



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

October 15, 1990

Meridian Oil, Inc.  
P.O. Box 4289  
Farmington, NM 87499-4289

Attention: Peggy Bradfield

RE: *Unorthodox coal gas well location, Huerfanito Unit Well No. 23, 1042' FNL - 1516' FWL (Unit C); 4-T26N-R9W, NMPM, Basin-Fruitland Coal Gas Pool, San Juan County, New Mexico.*

Dear Ms. Bradfield:

Having received several applications in the past to recomplate existing wells to the Basin-Fruitland Coal Gas Pool at unorthodox coal gas well locations, usually Pictured Cliffs wells, which are off pattern for coal gas development, it appears that additional information may be necessary to properly evaluate future filings in instances when there are two wells in the proposed coal spacing unit producing from the same formation in which the one to be recompleted is off-pattern.

In the immediate instance, the proposed W/2 equivalent 321.44-acre coal dedication has two Ballard Pictured Cliffs Gas wells; the subject Huerfanito Unit Well No. 23 located in Unit C and the Huerfanito Unit Well No. 24 located in Unit K at a standard coal gas well location. Why was the No. 23 chosen over the No. 24 well? Also, how does this off-pattern recompletion effect coal development in the immediate area? Please submit any supporting production data, engineering evaluation and related technical data to support your choice of wells for recompletion. Also submit a plat of the offsetting sections showing the coal completions presently planned or currently producing and provide a discussion addressing the proposed off-pattern development.

Should you have any questions, please contact me.

Sincerely,

Michael E. Stogner  
Chief Hearing Officer/Engineer

cc: Oil Conservation Division - Aztec  
US Bureau of Land Management - Farmington

<p>④ 40.76</p>	<p>Meridian Oil, Inc. Huerfano Unit No. 23 1072' FWL - 1516' FWL Spud - 8/21/55 Ballard P.C. Pool Producing <u>Subject well</u></p> <p>③ 40.68</p>	<p>⑤ 40.60</p>	<p>① 40.52</p>
			<p>Meridian Oil, Inc. Huerfano Unit No. 22 1650' FWL - 990' FWL Spud - 7/29/55 T.D. - 2248' Basin Fruitland Coal Gas Prod. <u>1/2 dedication</u></p>
	<p>Meridian Oil, Inc. Huerfano Unit No. 24 1850' FWL - 1650' FWL Spud - 8/14/55 T.D. - 2192' Ballard Pictured Cliffs Producing</p>		
<p>Meridian Oil, Inc. Huerfano Unit No. 60 990' FWL Spud 10/21/60 T.D. - 6755' Basin Dakota Pool Producing</p>			<p>1</p>

40.76  
 40.58  
 81.44  
 8  
 161.94  
 16  
 326.44

# MERIDIAN OIL

September 17, 1990

Federal Express

Mr. William LeMay  
New Mexico Oil Conservation Division  
310 Old Santa Fe Trail  
Santa Fe, New Mexico 87503

RE: Huerfanito Unit #23  
1042'FNL, 1516'FWL  
Section 04, T-26-N, R-09-W  
San Juan County, New Mexico

Dear Mr. LeMay:

This is a request for administrative approval for a non-standard gas well location in the Basin Fruitland Pool.

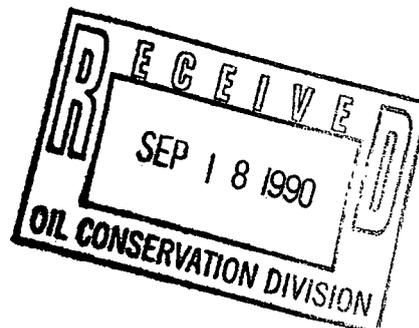
Meridian Oil intends to plugback and recomplete the Huerfanito Unit #23 well from the Pictured Cliffs pool to the Basin Fruitland Coal Pool. The current location of this well is 1042'FNL, 1516'FWL, Section 04, T-26-N, R-09-W, San Juan County, New Mexico. The well is considered non-standard due to the NE-SW dedicated pattern established for the Basin Fruitland Coal Pool. To comply with the New Mexico Oil Conservation Division rules, Meridian is submitting the following for your approval of this non-standard location:

1. C-102 plat showing location of the well;
2. Plat showing offset owners/operators;
3. Copy of Well Completion Log for original completion.

All surrounding lands are owned or operated by Meridian Oil Inc.

Sincerely yours,

*Peggy Bradfield*  
Peggy Bradfield by *Howard*  
encl.



