



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

August 8, 1990

GARREY CARRUTHERS
GOVERNOR

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

Kellahin, Kellahin & Aubrey
P.O. Box 2265
Santa Fe, NM 87504-2265

Attention: W. Thomas Kellahin
General Counsel for Meridian Oil, Inc.

RE: Case No. 10021, Application of Meridian Oil, Inc. for an unorthodox coal gas well location, Kutz Deep Test Well No. 2, 990' FS & EL, P-28-28N-10W, Basin Fruitland Coal Gas Pool, San Juan County, New Mexico.

Dear Mr. Kellahin:

Reference is made to Breck Operating Corporation's withdrawal of objection to this application received by the NMOCD on August 7, 1990 (see attached). This withdrawal of objection was received too late to cancel the readvertisement and continuance notice of Case No. 10021 to the August 22, 1990 examiner hearing. However, this matter can be dismissed at this time.

Your letter dated July 19, 1990 which resulted in the need for readvertisement, brings up the need for an amendment to the administrative application. If Meridian still wished to reorient the spacing unit from a lay-down S/2 dedication to a stand-up E/2 dedication, please provide notice to all offset operators for the amended unit.

Please contact me should you have any questions concerning this matter.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

MES/ag

cc: Oil Conservation Division - Aztec
US Bureau of Land Management - Farmington
Case File No. 10021



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

GARREY CARRUTHERS
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SANTA FE, NEW MEXICO 87504
(505) 827-5800

July 20, 1990

Kellahin, Kellahin & Aubrey
P. O. Box 2265
Santa Fe, New Mexico 87504-2265

ATTN: W. THOMAS KELLAHIN

RE: CASE NO. 10021
Application of Meridian Oil, Inc.
for an Unorthodox Coal Gas
Well Location, Kutz Deep Test
Well No. 2, 990' FS&EL, P-28-
T28N-R10W, Basin Fruitland Coal
Gas Pool, San Juan County,
New Mexico.

Dear Mr. Kellahin:

Reference is made to your letter dated July 19, 1990, notifying the Division of Meridian's intent to reorient the proposed spacing unit for the subject well from a lay-down S/2 dedication to a stand-up E/2 orientation. This will of course require readvertisement and since your notice was received too late for the August 8th docket, this matter shall be readvertised and continued to the August 22nd docket. Should you have any questions concerning this matter, please contact me. Thank you.

Sincerely,

Michael E. Stogner, Examiner
Chief Hearing Officer

MES/si

cc: OCD Aztec Office
U.S. BLM - Farmington
Meridian Oil, Inc. - Farmington
Breck Operating Corp. - Breckridge, Texas

KELLAHIN, KELLAHIN AND AUBREY

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2285

SANTA FE, NEW MEXICO 87504-2285

TELEPHONE (505) 982-4285

TELEFAX (505) 982-2047

W. THOMAS KELLAHIN
KAREN AUBREY

CANDACE HAMANN CALLAHAN

JASON KELLAHIN
OF COUNSEL

July 19, 1990

HAND DELIVERED

Mr. William J. LeMay
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87504

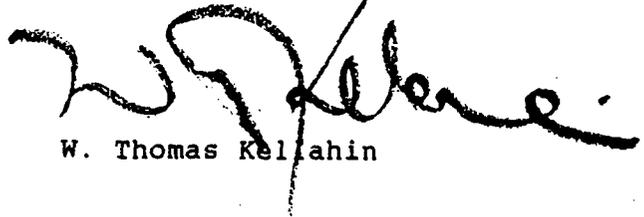
Re: NMOCD Case No. 10021
Kutz Deep Test No. 2
990' FSL, 990' FEL,
Section 28, T28N, R10W,
San Juan County, New Mexico

Dear Mr. LeMay

On behalf of Meridian Oil, Inc., I wish to inform you that while the proposed unorthodox well location for the referenced case has not changed. Meridian has reoriented the spacing unit from a S/2 to an E/2 unit in this section. I have enclosed a plat to show the change and by copy of this letter to the offsetting operators notified them of the change.

