



David L. Wacker
Division Manager
Production Department
Hobbs Division
North American Production

Conoco Inc.
726 East Michigan
P.O. Box 460
Hobbs, NM 88241
(505) 397-5800

November 15, 1988

New Mexico Oil Conservation Division
310 Old Santa Fe Trail
Santa Fe, New Mexico 87503

Attention William J. LeMay

Gentlemen:

Examiner Hearing November 22, 1988
Meridian Oil Inc. Compulsory Pooling
Cases No. 9535, 9536, 9538, 9540, 9541,
9542, 9545, 9546, and 9547

Conoco Inc. has been notified of the subject compulsory pooling cases for wells in which we have a working interest. Please enter Conoco Inc.'s appearance in each of the cases numbered above.

Yours very truly,

A handwritten signature in dark ink, appearing to read "David L. Wacker", written in a cursive style.

David L. Wacker
Division Manager

HAI/tm

cc:

Tom Kellahin

BEFORE THE
OIL CONSERVATION DIVISION
NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

NOV 15 1968

OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF
MERIDIAN OIL INC., FOR COMPULSORY POOLING,
SAN JUAN COUNTY, NEW MEXICO.

CASE NO. 9536

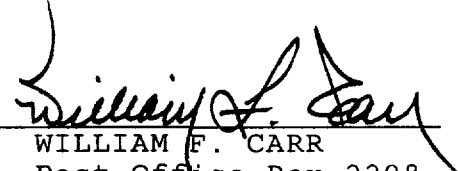
WITHDRAWAL OF COUNSEL

COMES NOW CAMPBELL & BLACK, P.A., and hereby withdraws as
counsel for Meridian Oil Inc., in the above-referenced case.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

By:


WILLIAM F. CARR
Post Office Box 2208
Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

ATTORNEYS FOR
MERIDIAN OIL INC.

cc: W. Thomas Kellahin, Esq.

Tom Owen, Esq.
Meridian Oil Inc.

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

January 12, 1989

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. 9536
ORDER NO. R-8833

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 _____

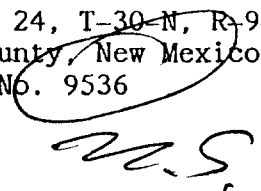
MERIDIAN OIL

February 8, 1989

CERTIFIED - RETURN RECEIPT REQUESTED

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

Re: Riddle A Com #260
W/2 Section 24, T-30-N, R-9-W
San Juan County, New Mexico
NMOCD Case No. 9536



Gentlemen:

Please reference our past correspondence on the captioned well. As you are aware Meridian Oil Inc. (Meridian) filed with the New Mexico Oil Conservation Division for compulsory pooling of the drilling unit for said well. After hearing the matter, the Oil Conservation Division has now issued Order No. R-8833, a copy of which is enclosed, pooling the acreage and interests necessary for drilling.

Meridian, pursuant to the terms of the enclosed order, is hereby notifying Amoco Production Company, as successor in interest to Tenneco Oil Company, of its right to participate in the well pursuant to this order. For your review, I am enclosing a copy of the itemized estimated well and facility costs, the Authority for Expenditure and the proposed Operating Agreement covering the well.

Meridian realizes that Amoco is now working towards voluntary joinder pursuant to the terms of a mutually acceptable Operating Agreement. Since that is the most desirable method of joinder for all parties involved, we will continue, during the thirty (30) day decision period imposed on you by the order, to work towards that end. If such an agreement is timely reached, we will make application to either vacate the Order or dismiss you from it.

If, however, you elect to participate in the well pursuant to the terms of the order you should do the following:

1. Evidence your election to participate by reviewing the estimated well costs and executing the enclosed Authority for Expenditure.
2. Prepay your 6.25% share of the \$372,790.00 total estimated completed well costs. The prepayment should be in the form of a cashiers check or certified bank check.

February 8, 1989

The executed Authority for Expenditure and the prepayment of well costs must be returned to Meridian at the letterhead address within thirty (30) days of your receipt of this letter.

