

**MERIDIAN OIL**

OIL CONSERVATION DIVISION  
RECEIVED

'92 DEC 7 AM 9 18

December 3, 1992

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

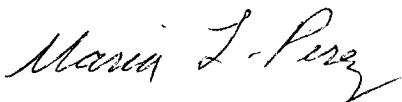
RE: Application for a Non-Standard  
Gas Unit  
Gregory B No. 2  
Rhodes Yates -7 Rivers (Gas)  
A, 990' FNL & 660' FEL  
Section 15, T-26-S, R-37-E  
Lea County, New Mexico  
LC-032510-B

Dear Mr. Stogner:

Meridian Oil Inc. requests administrative approval for a 120 acre non-standard gas unit. The unorthodox shape of this unit is due to the shape of the lease. Enclosed is a plat showing the lease boundaries of the Gregory B Lease. Also, the offset operators are shown on the plat. Doyle Hartman and United Gas Search, Inc. are the offset operators and have been notified by certified return receipt mail on 12-3-92.

Should you require additional information, please call me at 915-688-6906.

Sincerely,



Maria L. Perez  
Production Assistant

XC: Well File	Don McBee
Land Dept.	Joint Interest
Reservoir Eng.	Production Eng.
Geologist	Kermit Field Office
BLM - Carlsbad	OCD - Hobbs
Regulatory File	Becky Kidd - NGPA Dept. - Houston Corp.
Richard Atchley - Prod. Serv.	

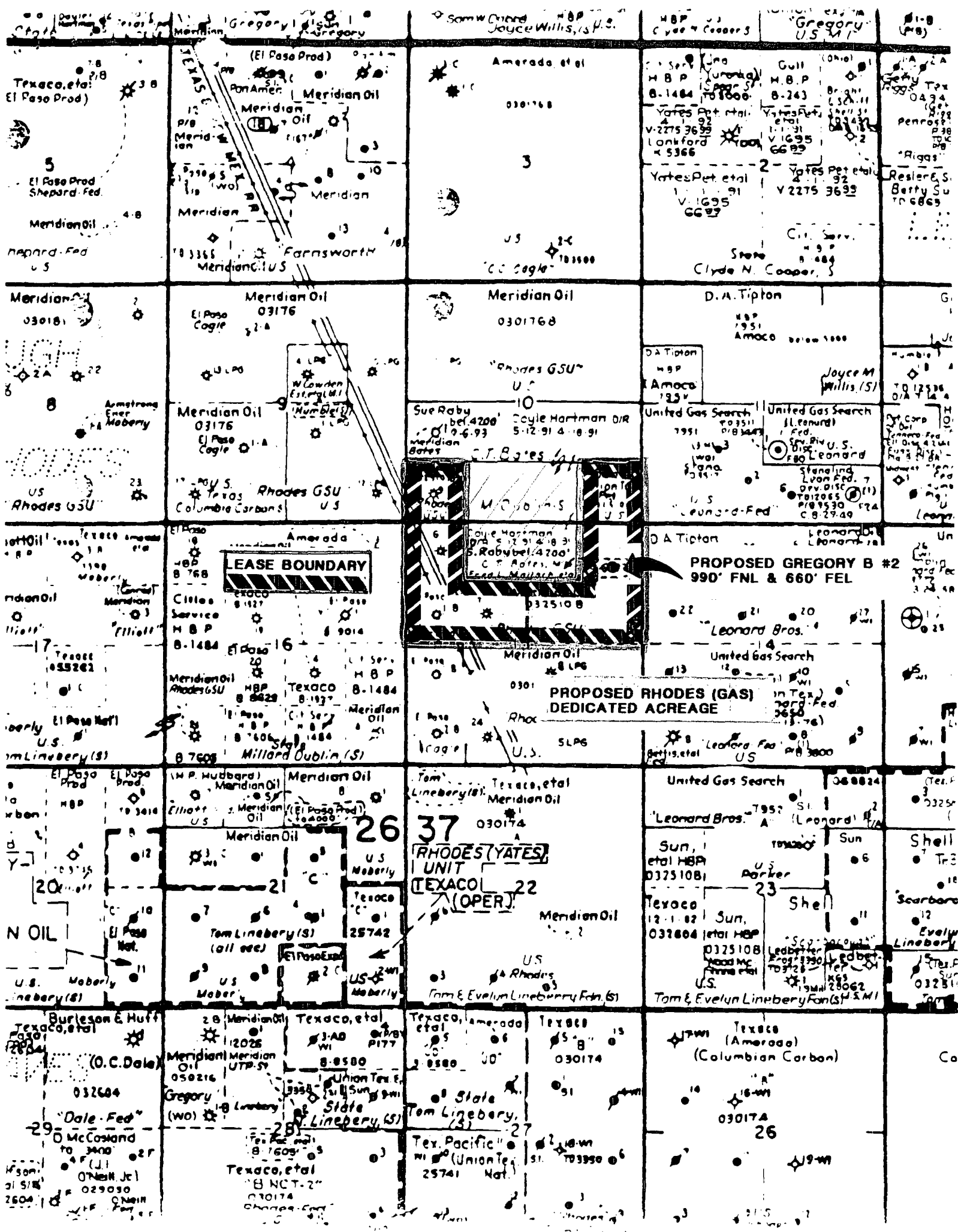
Gregory B No. 2  
A, Section 15, T-26-S, R-37-E  
Lea County, New Mexico

