

MERIDIAN OIL

January 2, 1991¹
2

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

**RE: AMEND WELL NUMBERS AND LOCATION
ON DIVISION ADMINISTRATIVE ORDER SD-91-10
HODGE WELL NO. 4
JALMAT-TANSIL-YATES-7 RIVERS
G, SEC. 8, T-24-S, R-37-E
FEE LAND**

Dear Mr. Stogner:

This is in reply to your letter dated November 21, 1991 concerning the discrepancy on the proposed Hodge Well No. 3 in unit letter H.

Originally, we submitted an application to drill the proposed Hodge Well No. 3 in unit letter H, 1980' FNL & 660' FEL. Your OCD office, in Hobbs, called to our attention that a Hodge Well No. 3 already existed in unit letter B, 660' FNL & 1980' FEL in the Langlie-Mattix 7 Rivers Queen Pool.

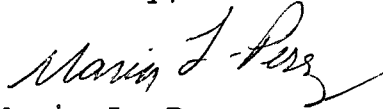
We then restaked the proposed well No. 3 in unit letter G, 1660' FNL & 1980' FEL and changed the well number to well No. 4 so that it would not get confused with the existing well No. 3 in UL B.

Please amend this order to simultaneously indicate the existing 160 acre Jalmat gas proration unit on the NE/4 of Sec. 8 to the Hodge Well No. 2 in UL B and the amended Hodge Well No. 4 in UL G.

January 2, 1992
Page 2

We apologize for this confusion and the oversight in amending this order.

Sincerely,

A handwritten signature in cursive script, appearing to read "Maria L. Perez".

Maria L. Perez
Production Asst.
A/C (915) 688-6906

MLP/sln

XC: Well File
D. McBee
Land Dept. (2)
Joint Int.
Resv. Engr.
Prod. Engr.
Geology
Hobbs Field Office
OCD-Hobbs
Production Services
Michele Alcantara-Houston Corp.
Reading File
Maria Perez

Submit to Adjudicator
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 MERIDIAN OIL INC.			Lease HODGE			Well No. 4		
Unit Letter G	Section 8	Township 24 SOUTH	Range 37 EAST	County LEA		NMPM		
Actual Footage Location of Well: 1980 feet from the EAST line and 1660 feet from the NORTH line								
Ground level Elev. 3281.4		Producing Formation Yates Sand		Pool Jalmat Tansil-Yates-7 Rvrs		Dedicated Acreage: Simultaneous 160 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 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

Printed Name

Connie L. Malik

Position

Regulatory Compliance Rep.

Company

Meridian Oil Inc.

Date

July 25, 1991

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

License No. 10847, 10897, 10901, 10902, 10903, 10904, 10905, 10906, 10907, 10908, 10909, 10910, 10911, 10912, 10913, 10914, 10915, 10916, 10917, 10918, 10919, 10920, 10921, 10922, 10923, 10924, 10925, 10926, 10927, 10928, 10929, 10930, 10931, 10932, 10933, 10934, 10935, 10936, 10937, 10938, 10939, 10940, 10941, 10942, 10943, 10944, 10945, 10946, 10947, 10948, 10949, 10950, 10951, 10952, 10953, 10954, 10955, 10956, 10957, 10958, 10959, 10960, 10961, 10962, 10963, 10964, 10965, 10966, 10967, 10968, 10969, 10970, 10971, 10972, 10973, 10974, 10975, 10976, 10977, 10978, 10979, 10980, 10981, 10982, 10983, 10984, 10985, 10986, 10987, 10988, 10989, 10990, 10991, 10992, 10993, 10994, 10995, 10996, 10997, 10998, 10999, 11000, 11001, 11002, 11003, 11004, 11005, 11006, 11007, 11008, 11009, 11010, 11011, 11012, 11013, 11014, 11015, 11016, 11017, 11018, 11019, 11020, 11021, 11022, 11023, 11024, 11025, 11026, 11027, 11028, 11029, 11030, 11031, 11032, 11033, 11034, 11035, 11036, 11037, 11038, 11039, 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STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

