

BRECK OPERATING CORP.

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BRECKENRIDGE, TEXAS 76024-0911

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June 15, 1990

CERTIFIED MAIL -
RETURN RECEIPT REQUESTED

New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87503

Case 10021

Attention: Mr. William LeMay

Re: Feasel A #3
990' FNL, 1070' FWL
Section 34, T-28-N, R-10-W
San Juan County, New Mexico

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

Kutz Deep Test #1
990' FSL, 1650' FEL
Section 21, T-28-N, R-10-W
San Juan County, New Mexico

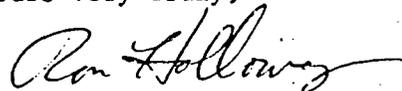
Dear Mr. LeMay:

This letter is written on behalf of B.B.L., Ltd. B.B.L., Ltd. owns working interests in the acreage that offsets the requested non-standard gas well locations requested by Meridian Oil Inc. for the Basin Fruitland Coal Pool.

We are opposed to Meridian's requests for the non-standard gas well locations. To grant such locations would work a hardship on B.B.L., Ltd. and would create drainage problems for B.B.L., Ltd. We believe the established drainage patterns will best protect the correlative rights of all parties.

Also, B.B.L., Ltd. has approached Meridian about forming pooled units for recompletion possibilities in the Fruitland Coal in the same sections at standard locations. For these reasons we request that their requests be denied.

Yours very truly,



Ronald A. Holloway
Land Manager

RAH/sm
L54/61590a



New Mexico Oil Conservation Division
RE: Feasel "A" #3, et al
June 18, 1990

cc: MERIDIAN OIL INC.
3535 East 30th Street
P. O. Box 4289
Farmington, New Mexico 87499-4289
Attention: Mr. David Pogue

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

July 19, 1990

HAND DELIVERED

RECEIVED

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

JUL 19 1990

OIL CONSERVATION DIV.
SANTA FE

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

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



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

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,

A handwritten signature in black ink, appearing to read "Michael E. Stogner", written over a horizontal line.

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

<p>Amoco Production Co. J.C. Davidson Well No. 1 990' ESTWEL Spud: 10/6/48 T.D. - 2244' Kutz Fruitland Sand Completion * ↓</p>			<p>Amoco Production Co. Federal Gas Con. Well No. 1 1190' FUEL Spud: 2/14/57 T.D. - 6730' Basin Dakota Completion * ↓</p>
<p>Amoco Production Company J.C. Davidson Well No. 2 1480' ESTWEL - 1150' SWL Spud: 11/7/52 T.D. - 2295' Fulcher Kutz Pictured Cliffs Completion * ↑</p>	<p>Amoco Production Co. Davidson Gas Con "F" Well No. 1E 1520' ESTWEL Spud: 3/22/50 Basin Dakota Completion * ←</p>		<p>Amoco Production Co. Davidson "B" Well No. 1 1612' ESTWEL - 1700' SWL Spud: 7/29/49 T.D. - 2216' Kutz Fulcher Pictured Cliffs Completion * ←</p>
<p>Amoco Production Co. J.C. Davidson "C" Well No. 1 990' ESTWEL Spud: 10/8/48 T.D. - 2168 Fulcher Kutz Pictured Cliffs Completion 990' ESTWEL * ↓</p>			
<p>* * * ↓</p>	<p>Amoco Production Co. Davidson Gas Con F Well No. 1 790' ESTWEL Spud: 7/24/59 Basin Dakota Completion * ↑</p>		<p>* ↑</p>

SUBJECT WELL
Kutz Deep Test Well No. 2
990' ESTWEL
Spud: 10/10/51 T.D. - 2083'
Fulcher Kutz Pictured Cliffs
Completion.

Standard 640 acre Section