



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

October 15, 1990

Meridian Oil, Inc.
P.O. Box 4289
Farmington, NM 87499-4289

Attention: Peggy Bradfield

*RE: Unorthodox coal gas well location, Cleveland Well No. 7, 1650'
FS & WL (Unit J); 21-T27N-R9W, NMPM, Basin-Fruitland
Coal Gas Pool, San Juan County, New Mexico.*

Dear Ms. Bradfield:

Having received several applications in the past to recompleting existing wells to the Basin-Fruitland Coal Gas Pool at unorthodox coal gas well locations, usually Pictured Cliffs wells, which are off pattern for coal gas development, it appears that additional information may be necessary to properly evaluate future filings in instances when there are two wells in the proposed coal spacing unit producing from the same formation in which the one to be recompleted is off-pattern.

In the immediate instance, the proposed S/2 320-acre coal dedication has two Fulcher Kutz Pictured Cliffs Gas wells; the subject Cleveland Well No. 7 located in Unit J and the Cleveland Well No. 4 located in Unit N at a standard coal gas well location. Why was the No. 7 chosen over the No. 4 well? Also, how does this off-pattern recompletion effect coal development in the immediate area? Please submit any supporting production data, engineering evaluation and related technical data to support your choice of wells for recompletion. Also submit a plat of the offsetting sections showing the coal completions presently planned or currently producing and provide a discussion addressing the proposed off-pattern development.

Should you have any questions, please contact me.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: Oil Conservation Division - Aztec
US Bureau of Land Management - Farmington

MERIDIAN OIL
OIL CONSERVATION DIVISION
RECEIVED

'90 OCT 29 AM 10 02

October 19, 1990

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

RE: Cleveland #7
1650' FSL, 1650' FEL (Unit J)
Section 21, T27N, R09W
Basin Fruitland Coal Gas Pool
San Juan County, New Mexico
Unorthodox Coal Gas Well Location

Dear Mr. Stogner:

At the time Meridian Oil submitted the above-referenced unorthodox coal gas well location for your approval, we were aware that two Fulcher Kutz Pictured Cliffs gas wells were located in the S/2 320-acre coal dedication. Therefore, in response to your letter dated October 15, 1990 regarding the subject well, the following is submitted:

The primary justification of choosing the Cleveland #7 over the Cleveland #4 (standard location) was the productivity of the wells. The Cleveland #7 has been producing at 8 MCF/D and is uneconomic to operate. Workovers and sales compression of the producing formation were evaluated, but these alternatives could not be economically justified. The Cleveland #4 has sustained production of 30 MCF/D and is currently economic to operate. The plug back of the Cleveland #4 at this time for the sole purpose of a standardized location would not be considered prudent management by Meridian of existing reserve potential. Meridian does not feel the productivity of the coal will vary between the locations. Recompletion of the Cleveland #7 will allow us to produce Fruitland Coal reserves without creating economic waste by drilling a new well.

New Mexico Oil Conservation Division
Cleveland #7
Page Two

Included is the requested plat of offsetting sections showing completed coal projects and those proposed to date. Although all proposed coal gas well development projects are included, additional projects may be proposed in the future. Because it is less desirable from an economic standpoint to drill new wells in this area, the off pattern development utilizing the existing subject wellbore represents the most prudent operation for the immediate area.

Should you have any questions, please contact me.

Sincerely,

Handwritten signature of Richard E. Fraley, with the initials "REF" written at the end.

Richard E. Fraley
Regional Production Engineer

REF/SHL:tt

attachments

cc: Oil Conservation Division/Aztec
US Bureau of Land Management/Farmington
Peggy A. Bradfield