Rhodes Yates - 7 Rivers Gas Field

Offset Operators

Doyle Hartman  
Attn: Mr. Patrick Worrell  
P. O. Box 10426  
Midland, Texas 79702

United Gas Search, Inc.  
Attn: Rodney Ratheal - Agent  
1550 Wynn Joyce  
Garland, Texas 75043



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

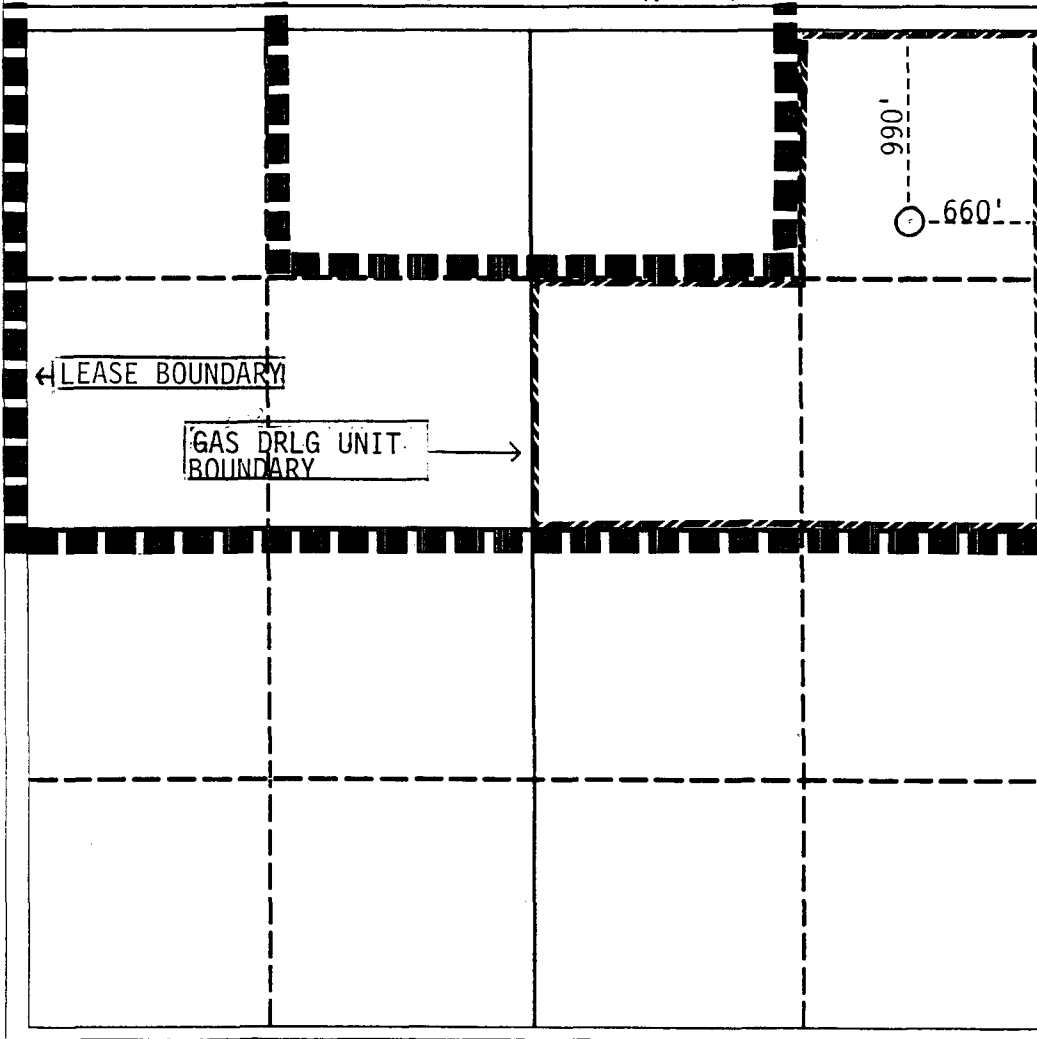
DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

