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OF COUNSEL

SANTA FE, NEW MEXICO 87504-2265

September 24, 1990

HAND-DELIVERED

Mr. William J. LeMay
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

RECEIVED

SEP 25 1990

OIL CONSERVATION DIVISION

Re: Meridian Oil, Inc.'s First Amended
Application for an Unorthodox Coal
Gas Location, Basin Fruitland Coal
Gas Pool, San Juan County, New Mexico

Dear Mr. LeMay:

On behalf of Meridian Oil, Inc., please set the enclosed application for hearing at the next available examiner's docket now set for October 17, 1990.

We suggest the following to be used for the advertisement for this case:

Application of Meridian Oil, Inc. for an unorthodox coal gas well location, San Juan County, New Mexico. Applicant in the above-styled cause seeks authority to drill its Frost Well No. 500 at an unorthodox coal gas well location 2510 feet FNL and 790 feet FEL of Section 26, T27N, R10W, N.M.P.M., San Juan County, New Mexico and to dedicate the N/2 to said well. Said location is approximately _____ miles from _____.

By copy of this letter and application sent certified mail, return-receipt requested, we are notifying each of the offsetting owners and/or operators of their right to appear at the hearing either in support of or in opposition to this application.

Mr. William J. LeMay
September 24, 1990
Page 2

Should any party desire more information about this matter or about the procedures for hearing this application, they may call the Division or the undersigned.

Very truly yours,

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

W. Thomas Kellahin

WTK/tic
Enclosure

cc: Mr. Alan Alexander
Meridian Oil, Inc.
P.O. Box 4289
Farmington, New Mexico 87499-4289

"Certified-Return Receipt Requested"

All parties listed on Exhibit C.

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

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

CASE NO.

RECEIVED

SEP 25 1990

OIL CONSERVATION DIVISION

FIRST AMENDED
APPLICATION

10114

COMES NOW MERIDIAN OIL, INC., by and through its attorneys, KELLAHIN, KELLAHIN & AUBREY, and applies to the New Mexico Oil Conservation Division for approval to drill its Frost No. 500 well at an unorthodox coal gas well location 2510 feet FNL and 790 feet FEL of Section 26, T27N, R10W, N.M.P.M., San Juan County, New Mexico and to dedicate the N/2 of said Section 26 to the subject well and in support thereof states:

1. Applicant is a working interest owner and the operator of the N/2 of Section 26, T27N, R10W.
2. The applicant originally sought the approval of the Area Manager for the BLM for a standard well location in the NE/4 of said Section 26 and was denied that location.

3. As an alternative the BLM has approved the requested unorthodox location.

4. As a result of topographical restrictions and in order to obtain a drilling location for the NE/4 of said Section the applicant seeks the subject unorthodox well location.

5. Directional drilling of the subject well is not economically feasible.

6. Amoco is the diagonally offsetting operator.

7. Meridian is the only other offsetting operator.

8. No correlative rights will be impaired by approving this application.

9. Applicant proposes to dedicate the well to the N/2 of Section 26 as described on Exhibit "A".

10. Attached as Exhibit "B" is a plat showing all of the acreage dedicated to the subject well and the surrounding acreage.

11. Attached as Exhibit "C" is a list of all offsetting owners and/or operators who are required by Division rules to receive notification of this application.

12. Pursuant to Division rules, a copy of this application was mailed by certified mail, return-receipt requested, to all parties listed on Exhibit "C".

WHEREFORE, Applicant requests that after notice and hearing the application be granted.

Respectfully submitted:

KELLAHIN, KELLAHIN & AUBREY

By: 

