of San Juan and Rio Arriba, state of New Mexico producing or capable of producing gas from Pictured Cliffs formation, except Kutz Canyon-Fulcher Basin, Mesaverde formation (except Blanco Pool) and any of the Pennsylvanian formations.*

CASE NO. 237  
Order No. R-46

**ORDER OF THE COMMISSION**

BY THE COMMISSION: This cause came on regularly for hearing at 10:00 o'clock A.M., November 21, 1950, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 29th day of December 1950, the Commission having considered the whole matter including the testimony adduced at said hearing,

**FINDS:**

1. That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

2. That for purposes of orderly development, protection of correlative rights and the prevention of waste, the following pools in San Juan and Rio Arriba Counties, New Mexico heretofore by the Commission named, defined and classified as gas pools, as the respective boundaries thereof may be changed by extension or otherwise, should be provided with proper spacing pattern and production units;

Aztec (Pictured Cliffs) pool, 160-acre spacing;  
Barker Creek, Paradox (Pennsylvanian) pool, 640-acre spacing;  
Blanco (Pictured Cliffs) pool, 160-acre spacing;  
Gavilan (Pictured Cliffs) pool, 160-acre spacing;  
South Kutz Canyon (Pictured Cliffs) pool, 160-acre spacing;  
West Kutz Canyon (Pictured Cliffs) pool, 160-acre spacing;  
La Plata (Mesaverde) pool, 320-acre spacing;  
NW La Plata (Mesaverde) pool, 320-acre spacing;

South La Plata (Mesaverde) pool, 320-acre spacing;  
Ute Dome (Paradox) pool, 640-acre spacing.

3. That for La Plata, NW La Plata and South La Plata pools, wells should be orthodox locations on NW/4 and SE/4 of each section in said pools.

4. Under 160-acre spacing for Aztec, Blanco (Pictured Cliffs), Gavilan, South Kutz Canyon and West Kutz Canyon pools, orthodox locations should be required as stated in Rule 104 (or 330' from inner and 660' from outer boundaries of the respective quarter section);

5. For those pools appearing to require 640-acre spacing in Pennsylvanian formation, orthodox locations should be required to be not closer than 330' to center and 1650' from boundary of each section in the Barker Creek (Paradox-Pennsylvanian) and Ute Dome (Paradox-Pennsylvanian) pools.

6. That existing Commission Orders 748 and 815, relating to the Kutz Canyon-Fulcher Basin pool, and Order No. 799 relating to the Blanco pool should be and remain in full effect and undisturbed hereby.

**IT IS THEREFORE ORDERED:**

1. That for purposes of orderly development, protection of correlative rights, and the prevention of waste, a spacing and production unit pattern is hereby provided for each of the following heretofore named, defined and classified pools, as the respective boundaries thereof may from time to time be changed:

POOL	FORMATION	SPACING
Aztec	Pictured Cliffs	160-acre
Barker Creek	Paradox-Pennsylvanian	640-acre
Blanco	Pictured Cliffs	160-acre
Gavilan	Pictured Cliffs	160-acre
La Plata	Mesaverde	320-acre
NW La Plata	Mesaverde	320-acre
South La Plata	Mesaverde	320-acre
South Kutz Canyon	Pictured Cliffs	160-acre
West Kutz Canyon	Pictured Cliffs	160-acre
Ute Dome	Paradox	640-acre

2. That orthodox locations shall be in the approximate center of the NW/4 and SE/4 of each section within the confines of La Plata, Northwest La Plata, and South La Plata pools, under 320 acre spacing for Mesaverde production.

3. That orthodox locations shall be as in Rule 104 (or 330' from inner and 660' from outer boundaries of the respective quarter section) within the boundaries of the Aztec, Blanco, Gavilan, South Kutz Canyon and West Kutz Canyon pools for 160-acre spacing for Pictured Cliffs production.

4. That orthodox locations shall be not closer than 330' to center of the respective sections and 1650' from boundaries within the boundaries of Barker Creek and Ute Dome pools for 640-acre spacing for Paradox-Pennsylvanian production.

5. That Orders Nos. 748, 815, relative to Kutz Canyon-Fulcher Basin Pool, and 799, relating to Blanco Mesaverde, shall remain in full force and effect.

6. That wells now drilled or drilling are excepted.

**IT IS FURTHER ORDERED:**

1. That for the purpose of preventing inequities and impairment of correlative rights the Commission upon its own motion or upon application of any interested person, after notice and hearing grant exceptions in proper cases.

DONE at Santa Fe, New Mexico, on the day and year hereinabove specified.

[illegible]

San Juan C.