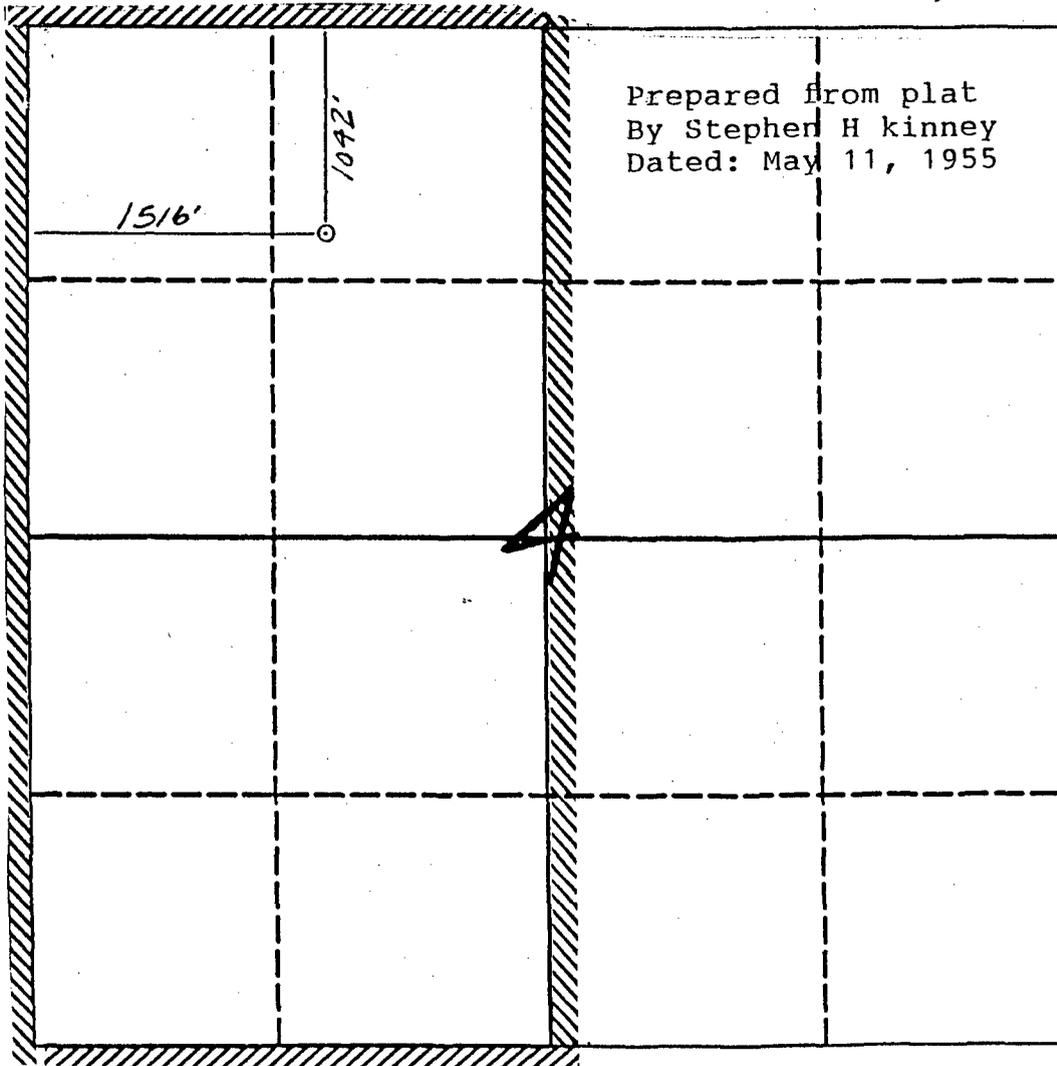
MERIDIAN OIL INC

Well Name Huerfanito Unit # 23

Footage 1042' FNL; 1516' FWL

APPLICATION FOR NON-STANDARD LOCATION

County San Juan State New Mexico Section 4 Township 26N Range 9W



Remarks All surrounding lands are owned or operated by Meridian Oil Inc.