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 GREGORY B. FEDERAL		Well No. 2
Unit Letter A	Section 15	Township 26-S	Range 37-E	County LEA
Actual Footage Location of Well: 990 feet from the NORTH line and 660 feet from the EAST line				
Ground level Elev. 2986.6'	Producing Formation YATES (GAS)	Pool RHODES YATES-7 RIVERS (GAS)	Dedicated Acreage: 120 Acres	
<p>1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.</p> <p>2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).</p> <p>3. 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.? <input type="checkbox"/> Yes <input type="checkbox"/> No If answer is "yes" type of consolidation _____</p> <p>If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)</p> <p>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.</p>				
			<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature <i>Maria L. Perez</i></p> <p>Printed Name MARIA L. PEREZ</p> <p>Position PRODUCTION ASST.</p> <p>Company MERIDIAN OIL INC.</p> <p>Date 12-3-92</p>	
			<p><b>SURVEYOR CERTIFICATION</b></p> <p>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.</p> <p>Date Surveyed</p> <p>Signature &amp; Seal of Professional Surveyor</p> <p>Certificate No.</p>	
0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0				

# MERIDIAN OIL

December 3, 1992

Doyle Hartman  
Attn: Patrick Worrell  
P. O. Box 10426  
Midland, Texas 79702

RE: Offset Operator Notification for  
Application for a 120 acre non-standard  
Gas Unit  
Gregory B Federal No. 2  
A, 990' FNL & 660' FEL  
Section 15, T-26-S, R-37-E  
Lea County, New Mexico  
LC-032510-B

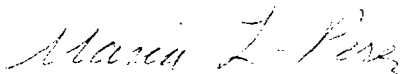
Dear Mr. Worrell:

Enclosed is a copy of a letter submitted to the ODC in Santa Fe, New Mexico requesting approval for a non-standard gas unit for the captioned well.

Also, attached is a plat showing the lease boundary, gas unit boundary and offset operators.

Should you have any questions, please contact Mr. Tom O'Donnell, Reservoir Engineer at 915-688-6829.

Sincerely,



Maria L. Perez  
Production Assistant  
915-688-6906

XC: Well File	Don McBee
Land Dept.	Joint Interest
Reservoir Eng.	Production Eng.
Geologist	Kermit Field Office
BLM - Carlsbad	OCD - Carlsbad
Regulatory File	Becky Kidd - NGPA - Houston Corp.

# MERIDIAN OIL

December 3, 1992

United Gas Search, Inc.  
Attn: Rodney Ratheal - Agent  
1550 Wynn Joyce  
Garland, Texas 75043

RE: Offset Operator Notification for  
Application for a 120 acre non-standard  
Gas Unit  
Gregory B Federal No. 2  
A, 990' FNL & 660' FEL  
Section 15, T-26-S, R-37-E  
Lea County, New Mexico  
LC-032510-B

Dear Mr. Ratheal:

Enclosed is a copy of a letter submitted to the ODC in Santa Fe, New Mexico requesting approval for a non-standard gas unit for the captioned well.

Also, attached is a plat showing the lease boundary, gas unit boundary and offset operators.

Should you have any questions, please contact Mr. Tom O'Donnell, Reservoir Engineer at 915-688-6829.