This matter is pending a hearing on August 8, 1990, having been continued from the July 25, 1990 docket.

Very truly yours,



W. Thomas Kellahin

WTK/tic
Enclosure

cc: Bob Hopkins
Meridian Oil, Inc.
Post Office Box 4289
Farmington, New Mexico 87401

RECEIVED

JUL 19 1990

OIL CONSERVATION DIV.
SANTA FE

Mr. William J. LeMay
July 19, 1990
Page 2

Certified mail return-receipt
Breck Operating Corp.
Post Office Box 911
Breckenridge, Texas 76024-0911
Attn: Ronald A. Holloway

Merrion Oil & Gas Corporation
Post Office Box 840
Farmington, New Mexico 87499

Damson Oil Company
Post Office Box 4391
Houston, Texas 77210-4391

Amoco Production Company
Attn: Southern Division Production Manager
Post Office Box 800
Denver, Colorado 80201

FAX COVER SHEET

Date: 8-16-90
Time: 3:28 P.M.

Log No.

Number of Pages:
(Including cover sheet)

5

TO:
Mr. Michael Stogner

FROM:
Mr. W. Thomas Kellahin

of: OGD

Of: **KELLAHIN, KELLAHIN & AUBREY**
P. O. Box 2265
Santa Fe, NM 87504-2265

FAX #: 827-5741

Address:

FAX #: 982-2047

Mike:

The attached waivers apply to OCE Cases 10019, 10020
10021 and 10022.

Tom

SENT BY: Meridian Oil, Inc. ; 8-3-90 ; 2:57PM ;
 AUG-03-1990 15:58 FROM BRECK OPERATING CORP

5053269781- 5059888936:# 4
 TO 15053269781 P.05

MERIDIAN OIL

June 5, 1990

Certified Mail

Mr. William LeMay
 New Mexico Oil Conservation Division
 Post Office Box 2088
 Santa Fe, New Mexico 87503

RE: Kutz Deep Test #2
 990'FSL, 990'FEL
 Section 28, T-28-N, R-10-W
 San Juan County, New Mexico

Dear Mr. LeMay:

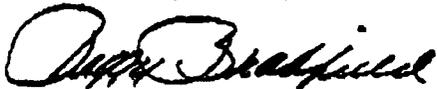
This is a request for administrative approval for a non-standard gas well location in the Basin Fruitland Pool.

Meridian Oil intends to plugback and recomplete the Kutz Deep Test #2 well from the Pictured Cliffs pool to the Basin Fruitland Coal Pool. The current location of this well is 990'FSL, 990'FEL, Section 28, T-28-N, R-10-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. Affidavit of notification of offset owners/operators;
4. Copy of Well Completion Log for original completion.

A copy of this application is being submitted to all offset owners/operators by certified mail with a request that they furnish your Santa Fe office with a Waiver of Objection, and return one copy to this office.

Sincerely yours,



Peggy Bradfield
 encl.

WAIVER

Breck Operating Corp., Individually
and on behalf of B.B.L., Ltd. hereby waives objection to Meridian Oil Inc.'s application for a non-standard location for their Kutz Deep Test #2 as proposed above.

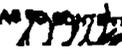
Date: 8-3-90

BRECK OPERATING CORP.

cc: Southland Royalty Company
 Amoco Production Company
 Breck Operating Company

By: 
 Fred F. Dussar, President

APPROVED
 AS TO FORM

APPROVED


KELLAHIN, KELLAHIN AND AUBREY

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

W. THOMAS KELLAHIN
KAREN AUBREY

CANDACE HAMANN CALLAHAN

JASON KELLAHIN
OF COUNSEL

TELEPHONE (505) 982-4285
TELEFAX (505) 982-2047

December 3, 1990

RECEIVED

DEC 03 1990

OIL CONSERVATION DIV.
SANTA FE

Mr. Michael E. Stogner
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87502