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Submit to Appropriate  
District Office  
State Leases - 4 copies  
Fee Leases - 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

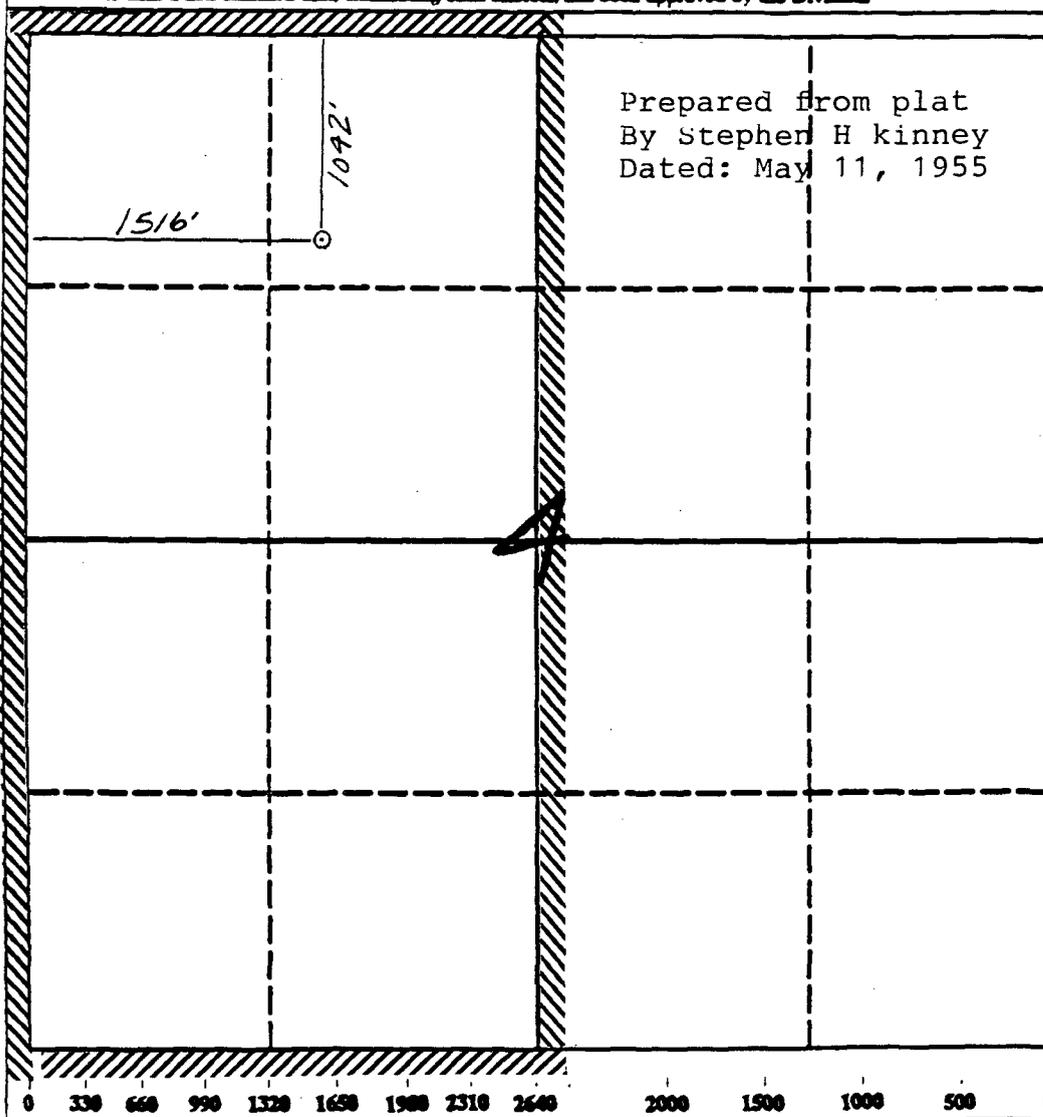
All Distances must be from the outer boundaries of the section

Operator El Paso Natural Gas Co		Lease (NM-03491) Huerfanito Unit		Well No. 23
Unit Letter C	Section 4	Township 26 North	Range 9 West	County San Juan
Actual Footage Location of Well: 1042 feet from the North line and 1516 feet from the West line				
Ground level Elev. 6459'	Producing Formation Fruitland Coal	Pool Basin	Dedicated Acreage: 322.44 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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: unitization

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.



