

MERIDIAN OIL

June 8, 1990

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Federal Express

Mr. William LeMay
New Mexico Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87503

Case 10019

RE: Kutz Canyon Oil & Gas #1
990'FSL, 1650'FEL
Section 17, T-28-N, R-10-W
San Juan County, New Mexico

Dear Mr. LeMay:

This is a request for administrative approval for a non-standard gas well location in the Basin Fruitland Pool.

Meridian Oil intends to plugback and recomplete the Kutz Canyon Oil & Gas #1 well from the Pictured Cliffs pool to the Basin Fruitland Coal Pool. The current location of this well is 990'FSL, 1650'FEL, Section 17, T-28-N, R-10-W, San Juan County, New Mexico. The well is considered non-standard due to the NE-SW dedicated pattern established for the Basin Fruitland Coal Pool. To comply with the New Mexico Oil Conservation Division rules, Meridian is submitting the following for your approval of this non-standard location:

1. C-102 plat showing location of the well;
2. Plat showing offset owners/operators;
3. Affidavit of notification of offset owners/operators;
4. Copy of Well Completion Log for original completion.

A copy of this application is being submitted to all offset owners/operators by certified mail with a request that they furnish your Santa Fe office with a Waiver of Objection, and return one copy to this office.

Sincerely yours,



Peggy Bradfield
encl.

WAIVER

_____ hereby waives objection to Meridian Oil Inc.'s application for a non-standard location for their Kutz Canyon Oil & Gas #1 as proposed above.

By: _____ Date: _____

xc: Southland Royalty Company
Breck Operating Company
Merrion Oil & Gas Corporation
Damsun Oil Co.

Kutz Canyon Oil & Gas #1
990'FSL, 1650'FEL
Section 17, T-28-N, R-10-W
San Juan County, New Mexico

I hereby certify that the following offset owners/operators have been notified by certified mail of our application for administrative approval for non-standard gas well location for the plugback and recompletion of the above well.

Southland Royalty Company
P.O. Box 4289
Farmington, NM 87499

Breck Operating Company
P.O. Box 911
Breckenridge, TX 76024-0911

Merrion Oil & Gas Corporation
P.O. Box 840
Farmington, NM 87499

Damsun Oil Co.
P.O. Box 4391
Houston, TX 77210-4391



Peggy Bradfield
June 8, 1990

San Juan County
State of New Mexico

My commission expires August 17, 1992

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

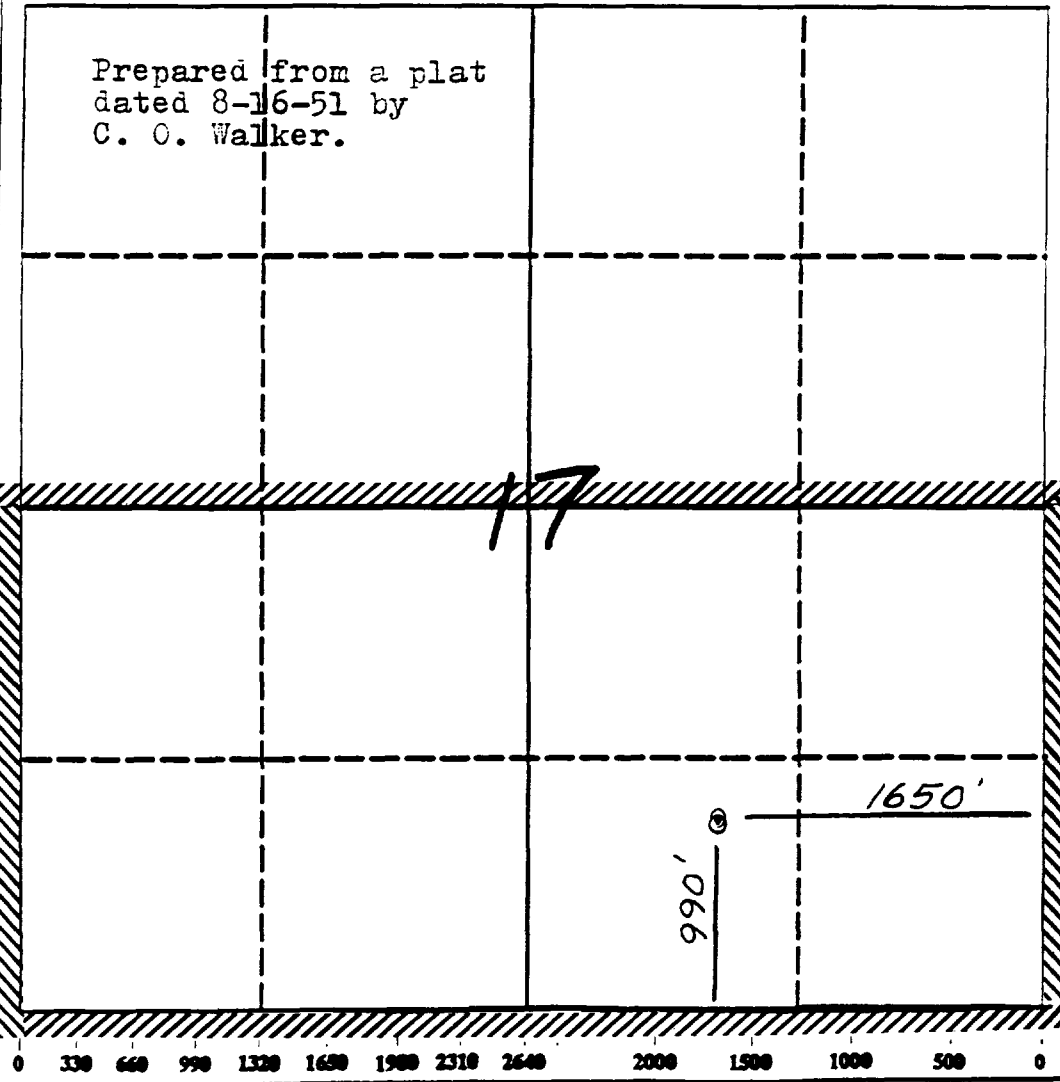
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Meridian Oil Inc.		Lease (SF-047039B) Kutz Canyon Oil & Gas		Well No. 1
Unit Letter 0	Section 17	Township 28 North	Range 10 West	County San Juan
Actual Footage Location of Well: 990 feet from the South line and 1650 feet from the East line				
Ground level Elev. 5952'	Producing Formation Fruitland Coal	Pool Basin	Dedicated Acreage: 320 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or inkline marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
 - Yes No If answer is "yes" type of consolidation _____
 If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary).
 No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