DATE: OCTOBER 19, 1990

NAME: CLEVELAND #7

FORM: FRUITLAND COAL

LOCATION

UNIT: J

SEC: 21

TWN: 27

RNG: 9

T
27
N

<p>* WHITLEY #10 PROPOSED FRT R/C</p> <p>[17]</p> <p>* REESE FED #1 (PC) COMPLETED R/C</p>	<p>[16]</p> <p>* TURNER B COM C #8 (PC) PROPOSED R/C</p>	<p>[15]</p>
<p>[20]</p> <p>* MCADAMS A #1 (PC) PROPOSED FRT R/C</p> <p>* CLEVELAND #2 (PC) COMPLETED R/C</p>	<p>* CLEVELAND #220 COMPLETED NEW DRILL</p> <p>[21]</p> <p>* CLEVELAND #7 PROPOSED R/C</p>	<p>* HUERFANITO UNIT #53 (PC) [22] COMPLETED R/C</p> <p>* HUERFANITO UNIT #43 (PC) COMPLETED R/C</p>
<p>* AD HUDSON #2 (PC) PROPOSED R/C</p> <p>[29]</p> <p>* AD HUDSON #1 (PC) COMPLETED R/C</p>	<p>[28]</p> <p>* HUERFANITO UNIT #38 (PC) PROPOSED R/C</p>	<p>* HUERFANITO UNIT #47 (PC) [27] COMPLETED R/C</p> <p>* HUERFANITO UNIT #39 (PC) COMPLETED R/C</p>



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

Xc: KOB
REF

GARREY CARRUTHERS
GOVERNOR

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

MERIDIAN OIL

October 15, 1990

OCT 17 1990

Meridian Oil, Inc.

P.O. Box 4289

Farmington, NM 87499-4289

**FARMINGTON, NEW MEXICO
REGULATORY**

Attention: Peggy Bradfield

*RE: Unorthodox coal gas well location, Cleveland Well No. 7, 1650'
FS & WL (Unit J); 21-T27N-R9W, NMPM, Basin-Fruitland
Coal Gas Pool, San Juan County, New Mexico.*

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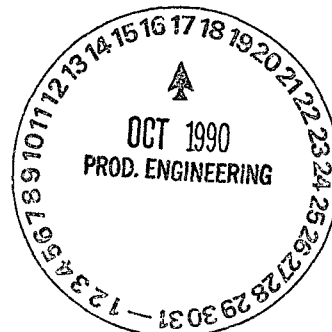
In the immediate instance, the proposed S/2 320-acre coal dedication has two Fulcher Kutz Pictured Cliffs Gas wells; the subject Cleveland Well No. 7 located in Unit J and the Cleveland Well No. 4 located in Unit N at a standard coal gas well location. Why was the No. 7 chosen over the No. 4 well? Also, how does this off-pattern recompleation effect coal development in the immediate area? Please submit any supporting production data, engineering evaluation and related technical data to support your choice of wells for recompleation. Also submit a plat of the offsetting sections showing the coal completions presently planned or currently producing and provide a discussion addressing the proposed off-pattern development.

Should you have any questions, please contact me.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: Oil Conservation Division - Aztec
US Bureau of Land Management - Farmington



Standard
640 ac.
Section

		Meridian Oil, Inc. Cleveland No. 220 850' FSL - 1470' FSL drilling Basin Fruitland Coal w/c dedication 70.	
	Meridian Oil, Inc. Cleveland No. 27 1650' FSL - 1650' FSL Date Spud - 7/9/55 T.D. - 2227' Fulcher Kutz P.C. ↓ Subject Well		
	Mobil Prod. Traction, Inc. Huerfano No. 7 1190' FSL - 1450' FSL Spud - 5/29/64 T.D. - 6864' ES Basin Dakota		
	Mobil Prod. Traction, Inc. Huerfano No. 10 890' FSL - 1450' FSL Spud - 2/15/66 T.D. - 6852' Basin Dakota		
	Meridian Oil, Inc. Cleveland No. 4 990' FSL - 1650' FSL Spud - 6/15/55 T.D. - 2177' Fulcher Kutz P.C.		



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

RECEIVED

GARREY CARRUTHERS
GOVERNOR

1000 RIO HAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-0170

'90 SEP 4 AM 10 40

Date: 8-29-90

Mike Stogner

Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504-2088

Re: Proposed MC _____
Proposed DHC _____
Proposed NSL X _____
Proposed SWD _____
Proposed WFX _____
Proposed PMX _____

Gentlemen:

I have examined the application dated 8-17-90
for the Mentioned Oil Type Operator Cleveland #7
Lease & Well No.

J-21-27N-9W and my recommendations are as follows:
Unit, S-T-R

Approve after Co has proved orderly
development of pattern

Yours truly,

Ernie Braly