

MERIDIAN OIL

OIL CONSERVATION DIVISION
RECEIVED

'92 DEC 7 AM 9 18

December 3, 1992

Mr. Michael Stogner
Oil Conservation Commission
P.O. Box 2088
Santa Fe, New Mexico 87504

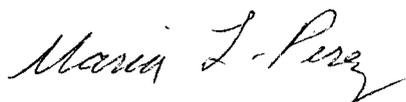
RE: Application for a Non-Standard
Gas Unit
Gregory B No. 2
Rhodes Yates -7 Rivers (Gas)
A, 990' FNL & 660' FEL
Section 15, T-26-S, R-37-E
Lea County, New Mexico
LC-032510-B

Dear Mr. Stogner:

Meridian Oil Inc. requests administrative approval for a 120 acre non-standard gas unit. The unorthodox shape of this unit is due to the shape of the lease. Enclosed is a plat showing the lease boundaries of the Gregory B Lease. Also, the offset operators are shown on the plat. Doyle Hartman and United Gas Search, Inc. are the offset operators and have been notified by certified return receipt mail on 12-3-92.

Should you require additional information, please call me at 915-688-6906.

Sincerely,



Maria L. Perez
Production Assistant

XC: Well File	Don McBee
Land Dept.	Joint Interest
Reservoir Eng.	Production Eng.
Geologist	Kermit Field Office
BLM - Carlsbad	OCD - Hobbs
Regulatory File	Becky Kidd - NGPA Dept. - Houston Corp.
Richard Atchley - Prod. Serv.	

Gregory B No. 2
A, Section 15, T-26-S, R-37-E
Lea County, New Mexico

Rhodes Yates - 7 Rivers Gas Field

Offset Operators

Doyle Hartman
Attn: Mr. Patrick Worrell
P. O. Box 10426
Midland, Texas 79702

United Gas Search, Inc.
Attn: Rodney Ratheal - Agent
1550 Wynn Joyce
Garland, Texas 75043

Submit to Appropriate District 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

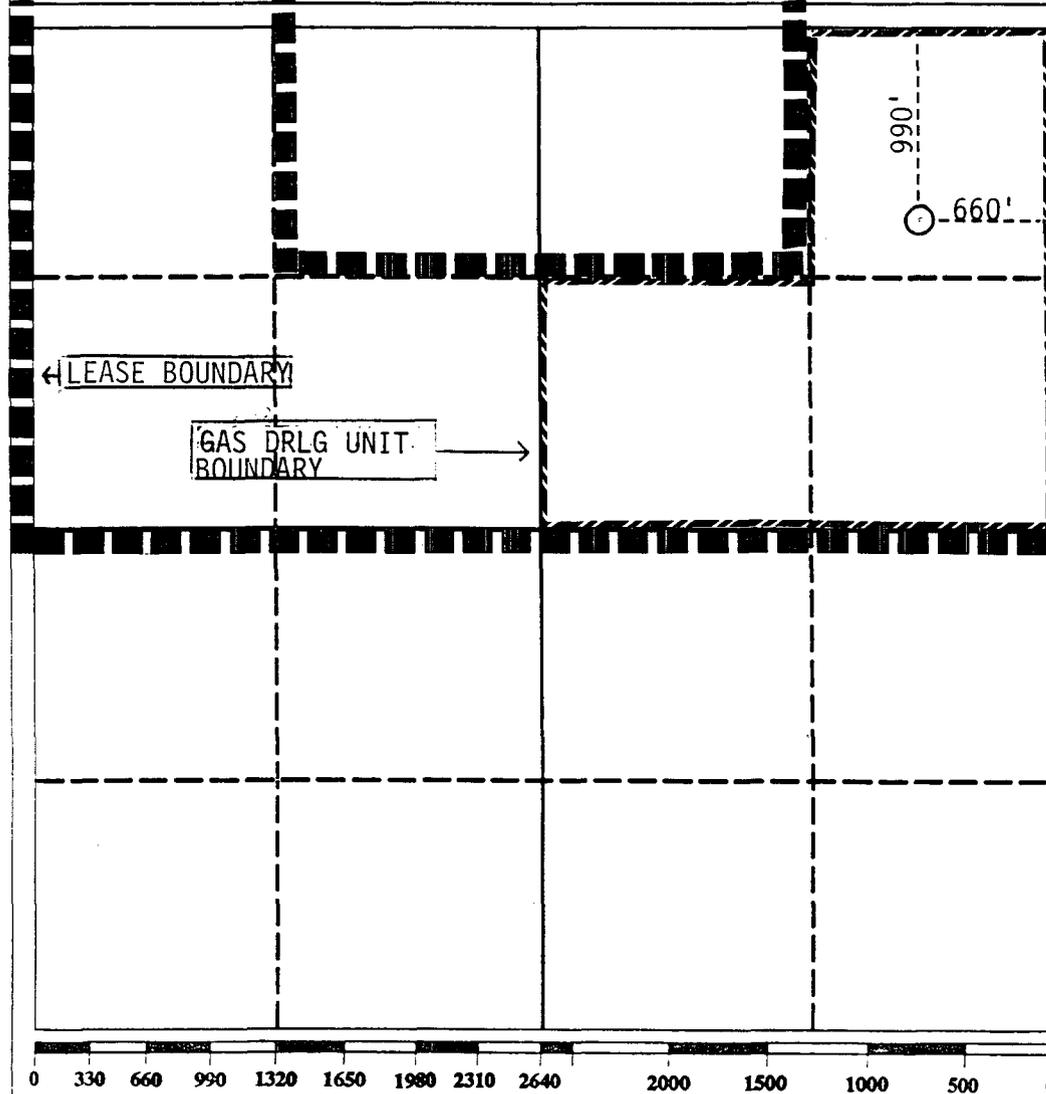
Operator MERIDIAN OIL INC.			Lease GREGORY B FEDERAL		Well No. 2
Unit Letter A	Section 15	Township 26-S	Range 37-E	County NMPM	LEA
Actual Footage Location of Well: 990 feet from the NORTH line and 660 feet from the EAST line					
Ground level Elev. 2986.6'	Producing Formation YATES (GAS)	Pool RHODES YATES-7 RIVERS (GAS)	Dedicated Acreage: 120 Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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: *Maria L. Perez*
 Printed Name: MARIA L. PEREZ
 Position: PRODUCTION ASST.
 Company: MERIDIAN OIL INC.
 Date: 12-3-92

