

KELLAHIN, KELLAHIN and AUBREY

Attorneys at Law

W. Thomas Kellahin  
Karen Aubrey

El Patio - 117 North Guadalupe  
Post Office Box 2265

Telephone 982-4285  
Area Code 505

Jason Kellahin  
Of Counsel

Santa Fé, New Mexico 87504-2265

Fax: 505/982-2047

August 14, 1989

HAND-DELIVERED

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

RECEIVED  
AUG 15 1989  
OIL CONSERVATION DIVISION

Re: Application of Meridian Oil, Inc.  
for Compulsory Pooling  
Well Name: Allison Unit Well No. 135  
San Juan County, New Mexico

Case 9750

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 September 6, 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 - Federal Express  
James Bruce, Esq. - Federal Express  
Hinkle, Cox, Eaton, Coffield & Hensley  
500 Marquette N.W., Suite 740  
Albuquerque, New Mexico 87102-2121

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

AUG 15 1989

OIL CONSERVATION DIVISION

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

CASE: 9750

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 Lots 1 and 2, SE/4NE/4, E/2SE/4 of Section 8 and SW/4 of Section 9, T32N, R6W, San Juan County, New Mexico. The above described unit is to be dedicated to its Allison Unit Well No. 135 to be drilled at standard well location in said Section 9, and in support thereof would show:

1. Applicant is the operator of the Allison Unit which is a majority working interest owner in the proposed spacing and proration unit.
2. Applicant desires to drill a well at a standard location 900' FSL and 1490' FWL of Section 9, T32N, R6W.

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.

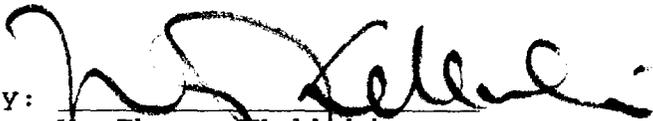
4. Pursuant to the Division notice requirements, Applicant has notified all those parties shown on Exhibit "A" of this application for compulsory pooling and the Applicant's request for a hearing before the Division to be set on September 6, 1989.

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

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Respectfully submitted,

By:   
W. Thomas Kellahin

Kellahin, Kellahin & Aubrey  
P.O. Box 2265  
Santa Fe, New Mexico 87504

(505) 982-4285

Exhibit "A"

T.H. McElvain Oil and Gas Properties                    40.9435928  
220 Shelby Street  
Post Office Box 2148  
Santa Fe, New Mexico 87504-2148

\*Richmond-Hogue Oil and Gas Partnership  
2651 North Harwood, Suite 360  
Dallas, Texas 75201

\*Subject to Farmout Agreement with Richmond-Hogue Oil  
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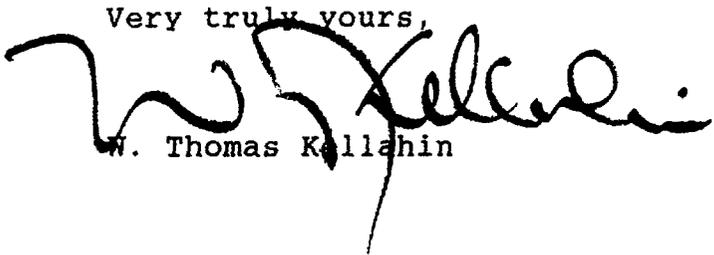
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Case 9750

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AUG 15 1989

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DEPARTMENT OF ENERGY AND MINERALS  
OIL CONSERVATION DIVISION

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OIL CONSERVATION DIVISION

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

CASE: 9750

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Jason Kellahin  
Of Counsel

Santa Fé, New Mexico 87504-2265

September 12, 1989

*Recd.*  
*(Amend 9750)*

HAND-DELIVERED

Mr. William LeMay  
Oil Conservation Division  
Post Office Box 2088  
Santa Fe, New Mexico 87504

Re: First Amended Application of Meridian Oil, Inc.  
for Compulsory Pooling,  
Well Name: Allison Unit Well No. 135  
San Juan County, New Mexico

Dear Mr. LeMay:

On behalf of Meridian Oil, Inc. please find enclosed our First Amended Application for Compulsory Pooling which we would request be set for hearing on the next available Examiner's docket now scheduled for October 4, 1989. This amends our application heard at the Examiner's hearing held on September 6, 1989.