November 21, 1991



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

Meridian Oil Inc.
21 Desta Drive
Midland, Texas 79705

Attn: Maria L. Perez

RE: Division Administrative Order SD-91-10

Dear Ms. Perez:

I am writing this letter to clarify what appears to be a somewhat confusing but simple issue concerning Meridian's existing 160-acre Jalmat Gas spacing and proration unit comprising the NE/4 of Section 8, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico. On July 8, 1991 the Division issued Administrative Order SD-91-10 authorizing the simultaneous dedication of your Hodge Well No. 2 in Unit B with your proposed Hodge Well No. 3 to be drilled in Unit H, not to be confused (which it has) with the existing Hodge Well No. 3 located 660' FNL - 1980' FEL (Unit B). Our records further indicate the Hodge Well No. 4 in Unit G was completed in the Jalmat Gas Pool in September and is therefore the second well on the subject proration unit.

Please contact me concerning this matter so that I might amend the current Order to reflect accurately the situation in the subject acreage.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner".

MICHAEL E. STOGNER
Engineer

MES/jc

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF THE STATE OF NEW
MEXICO FOR THE PURPOSE OF CON-
SIDERING:

CASE NO. 783
Order No. R-559

THE APPLICATION OF R. OLSEN FOR
APPROVAL OF AN UNORTHODOX GAS
WELL LOCATION FOR ITS HODGE NO.
2 WELL, LOCATED 330 FEET FROM THE
NORTH LINE AND 2310 FEET FROM THE
EAST LINE OF SECTION 8, TOWNSHIP 24
SOUTH, RANGE 37 EAST, NMPM, LEA
COUNTY, NEW MEXICO, AND FOR APPROVAL
OF A NON-STANDARD GAS PRORATION UNIT
FOR SAID WELL, AS AN EXCEPTION PURSUANT
TO RULE 5 (b) (JALMAT) OF ORDER NO. R-520,
CONSISTING OF THE NE/4 OF SAID SECTION 8.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a. m. on November 17, 1954 at Santa Fe, New Mexico before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 16th day of December, 1954, the Commission, a quorum being present, having considered the records and testimony adduced, and being fully advised in the premises,

FINDS:

- (1) That due notice of the time and place of hearing and the purpose thereof having been given as required by law, the Commission has jurisdiction of this case and the subject matter thereof.
- (2) That pursuant to provisions of Rule 5 (b) (Jalmat) or Order No. R-520, the Commission has power and authority to permit the formation of a gas proration unit consisting of other than a legal section after notice and hearing by the Commission.
- (3) That applicant, R. Olsen, is the owner of an oil and gas lease in Lea County, New Mexico, the land consisting of other than a legal section, and described as follows, to-wit:

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM
NE/4 Section 8

Order No. R-559

containing 160 acres, more or less.

(4) That applicant, on or about July 15, 1954, commenced a well anticipating the completion of an oil well producing from the Queen formation of the Langlie-Mattix Oil Pool, at a location 2310 feet from the East line and 330 feet from the North line of said Section 8; that said location was an orthodox oil well location.

(5) That applicant encountered gas production in the Yates formation of such magnitude that he considered it unwise to drill the said well below the Yates gas zone, due to the possibility of losing the well and the waste of oil and gas; that applicant seeks herein approval of an unorthodox location for the said gas well, Hodge No. 2, and the assignment to the said well of 160 acres for gas prorationing; that said well is located within the horizontal limits of the pool heretofore delineated and designated as the Jalmat Gas Pool.

(6) That the applicant has another gas well in said Section 8, its Hodge Well No. 1, located in the SE/4 NE/4 of said Section, which is producing from both the Yates formation of the Jalmat Gas Pool and the Queen formation of the Langlie-Mattix Oil Pool, that the specific location of the said Hodge Well No. 1, is 1650 feet from the North line and 330 feet from the East line of Section 8; that it is practicable for the applicant to re-complete this well in such a manner that the gas from the Jalmat Gas Pool in said Hodge Well No. 1, will be shut off and the oil zone of the Langlie-Mattix Oil Pool will remain productive.

