

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



OIL CONSERVATION DIVISION



February 8, 1995

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,

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

Michael E. Stogner
Chief Hearing Officer/Engineer

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

VILLAGRA BUILDING - 408 Gallisteo
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

Mike Stogner

From: Ernie Busch
To: Mike Stogner
Subject: MERIDIAN OIL INC (NSL)
Date: Fri, Feb 24, 1995 11:00AM
Priority: High

VAUGHN #15E
940' FSL; 650' FEL
P-28--26N-06W
RECOMMEND: APPROVAL

Microsoft Mail v3.0 IPM.Microsoft Mail.Note
From: Ernie Busch
To: Florene Davidson
Subject: NOMENCLATURE CASE FOR MARCH 1995
Date: 1995-03-21 14:16
Priority: R
Message ID: 58700A1A
Conversation ID: 58700A1A

DEAR FLORENE,

NOMENCLATURE CASE FOR MARCH, MAPS TO FOLLOW IN THE MAIL

NMOCD DISTRICT 3
MARCH 1995 NOMENCLATURE CASE

(a) That there is a need for the creation of a new pool in Rio Arriba County, New Mexico, for the production of oil from the Mancos formation, said pool to bear the designation of Dike Rock Mancos (Oil) Pool (pool code 96158). Said Dike Rock Mancos was discovered by the Enre Corporation Leavry Canyon 18 I #1 well located in Unit Letter I, Section 18, Township 27 North, Range 02 West, NMPM. It was completed in the Mancos formation on September 12, 1994. The top perforation is at 6,878 feet.

(b) That there is a need for the creation of a new pool in San Juan County, New Mexico, for the production of oil from the Gallup formation, said pool to bear the designation of Greek-Gallup (oil) Pool (pool code 96219). Said Greek-Gallup was discovered by the Dugan Production Corporation Pole's Paradise #2 well located in Unit Letter k, Section 09, Township 30 North, Range 14 West, NMPM. It was completed in the Gallup formation on August 08, 1991. The top perforation is at 4,927 feet.

(c) That the BS Mesa Gallup Pool in Rio Arriba County, New Mexico, as heretofore classified, defined and described is hereby extended to include therein:

TOWNSHIP 26 NORTH, RANGE 05 WEST, NMPM ✓
Section 02: SW/4

BASED ON:

MERIDIAN OIL INC JICARILLA G #6
L-02-26N-05W
IP 372 MCFD

(d) That the Bisti Chacra Pool in San Juan County, New Mexico, as heretofore classified, defined and described is hereby extended to include therein:

TOWNSHIP 22 NORTH, RANGE 09 WEST, NMPM ✓
Section 01: N/2, SW/4

TOWNSHIP 23 NORTH, RANGE 09 WEST, NMPM ✓
Section 36: SW/4

BASED ON:

DUGAN PRODUCTION CORPORATION MARLEY #1
N-36-23N-09W
IP 184 MCFD/D

(e) That the Ballard Pictured Cliffs Pool in Rio Arriba, San Juan and Sandoval Counties, New Mexico, as heretofore classified, defined and described is hereby extended to include therein:

TOWNSHIP 24 NORTH, RANGE 06 WEST, NMPM
Section 07: SW/4
Section 18: W/2

BASED ON:

JACK A COLE LARGO SPUR A #1
L-18-24N-06W
IP 223 MCFD

(f) That the Blanco Mesaverde Pool in Rio Arriba and San Juan Counties, New Mexico, as heretofore classified, defined and described is hereby extended to include therein:

TOWNSHIP 26 NORTH, RANGE 06 WEST, NMPM
Section 19: N/2
Section 20: N/2
Section 29: ALL
Section 32: ALL

BASED ON:

MERIDIAN OIL INC JOHNSTON A COM #5
H-32-26N-06W
IP 684 MCFD

(g) That the Cha Cha Gallup Pool in San Juan County, New Mexico, as heretofore classified, defined and described is hereby extended to include therein:

TOWNSHIP 29 NORTH, RANGE 14 WEST, NMPM
Section 23: N/2 SW/4

BASED ON:

MOUNTAIN STATES PETROLEUM CORP NW CHA CHA UNIT #27
L-23-29N-14W
IP 170 BOD

(h) That the Choza Mesa Pictured Cliffs Pool in Rio Arriba County, New Mexico, as heretofore classified, defined and described is hereby extended to include therein:

TOWNSHIP 28 NORTH, RANGE 04 WEST, NMPM
Section 20: NE/4
Section 21: NW/4

BASED ON:

MERIDIAN OIL INC SAN JUAN 28-4 UNIT #17R
H-20-28N-04W
IP 123 MCFD

(i) That the Fulcher Kutz Pictured Cliffs Pool in San Juan County, New Mexico, as heretofore classified, defined and described is hereby extended to include therein:

TOWNSHIP 30 NORTH, RANGE 12 WEST, NMPM ✓
Section 27: SE/4
Section 35: SE/4

BASED ON:

MERRION OIL & GAS CORP CARNAHAN COM #1
P-35-30N-12W
IP 166 MCFD

AMOCO PRODUCTION CO DUFF GAS COM B. #1
P-27-30N-12W
IP 105 MCFD

(j) That the Kutz, West Pictured Cliffs Pool in San Juan County, New Mexico, as heretofore classified, defined and described is hereby extended to include therein:

TOWNSHIP 27 NORTH, RANGE 11 WEST, NMPM
Section 11: SE/4
Section 13: SW/4
Section 14: NW/4

TOWNSHIP 28 NORTH, RANGE 11 WEST, NMPM ✓
Section 20: E/2
Section 21: W/2

TOWNSHIP 29 NORTH, RANGE 13 WEST, NMPM ✓
Section 12: NE/4

BASED ON:

BONNEVILLE FUELS CORP FULLERTON FED 11 #34
O-11-27N-11W
IP 160 MCFD

BONNEVILLE FUELS CORP FULLERTON FED 13 #12
E-13-27N-11W
IP 171 MCFD

RODDY PRODUCTION COMPANY INC LUCERNE FED #4
E-21-28N-11W
IP 615 MCFD

RICHARDSON OPERATING CO ROPCO FED 12 #2
H-12-29N-13W
IP 398 MCFD

(k) That the Otero Chacra Pool in Rio Arriba and Rio Arriba Counties, New

Mexico, as heretofore classified, defined and described is hereby extended to include therein:

TOWNSHIP 27 NORTH, RANGE 09 WEST, NMPM ✓
Section 13: SW/4
Section 24: W/2
Section 25: NW/4

BASED ON:

MERIDIAN OIL INC HUERFANITO UNIT #82M
D-25-27N-09W
IP 223 MCFD

(l) That the Puerto Chiquito, West Mancos Oil Pool in Rio Arriba County, New Mexico, as heretofore classified, defined and described is hereby extended to include therein:

TOWNSHIP 27 NORTH, RANGE 02 WEST, NMPM
Section 01: ALL
Section 02: ALL

BASED ON:

ENRE CORPORATION LEAVRY CANYON 2 A #1
A-02-27N-02W
IP 280 BOD

(m) That the Rusty Chacra Pool in Sandoval County, New Mexico, as heretofore classified, defined and described is hereby extended to include therein:

TOWNSHIP 22 NORTH, RANGE 07 WEST, NMPM
Section 05: SW/4
Section 06: S/2, NE/4
Section 07: NE/4
Section 08: ALL
Section 09: ALL
Section 15: N/2, SW/4
Section 16: ALL
Section 17: N/2
Section 21: NW/4
Section 22: NW/4

BASED ON:

DUGAN PRODUCTION CORPORATION SOUTH SEAS #1
A-06-22N-07W
IP 454 MCFD

DUGAN PRODUCTION CORPORATION SOUTH SEAS #2
K-06-22N-07W
IP 45 MCFD

(n) That the Tapacito Pictured Cliffs Pool in Rio Arriba County, New Mexico, as heretofore classified, defined and described is hereby extended to include therein:

TOWNSHIP 27 NORTH, RANGE 03 WEST, NMPM
Section 19: SE/4

TOWNSHIP 28 NORTH, RANGE 05 WEST, NMPM
Section 15: SW/4
Section 22: S/2, NW/4
Section 23: S/2
Section 26: N/2
Section 27: N/2

BASED ON:

MERIDIAN OIL INC SAN JUAN 28-5 UNIT #212
L-15-28N-05W
IP 38 MCFD

SOUTHLAND ROYALTY COMPANY JICARILLA 447 #1A
O-19-27N-03W
IP 928 MCFD

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Microsoft Mail v3.0 IPM.Microsoft Mail.Note
From: Ernie Busch
To: Florene Davidson
Subject: MARCH 1995 DISTRICT III NOMENCLATURE CASE
Date: 1995-03-22 14:39
Priority: R
Message ID: 82D63F64
Conversation ID: 82D63F64

DEAR FLORENE;

FOLLOWING IS AN AMENDMENT TO THE MARCH CASE:

(b) That there is a need for the creation of a new pool in Rio Arriba County, New Mexico, for the production of oil from the Gallup formation, said pool to bear the designation of Ensenada Gallup (Gas) Pool (pool code 96321). Said Ensenada Gallup was discovered by the Meridian Oil Inc Klein #28E well located in Unit Letter C, Section 33, Township 26 North, Range 06 West, NMPM. It was completed in the Gallup formation on December 15, 1992. The top perforation is at 6,238 feet.

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