HAND DELIVERED

Re: Amended Administrative Application
Case No. 10021, Application of
Meridian Oil Inc. for an Unorthodox
Coal Gas Well Location, Kutz Deep
Well No. 2, 990' FSL and 990' FEL,
Unit P, Basin Fruitland Coal Gas Pool,
San Juan County, New Mexico

Dear Mr. Stogner:

The above referenced case involves an unorthodox well location for the Kutz Deep Well No. 2 which was originally filed as an administrative application for the S/2 of said Section. Thereafter, Breck Operating Company objected to the location and the matter was docketed as Case No. 10021 on the Examiner's docket of July 25, 1990.

Prior to the July hearing I amended the spacing unit from the S/2 to the E/2 of Section 28 by my letter dated July 19, 1990 and requested the case be continued and readvertised for hearing on August 22, 1990.

Thereafter, Breck withdrew its opposition and the case was dismissed and returned to you for administrative processing after which you advised us that you believed that we should once again notify Breck and Amoco, the offsetting operators, despite the fact that we had already notified them of our amended orientation of the unit pursuant to hearing notice procedures.

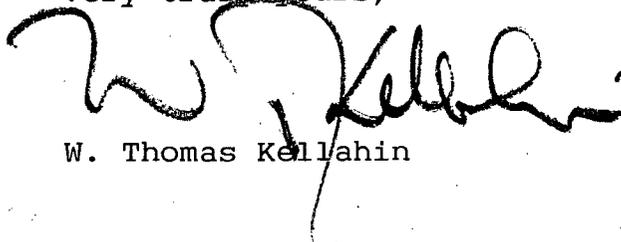
Accordingly, please consider this letter our amended administrative application on behalf of Meridian Oil Inc. for the requested unorthodox location and the E/2 of

Mr. William J. LeMay
December 3, 1990
Page 2

Section 28 dedication. Enclosed is a copy of the Meridian Oil Inc. waiver letter dated November 28, 1990 sent to Amoco and Breck.

I will deliver to you the signed waivers upon receipt.

Very truly yours,

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', written over a horizontal line.

W. Thomas Kellahin

WTK/tic
Enclosure

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

MERIDIAN OIL

November 28, 1990

Re: Kutz Deep Test #2
990'FSL, 990'FEL, Section 28, T-28-N, R-10-W
San Juan County, New Mexico

A waiver of objection for a non-standard gas well location in the Basin Fruitland Coal formation was sent to you on June 5, 1990 for plugging back the well at the referenced location.

The application has been amended to show an east half dedication for this well. Enclosed is a copy of the plat showing the east half dedication, an offset operators plat, and well completion log for original completion.

This amendment is being sent Federal Express this date to you, with a request that you telefax your reply to (505) 326-9833 as soon as possible. We appreciate your prompt response.

Sincerely,



Peggy Bradfield

WAIVER

_____ hereby waives objection to Meridian Oil Inc.'s application for a non-standard location for their Kutz Deep Test #2 as proposed above.