(7) That it is impractical to pool the applicant's said lease with adjoining acreage in the said area; that Howard Hogan is the only owner of adjoining acreage in said area who has objected to the proposed proration unit of 160 acres.

(8) That unless a proration unit consisting of the applicant's aforesaid acreage is permitted, applicant will be deprived of the opportunity to recover his just and equitable share of its natural gas in the Jalmat Gas Pool.

(9) That creation of a proration unit consisting of the aforesaid acreage will not cause waste, and will protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the application of R. Olsen for approval of an unorthodox location for its Hodge Well No. 2, being 2310 feet from the East line and 330 feet from the North line of Section 8, Township 24 South, Range 37 East, NMPM, be, and the same is hereby approved.

(2) That the application of R. Olsen for approval of an unorthodox proration unit consisting of the following described acreage:

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM
NE/4 Section 8

be and the same is hereby approved and a proration unit consisting of the aforesaid acreage is hereby created.

(3) That applicant's well, Hodge Well No. 2, located in the NW/4 NE/4 of Section 8, Township 24 South, Range 37 East, NMPM, shall be granted an allowable in the proportion that the above described 160 acre unit bears to the standard or orthodox proration unit for said pool, all until further order of the Commission.

PROVIDED HOWEVER, That the provisions of this order are wholly contingent upon the applicant shutting off the gas from the Jalmat Gas Pool in his Hodge Well No. 1, located in the SE/4 NE/4 of Section 8, Township 24 South, Range 37 East, NMPM; and the increased allowable assigned the Hodge No. 2 shall become effective on the first day of the month next following satisfactory recompletion of the Hodge No. 2 well.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

E. S. WALKER, Member

W. B. MACEY, Member and Secretary

S E A L

MERIDIAN OIL

OIL CONSERVATION DIVISION
RECEIVED

'91 JUL 8 AM 9 44

July 3, 1991

Mr. William J. Lemay
State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87504

RE: REQUEST AND NOTICE FOR:
SIMULTANEOUS DEDICATION
HODGE LEASE
NE/4 SECTION 08
T24S, R37E
LEA COUNTY, NEW MEXICO

Gentlemen:

We are currently in the process of filing a C-101 and C-102 with the New Mexico Oil Conservation Division's district office in Hobbs for permission to drill a second Eumont (Gas) well as an infield well to the same producing interval on an existing 160-acre proration unit comprised of the NE/4 Section 08, T24S, R37E, Lea County, New Mexico. The subject proration unit is currently dedicated to our Hodge #2 located in Section 8, T24S, R37E, Unit B. I hereby file for administrative approval to simultaneously dedicate the 160-acre proration unit, consisting of the NE/4 of Section 8 to both our existing well (Hodge #2) located in Sec. 8, T24S, R37E, Unit B) and our newly proposed well (Hodge #3 located in Sec. 8, R24S, R37E, Unit H).

Three copies of a plat showing the location of the original well on the existing 160-acre proration unit plus the location of the proposed well are enclosed.

Copies of this plat and application have also been sent to all offsetting parties owning shallow Eumont dry gas rights. The following is a list of the offset Eumont owners:

Mr. William J. Lemay
July 3, 1991
Hodge Lease
Page 2

Amerada Hess
Attn: Ira Johnson
P. O. Box 840
Seminole, TX 79360

Amoco Production Company
Attn: J. C. Allen, Room 3.248
Box 3092
Houston, TX 77253

Thank you for your consideration in this matter.

Sincerely,

A handwritten signature in cursive script, appearing to read "Connie L. Malik".

Connie L. Malik
Regulatory Compliance Rep.

