



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, H.L. Gentle Well No. 1,
1650' FSL - 990' FEL (Unit I); 25-T27N-R9W, NMPM, Basin-
Fruitland Coal Gas Pool, San Juan County, New Mexico.*

Dear Ms. Bradfield:

Having received several applications in the past to recompleate 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 E/2 320-acre coal dedication has two South Blanco Pictured Cliffs Gas wells; the subject H. L. Gentle Well No. 1 located in Unit I and the Turner Navajo Well No. 1 located in Unit H at a standard coal gas well location. Why was the H. L. Gentle Well No. 1 chosen over the Turner Navajo No. 1 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: H. L. Gentle #1
1650' FSL, 990' FEL (Unit I)
Section 25, 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 South Blanco Pictured Cliffs gas wells were located in the E/2 320-acre coal dedication. Therefore, in response to your letter dated October 15, 1990 regarding the subject well, the following is submitted:

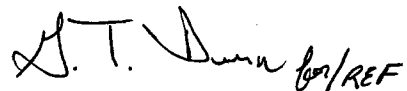
The primary justification of choosing the H. L. Gentle #1 over the Turner Navajo #1 (standard location) was the productivity of the wells. The H. L. Gentle #1 has been producing at 10 MCF/D and is uneconomic to operate. Workovers and sales compression of the producing formation were evaluated, but these alternatives could not be economically justified. The Turner Navajo #1 has sustained production of 29 MCF/D and is currently economic to operate. The plug back of the Turner Navajo #1 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 H. L. Gentle #1 will allow us to produce Fruitland Coal reserves without creating economic waste by drilling a new well.

New Mexico Oil Conservation Division
H. L. Gentle #1
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,

A handwritten signature in dark ink, appearing to read "R. E. Fraley for REF".

Richard E. Fraley
Regional Production Engineer

REF/SHL:tt

attachments

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



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

Xc: ROB
REF

GARREY CARRUTHERS
GOVERNOR

MERIDIAN OIL

October 15, 1990

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

OCT 17 1990

**FARMINGTON, NEW MEXICO
REGULATORY**

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

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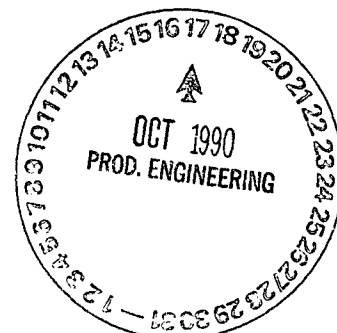
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Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

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



DATE: OCTOBER 19, 1990
 NAME: HL GENTLE #1
 FORM: FRUITLAND COAL
 LOCATION
 UNIT: I
 SEC: 25
 TWN: 27N
 RNG: 09W

T 27
N

<p>[23]</p> <p>* HUEFANITO UNIT #55 (PC) COMPLETED R/C</p>	<p>[24]</p> <p>* JERNIGAN #2 R/C ATTEMPT P&A</p>	<p>[19]</p> <p>* NAVAJO INDIAN B #2 (PC) PROPOSED R/C</p>
<p>[26]</p> <p>* HUEFANITO UNIT #94 (PC) COMPLETED R/C</p>	<p>[25]</p> <p>* HUEFANITO UNIT #93 (PC) PROPOSED R/C</p> <p>* HL GENTLE #1 (PC) PROPOSED R/C</p>	<p>[30]</p> <p>* NAVAJO INDIAN B #1 (PC) COMPLETED R/C</p>
<p>[35]</p> <p>* HUEFANITO UNIT #29 (PC) COMPLETED R/C</p>	<p>[36]</p> <p>* HUEFANITO UNIT #51 (PC) COMPLETED R/C</p>	<p>[31]</p> <p>* HUEFANITO UNIT #151 COMPLETED NEW DRILL</p>

R-9-W

R-8-W