W. Thomas Kellahin
Post Office Box 2265
Santa Fe, New Mexico 87504

(505) 982-4285

Sub: Appropriate
Dist: Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

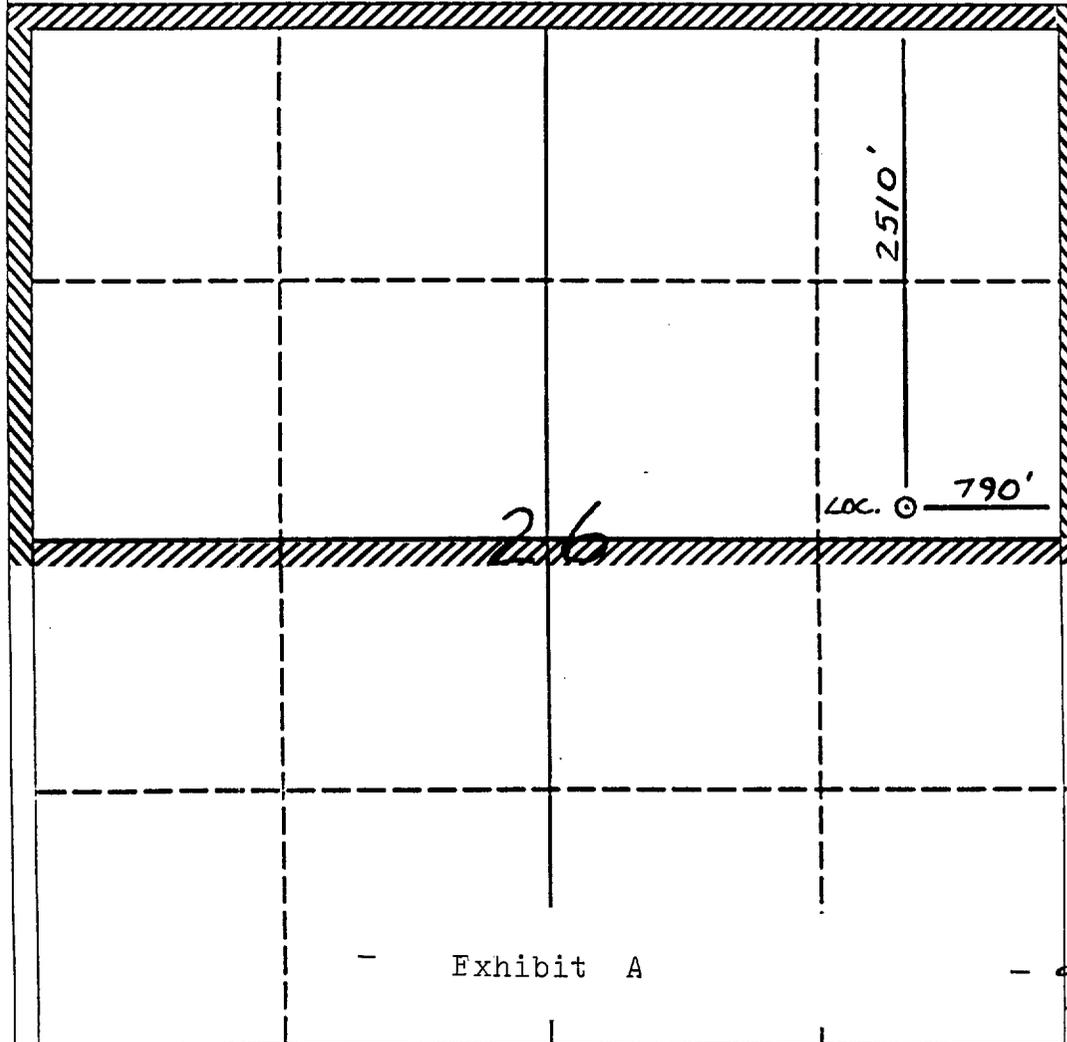
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Meridian Oil Inc.		Lease Frost		Well No. 500	
Unit Letter H.	Section 26	Township 27 North	Range 10 West	County San Juan	
Actual Footage Location of Well: 2510 feet from the North line and 790 feet from the East line					
Ground level Elev. 6638'	Producing Formation Fruitland Coal	Pool Basin	Dedicated Acreage: 320 Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc?
 Yes No If answer is "yes" type of consolidation _____
If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.