CLM/sm

cc: New Mexico Oil Conservation Division
District I Office
P.O. Box 1980
Hobbs, New Mexico 88240

Atten: Jerry Sexton

MERIDIAN OIL

July 3, 1991

Offset Eumont Dry Gas Operators
Hodge Lease
NE/4 Section 8
T24S, R37E
Lea County, NM

We would be very appreciative if you would indicate your approval of our request of simultaneous dedication of the NE/4 of Section 8, T24S, R37E, Lea County, New Mexico to our Hodge #02 and to our Hodge #03 by signing one copy of this request and returning it in the enclosed stamped, self-addressed envelope.

We appreciate your consideration in this matter.

Sincerely,



Connie L. Malik
Regulatory Compliance Rep.

AGREED to this _____ day of _____, 1991.

AMEREDA HESS

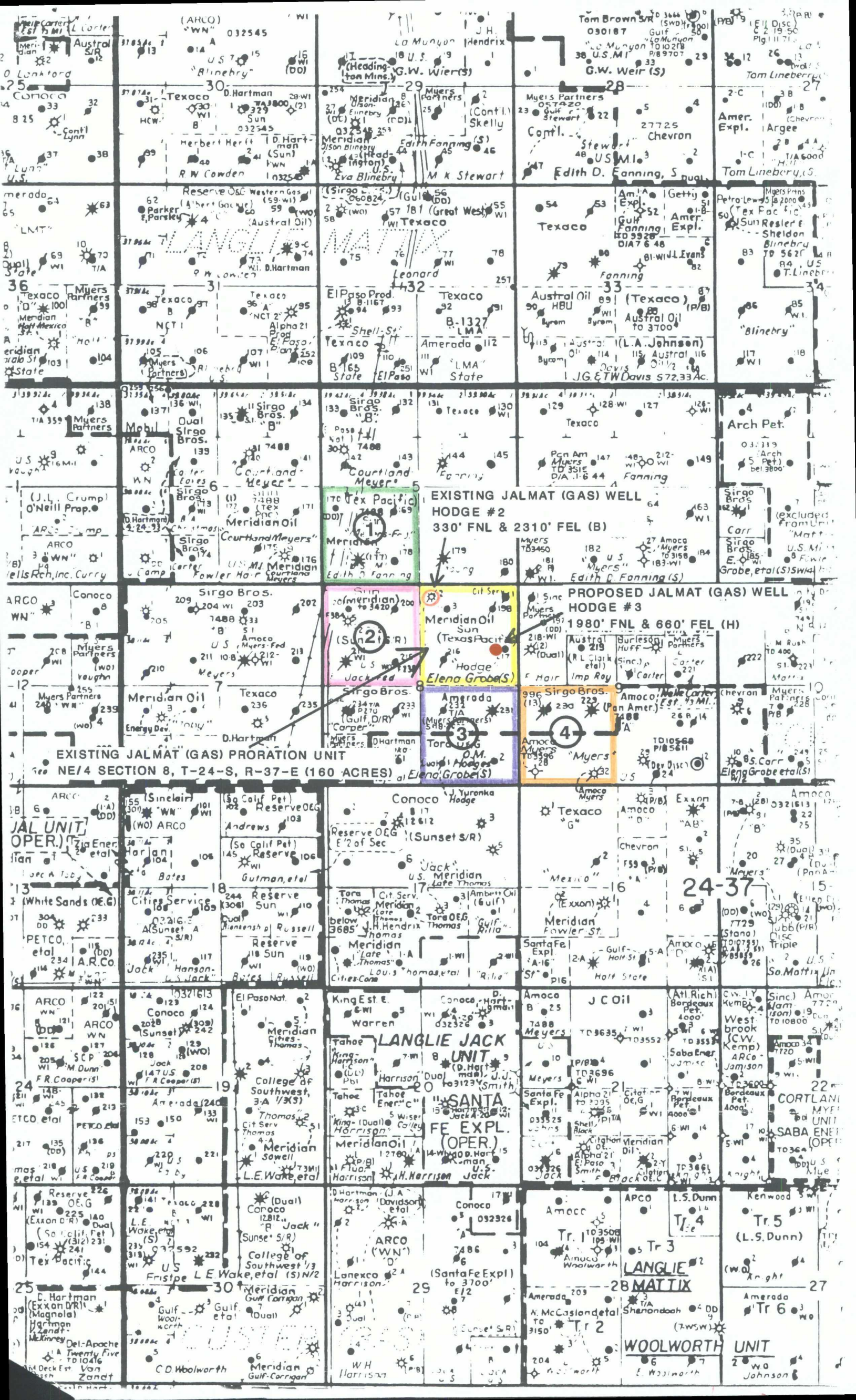
AMOCO PRODUCTION

Title _____

Title _____

LIST OF OFFSET OPERATORS
JALMAT TANSILL YT 7 RVRs (PRO GAS)
MERIDIAN OIL INC.
HODGE #3
(H-08-24-37)
NE/4 SECTION 8, T-24-S, R-37-E
LEA COUNTY, NEW MEXICO

REF. NO.	OPERATOR	LEASE & WELL NAME(S)	GAS WELL LOCATIONS	UNIT DESCRIPTION	NO. OF ACRES
1.	MERIDIAN OIL INC.	COURTLAND MYERS #2	M-05-24S-37E	SW/4 SECTION 5 T-24-S, R-37-E	160
2.	MERIDIAN OIL INC.	E. E. JACK #5 JACK #1	D-08-24S-37E E-08-24S-37E	NW/4 SECTION 8 T-24-S, R-37-E	160
3.	AMERADA HESS CORPORATION	D. M. HODGES #1	I-08-24S-37E	SE/4 SECTION 8 T-24-S, R-37-E	160
4.	AMOCO PRODUCTION CO.	MYERS B FEDERAL RA A #13	L-09-24S-37E	SW/4 SECTION 9 T-24-S, R-37-E	160





OIL CONSERVATION DIVISION

RECEIVED ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

'91 JUL 11 AM 8 58

