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

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 11067

APPLICATION OF MERIDIAN OIL INC.
FOR A C02 INJECTION PILOT PROJECT
SAN JUAN COUNTY, NEW MEXICO.

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by MERIDIAN OIL INC. as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT	ATTORNEY
MERIDIAN OIL INC. P. O. Box 4289 Farmington, N.M. 87499 Attn: Alan Alexander (505) 326-9757	W. Thomas Kellahin KELLAHIN AND KELLAHIN P.O. Box 2265 Santa Fe, NM 87504 (505) 982-4285

STATEMENT OF CASE

APPLICANT:

Meridian Oil Inc. requests approval for its Allison Unit CO2 injection pilot project including the following 4 injection wells:

Allison Unit #140: 600' FSL & 785' FEL (Unit P) Sec. 19-32N-6W
Allison Unit #141: 1070' FSL & 800' FEL (Unit P) Sec. 24-32N-7W
Allison Unit #142: 1920' FNL & 850' FWL (Unit E) Sec. 19-32N-6W
Allison Unit #143: 1205' FNL & 1880' FWL (Unit E) Sec. 30-32N-6W

Applicant further seeks authority for an injection pilot project area within the Allison Unit consisting of Sections 19 and 30, T32N, R6W, and Section 24, T32N, R7W, NMPM, San Juan County, New Mexico.

Meridian has conducted an Area of Review investigation as required by Division form C-108 and has concluded that: each "offsetting" wellbore within that area is "adequately" protected across the injection interval and there are no "problem" wells. Surface casing will be set and cemented circulated to the surface such that all fresh water sand will be protected.

The CO2 pilot project area will be conducted within the Allison Unit. Engineering evidence will discuss the project concept and expected affect on methane recovery and data gathering.

Geologic evidence confirms the correlation of the various coal members and demonstrates the continuity of those coal members and the likely path of CO2 migration (vertical, horizontal, lateral). Geologically this is a good test area where there is good continuity between the injection wells and any producer coal gas wells and there are good barriers to vertical flow which will confine the injected CO2 to the flood interval.

PROPOSED EVIDENCE

APPLICANT

WITNESSES	EST. TIME	EXHIBITS
Alan Alexander (landman)	10 min.	6
Greg Jennings (geologist)	20 Min	4
Craig McCracken (petroleum engineer)	40 min.	6

PROCEDURAL MATTERS

None anticipated at this time

KELLAHIN AND KELLAHIN

By: _____

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