Sincerely,



Maria L. Perez  
Production Assistant  
915-688-6906

XC: Well File	Don McBee
Land Dept.	Joint Interest
Reservoir Eng.	Production Eng.
Geologist	Kermit Field Office
BLM - Carlsbad	OCD - Carlsbad
Regulatory File	Becky Kidd - NGPA - Houston Corp.

Form 3160-5  
(July 1989)  
(Formerly 9-331)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

CONTACT RECEIVING  
OFFICE FOR NUMBER  
OF COPIES REQUIRED  
(Other instructions on reverse  
side)

BLM Roswell District  
Modified Form No.  
NM060-3160-4

5. LEASE DESIGNATION AND SERIAL NO.  
**LC-032510-B**

**SUNDRY NOTICES AND REPORTS ON WELLS**

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.  
Use "APPLICATION FOR PERMIT-" for such proposals.)

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

1. OIL WELL ☐ GAS WELL ☒ OTHER

7. UNIT AGREEMENT NAME

2. NAME OF OPERATOR  
**MERIDIAN OIL INC.**

8. FARM OR LEASE NAME  
**GREGORY B FEDERAL**

3. ADDRESS OF OPERATOR  
**P.O. Box 51810, Midland, TX 79710-1810**

3a. AREA CODE & PHONE NO.  
**915-688-6906**

9. WELL NO.  
**2**

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.\*  
See also space 17 below.)  
At surface  
**A, 990' FNL & 660' FEL**

10. FIELD AND POOL, OR WILDCAT  
**RHODES YATES-7RV (GAS)**

11. SEC., T., R., M., OR BLK. AND  
SURVEY OR AREA  
**SEC. 15, T-26-S, R-37-E**

14. PERMIT NO.

15. ELEVATIONS (Show whether DF, RT, GR, etc.)  
**2986.6' GR**

12. COUNTY OR PARISH  
**LEA**

13. STATE  
**N.M.**

16. **Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data**

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF

☐  
☐  
☐  
☐  
☐

PULL OR ALTER CASING

☐  
☐  
☐  
☐  
☐

FRACTURE TREAT

MULTIPLE COMPLETE

SHOOT OR ACIDIZE

ABANDON\*

REPAIR WELL

CHANGE PLANS

(Other)

SUBSEQUENT REPORT OF:

WATER SHUT-OFF

☐  
☐  
☐  
☐  
☐

FRACTURE TREATMENT

SHOOTING OR ACIDIZING

(Other) **TO AMEND 3160-3**

REPAIRING WELL

ALTERING CASING

ABANDONMENT\*

☐  
☐  
☐  
☐  
☒

(NOTE: Report results of multiple completion on Well  
Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

**THIS IS TO AMEND ITEM NO. 17 ON FORM 3160-3 APPLICATION FOR PERMIT TO DRILL. FROM 160 ACRES TO 120 ACRE GAS DRILLING UNIT.**

**FILED FOR A NON-STANDARD GAS UNIT WITH THE OCD IN SANTA FE ON 12-3-92.**

**SEE AMENDED C-102 PLAT ATTACHED.**

18. I hereby certify that the foregoing is true and correct

SIGNED

*Mervin L. Pelt*

TITLE

**PRODUCTION ASST.**

DATE

**12-3-92**

(This space for Federal or State office use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

**\*See Instructions on Reverse Side**

P 047 801 055



# Receipt for Certified Mail

No Insurance Coverage Provided  
Do not use for International Mail  
(See Reverse)

Sent to		Mr. Michael Stogner
Street and No.		Oil Conservation Commis
P.O. Box		P.O. Box 2088
P.O. State and ZIP Code		Santa Fe, NM 87504
Postage		\$
Certified Fee		
Special Delivery Fee		
Restricted Delivery Fee		
Return Receipt Showing to Whom & Date Delivered		
Return Receipt Showing to Whom, Date, and Addressee's Address		
TOTAL Postage & Fees		\$
Postmark or Date		

PS Form 3800, June 1991

P 045 808 100



# Receipt for Certified Mail

No Insurance Coverage Provided  
Do not use for International Mail  
(See Reverse)

