

# MERIDIAN OIL

August 27, 1991

State of New Mexico  
Energy, Minerals, and Natural Resources Dept.  
P. O. Box 2088  
Santa Fe, NM 87504

ATTN: WILLIAM J. LEMAY, DIRECTOR


RE: REGISTERED RETURN - RECEIPT  
C. W. SHEPARD FEDERAL NO. 8  
C, 1100' FNL & 1980' FWL  
SEC. 5, T26S, R37E  
RHODES YATES-SEVEN RIVERS POOL  
LEA COUNTY, NEW MEXICO  
LC-030177B

Dear Mr. Lemay:

Enclosed is the registered return-receipt for the captioned application for an unorthodox location from Doyle Hartman who is the only offset operator.

Should you require additional information, please contact me at 915-686-5767.

Sincerely,

  
Maria L. Perez  
Production Assistant

MLP/sm

cc: Well File  
Don McBee  
Reading

● **SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.

Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. ☐ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery  
↑(Extra charge)↑

<b>3. Article Addressed to:</b>  Doyle Hartman Attn: Patrick Worrell P. O. Box 10426 Midland, TX 79702	<b>4. Article Number</b> P 154 362 390  <b>Type of Service:</b> <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail  <b>Always obtain signature of addressee or agent and <u>DATE DELIVERED</u>.</b>
<b>5. Signature — Addressee</b> X <i>Walter Cowan</i>	<b>8. Addressee's Address (ONLY if requested and fee paid)</b>
<b>6. Signature — Agent</b> X	
<b>7. Date of Delivery</b> 8/20/91	

DOYLE HARTMAN

Oil Operator

500 N. MAIN

P.O. BOX 10426

MIDLAND, TEXAS 79702

(915) 684-4011

OIL CONSERVATION DIVISION  
RECEIVED

'91 SEP 10 AM 8 38

September 5, 1991

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. William J. Lemay  
State of New Mexico  
Energy and Minerals Department  
Oil Conservation Department  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

Re: Meridian Oil, Inc.  
Application for Unorthodox  
Location.  
C. W. Sheppard No. 8  
1100' FNL & 1980' FNL  
Section 5, T-26-S, R-37-E  
Lea County, New Mexico

Gentlemen:

Reference is made to the enclosed notification from Meridian Oil, Inc., dated August 19, 1991 and received by Hartman August 20, 1991, regarding their application for an unorthodox location for the above referenced well in the Rhodes (Y-7R) Pool. Their C. W. Shepard Lease located in Section 5, T-26-S, R-37-E, lies directly south of our Arnott Ramsay "NCT-B" lease in section 32, T-25-S, R-37-E which produces from the Jalmat (Y-7R) Pool.

As you are aware, the gas produced from our Arnott Ramsay No.'s 7, 10 and 13 wells in the Jalmat (Y-7r) Pool is prorated, whereas any gas that would be produced from Meridian's proposed C.W. Shepard No. 8 well in the Rhodes (Y-7r) Pool would not be subject to prorationing. Although both the Jalmat and Rhodes gas pools producing intervals consist of the same Yates and Seven Rivers zones, there is potentially a huge disparity in the annual volumes of gas that can be produced from the Meridian Sheppard lease and the Hartman Arnott Ramsay NCT-B lease.

We agree that Meridian has a right to develop and profit from the leasehold interests they own, however, we are concerned about our right to produce our equitable share of oil and gas from the Yates and Seven Rivers common source of supply. Therefore, any approval by Hartman of Meridian's C. W. Shepard No. 8 application must be predicated upon our Arnott Ramsay lease being afforded the same opportunity to produce as Meridian's offsetting C. W. Sheppard lease. Due to the fact that both leases produce from this same

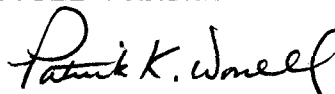
Energy and Minerals Department  
Page 2

Yates-Seven River common source of supply, we respectfully request that both the Hartman Arnott Ramsay NCT-B lease and the Meridian C. W. Sheppard lease be subjected to the same degree of prorating, either under the rules of the Jalmat Pool or under the rules of the Rhodes Pool.

Thank you for your consideration in this matter, and if you need anything further, please let me know.

Very truly yours,

DOYLE HARTMAN



Patrick K. Worrell  
Engineer

PKW/aw  
enclosures

cc: Ms. Maria L. Perez  
Meridian Oil, Inc.  
P.O. Box 51810  
Midland, Tx 79710-1810

Buddy Davidson  
P. O. Box 494  
Midland, Tx 79702

Gallegos Law Firm  
141 East Palace Ave  
Santa Fe, New Mexico 87501  
Attn: Gene Gallegos

Daniel S. Nutter  
105 E. Alicante  
Santa Fe, New Mexico 87501

**MERIDIAN OIL**

August 19, 1991

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

RE: OFFSET OPERATOR NOTIFICATION  
Application for an unorthodox location  
C. W. Shepard Federal No. 8  
C. 1100' FNL & 1980' FWL  
Sec. 5, T-26-S, R-37-E  
Rhodes Yates-Seven Rivers Pool  
Lea County, New Mexico  
LC-030177-B

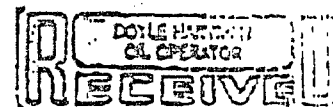
Dear Mr. Worrell:

Meridian has applied for an unorthodox location for the captioned well. Due to topography conditions, this location cannot be moved to any other direction as there are pipelines that run all around.

Enclosed is a copy of OCD Form C-102 acreage dedication plat for your information.

Sincerely,

*Maria L. Perez*  
Maria L. Perez  
Production Asst.