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: _____
 Certificate No.: _____

MERIDIAN OIL

December 3, 1992

Doyle Hartman
Attn: Patrick Worrell
P. O. Box 10426
Midland, Texas 79702

RE: Offset Operator Notification for
Application for a 120 acre non-standard
Gas Unit
Gregory B Federal No. 2
A, 990' FNL & 660' FEL
Section 15, T-26-S, R-37-E
Lea County, New Mexico
LC-032510-B

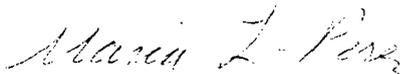
Dear Mr. Worrell:

Enclosed is a copy of a letter submitted to the ODC in Santa Fe, New Mexico requesting approval for a non-standard gas unit for the captioned well.

Also, attached is a plat showing the lease boundary, gas unit boundary and offset operators.

Should you have any questions, please contact Mr. Tom O'Donnell, Reservoir Engineer at 915-688-6829.

Sincerely,



Maria L. Perez
Production Assistant
915-688-6906

XC: Well File	Don McBee
Land Dept.	Joint Interest
Reservoir Eng.	Production Eng.
Geologist	Kermit Field Office
BLM - Carlsbad	OCD - Carlsbad
Regulatory File	Becky Kidd - NGPA - Houston Corp.

MERIDIAN OIL

December 3, 1992

United Gas Search, Inc.
Attn: Rodney Ratheal - Agent
1550 Wynn Joyce
Garland, Texas 75043

RE: Offset Operator Notification for
Application for a 120 acre non-standard
Gas Unit
Gregory B Federal No. 2
A, 990' FNL & 660' FEL
Section 15, T-26-S, R-37-E
Lea County, New Mexico
LC-032510-B

Dear Mr. Ratheal:

Enclosed is a copy of a letter submitted to the ODC in Santa Fe, New Mexico requesting approval for a non-standard gas unit for the captioned well.

Also, attached is a plat showing the lease boundary, gas unit boundary and offset operators.

Should you have any questions, please contact Mr. Tom O'Donnell, Reservoir Engineer at 915-688-6829.

Sincerely,



Maria L. Perez
Production Assistant
915-688-6906

XC: Well File	Don McBee
Land Dept.	Joint Interest
Reservoir Eng.	Production Eng.
Geologist	Kermit Field Office
BLM - Carlsbad	OCD - Carlsbad
Regulatory File	Becky Kidd - NGPA - Houston Corp.

Form 3160-5
(July 1989)
(Formerly 9-331)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

CONTACT RECEIVING
OFFICE FOR NUMBER
OF COPIES REQUIRED
(Other instructions on reverse
side)

BLM Roswell District
Modified Form No.
NM060-3160-4

5. LEASE DESIGNATION AND SERIAL NO.

LC-032510-B

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT-" for such proposals.)