Sent to		Doyle Hartman
Street and No.		Attn: Patrick Warrell
P.O. Box		P.O. Box 10426
P.O. State and ZIP Code		Midland, TX 79702
Postage		\$
Certified Fee		
Special Delivery Fee		
Restricted Delivery Fee		
Return Receipt Showing to Whom & Date Delivered		
Return Receipt Showing to Whom, Date, and Addressee's Address		
TOTAL Postage & Fees		\$
Postmark or Date		

PS Form 3800, June 1991

P 047 801 056



# Receipt for Certified Mail

No Insurance Coverage Provided  
Do not use for International Mail  
(See Reverse)

Sent to		United Gas Search, Inc
Street and No.		Rodney Ratheal - Agent
P.O. Box		350 Wynn Joyce
P.O. State and ZIP Code		Garland, TX 75043
Postage		\$
Certified Fee		
Special Delivery Fee		
Restricted Delivery Fee		
Return Receipt Showing to Whom & Date Delivered		
Return Receipt Showing to Whom, Date, and Addressee's Address		
TOTAL Postage & Fees		\$
Postmark or Date		

PS Form 3800, June 1991



Submit to Appropriate  
District Office  
State Lease - 4 copies  
Fee Lease - 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**

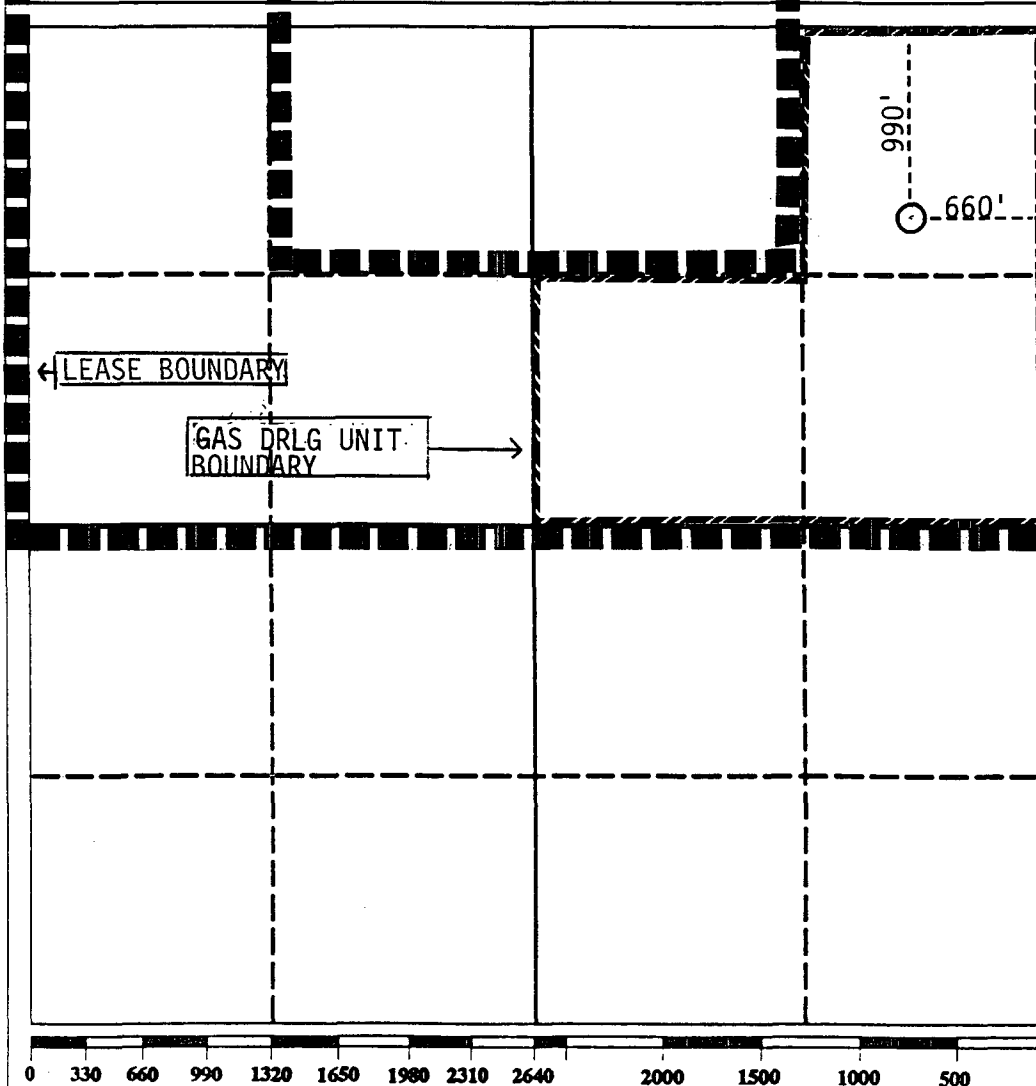
All Distances must be from the outer boundaries of the section