AUG 20 1991

cc: BW

State of New Mexico  
 Energy, Minerals and Natural Resources Department  
 Oil Conservation Division  
 P.O. Box 7083  
 Santa Fe, New Mexico 87504-7083

State of New Mexico  
 Energy, Minerals and Natural Resources Department

Form O-10  
 Revised 1-80

# OIL CONSERVATION DIVISION

P.O. Box 7083

Santa Fe, New Mexico 87504-7083

UNORTHOX LOCATION

DISTRICT I  
 P.O. Box 150, Santa Fe, NM 87500

DISTRICT II  
 P.O. Box 150, Santa Fe, NM 87500

DISTRICT III  
 1000 Rio Grande Rd., Albuquerque, NM 87109

## WELL LOCATION AND ACREAGE DEDICATION FLAT

All dimensions shall be from the center of the well.

Operator <b>Meridian Oil Inc.</b>		Lease <b>C. H. Shepard Federal</b>		Well No. <b>8</b>
Oil Lease <b>C</b>	Section <b>5</b>	Township <b>26 South</b>	Range <b>37 East</b>	County <b>Lea</b>
Actual Footage Location of Well:				
<b>1100</b>	feet from the	<b>North</b>	feet from the	<b>West</b>
<b>2972.6</b>	Producing Formation	<b>Yates Sand</b>	Producing Formation	<b>Rhodes Yates-Seven Rivers</b>
				<b>160</b>

1. Outline the acreage dedicated to the subject well by colored pencil or Indian ink on the flat below.

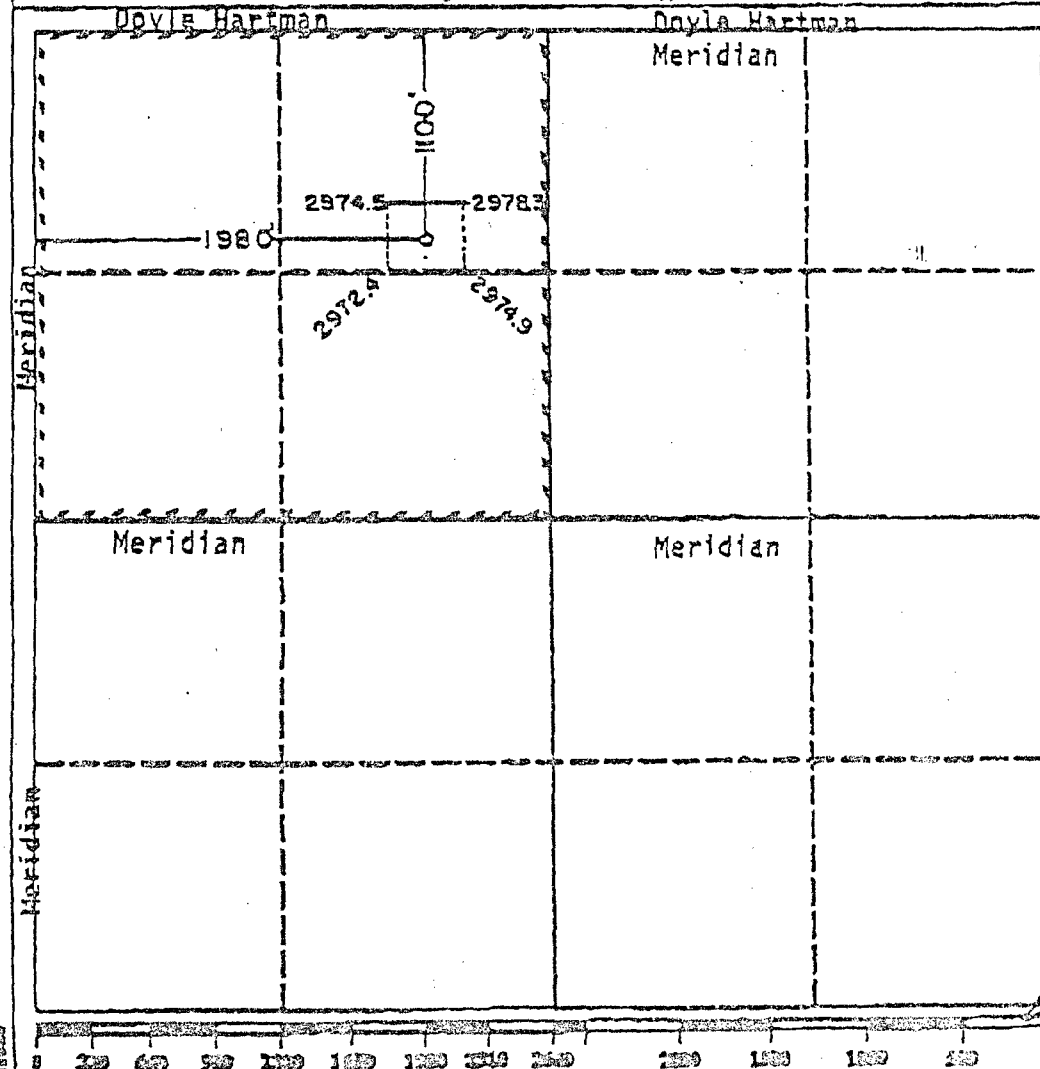
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (such as is existing interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, list the interest of all owners being accommodated by communitization, unitization, force pooling, etc.?

☐ Yes ☐ No If answer is "yes" type of communitization \_\_\_\_\_

If answer is "yes" list the current and past descriptions which have actually been communitized. (Use reverse side of this form if necessary).

No acreage will be assigned to the well until all interests have been communitized (by communitization, unitization, force pooling, or otherwise) or until a non-standard unit, encompassing such leases, 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

**8-17-91**

### SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plan was placed from field notes of actual survey 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

**July 3, 1991**

Signature & Seal of Professional Surveyor

