

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

January 25, 1939

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE NEW MEXICO 87501
505/827-5800

Mr. Thomas Kellahin
Kellahin, Kellahin & Aubrey
Attorneys at Law
Post Office Box 2265
Santa Fe, New Mexico

Re: CASE NO. 9573
ORDER NO. R-2852

Applicant:

Meridian Oil Inc.

Dear Sir:

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

Sincerely,

Florene Davidson

FLORENE DAVIDSON
OC Staff Specialist

Copy of order also sent to:

Hobbs OCD x
Artesia OCD x
Aztec OCD x

Other P. W. Cayce, Peggy Bradfield

Tenneco Oil
Exploration and Production
A Tenneco Company

6162 South Willow Drive
P.O. Box 3249
Englewood, Colorado 80155
(303) 740-4800



Western Rocky Mountain Division

December 20, 1988

Mr. William Lemay
New Mexico Oil Conservation Division
310 Old Santa Fe Trail Road
Santa Fe, NM 87503

Case No. 9578

Re: ~~Unorthodox Gas Well~~ Location
Basin Fruitland Coal Pool
Grambling A #801
Section 22, T28N, R8W
San Juan County, New Mexico

Dear Mr. Lemay:

Please reference the ~~Meridian Oil request~~ for administrative approval of an unorthodox gas well location on the subject well. This request was made in a Meridian Oil letter, addressed to you, dated November 8, 1988. As discussed, per the December 20, 1988, telecon between Mike Stogner, of your office, and Steve Reber, of this office, Tenneco Oil Company objects to the proposed spacing exception on the subject well. This proposed location is 165' from Tenneco's lease line and placement of the well in this location will obviously infringe on Tenneco's correlative rights.

As you are aware, Tenneco's Rocky Mountain Division was recently acquired by Amoco Production Company. Formal notification of this change is forthcoming, however, in the interim period, Tenneco is acting as Amoco's agent in this matter. Therefore, in the event Meridian Oil elects to take this matter before a hearing, notification should be made to Tenneco at the above address.

Please direct any questions regarding this matter to Steve Reber at (303) 740-4849.

Sincerely,

P. W. Cayce
Division General Manager

SFR/pe:6201R

CC: Mike Ivy
Lillian Fandriana
Karen Dawson

JK
Meridian Oil Inc.