

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. 10594

APPLICATION OF MERIDIAN OIL INC.
FOR A HIGH ANGLE/HORIZONTAL
DIRECTIONAL DRILLING PILOT PROJECT,
SPECIAL OPERATING RULES THEREFOR,
A NON-STANDARD OIL PRORATION UNIT,
AN UNORTHODOX WELL LOCATION, AND A
SPECIAL PROJECT ALLOWABLE, RIO
ARRIBA COUNTY, NEW MEXICO

RECEIVED

OCT 30 1992

OIL CONSERVATION DIVISION

PRE-HEARING STATEMENT

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

APPEARANCE OF PARTIES

APPLICANT

Meridian Oil Inc.
P.O. Box 4289
Farmington, NM 87499
ATTN: Alan Alexander

ATTORNEY

W. Thomas Kellahin
KELLAHIN and KELLAHIN
P.O. Box 2265
Santa Fe, NM 87504
(505) 982-4285

OPPOSITION OR OTHER PARTY

ATTORNEY

N/A

STATEMENT OF CASE

APPLICANT

Applicant, Meridian Oil Inc. ("Meridian"), seeks to initiate a high angle/horizontal directional drilling pilot project in the Undesignated Northeast Ojito Gallup-Dakota Oil Pool underlying the N/2 of Section 23, Township 26 North, Range 3 West, thereby creating a non-standard 320-acre spacing and proration unit for said pool. The applicant proposes to drill its Jicarilla "99" Well No. 17 from an unorthodox surface location 330 feet from the North line and 745 feet from the West line (Unit D) of said Section 23, kick off from vertical in a southeasterly direction commencing to build angle at an appropriate rate to vertically and horizontally traverse the proposed producing areas. Meridian further seeks the adoption of special operating provisions and rules within the pilot project area including the designation of a target window such that the horizontal or producing portion of the wellbore shall be no closer than 330 feet to either the north or south boundary, nor closer than 790 feet to the east or west boundary of the spacing unit, and a special project allowable.

OPPOSITION OR OTHER PARTY

N/A

PROPOSED EVIDENCE

APPLICANT

| WITNESSES | EST. TIME | EXHIBITS |
|---------------------------------|------------|--------------|
| David Schoderbek Geologist | 20 Minutes | 3-4 Exhibits |
| Paul Allan Drilling Engineer | 20 Minutes | 3 Exhibits |
| Alan Alexander Landman | 10 Minutes | 2 Exhibits |

OPPOSITION

| WITNESSES | EST. TIME | EXHIBITS |
|-------------------------------|-----------|----------|
| SEE OPPOSITION FILING, IF ANY | | |

PROCEDURAL MATTERS

None applicable at this time.

KELLAHIN AND KELLAHIN

By: 

W. Thomas Kellahin
P.O. Box 2265
Santa Fe, New Mexico 87504
(505) 982-4285
ATTORNEYS FOR APPLICANT