Prepared from a plat
dated 8-16-51 by
C. O. Walker.

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature
Peggy Bradfield

Printed Name
Regulatory Affairs

Position
Meridian Oil Inc.

Company

Date

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief. 5-23-90

Date Surveyed

Signature of Surveyor
Professional Seal

Certification
Neale C. Edwards

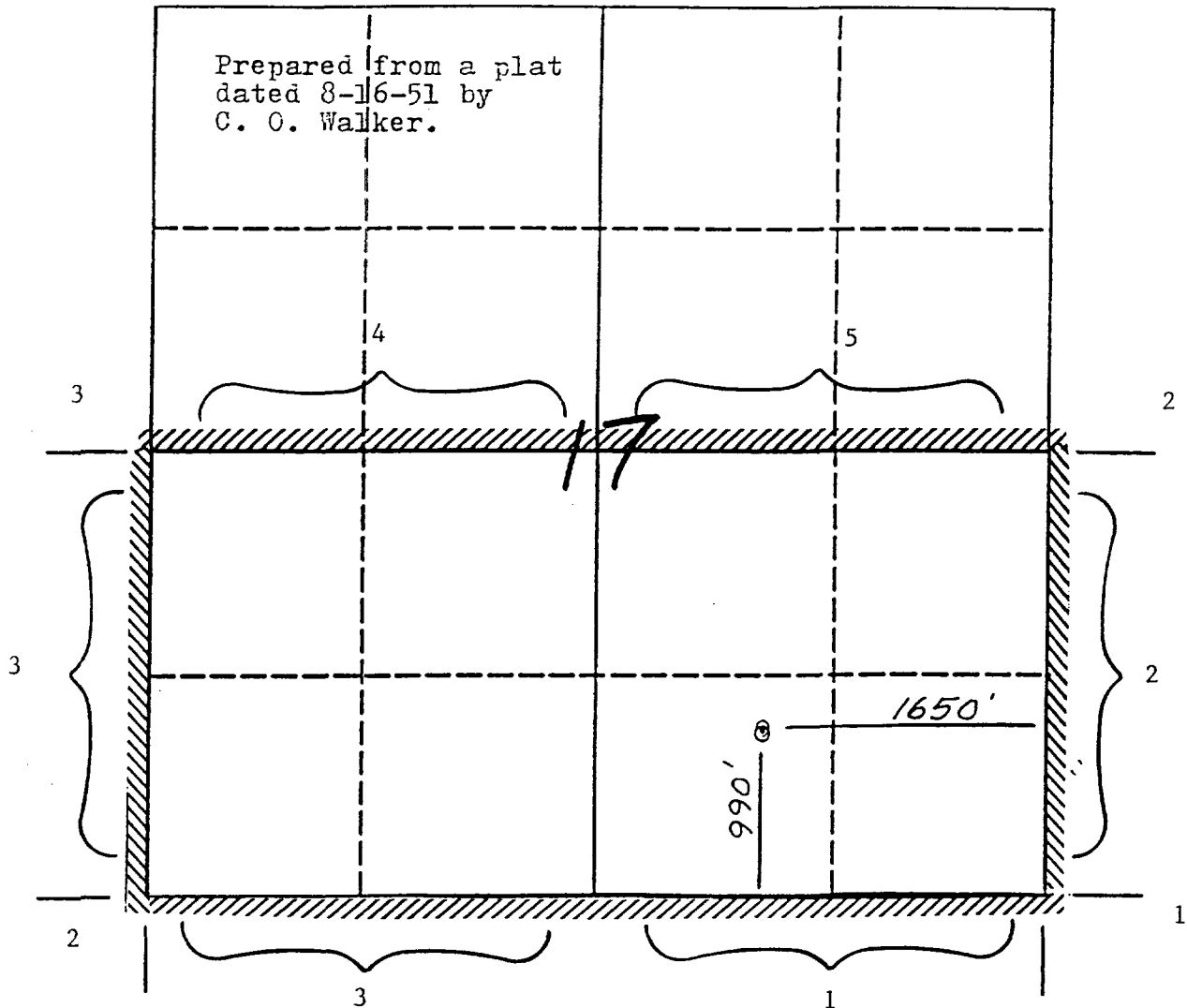
MERIDIAN OIL INC

Well Name Kutz Canyon Oil & Gas #1

Footage 990' FSL; 1650' FEL

APPLICATION FOR NON-STANDARD PRORATION UNIT

County San Juan State New Mexico Section 17 Township 28N Range 10W



- Remarks 1) Meridian Oil, Inc.
2) Southland Royalty Company
3) Breck Operating Company, PO Box 911, Breckenridge, TX 76024-0911
4) Merrion Oil & Gas Corporation
5) Damsun Oil Co., PO Box 4391, Houston, TX 77210-4391

