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September 11, 1989

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

RECEIVED

SEP 12 1989

OIL CONSERVATION DIVISION

Case 9772

Re: Application of Meridian Oil, Inc.  
for Compulsory Pooling,  
Well Name: Frances Creek State Com Well #1  
Rio Arriba County, New Mexico

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 October 4, 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  
Mr. John Caldwell

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 1989

OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF  
MERIDIAN OIL, INC.  
FOR COMPULSORY POOLING  
RIO ARriba, NEW MEXICO

CASE NO. 9772

A P P L I C A T I O N

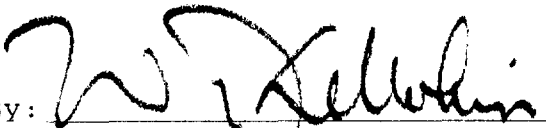
COMES NOW, MERIDIAN OIL, INC., by and through its attorneys, Kellahin, Kellahin & Aubrey and in accordance with Section 70-2-17(c) NMSA (1978) applies to the New Mexico Oil Conservation Division for an order pooling all mineral interest in the Basin Fruitland Coal Gas Pool underlying the E/2 of Section 16, T30N, R7W, Rio Arriba County, New Mexico. The above described unit is to be dedicated to its Frances Creek State Com #1 Well to be drilled to a depth of approximately 3100 feet at standard well location in said Section 16, and in support thereof would show:

1. Applicant is working interest owner in the E/2 of Section 16, T30N, R7W.
2. Applicant desires to drill a well at a standard location 790' FEL and 2485' FNL in the SE/4 NE/4 of Section 16.

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 October 4, 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 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 approving the unorthodox location and 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

DIVISION OF INTEREST  
FRANCIS CREEK STATE COM #1

<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. Post Office Box 4829 Farmington, New Mexico 87499	Operator	Yes	Yes
Meridian Oil Production Inc. Post Office Box 4829 Farmington, New Mexico 87499	34.375000%	Yes	Yes
Mr. W. P. Carr 6700 Forest Lane Dallas, Texas 75230	21.250000%	Yes	Yes
Mr. Robert Umbach, Personal Representative of the Estate of Paul H. Umbach Post Office Box 1648 Boulder, Colorado 80306	1.250000%	Yes	Yes
Mr. Lee Wayne Moore & Joe Ann Montgomery Moore, Trustees for the Lee Wayne Moore & Jo Ann Montgomery Moore Trust 403 North Marienfeld Mildand, Texas 79701	4.50000%	Yes	Yes
Amoco Production Co. Post Office Box 800 Denver, Colorado 80201	32.831250%	Yes	Yes
Gross Timbers Partners c/o Cross Timbers Production Comapny 810 Houston Street, Suite 200 Fort Worth, Texas 76102	0.428350%	No	No
North Timbers Limited Partnerhsip c/o Cross Timbers Production Comapny 810 Houston Street, Suite 200 Fort Worth, Texas 76102	3.572990%	No	No
East Timbers Limited Partnerhsip c/o Cross Timbers Production Comapny 810 Houston Street, Suite 200 Fort Worth, Texas 76102	1.214400%	No	No
West Timbers Limited Partnerhsip c/o Cross Timbers Production Comapny 810 Houston Street, Suite 200 Fort Worth, Texas 76102	0.578010%	No	No

Lands Covered: E/2 Section 16, T-30-N, R-7-W  
San Juan County, New Mexico  
Depth Restriction: Fruitland Coal Formation

**Exhibit A**

State of New Mexico  
E-5167  
W.P.Carr  
Meridian Oil Prod.Inc.

2485'

SECTION  
16

790'

State of New Mexico  
B-10603  
Amoco Prod.Co.,et al

FRANCES CREEK STATE COM #1  
E/2 SECTION 16,T-30-N, R-07-W  
RIO ARriba COUNTY, NEW MEXICO



PROPOSED LOCATION



PROPOSED UNIT AREA

Exhibit B