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

JASON KELLAHIN (RETIRED 1991)

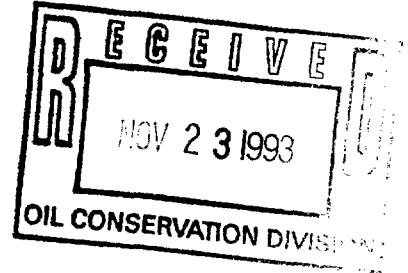
TELEPHONE (505) 982-4285  
TELEFAX (505) 982-2047

November 23, 1993

HAND DELIVERED

Mr. William J. LeMay  
Oil Conservation Division  
State Land Office Building  
310 Old Santa Fe Trail, 2nd Floor  
Santa Fe, New Mexico 87501

Re: Ute Well No. 24  
Application of Meridian Oil, Inc.'s  
for an Unorthodox Gas Well  
Location, Barker Creek-Paradox Gas Pool,  
San Juan County, New Mexico



10885

Dear Mr. LeMay:

On behalf of Meridian Oil, Inc., please find enclosed our referenced application which we request be set for hearing on the next available Examiner's docket now scheduled for December 16, 1993.

Also enclosed is our proposed advertisement of this case for the NMOCD docket.

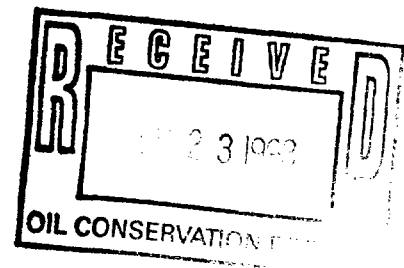
Very truly yours,

A handwritten signature in dark ink, appearing to be "W. Thomas Kellahin", written over the typed name.

W. Thomas Kellahin

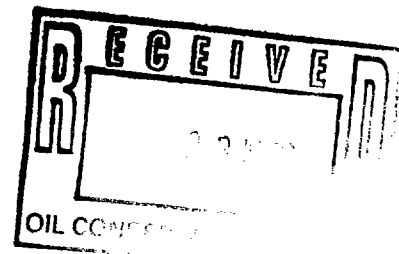
WTK/mg  
Enclosure

cc: Meridian Oil, Inc.  
Attn: John F. Zent  
Certified mail-return receipt:  
to parties listed in application



PROPOSED ADVERTISEMENT

CASE 10885 Application of Meridian Oil, Inc. for an unorthodox gas well location, San Juan County, New Mexico. Applicant seeks authority to drill its Ute Well No. 24 at an unorthodox gas well location 1250 feet FWL and 1595 feet FNL (Unit E) of Section 20, T32N, R14W, NMPM, San Juan County, New Mexico, and to be dedicated to a standard 640-acre spacing unit consisting of all of said Section 20. Said location is approximately 8 miles west-northwest from La Plata, New Mexico.



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

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

CASE NO. 10885

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 Barker Creek-Paradox Gas Pool for its proposed Ute Well No. 24 to be drilled at an unorthodox well location 1250 feet FWL and 1595 feet FNL (Unit E) of Section 20, T32N, R14W, NMPM, San Juan County, New Mexico, and to be dedicated to a 640 acre spacing unit consisting of all of Section 20, and in support states:

(1) Meridian Oil, Inc. is the proposed operator of the subject well and is currently the only operator in the Barker Creek-Paradox Gas Pool ("Pool"). See Exhibit "A" attached.

(2) The Pool was established by Order R-13 issued March 125, 1950 and extended by Order R-6421 dated August 1, 1980.

(3) With the exception of the W/2 of Section 19 which is unleased and owned by the Ute Mountain Ute Tribe, Meridian Oil Inc controls 100% of the operating rights in the Pool with 100% of the royalty being owned by the Ute Mountain Ute Tribe.

(4) On November 21, 1950, the Commission issued Order R-46 which established 640-acre spacing units and required wells to be located "not closer than 330 feet to the center and 1650 feet from boundary of each section" in the Pool.

(5) Meridian Oil, Inc. seeks to drill its Ute No. 24 Well in the Barker Creek-Paradox Gas Pool at an unorthodox location 1250 feet FWL and 1595 feet FNL (Unit E) of Section 20, T32N, R14W, NMPM, San Juan County, New Mexico.

(6) The Ismay Member of the Pennsylvanian formation in this area of the Pool is the potential productive zone in this section and is characterized as a tight, low permeability carbonate reservoir.

(7) The proposed unorthodox location is preferable to any standard location within this section because of geologic considerations.

(8) The proposed spacing unit consisting of all of said Section 20.

(9) No correlative rights will be impaired by approving this application.

Application of Meridian Oil Inc.  
Page 3

(10) Meridian Oil, Inc. requests that this matter be docketed for hearing on the Division Examiner docket now scheduled for December 16, 1993.