By: _____ Date: _____

To: Southland Royalty
Amoco Production Company
Breck Operating Company

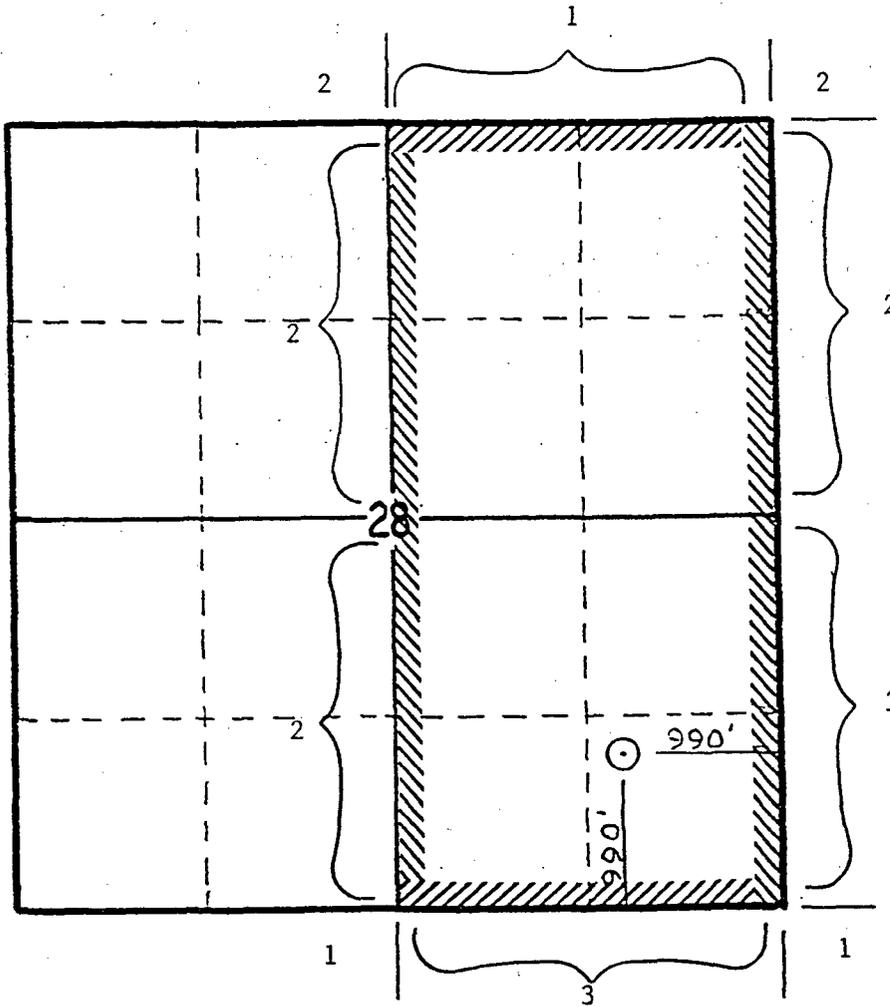
MERIDIAN OIL INC

Well Name Kutz Deep Test #2

Footage 990' FSL; 990' FEL

APPLICATION FOR NON-STANDARD LOCATION

County San Juan State New Mexico Section 28 Township 28N Range 10W



Remarks 1) Meridian Oil Inc.
2) Amoco Production Co. /Conoco, Inc.
3) Brezk Operating Co.

