

KELLAHIN, KELLAHIN AND AUBREY

Attorneys at Law

W. Thomas Kellahin
Karen Aubrey

El Patio - 117 North Guadalupe

Post Office Box 2265

Santa Fe, New Mexico 87504-2265

Telephone 982-4285
Area Code 505

Jason Kellahin
Of Counsel

February 7, 1989

RECEIVED

FEB 7 1989

OIL CONSERVATION DIVISION

Mr. William J. LeMay
Director
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87503

Re: First Amended Application of
Meridian Oil, Inc. for
Compulsory Pooling
Well Name: Delhi Com #300
San Juan County, New Mexico
NMOCD Case No. 9597

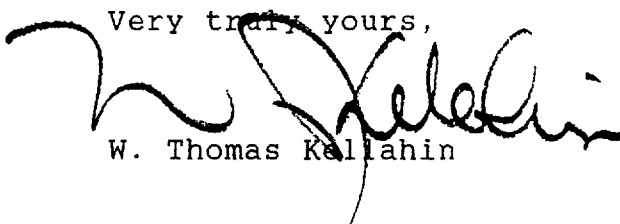
HAND DELIVERED

Dear Mr. LeMay:

On behalf of Meridian Oil, Inc., please find enclosed our Amended Application for Compulsory Pooling and unorthodox location which we would request be set for hearing on the next available Examiner's docket now scheduled for March 1, 1989.

By copy of this letter to all parties to be pooled, we are notifying them by certified mail-return receipt, 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. Those parties are directed to contact the Division or the applicant's attorney to determine what additional rights they may have. In addition, they are advised that the entry of a Compulsory Pooling Order will affect their right to share in the production from the subject well.

Very truly yours,



W. Thomas Kellahin

WTK/rs
Encl.

cc: Mr. Alan Alexander
Meridan Oil, Inc.

Certified Mail-Return Receipt
to all parties listed on Exhibit A
of the Application, w/encl.

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
OIL CONSERVATION DIVISION

RECEIVED

FEB 7 1990

OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF MERIDIAN OIL, INC. FOR
COMPULSORY POOLING AND FOR
AN EXCEPTION TO RULE 7 OF
ORDER R-8768
SAN JUAN COUNTY, NEW MEXICO

CASE: 9597

F I R S T A M E N D E D
A P P L I C A T I O N

COMES NOW, MERIDIAN OIL, INC., by and through its attorneys, Kellahin, Kellahin and Aubrey, and in accordance with Section 70-2-17(c) NMSA (1978) applies to the New Mexico Oil Conservation Division for an order pooling all mineral interest in the Basin Fruitland Coal Gas Pool underlying the W/2 of Section 16, T30N, R8W, San Juan County, New Mexico. The above described unit is to be dedicated to its Delhi Com #300 Well to be drilled to a depth of approximately 2600 feet at an unorthodox well location 185 feet FWL and 570 feet FSL in said Section 16, and in support thereof would show:

1. Applicant is a working interest owner in the W/2 of Section 16, T30N R8W.
2. Applicant desires to drill a well at an amended unorthodox well location 570 feet FSL and 185 feet FWL in the SW/4 SW/4 of Section 16.

3. Applicant has sought a voluntary agreement with all those parties shown on Exhibit "A" for the formation of appropriate spacing and proration unit as shown on Exhibit B for the drilling of the subject well but has been unable to obtain a voluntary agreement.

4. Applicant has also provided notification to all offsetting operators towards whom the subject well is unorthodox with those offsetting operators being identified on Exhibit C attached hereto.

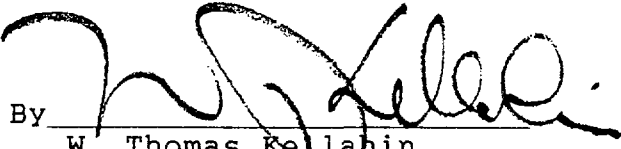
5. Pursuant to the Division notice requirements, applicant has notified all those parties shown on Exhibit A and B of this application for compulsory pooling and the applicant's request for a hearing before the Division to be set on March 1, 1989.

5. In order to obtain its just and equitable share of the potential production underlying the above tract, applicant needs an order pooling the mineral interests involved in order to protect applicant's correlative rights and prevent waste.

WHEREFORE, applicant prays that this application be set for hearing before the Division's duly appointed examiner, and that after notice and hearing as required by law, the Division enter its order pooling the mineral interest

described herein. Applicant also seeks the approval of the unorthodox well location. Applicant further prays that it be named operator of the well, and that the order make provisions for applicant to recover out of production its costs of drilling, completing and equipping the subject well, costs of operation, including costs of supervision, and a risk factor in the amount of 200% for the drilling and completing of the well, for such other and further relief as may be proper.

Respectfully submitted,



By W. Thomas Kellahin
Kellahin, Kellahin & Aburey
P.O. Box 2265
Santa Fe, New Mexico 87504

(505) 982-4285

Amoco Production Company 12.500000%
(formerly Tenneco Oil Company interest)
Post Office Box 800
Englewood, Colorado 80201

Mizel Resources 2.812500%
6560 East 41st Street
Tulsa, Oklahoma

Amoco Production Company 16.415625%
Post Office Box 800
Denver, Colorado 80201

EXHIBIT A

EXHIBIT C

Amoco Production Company
Post Office Box 800
Denver, Colorado 80201
Attn: Mr. Michael Cuba

Union Texas Petroleum Company
365 U. S. Highway 64
Farmington, New Mexico 87401