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

1. OIL WELL GAS WELL OTHER

7. UNIT AGREEMENT NAME

2. NAME OF OPERATOR
MERIDIAN OIL INC.

8. FARM OR LEASE NAME
GREGORY B FEDERAL

3. ADDRESS OF OPERATOR
P.O. Box 51810, Midland, TX 79710-1810

3a. AREA CODE & PHONE NO.
915-688-6906

9. WELL NO.
2

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*
See also space 17 below.)
At surface
A, 990' FNL & 660' FEL

10. FIELD AND POOL, OR WILDCAT
RHODES YATES-7RV (GAS)

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
SEC. 15, T-26-S, R-37-E

14. PERMIT NO.

15. ELEVATIONS (Show whether DF, RT, GR, etc.)
2986.6' GR

12. COUNTY OR PARISH
LEA

13. STATE
N.M.

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF
FRACTURE TREAT
SHOOT OR ACIDIZE
REPAIR WELL
(Other)

PULL OR ALTER CASING
MULTIPLE COMPLETE
ABANDON*
CHANGE PLANS

SUBSEQUENT REPORT OF:

WATER SHUT-OFF
FRACTURE TREATMENT
SHOOTING OR ACIDIZING
(Other) TO AMEND 3160-3

REPAIRING WELL
ALTERING CASING
ABANDONMENT*

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

THIS IS TO AMEND ITEM NO. 17 ON FORM 3160-3 APPLICATION FOR PERMIT TO DRILL. FROM 160 ACRES TO 120 ACRE GAS DRILLING UNIT.

FILED FOR A NON-STANDARD GAS UNIT WITH THE OCD IN SANTA FE ON 12-3-92.

SEE AMENDED C-102 PLAT ATTACHED.

18. I hereby certify that the foregoing is true and correct

SIGNED

Mary L. Rose

TITLE

PRODUCTION ASST.

DATE

12-3-92

(This space for Federal or State office use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side

P 047 801 055



Receipt for Certified Mail

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Sent to	Mr. Michael Stogner
Street and No.	Oil Conservation Commis:
P.O. State and ZIP Code	P.O. Box 2088 Santa Fe, NM 87504
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, June 1991

P 045 808 100



Receipt for Certified Mail

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Sent to	Doyle Hartman
Street	Attn: Patrick Warrell
P.O. State and ZIP Code	Box 10426 Midland, TX 79702
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, June 1991

P 047 801 056



Receipt for Certified Mail

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Sent to	United Gas Search, Inc
Street	Rodney Ratheal - Agent
P.O. State and ZIP Code	350 Wynn Joyce Garland, TX 75043
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, June 1991

Submit to Appropriate District 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

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 P.O. Box 1980, Hobbs, NM 88240

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

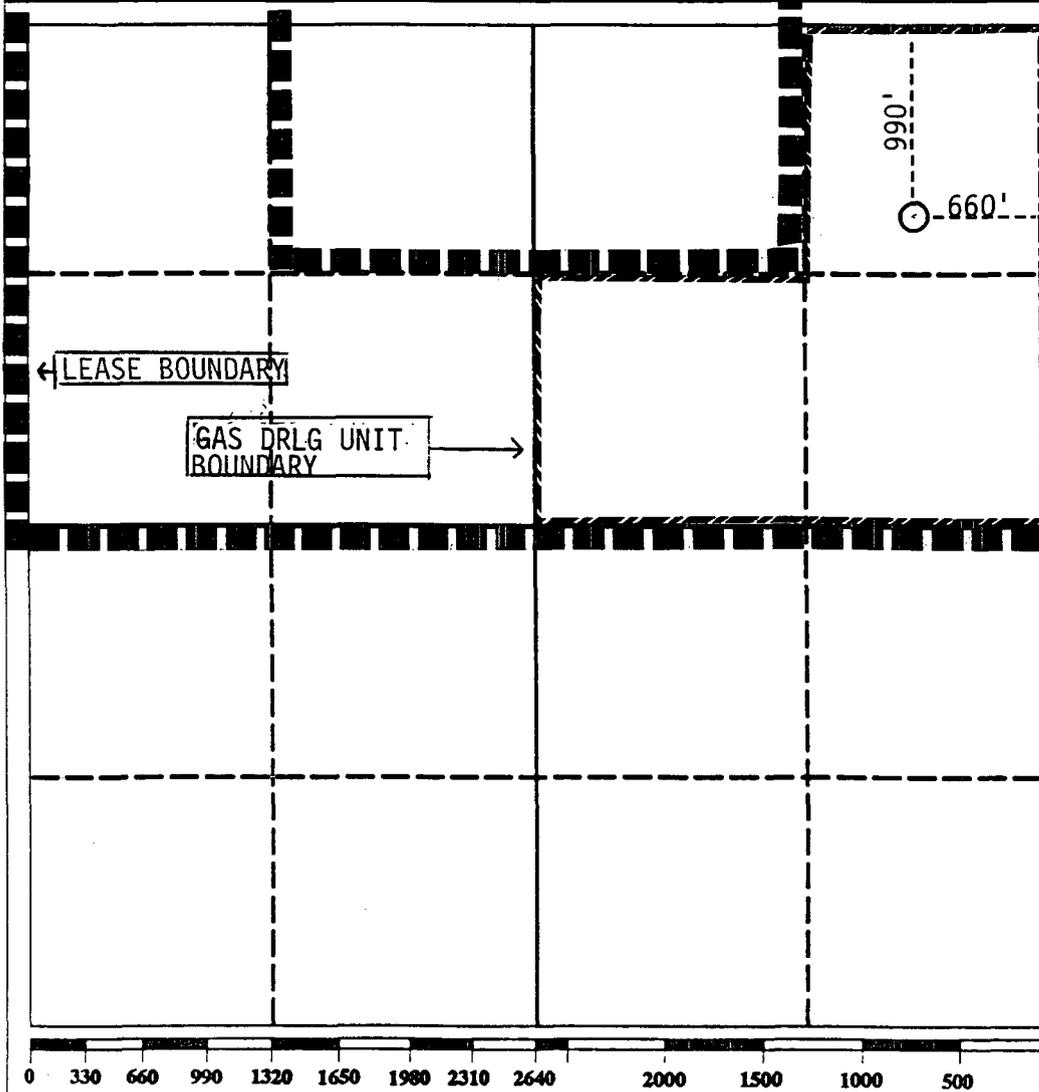
DISTRICT III
 1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator MERIDIAN OIL INC.		Lease GREGORY B FEDERAL		Well No. 2
Unit Letter A	Section 15	Township 26-S	Range 37-E	County LEA
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 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: *Maria L. Perez*
 Printed Name: **MARIA L. PEREZ**
 Position: **PRODUCTION ASST.**
 Company: **MERIDIAN OIL INC.**
 Date: **12-3-92**