If you do not voluntarily join the well within the thirty (30) day period or if we do not receive your joinder pursuant to the referenced order within the thirty (30) day period, it will be assumed that you have elected not to participate in the well. Meridian, under the terms of the order, has the right to drill the well and recover your pro-rata share of reasonable well costs from production. Meridian will also be allowed to recover an additional one-hundred-fifty-six percent (156%) of reasonable well costs as a charge for bearing the risk of drilling the well.

I look forward to hearing from you on this matter. If you have any questions or require further information, please advise.

Very truly yours,

A handwritten signature in cursive script, appearing to read "John Myrick".

John Myrick
Landman

JM:gm

File:

Document 233+

cc: Mr. Tom Kellahin (with AFE)

Mr. William LeMay, Director
NMOCD (with AFE)

MERIDIAN OIL INC.
Farmington Region
Post Office Box 4289
Farmington, New Mexico 87499
(505) 326-9700

AUTHORITY FOR EXPENDITURE

AFE No.: _____ Date: 7-20-88
Lease/Well Name: Riddle A Com #260 Lease No.: _____
Field/Prospect: Undesignated Fruitland Region: Farmington
Location: NE/SW Section 24, T30N, R9W County: San Juan State: NM
AFE Type: 01 Development Original X Supplement Addendum _____ API Well Type _____
Operator Meridian Oil Inc.
Objective Formation: Fruitland Coal Authorized Total Depth (Feet) 2395
Project Description: Drill and complete the Fruitland Coal formation.

Est. Start Date: 11-01-88 Prepared By: L. Biemer
Est. Completion Date: 12-15-88

	GROSS WELL COST DATA				
	Drilling		Workover,	Construction	
	Dry Hole	Suspended	Completion	or Facility	Total
Days:		<u>11</u>		<u>15</u>	<u>26</u>
This AFE:		<u>231,500</u>		<u>141,290</u>	<u>372,790</u>
Prior AFE'S:					
Total Costs:	\$	<u>\$ 231,500</u>	\$	<u>\$ 141,290</u>	<u>\$ 372,790</u>

Company	JOINT INTEREST OWNERS		Net \$ Expenditures	
	Working Interest		Dry Hole \$	Completed \$
	Percent			
OTHERS:	<u>12.50000%</u>			<u>46,599</u>
MERIDIAN OIL INC.	<u>87.50000%</u>			<u>326,191</u>
AFE TOTAL:	<u>100.00000%</u>		<u>\$</u>	<u>\$ 372,790</u>

Recommended: [Signature] Date: 7/26 MERIDIAN OIL APPROVAL
Recommended: [Signature] Date: 8/19/88

Recommended: [Signature] Date: 8/19 Approved: [Signature] Date: 8/22/88
Title: Regional Operations Manager

PARTNER APPROVAL

Company Name: _____
Authorized By: _____ Date: _____
Title: _____

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

WELL NAME: Riddle A #260
COUNTY, STATE: San Juan Co., NM
PROPOSED TD: 2310 /2510

PREPARED BY: J.D.Falconi DATE: 11-Jun-88
APPROVED BY: DOB Surance DATE: 6/10/88
AFE TYPE: 01 Development Type 2

ACCT	AFE NOMENCLATURE	DRYHOLE	SUSPENDED 11 Days
248.	INTANGIBLE DRILLING COSTS		
02	Environmental studies-----		1,000
03	Location and roads construction-----		14,600
04	Surface restoration-----		1,500
05	Move in, move out-----		3,600
06	Contractor fees - Footage 2,310 @ \$11.25 /Ft.--		26,000
07	Contractor fees - Daywork 7.00 @ \$5,330 /Day--		37,300
09	Drilling fluids-----		
10	Gas and air drilling-----		12,000
16	Water-----		4,300
17	Bits-----		1,500
18	Primary cementing-----		9,100
20	Mud logging-----		900
21	Wireline logging-----		
22	Coring and Analysis-----		
23	Fuel-----		5,500
24	BOP and Wellhead rentals-----		
25	Drill and work string rentals-----		
27	Tank rentals-----		
28	Other rentals-----		4,500
29	Trucking and Transportation-----		6,800
33	Tubular inspection-----		8,100
34	Cased hole logging-----		
43	Consultants-----		3,000
45	Roustabout and contract labor-----		2,000
46	Miscellaneous-----		3,000
	Contingency - 5% -----		7,200
	TOTAL INTANGIBLE DRILLING COST		151,900
	TANGIBLE DRILLING COSTS		
80	Casing-----		32,000
	225 Ft. 9 5/8" 32.3# H-40 @ \$15.72 /Ft.		
	2310 Ft. 7" 20.0# K-55 @ \$10.53 /Ft.		
	250 Ft. 5 1/2" 23.0# P-110 @ \$16.40 /Ft.		
81	Tubing-----		7,800
	2510 Ft. 2 3/8" 4.7# J-55 @ \$3.11 /Ft.		
84	Downhole equipment - Liner Hangers, accessories-		3,800
86	Wellhead equipment-----		36,000
	TOTAL TANGIBLE DRILLING COST		79,600
	TOTAL DRILLING COST ESTIMATE		231,500

