



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

GARREY CARRUTHERS
GOVERNOR

June 29, 1990

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Meridian Oil, Inc.
P.O. Box 4289
Farmington, NM 87499-4289

Case 10020

Attention: Peggy Bradfield

RE: Administrative Application for an unorthodox coal gas well location; Kutz Deep Test No. 1, 990' FSL - 1650' FEL (Unit O), Section 21, Township 28 North, Range 10 West, NMPM, Basin Fruitland Coal Gas Pool, San Juan County, New Mexico.

Dear Ms. Bradfield:

This agency has received an objection from Breck Operating Corporation to the subject filing in a timely manner (see copy attached); therefore, this matter will be set for hearing before an examiner on the next available docket scheduled for July 25, 1990.

Please provide adequate notice for such an application prior to the hearing as required by Division General Rule 1207.

If you should have any questions concerning this matter, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner".

Michael E. Stogner
Chief Hearing Officer/Engineer

MES/ag

cc: Oil Conservation Division - Aztec
US Bureau of Land Management - Farmington
Breck Operating Corporation Breckenridge, TX

BRECK OPERATING CORP.

P. O. BOX 911
BRECKENRIDGE, TEXAS 76024-0911

JUN 21 AM 8 38

June 15, 1990

CERTIFIED MAIL -
RETURN RECEIPT REQUESTED

Case 10020

New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87503

Attention: Mr. William LeMay

Re: Feasel A #3
990' FNL, 1070' FWL
Section 34, T-28-N, R-10-W
San Juan County, New Mexico

Kutz Deep Test #2
990' FLS, 990' FEL
Section 28, T-28-N, R-10-W
San Juan County, New Mexico

Kutz Deep Test #1
990' FSL, 1650' FEL
Section 21, T-28-N, R-10-W
San Juan County, New Mexico

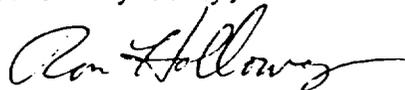
Dear Mr. LeMay:

This letter is written on behalf of B.B.L., Ltd. B.B.L., Ltd. owns working interests in the acreage that offsets the requested non-standard gas well locations requested by Meridian Oil Inc. for the Basin Fruitland Coal Pool.

We are opposed to Meridian's requests for the non-standard gas well locations. To grant such locations would work a hardship on B.B.L., Ltd. and would create drainage problems for B.B.L., Ltd. We believe the established drainage patterns will best protect the correlative rights of all parties.

Also, B.B.L., Ltd. has approached Meridian about forming pooled units for recompletion possibilities in the Fruitland Coal in the same sections at standard locations. For these reasons we request that their requests be denied.

Yours very truly,



Ronald A. Holloway
Land Manager

RAH/sm
L54/61590a



New Mexico Oil Conservation Division
RE: Feasel "A" #3, et al
June 18, 1990

cc: MERIDIAN OIL INC.
3535 East 30th Street
P. O. Box 4289
Farmington, New Mexico 87499-4289
Attention: Mr. David Pogue