

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

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OIL CONSERVATION DIVISION

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

CASE: 9437

A P P L I C A T I O N

COMES NOW, MERIDIAN OIL, INC., by and through its attorneys, Campbell & Black, P.A., 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 S/2 of Section 9, T32N, R10W, San Juan County, New Mexico. The above described unit is to be dedicated to its Brown #100 Well to be drilled to a depth of approximately 3500 feet at standard well location in said Section 9, and in support thereof would show:

1. Applicant is a working interest owner in the S/2 of Section 9, T32N R10W.
2. Applicant desires to drill a well at a standard location in the SW/SW of the Section 9.

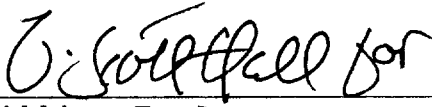
3. Applicant, has sought a voluntary agreement with all those parties shown on Exhibit "A" for the formation of appropriate spacing and proration unit as shown on Exhibit B for the drilling of the subject well but has been unable to obtain a voluntary agreement.

4. Pursuant to the Division notice requirements, applicant has notified all those parties shown on Exhibit "A" of this application for compulsory pooling and the applicant's request for a hearing before the Division to be set on November 22, 1988.

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 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 

William F. Carr
Campbell & Black
P.O. Box 2208
Santa Fe, New Mexico 87504

(505) 988-4421

EXHIBIT "A"

Attached to and made a part of that certain Operating Agreement dated May 1, 1988, between MERIDIAN OIL INC., as Operator, and Non-Operators.

I. LANDS SUBJECT TO OPERATING AGREEMENT:

Township 32 North, Range 10 West

Section 9: S/2

II. RESTRICTIONS, IF ANY, AS TO DEPTHS OR FORMATIONS:

This Agreement shall cover only the Fruitland formation.

III. ADDRESSES AND PERCENTAGES OR FRACTIONAL INTERESTS OF PARTIES TO THIS AGREEMENT:

Meridian Oil Inc. c/o Land Department Meridian Oil Production Inc. P.O. Box 4289 Farmington, New Mexico 87499-4289	Operator
El Paso Production Company c/o Land Department Meridian Oil Production Inc. P.O. Box 4289 Farmington, New Mexico 87499-4289	46.56577%
Grace Brown 2400 Savannah Avenue El Paso, Texas 79930	26.71712%
T.H. McElvain P.O. Box 2148 Santa Fe, New Mexico 87501	21.37369%
Estate of Mabelle McElvain Miller Nestler c/o James M. Raymond P.O. Box 1445 Kerrville, Texas 78028	5.34342%

				Colorado
				New Mexico
8 44.97A	USA-NM-015545 178.45A Grace Brown T. H. McElvain James M. Raymond		44.29A	32N
	7 44.71A	9 44.48A		
USA-NM-013367 155.61A EPPC-100%.				
9 39.27A	10 39.02A	11 38.78A	12 38.54A	
10W				

Brown # 100
 S/2 Sec. 9-32N-10W
 San Juan County, NM

[334.06 A
short section]