

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. 10880

APPLICATION OF MERIDIAN OIL INC.  
FOR AN UNORTHODOX COAL GAS WELL LOCATION,  
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

Meridian Oil Inc.  
P. O. Box 4289  
Farmington, N.M. 87499  
Attn: John Zent  
(303) 850-9758

ATTORNEY

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

OPPOSITION OR OTHER PARTY

N/A

ATTORNEY

**STATEMENT OF CASE**

APPLICANT

The location of the proposed Huerfano Unit Well No 504 is standard with respect to the setback requirements but is unorthodox ("off-pattern") with respect to the quarter section location being located in the SE/4 of Section 22 with a proposed S/2 dedication.

The N/2 of Section 22 is already dedicated to a coal gasd well at an unorthodox location in the NW/4 of Section 22.

The geologic-engineering evidence indicates that the proposed location is the optimum remaining quarter section within Section 22, T26N, R9W, believed to have the greatest potential for production of gas from the Fruitland Coal bed.

The subject well is to be located in the Huerfano Unit which also offsets this well's spacing unit on all sides and therefore there is no operator entitled to notice of this case.

**PROPOSED EVIDENCE**

APPLICANT

WITNESSES	EST. TIME	EXHIBITS
John Zent (landman)	10 min.	3 exhibits
Chip Head (geologist)	15-20 Min.	4 exhibits

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**PROCEDURAL MATTERS**

None applicable at this time.

KELLAHIN AND KELLAHIN

By: 

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