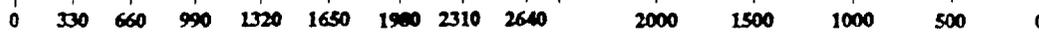


OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature
Peggy Bradfield
Printed Name
Regulatory Affairs
Position
Meridian Oil Inc.
Company
Date

SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
Signature & Seal of Professional Surveyor
6857
Certified
NEW MEXICO LAND SURVEYORS
6857



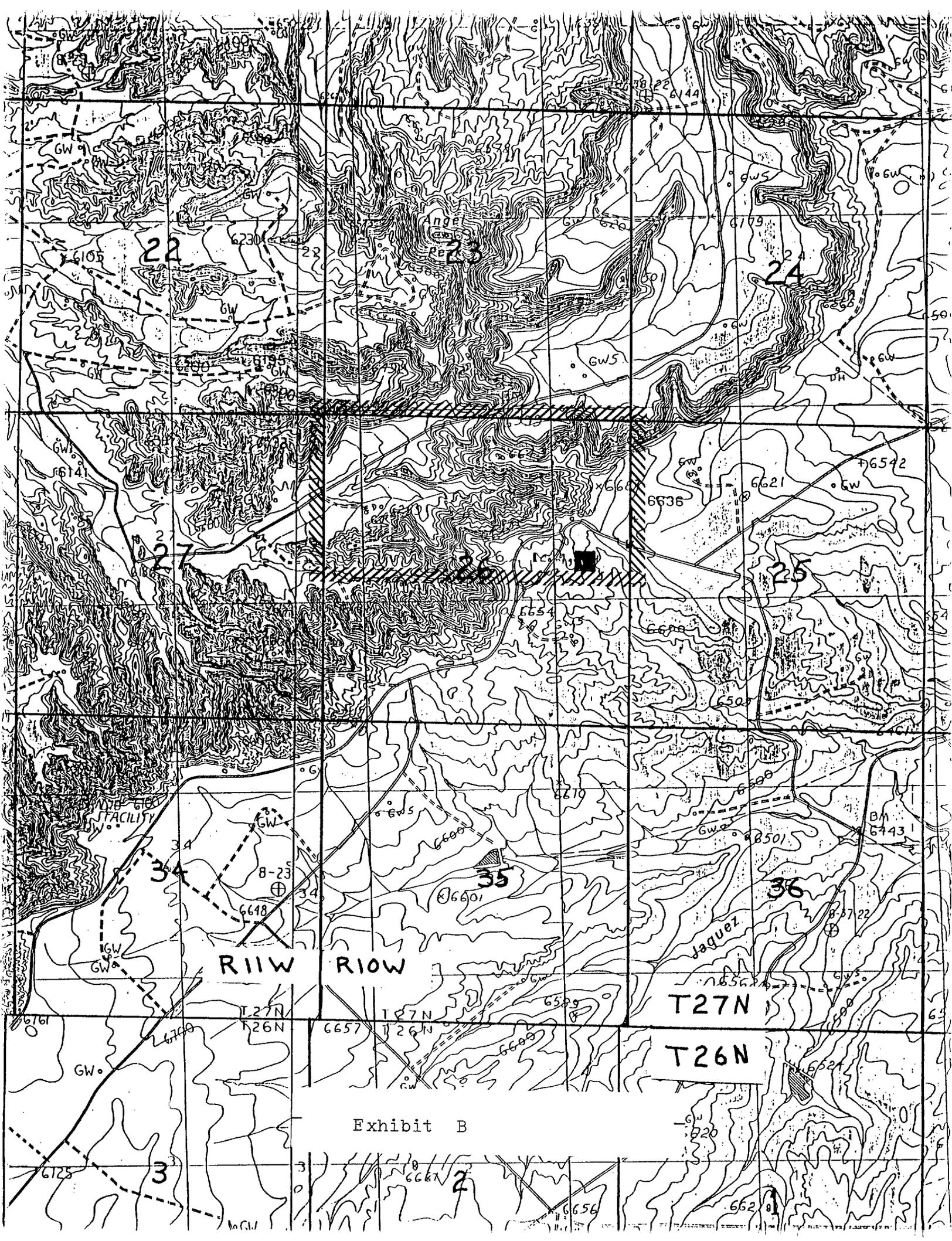


Exhibit B

EXHIBIT "C"

Amoco Production Company
Post Office Box 800
Denver, Colorado 80201