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WTK/lw  
Encl.

cc: Mr. Alan Alexander - Federal Express  
Mr. Owen Lopez, Esq. - Federal Express  
P.O. Drawer 2068  
Santa Fe, New Mexico 87501

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

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

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

CASE NO. 9750

F I R S T   A M E N D E D  
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3. Applicant amends its application to delete the acreage described in Case 9750 on Docket 26-89 as a non-standard spacing unit consisting of 317.51 acres, more or less, being the Lots 1 and 2, SE/4NE/4 and E/2SE/4 of Section 8 and SW/4 of Section 9 and substituting therefore the W/2 of Section 9 consisting of 278.2 acres which is a standard spacing unit pursuant to Rule 5 of the pool rules.
4. Applicant has sought a voluntary agreement with all those parties shown on Exhibit "A" for the formation of appropriate spacing unit for the drilling of the subject well, but has been unable to obtain a voluntary agreement.
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Post Office Box 2265  
Santa Fe, New Mexico 87504

(505) 982-4285

EXHIBIT "A"

Attached to and made a part of that certain Operating Agreement dated August 11, 1989, between EL PASO NATURAL GAS COMPANY, as Operator, and Non-Operators.

I. LANDS SUBJECT TO OPERATING AGREEMENT:

Township 32 North, Range 6 West

Section 9: SW/4, S/2 NW/4, Lots 3, 4  
Containing 278.20 acres, more or less

II. RESTRICTIONS, IF ANY, AS TO DEPTHS OR FORMATIONS:

This Agreement shall cover only the Fruitland Coal formation.

III. ADDRESSES AND PERCENTAGES OR FRACTIONAL INTERESTS OF PARTIES TO THIS AGREEMENT:

El Paso Natural Gas Company c/o Land Department Meridian Oil Inc. P.O. Box 4289 Farmington, New Mexico 87499-4289	Operator
Allison Unit Working Interest Owners c/o Land Department Meridian Oil Inc. P.O. Box 4289 Farmington, New Mexico 87499-4289	25.161754%
Southland Royalty Company c/o Land Department Meridian Oil Inc. P.O. Box 4289 Farmington, New Mexico 87499-4289	3.594536%
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Judy G. Zweiback 9008 Pacific Omaha, NE 68114	1.797268%
Myrna G. Raffkind 3800 Danbury Amarillo, TX 79109	1.797268%
Barbara Ann Witten 535 East 86th Street New York, NY 10028	3.594536%
Robert C. Witten 535 East 86th Street New York, NY 10028	3.594536%
Vicki Mizel 101 West Broadway, #1300 San Diego, CA 92101	0.898634%

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EXHIBIT "A" (CONTINUED)

III. ADDRESSES AND PERCENTAGES OR FRACTIONAL INTERESTS OF PARTIES TO THIS AGREEMENT (CONTINUED):

Gary Dean Mizel c/o Pamela Staeck 3801 East Florida Ave., #605 Denver, CO 80210	0.898634%
Steven Mayer Mizel c/o Kaufmann Aisberg & Co. 20 Broad Street 27th Floor New York, NY 10005	0.898634%
Larry Mizel 3600 Yosemite Street Suite 1040 Denver, CO 80281	0.898634%
Lance Brewster Reemstma 57 Edgecroft Road #A Kensington, California 94707	0.336988%
Malcolm E. Smith 803 S. Edgefield Ave. Dallas, Texas 75208	0.449317%
Jessie Mae Wakeland 603 W. Peter Smith Fort Worth, Texas 76104	0.112329%
Edgar John Layland 102 Hutchunson Drive Smyrna, Tennessee 37167	0.031991%

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Post Office Box 2265

Telephone 982-4285  
Area Code 505  
Fax: 505/982-2047

Jason Kellahin  
Of Counsel

Santa Fé, New Mexico 87504-2265

September 12, 1989

HAND-DELIVERED

RECEIVED

Mr. William LeMay  
Oil Conservation Division  
Post Office Box 2088  
Santa Fe, New Mexico 87504

SEP 12 1989

OIL CONSERVATION DIVISION

Re: First Amended Application of Meridian Oil, Inc.  
for Compulsory Pooling,  
Well Name: Allison Unit Well No. 135  
San Juan County, New Mexico

Case 9750

Dear Mr. LeMay:

On behalf of Meridian Oil, Inc. please find enclosed our First Amended Application for Compulsory Pooling which we would request be set for hearing on the next available Examiner's docket now scheduled for October 4, 1989. This amends our application heard at the Examiner's hearing held on September 6, 1989.

By copy of this letter to all parties to be pooled, we are notifying them by certified mail, return-receipt requested, 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. In addition, they are advised that the entry of a Compulsory Pooling Order will affect their rights to share in the production from the subject well.