Prepared from plat  
By Stephen H Kinney  
Dated: May 11, 1955

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  
El Paso Natural Gas  
Company

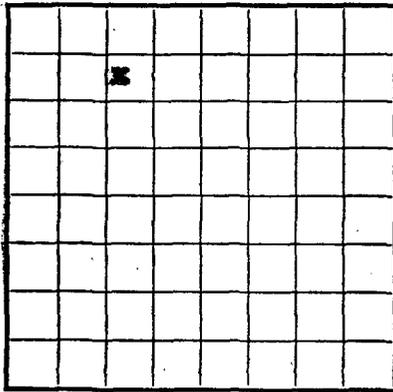
Date

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 and Seal of Professional Surveyor  
NEALE EDWARDS  
NEW MEXICO  
6857  
REGISTERED LAND SURVEYOR  
Certificate No. 6857  
Neale Edwards

U. S. LAND OFFICE **New Mexico**  
SERIAL NUMBER **03491**  
LEASE OR PERMIT TO PROSPECT



LOCATE WELL CORRECTLY

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

LOG OF OIL OR GAS WELL

Company **J. Glenn Turner** Address **P. O. Box 723 - Farmington, New Mexico**  
Lessor or Tract **Marfanite Unit** Field **Ballard P.C.** State **New Mexico**  
Well No. **23-4** Sec. **4** T. **26-N** R. **9-W** Meridian **N.M.P.M.** County **San Juan**  
Location **1042** ft. **S.** of **N** Line and **1516** ft. **E.** of **W** Line of **Sec. 4** Elevation **6467**  
(Derrick floor relative to sea level)

The information given herewith is a complete and correct record of the well and all work done thereon so far as can be determined from all available records.

Signed **C. Bronson Neal**  
Title **Agent in Farmington**

Date **October 13, 1955**

The summary on this page is for the condition of the well at above date.

Commenced drilling **August 21, 1955**, 19... Finished drilling **Sep. 17, 1955**, 19...

OIL OR GAS SANDS OR ZONES

(Denote gas by G)

No. 1, from **2209** to **2280 (100')** No. 4, from \_\_\_\_\_ to \_\_\_\_\_  
No. 2, from \_\_\_\_\_ to \_\_\_\_\_ No. 5, from \_\_\_\_\_ to \_\_\_\_\_  
No. 3, from \_\_\_\_\_ to \_\_\_\_\_ No. 6, from \_\_\_\_\_ to \_\_\_\_\_

IMPORTANT WATER SANDS

No. 1, from \_\_\_\_\_ to \_\_\_\_\_ No. 3, from \_\_\_\_\_ to \_\_\_\_\_  
No. 2, from \_\_\_\_\_ to \_\_\_\_\_ No. 4, from \_\_\_\_\_ to \_\_\_\_\_

CASING RECORD

Size casing	Weight per foot	Threads per inch	Make	Amount	Kind of shoe	Cut and pulled from	Perforated		Purpose
							From-	To-	
<b>6-5/8"</b>	<b>28</b>	<b>8 rd. thd.</b>	<b>J-55</b>	<b>20.5'</b>	<b>None</b>				<b>Surface</b>
<b>5-1/2"</b>	<b>24</b>	<b>8 rd. thd.</b>	<b>J-55</b>	<b>200'</b>	<b>Halliburton</b>				<b>Surface</b>
<b>5-1/2"</b>	<b>24</b>	<b>8 rd. thd.</b>	<b>J-55</b>	<b>200'</b>	<b>Halliburton</b>				<b>Surface</b>

MUDDING AND CEMENTING RECORD

Size casing	Where set	Number sacks of cement	Method used	Mud gravity	Amount of mud used
<b>6-5/8"</b>	<b>100'</b>	<b>80</b>	<b>Halliburton</b>	<b>Mostly water</b>	
<b>5-1/2"</b>	<b>225'</b>	<b>100</b>	<b>Halliburton</b>	<b>Mostly water</b>	

PLUGS AND ADAPTERS

Heaving plug—Material \_\_\_\_\_ Length \_\_\_\_\_ Depth set \_\_\_\_\_  
Adapters—Material \_\_\_\_\_ Size \_\_\_\_\_

FOLD MARK

# MERIDIAN OIL

October 19, 1990

New Mexico Oil Conservation Division  
Attn: Mr. Michael E. Stogner  
P.O. Box 2088  
Santa Fe, New Mexico 87504

RE: Huerfanito Unit #23  
1042' FNL, 1516' FWL (Unit C)  
Section 4, T26N, R09W  
Basin Fruitland Coal Gas Pool  
San Juan County, New Mexico  
Unorthodox Coal Gas Well Location

Dear Mr. Stogner:

At the time Meridian Oil submitted the above-referenced unorthodox coal gas well location for your approval, we were aware that two Ballard Pictured Cliffs gas wells were located in the W/2 320-acre coal dedication. Therefore, in response to your letter dated October 15, 1990 regarding the subject well, the following is submitted:

The primary justification of choosing the Huerfanito Unit #23 over the Huerfanito Unit #24 (standard location) was the productivity of the wells. The Huerfanito Unit #23 has been producing at 5 MCF/D and is uneconomic to operate. Workovers and sales compression of the producing formation were evaluated, but these alternatives could not be economically justified. The Huerfanito Unit #24 has sustained production of 35 MCF/D and is currently economic to operate. The plug back of the Huerfanito Unit #24 at this time for the sole purpose of a standardized location would not be considered prudent management by Meridian of existing reserve potential. Meridian does not feel the productivity of the coal will vary between the locations. Recompletion of the Huerfanito Unit #23 will allow us to produce Fruitland Coal reserves without creating economic waste by drilling a new well. There should be no correlative rights problem since all direct offset acreage (SE/4 and SW/4 of Section 33 and NE/4 of Section 4) is committed to the Huerfanito Unit and all working interest and burden owners are unitized.

New Mexico Oil Conservation Division  
Huerfanito Unit #23  
Page Two

Included is the requested plat of offsetting dedicated units showing completed coal projects and those proposed to date. Although all proposed coal gas well development projects are included, additional projects may be proposed in the future. Because it is less desirable from an economic standpoint to drill new wells in this area, the off pattern development of this unit utilizing the existing subject wellbore represents the most prudent operation for the immediate area.

Should you have any questions, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "R. E. Fraley" with a horizontal line extending to the right, followed by the initials "REF" in a smaller, more compact script.

Richard E. Fraley  
Regional Production Engineer

REF/SHL:tt

attachments

cc: Oil Conservation Division/Aztec  
US Bureau of Land Management/Farmington  
Peggy A. Bradfield

DATE: OCTOBER 19, 1990  
 NAME: HUERFANITO UNIT #23  
 FORM: FRUITLAND COAL

LOCATION  
 UNIT: C  
 SEC: 4  
 TWN: 26  
 RNG: 9

T 27  
 N

T 26  
 N

<p>[32]</p> <p>*        MAGNOLIA COM #1        PROPOSED R/C</p>	<p>*        HUERFANITO UNIT #32        (PC)        COMPLETED R/C</p> <p>*        HUERFANITO UNIT #33        (PC)        [33] COMPLETED R/C</p>	<p>*        HUERFANITO UNIT #154        (PC)        [34] COMPLETED NEW DRILL</p>
<p>[5]        *        HUERFANO UNIT #49        (PC)        COMPLETED R/C</p>	<p>*        HUERFANITO UNIT #23        (PC)        PROPOSED R/C</p> <p>*        HUERFANITO UNIT #22        (PC)        [4] COMPLETED R/C</p>	<p>*        HUERFANITO UNIT #19        (PC)        [3] PROPOSED R/C</p> <p>*        HUERFANITO UNIT #68        (PC)        COMPLETED R/C</p>
<p>[8]        *        HUERFANO UNIT #232        PROPOSED FT R/C</p>	<p>[9]</p>	<p>*        HUERFANITO UNIT #70        (PC)        PROPOSED R/C</p> <p>[10]</p>



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

Xc: KOB  
 REF

GARREY CARRUTHERS  
 GOVERNOR

**MERIDIAN OIL**

OCT 17 1990

FARMINGTON, NEW MEXICO  
 REGULATORY

October 15, 1990

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

Meridian Oil, Inc.  
 P.O. Box 4289  
 Farmington, NM 87499-4289

Attention: Peggy Bradfield

RE: *Unorthodox coal gas well location, Huerfanito Unit Well No. 23, 1042' FNL - 1516' FWL (Unit C); 4-T26N-R9W, NMPM, Basin-Fruitland Coal Gas Pool, San Juan County, New Mexico.*

Dear Ms. Bradfield:

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In the immediate instance, the proposed W/2 equivalent 321.44-acre coal dedication has two Ballard Pictured Cliffs Gas wells; the subject Huerfanito Unit Well No. 23 located in Unit C and the Huerfanito Unit Well No. 24 located in Unit K at a standard coal gas well location. Why was the No. 23 chosen over the No. 24 well? Also, how does this off-pattern recompletion effect coal development in the immediate area? Please submit any supporting production data, engineering evaluation and related technical data to support your choice of wells for recompletion. Also submit a plat of the offsetting sections showing the coal completions presently planned or currently producing and provide a discussion addressing the proposed off-pattern development.

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Michael E. Stogner  
 Chief Hearing Officer/Engineer

cc: Oil Conservation Division - Aztec  
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