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Jason Kellahin
Of Counsel

March 3, 1989

Mr. William J. LeMay
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87504

Case 9641

RECEIVED

Re: Application of Meridian Oil, Inc.
for Compulsory Pooling
Well Name: Atlantic B Com #205
San Juan County, New Mexico

MAR 7 1989

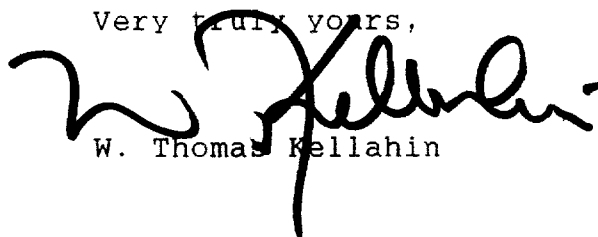
OIL CONSERVATION DIVISION

Dear Mr. LeMay:

On behalf of Meridian Oil, Inc., please find enclosed our Application for Compulsory Pooling which we would request be set for hearing on the next available Examiner's docket now scheduled for March 29, 1989.

By copy of this letter to all parties to be pooled, we are notifying them by certified mail-return receipt, that they have the right to appear at the hearing, to make a statement to the Division, to present evidence and cross-examine witnesses either in support of or in opposition to the Application. Those parties are directed to contact the Division or the applicant's attorney to determine what additional rights they may have. In addition, they are advised that the entry of a Compulsory Pooling Order will affect their right to share in the production from the subject well.

Very truly yours,


W. Thomas Kellahin

WTK/rs
Encl.

cc: Mr. Alan Alexander

Certified Mail-Return Receipt
to all parties listed on Exhibit A
of the Application, w/encl.

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
OIL CONSERVATION DIVISION

RECEIVED

W/AL 7

IN THE MATTER OF THE APPLICATION
OF MERIDIAN OIL, INC. FOR
COMPULSORY POOLING
SAN JUAN COUNTY, NEW MEXICO

OIL CONSERVATION DIVISION

CASE: 9641

A P P L I C A T I O N

COMES NOW, MERIDIAN OIL, INC., by and through its attorneys, Kellahin, Kellahin and Aubrey, and in accordance with Section 70-2-17(c) NMSA (1978) applies to the New Mexico Oil Conservation Division for an order pooling all mineral interest in the Basin Fruitland Coal Gas Pool underlying the W/2 of Section 23, T31N, R10W, San Juan County, New Mexico. The above described unit is to be dedicated to its Atlantic B Com #205 Well to be drilled to a depth of approximately 3150 feet at standard well location in said Section 23, and in support thereof would show:

1. Applicant is a working interest owner in the W/2 of Section 23, T31N R10W.
2. Applicant desires to drill a well at a standard location 970' FWL and 1180' FSL in the SW/4 SW/4 of Section 23.

3. Applicant has sought a voluntary agreement with all those parties shown on Exhibit "A" for the formation of appropriate spacing and proration unit as shown on Exhibit B for the drilling of the subject well but has been unable to obtain a voluntary agreement.

4. Pursuant to the Division notice requirements, applicant has notified all those parties shown on Exhibit "A" of this application for compulsory pooling and the applicant's request for a hearing before the Division to be set on March 29, 1989.

5. In order to obtain its just and equitable share of the potential production underlying the above tract, applicant needs an order pooling the mineral interests involved in order to protect applicant's correlative rights and prevent waste.

WHEREFORE, applicant prays that this application be set for hearing before the Division's duly appointed examiner, and that after notice and hearing as required by law, the Division enter its order pooling the mineral interest described herein. Applicant further prays that it be named operator of the well, and that the order make provisions for applicant to recover out of production its costs of drilling, completing and equipping the subject well, costs of operation, including costs of supervision, and a risk factor in the amount of 200% for the drilling and completing of the well, for such other and further relief as may be proper.

Respectfully submitted,



By W. Thomas Kellahin
Kellahin, Kellahin & Aburey
P.O. Box 2265
Santa Fe, New Mexico 87504