LEASE/WELL NAME: RIDDLE A #260
WELL TYPE: FRUITLAND
AFE TYPE: DEVELOPMENT 01

SW SEC 24 , T-30 -N R- 9 -W NM

PREPARED BY: W.S.SMITHWICK
DATE: 6-16-88
APPROVED BY: *RBF*

ACCOUNT NUMBER

TANGIBLE FACILITY COSTS

DATE: *4/2/88*

FACILITY

INCLUDING WATER
LINE & GAS TIE

247

03	TRANSPORTATION		
	14 HRS LOC FACILITIES & PIPE HAULING @ \$75/HR.....		1,050
12	COMPANY SUPERVISION AND OVERHEAD		
	9 DAYS @ \$200/DAY W/LOC AND GAS.....		1,800
26	SEPARATORS		
	18" x 12', 2 PHASE VERTICAL COAL SLURRY TYPE, 1440 PSI WP.....		14,000
27	HEATERS-TREATERS.....		
29	PUMPING UNIT.....		
31	PRIME MOVER.....		
32	TANKS AND PITS		
	50 BBL GLASS PIT @ \$1900 INSTALLED, 5 -500 BBL HEATED @ \$5480.....		29,300
33	METERING EQUIPMENT		
	AUTOMATION EQUIP. & TELEMETRY - \$11,500 / GAS METERING - \$4800.....		16,300
34	FLOW LINES		
	400 FT-4" @ \$2.38/FT, 300 FT-2" @ \$2.28/FT.....		
	LOC LABOR @ \$164/HR 84 HR.....		15,450
35	COMPRESSORS - COMPANY OWNED		
36	BUILDINGS		
39	PIPING, VALVES AND FITTINGS		
	MISC. VALVES & CONTROLLERS - \$17070 / MISC. ASSOC. W/GAS \$5600.....		22,670
44	TECHNICAL CONTRACT SERVICES		
	PIPELINE INSPECTION @ \$35/HR11 HRS.....		385
47	COMPRESSOR RENTAL		
48	EQUIPMENT RENTAL.....		
49	CATHODIC PROTECTION.....GROUND BED & TRANSFORMER.....		5,000
50	RIGHT OF WAY, SURVEY, ARCHY		
	SURV @ \$.46/FT, ARCHY @ \$.29/FT, ROW @ \$1.21/FT		
	GAS= 1120 FT WTR= 0 FT		2,195
51	MINOR PIPELINES		
	1120 FT, 4" SCH-40 @ \$2.38 /FT CONST @ \$5.15 /FT		8,434
52	ARTIFICIAL LIFT EQUIPMENT.....		
53	CHEMICAL PUMPS.....		
54	ELECTRICAL ACCESSORIES.....UTILITY HOOKUP.....		5,000
94	DEHYDRATION UNIT		
	3 MMCF/D, 1000 PSI WP, 1/8" CORROSION ALLOW. 350 PSI STD.OP.PRESS.....		12,980
55	MISC. FACILITY EXPENSE (5% CONTINGENCY COST).....		6730
=====			=====
TOTAL FACILITIES			141,290
.....			

* NOTE: FACILITY COST DOES NOT INCLUDE WTR LINE !