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

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

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

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

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

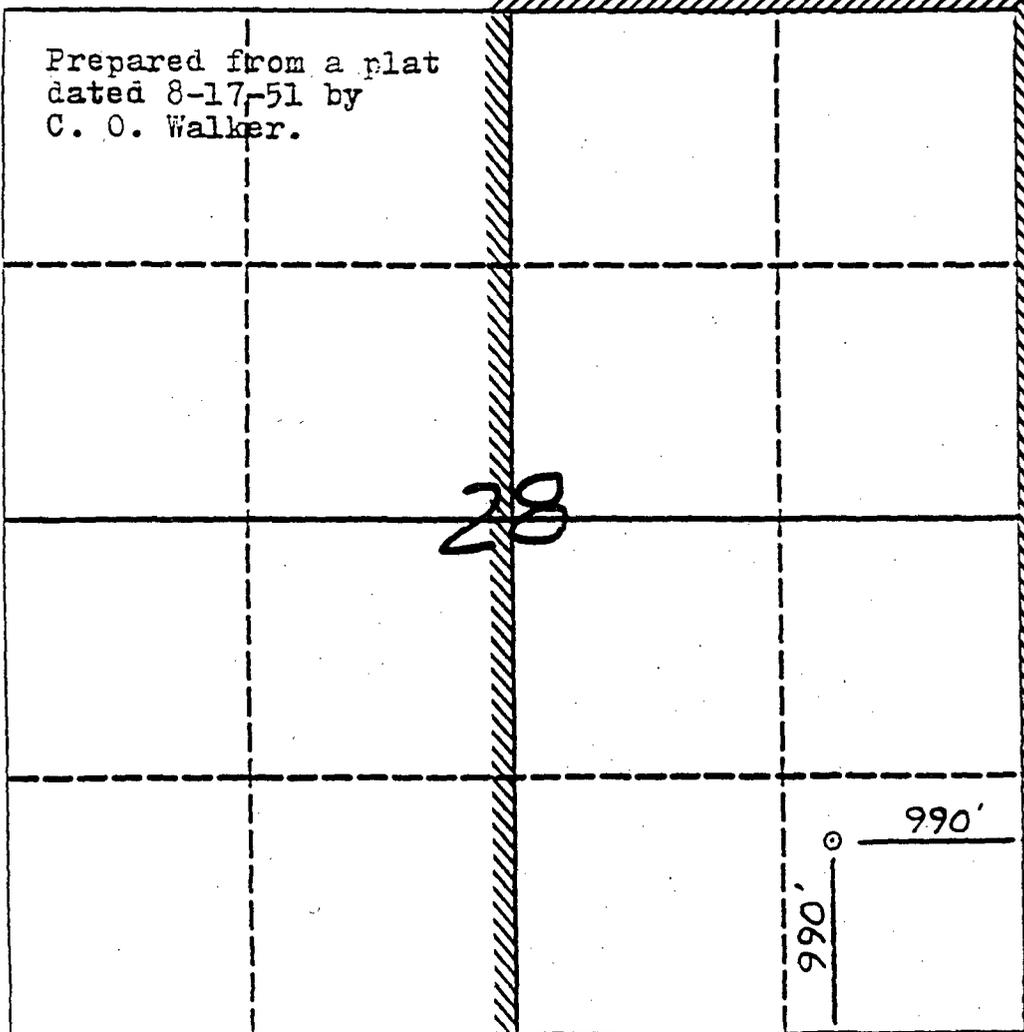
WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Meridian Oil Inc.		Lease Kutz Deep Test (SF-077383A)		Well No. 2
Unit Letter P	Section 28	Township 28 North	Range 10 West	County San Juan
Actual Footage Location of Well: 990 feet from the South line and 990 feet from the East line				
Gross Level Elev. 5999.7	Producing Formation Fruitland Coal	Pool Basin	Dedicated Acreage: 320 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or machine 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 communitization communitization agreement will be
 this form if necessary. obtained
 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. 5-23-90

Date Surveyed

Signature of Surveyor
Professional Surveyor

6857
6857

REGISTERED LAND SURVEYOR
 Neale C. Edwards

MERIDIAN OIL

OIL CONSERVATION DIVISION
RECEIVED

'90 DEC 28 AM 8 42

NSL-2967

November 28, 1990

Re: Kutz Deep Test #2
990'FSL, 990'FEL, Section 28, T-28-N, R-10-W
San Juan County, New Mexico

A waiver of objection for a non-standard gas well location in the Basin Fruitland Coal formation was sent to you on June 5, 1990 for plugging back the well at the referenced location.

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This amendment is being sent Federal Express this date to you, with a request that you telefax your reply to (505) 326-9833 as soon as possible. We appreciate your prompt response.

Sincerely,

Peggy Bradfield

WAIVER

Breck Operating Corp. _____ hereby waives objection to Meridian Oil Inc.'s application for a non-standard location for their Kutz Deep Test #2 as proposed above.

By: Fred F. Dueser
Fred F. Dueser, President

Date: 12-10-90

To: Southland Royalty
Amoco Production Company
Breck Operating Company

APPROVED
AS TO FORM
[Signature]
AS TO CONTENT
[Signature]
AS TO INTEREST
ADMINISTRATION
[Signature]