Operator <b>MERIDIAN OIL INC.</b>		Lease <b>GREGORY B. FEDERAL</b>		Well No. <b>2</b>
Unit Letter <b>A</b>	Section <b>15</b>	Township <b>26-S</b>	Range <b>37-E</b>	County <b>LEA</b>
Actual Footage Location of Well: <b>990</b> feet from the <b>NORTH</b> line and <b>660</b> feet from the <b>EAST</b> line				
Ground level Elev. <b>2986.6'</b>	Producing Formation <b>YATES (GAS)</b>	Pool <b>RHODES YATES-7 RIVERS (GAS)</b>	Dedicated Acreage: <b>120</b> Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. 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

**MARIA L. PEREZ**

Position

**PRODUCTION ASST.**

Company

**MERIDIAN OIL INC.**

Date

**12-3-92**

**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

Certificate No.

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

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

MEMORANDUM

TO: ALL OPERATORS

FROM: WILLIAM J. LEMAY, DIRECTOR *WJL*

SUBJECT: RULE 104 C II OF THE GENERAL RULES AND REGULATIONS

DATE: JULY 27, 1988

There has been some confusion about interpretation of the subject rule. In each paragraph of sections (a), (b) and (c) the rule states:

"Unless otherwise provided in special pool rules, each development well for a defined gas pool shall be located on a tract..."

My interpretation of this sentence is that each well is to be located on its own individual specified unit and an additional well is not authorized simply by meeting the set back requirements of the rule.

This interpretation is necessary to prevent waste from the drilling of unnecessary wells and to protect correlative rights of all parties in the pool. Since the prorated pools have special pool rules the subject rules have greater impact on unprorated gas. Unprorated does not mean unregulated. Allowables are not issued in unprorated pools and the only method available to protect correlative rights is the control of well density and locations. Added well density required because of special geological situations can be addressed by special pool rules after notice and hearing.

Applications for additional wells on existing proration units will be approved only on the understanding that upon completion of the well the operator shall elect which well will be produced and which will be abandoned. Application to produce both wells will be approved only after notice and hearing and upon compelling evidence that the applicant's correlative rights will be impaired unless both wells are produced.

dr/

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

MEMORANDUM

TO: ALL OPERATORS  
FROM: WILLIAM J. LEMAY, DIRECTOR *WJL*  
SUBJECT: RULE 104 C II OF THE GENERAL RULES AND  
REGULATIONS  
DATE: AUGUST 3, 1990

On July 27, 1988, we sent a memorandum to all operators to explain the Division's procedures for ensuring compliance with the above rule in handling applications for additional wells on existing proration units. The procedures are primarily applicable in unprorated gas pools.

The final paragraph of the July 27 memo reads as follows:

"Applications for additional wells on existing proration units will be approved only on the understanding that upon completion of the well the operator shall elect which well will be produced and which will be abandoned. Application to produce both wells will be approved only after notice and hearing and upon compelling evidence that the applicant's correlative rights will be impaired unless both wells are produced."

Additional explanation of the intent of the above paragraph is set out below:

Application to produce both wells continuously and concurrently will be approved only after notice and hearing and upon compelling evidence that the applicant's correlative rights will be impaired unless both wells are produced.

Requests to produce the wells alternately (one well shut-in while the other produces) may be submitted for administrative handling. The request should set out the length of the producing and shut-in cycles for each well (a one month minimum is suggested), the proposed method for ensuring compliance with the proposed producing and shut-in schedules, and the reasons for the request. Notice should be provided to offset operators in the usual manner, allowing a 20-day waiting period. The application should be sent to Santa Fe with a copy to the appropriate District office.