

State of New Mexico
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT
Santa Fe, New Mexico 87505



OIL CONSERVATION DIVISION



February 8, 1995

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OIL CON. DIV.
DIST. 3

Meridian Oil, Inc.
Attention: Peggy Bradfield
P. O. Box 4289
Farmington, New Mexico 87499-4289

RE: *Administrative Application for an Unorthodox Location.
Vaughn Well No. 15E (API No. 30-039-23822)
940' FSL - 650' FEL (Unit P) of Section 28, Township 26 North, Range
6 West, NMPM, Rio Arriba County, New Mexico.*

Dear Ms. Bradfield:

In reviewing the subject application dated January 23, 1995, I am somewhat confused about the status of the Gallup interval to be completed in this well.

Reference is made to the Ensenada Mesa Gallup-Pool in your application, we have no pool by that name nor can I find any reference to same in any up-coming nomenclature case. The name alone would suggest it to be a gas pool spaced on 160 acres. The NMOCD Form C-102, dated December 12, 1994, provided with the application shows, I think, the 40 acres comprising the SE/4 SE/4 (Unit P) of said Section 28 to be the dedicated acreage for the Gallup interval, this would suggest the Gallup production from this well to be oil. The "offset operator/owner plat" for the unorthodox Gallup well location has the entire E/2 shaded in, my past experience with this sheet usually indicates the dedicated acreage for the producing interval this being a 320-acre unit which can only be obtained under special rules.

Further, in reviewing Division Order No. R-10239, which authorized areawide downhole commingling of "gas production from the Basin-Dakota, Blanco-Mesaverde and Undesignated Gallup Gas Pools", see Decretory Paragraph No. (1) of said Order, restricts any Gallup commingling to "gas wells" only.

Please provide me with any supplemental data that I can include with your application to assist me in my review of this application.

Please call me in Santa Fe at (505) 827-8185 should you require any additional information from me or have any questions. Thank you for your cooperation in this matter.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: **OCD - Aztec**
William J. LeMay, Director - OCD, Santa Fe

VILLAGRA BUILDING - 408 Galisteo
Forestry and Resources Conservation Division
P.O. Box 1948 87504-1948
827-5830
Park and Recreation Division
P.O. Box 1147 87504-1147
827-7465

2040 South Pacheco
Office of the Secretary
827-5950
Administrative Services
827-5925
Energy Conservation & Management
827-5900
Mining and Minerals
827-5970
Oil Conservation
827-7131