Very truly yours,

  
W. Thomas Kellahin

WTK/lw  
Encl.

cc: Mr. Alan Alexander - Federal Express  
Mr. Owen Lopez, Esq. - Federal Express  
P.O. Drawer 2068  
Santa Fe, New Mexico 87501

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

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

RECEIVED

SEP 12 1981

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

OIL CONSERVATION DIVISION

CASE NO. 9750

F I R S T   A M E N D E D  
A P P L I C A T I O N

COMES NOW, MERIDIAN OIL, INC., by and through its attorneys, Kellahin, Kellahin & 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 9, T32N, R6W, San Juan County, New Mexico. The above described unit is to be dedicated to its Allison Unit Well #135 to be drilled at standard well location in said Section 9, and in support thereof would show:

1. Applicant is the operator of the Allison Unit which is a majority working interest owner in the proposed spacing and proration unit.
2. Applicant desires to drill a well at a standard location 900' FSL and 1490' FWL of Section 9, T32N, R6W.

3. Applicant amends its application to delete the acreage described in Case 9750 on Docket 26-89 as a non-standard spacing unit consisting of 317.51 acres, more or less, being the Lots 1 and 2, SE/4NE/4 and E/2SE/4 of Section 8 and SW/4 of Section 9 and substituting therefore the W/2 of Section 9 consisting of 278.2 acres which is a standard spacing unit pursuant to Rule 5 of the pool rules.
4. Applicant has sought a voluntary agreement with all those parties shown on Exhibit "A" for the formation of appropriate spacing unit for the drilling of the subject well, but has been unable to obtain a voluntary agreement.
5. 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 October 4, 1989.
6. In order to obtain its just and equitable share of the potential production underlying the above tract, Applicant needs an order pooling the mineral interest 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 consists of drilling, completing and equipping the subject well, costs of operation, including costs of supervision, and a risk factor in the amount of 150% 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 & Aubrey  
Post Office Box 2265  
Santa Fe, New Mexico 87504

(505) 982-4285

EXHIBIT "A"

Attached to and made a part of that certain Operating Agreement dated August 11, 1989, between EL PASO NATURAL GAS COMPANY, as Operator, and Non-Operators.

I. LANDS SUBJECT TO OPERATING AGREEMENT:

Township 32 North, Range 6 West

Section 9: SW/4, S/2 NW/4, Lots 3, 4  
Containing 278.20 acres, more or less

II. RESTRICTIONS, IF ANY, AS TO DEPTHS OR FORMATIONS:

This Agreement shall cover only the Fruitland Coal formation.

III. ADDRESSES AND PERCENTAGES OR FRACTIONAL INTERESTS OF PARTIES TO THIS AGREEMENT:

El Paso Natural Gas Company  
c/o Land Department  
Meridian Oil Inc.  
P.O. Box 4289  
Farmington, New Mexico 87499-4289

Operator

Allison Unit Working Interest Owners  
c/o Land Department  
Meridian Oil Inc.  
P.O. Box 4289  
Farmington, New Mexico 87499-4289

25.161754%

Southland Royalty Company  
c/o Land Department  
Meridian Oil Inc.  
P.O. Box 4289  
Farmington, New Mexico 87499-4289

3.594536%

\*T. H. McElvain Oil and Gas Properties  
220 Shalby Street  
P.O. Box 2148  
Santa Fe, New Mexico 87504-2148

55.934941%

\*Richmond-Hogue Oil and Gas Company  
2651 North Harwood, Suite 360  
Dallas, Texas 75201

Judy C. Zweiback  
9008 Pacific  
Omaha, NE 68114

1.797268%

Myrna G. Raffkind  
3800 Danbury  
Amarillo, TX 79109

1.797268%

Barbara Ann Witten  
535 East 86th Street  
New York, NY 10028

3.594536%

Robert C. Witten  
535 East 86th Street  
New York, NY 10028

3.594536%

Vicki Mizel  
101 West Broadway, #1300  
San Diego, CA 92101

0.898634%

\*Subject to Farmout Agreement with Richmond-Hogue Oil and Gas Company

EXHIBIT "A" (CONTINUED)

III. ADDRESSES AND PERCENTAGES OR FRACTIONAL INTERESTS OF PARTIES TO THIS AGREEMENT (CONTINUED):

Gary Dean Mizel 0.898634%  
c/o Pamela Staack  
3801 East Florida Ave., #605  
Denver, CO 80210

Steven Mayer Mizel 0.898634%  
c/o Kaufmann Alsberg & Co.  
20 Broad Street  
27th Floor  
New York, NY 10005

Larry Mizel 0.898634%  
3600 Yosemite Street  
Suite 1040  
Denver, CO 80281

Lance Brewster Reemstma 0.336988%  
57 Edgcroft Road #A  
Kensington, California 94707

Malcolm E. Smith 0.449317%  
803 S. Edgefield Ave.  
Dallas, Texas 75208

Jessie Mae Wakeland 0.112329%  
603 W. Peter Smith  
Fort Worth, Texas 76104

Edgar John Layland 0.031991%  
102 Hutchunson Drive  
Smyrna, Tennessee 37167