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

7-8-91

BRUCE KING
GOVERNOR

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

SD-91-10

RE: Proposed:

MC _____
DHC _____
NSL _____
NSP _____
SWD _____
WFX _____
PMX _____

Simultaneous Dedication X

Gentlemen:

I have examined the application for the:

Meridian Oil Inc. *Hodge #3-B* *8-24-37*
Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

OK

Yours very truly,

Jerry Sexton

Jerry Sexton
Supervisor, District 1

/ed



OIL CONSERVATION DIVISION

RECEIVED

'91 JUL 30 AM 9 19

Amoco Production Company

July 23, 1991

SP-91-10

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Simultaneous Dedication
Hodge Well No. 2 and
Hodge Well No. 3
Eumont (Gas) Pool
Section 8, T24S, R37E
Lea County, New Mexico

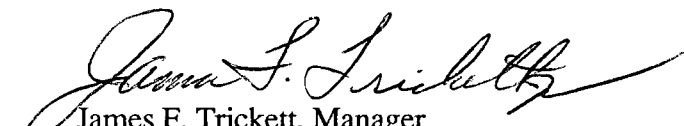
File: 986.51NM

Attention: William J. LeMay

Amoco Production Company has been advised that Meridian Oil has filed an application for administrative approval to drill a second Eumont (Gas) well as an infield well to the same producing interval on an existing 160-acre proration unit comprised of the NE/4 of Section 8, T24S, R37E, Lea County, New Mexico.

As an offset operator, Amoco Production Company has no objection to Meridian's request for NMOCD administrative approval of simultaneous dedication of the NE/4 of Section 8, T24S, R37E, to their Hodge Well Nos. 2 and 3.

Yours very truly,


James F. Trickett, Manager
Environmental, Safety and Regulatory Affairs

MLC/kf

cc: Meridian Oil
P. O. Box 51810
Midland, TX 79710-1810