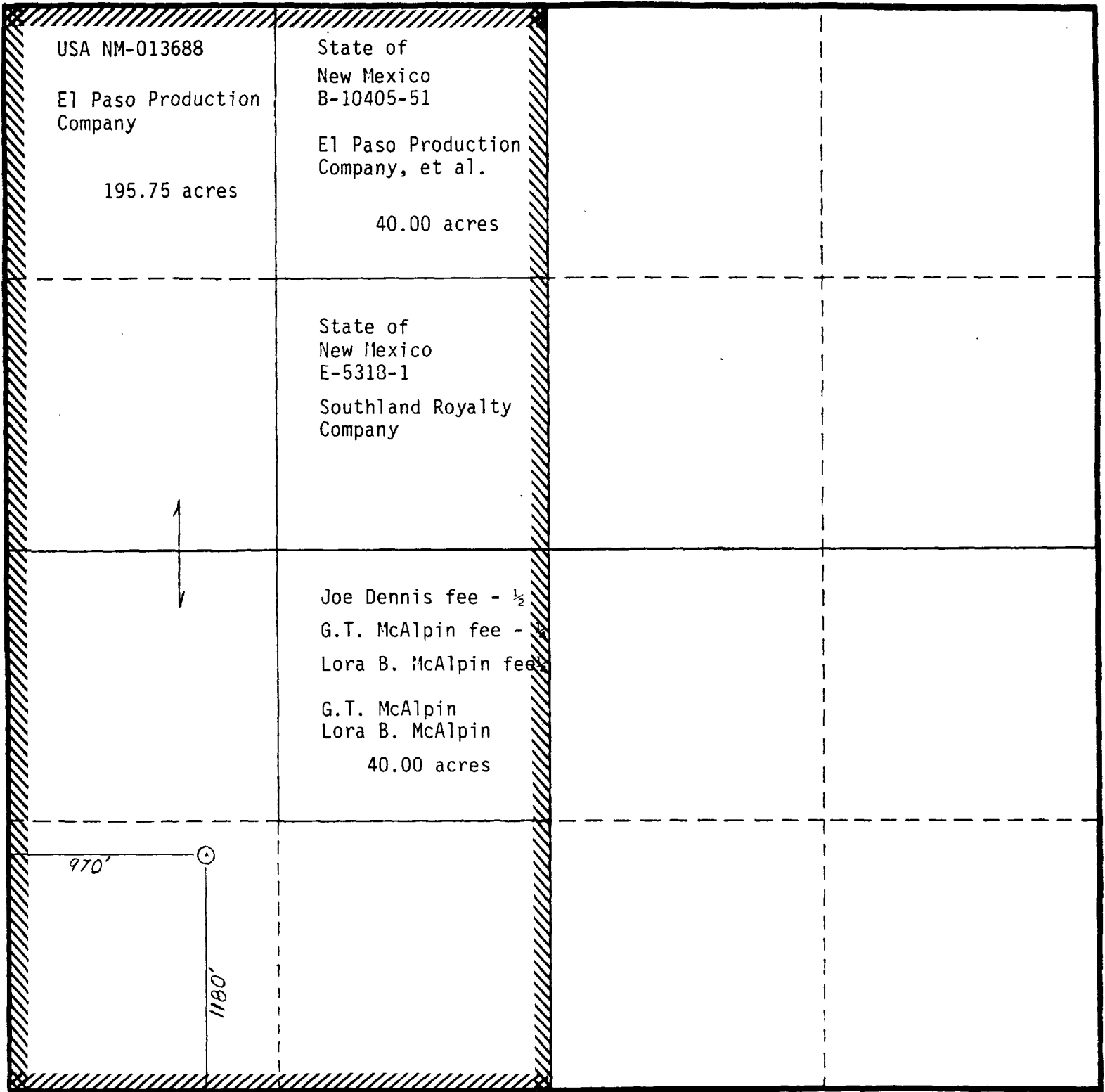
(505) 982-4285

DIVISION OF INTEREST
ATLANTIC B COM #205

<u>INTEREST OWNER</u>	<u>WORKING INTEREST</u>	<u>EXECUTED AFE</u>	<u>O/A</u>
Meridian Oil Inc. c/o Land Department Meridian Oil Production Inc. P.O. Box 4289 Farmington, New Mexico 87499-4289	Operator	N/A	Yes
El Paso Production Company c/o Land Department Meridian Oil Production Inc. P.O. Box 4289 Farmington, New Mexico 87499-4289	74.663500%	Yes	Yes
Southland Royalty Company c/o Land Department Meridian Oil Production Inc. Post Office Box 4289 Farmington, New Meixco 87499-4289	12.668250%	Yes	Yes
G. T McAlpin Post Office box 49 Curero, Texas 77954	6.334125%	No	No
Lora B. McAlpin 900 Ethel Blvd. Bryan, Texas 77802	6.334125%	No	No
	100.000000%		

Lands covered: W/2 Section 23, T-31-N, R-10-W
San Juan County, New Mexico

Depth Restriction: Restricted to rights in the
Fruitland formation only.



ATLANTIC B COM #205

W/2 Section 23, T-31-N, R-10-W
San Juan County, New Mexico

⊙ Proposed Location

////// Proposed Unit Area