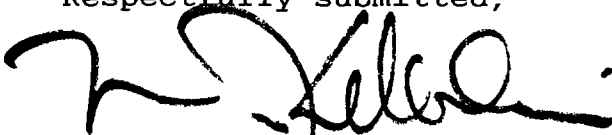
(11) Meridian Oil, Inc. is the operator of all adjoining and offsetting gas spacing units and therefore notice of this case is being sent only to the following:

(a) Ute Mountain Ute Tribe  
P. O. Box 42  
Towaoc, Colorado 81334  
Attn: Mr. Craig Canfield

(b) Bureau of Indian Affairs  
Ute Mountain Ute Agency  
Towaoc, Colorado 81334  
Attn: Mr. Steve Graham

WHEREFORE, Meridian Oil, Inc. requests that this matter be set for hearing on December 16, 1993 before a duly appointed Examiner of the Oil Conservation Division and that after 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', is written over the typed name and address.

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



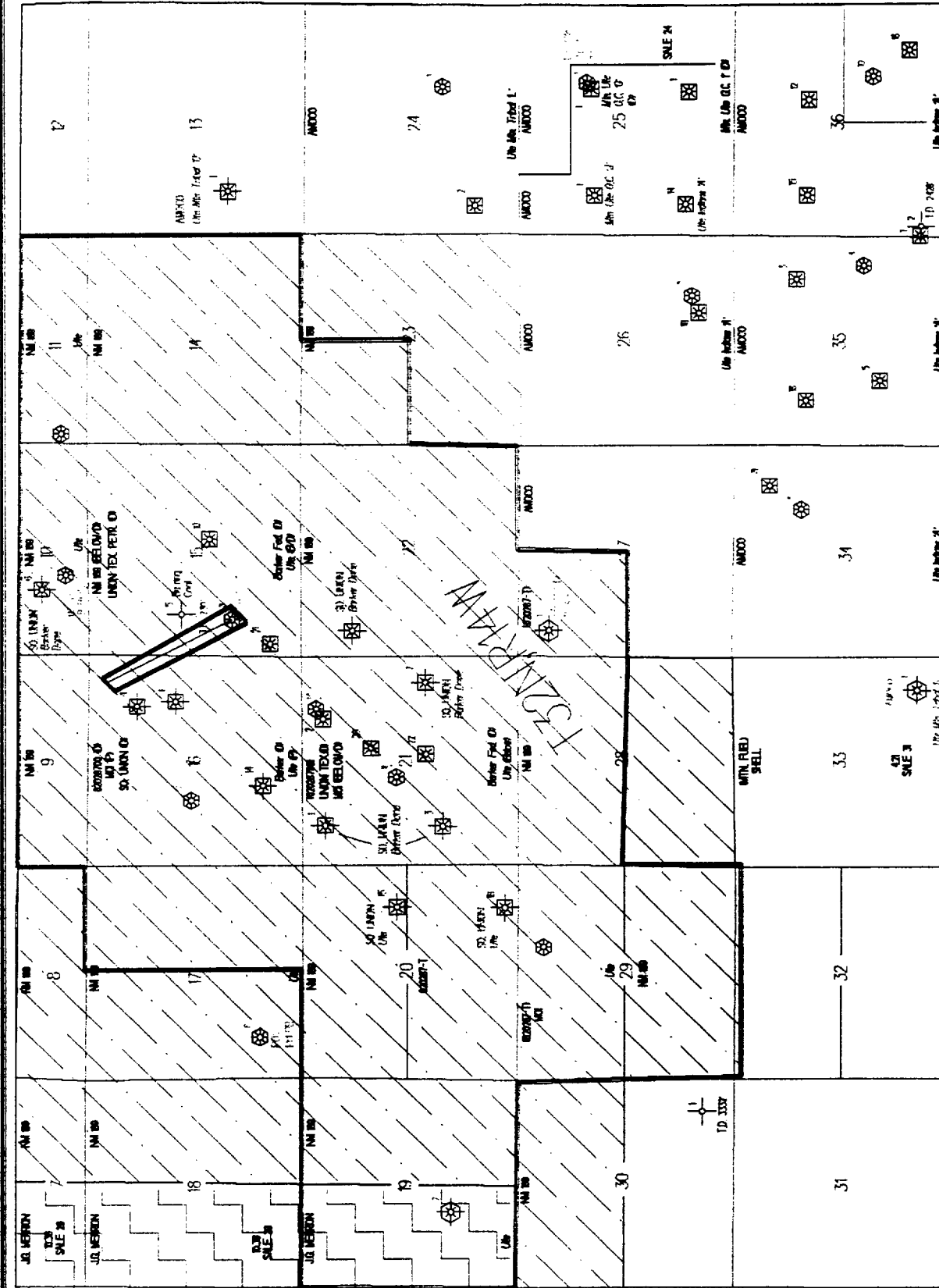


EXHIBIT "A"

Ute 8

Surface Location: 1750' FSL & 950' FWL Sec. 15-32N-14W

Bottom Hole Location: NE/4 NE/4 Sec. 16-32N-14W



Barker Creek Paradox Gas Pool

Order R-13, R-6421

M01 Leasehold 100% Consolidation Agreement 6/11/57

Unleased Ute Mountain Ute Tribe