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: _____
 Certificate No.: _____

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

MEMORANDUM

TO: ALL OPERATORS

FROM: WILLIAM J. LEMAY, DIRECTOR *WJL*

SUBJECT: RULE 104 C II OF THE GENERAL RULES AND REGULATIONS

DATE: JULY 27, 1988

There has been some confusion about interpretation of the subject rule. In each paragraph of sections (a), (b) and (c) the rule states:

"Unless otherwise provided in special pool rules, each development well for a defined gas pool shall be located on a tract..."

My interpretation of this sentence is that each well is to be located on its own individual specified unit and an additional well is not authorized simply by meeting the set back requirements of the rule.

This interpretation is necessary to prevent waste from the drilling of unnecessary wells and to protect correlative rights of all parties in the pool. Since the prorated pools have special pool rules the subject rules have greater impact on unprorated gas. Unprorated does not mean unregulated. Allowables are not issued in unprorated pools and the only method available to protect correlative rights is the control of well density and locations. Added well density required because of special geological situations can be addressed by special pool rules after notice and hearing.

Applications for additional wells on existing proration units will be approved only on the understanding that upon completion of the well the operator shall elect which well will be produced and which will be abandoned. Application to produce both wells will be approved only after notice and hearing and upon compelling evidence that the applicant's correlative rights will be impaired unless both wells are produced.

dr/

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

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

MEMORANDUM

TO: ALL OPERATORS

FROM: WILLIAM J. LEMAY, DIRECTOR *WJL*

SUBJECT: RULE 104 C II OF THE GENERAL RULES AND REGULATIONS

DATE: AUGUST 3, 1990

On July 27, 1988, we sent a memorandum to all operators to explain the Division's procedures for ensuring compliance with the above rule in handling applications for additional wells on existing proration units. The procedures are primarily applicable in unprorated gas pools.

The final paragraph of the July 27 memo reads as follows:

"Applications for additional wells on existing proration units will be approved only on the understanding that upon completion of the well the operator shall elect which well will be produced and which will be abandoned. Application to produce both wells will be approved only after notice and hearing and upon compelling evidence that the applicant's correlative rights will be impaired unless both wells are produced."

Additional explanation of the intent of the above paragraph is set out below:

Application to produce both wells continuously and concurrently will be approved only after notice and hearing and upon compelling evidence that the applicant's correlative rights will be impaired unless both wells are produced.

Requests to produce the wells alternately (one well shut-in while the other produces) may be submitted for administrative handling. The request should set out the length of the producing and shut-in cycles for each well (a one month minimum is suggested), the proposed method for ensuring compliance with the proposed producing and shut-in schedules, and the reasons for the request. Notice should be provided to offset operators in the usual manner, allowing a 20-day waiting period. The application should be sent to Santa Fe with a copy to the appropriate District office.