



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

GARREY CARRUTHERS  
GOVERNOR

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

August 14, 1990

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

Attention: Peggy Bradfield

*Administrative Order NSL-2842*

Dear Ms. Bradfield:

Reference is made to your application dated June 5, 1990 for a non-standard Basin-Fruitland coal gas well location for your existing Kutz Deep Test Well No. 1 which was drilled in 1951 and completed in the Fulcher Kutz Pictured Cliffs Pool at a standard gas well location gas 990 feet from the South line and 1650 feet from the East line (Unit O) of Section 21, Township 28 North, Range 10 West, NMPM, San Juan County County, New Mexico.

It is my understanding that the Pictured Cliffs zone will be properly plugged back and said well will be recompleted to the Basin-Fruitland Coal Gas Pool, which pursuant to the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool as promulgated by Division Order No. R-8768, is unorthodox. Further, the E/2 of said Section 21 shall be dedicated to the well forming a standard 320-acre gas spacing and proration unit for said pool.

By the authority granted me under the provisions of Rule 8 of said Division Order No. R-8768, the above-described unorthodox coal gas well location is hereby approved.

Sincerely,

William J. LeMay  
Director

WJL/MES/ag

cc: Oil Conservation Division - Aztec  
US Bureau of Land Management - Farmington  
W. Thomas Kellahin - Santa Fe  
\* File: Case No. 10020

MERIDIAN OIL

June 5, 1990

Certified Mail

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

*Case 10020*

RE: 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 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 Deep Test #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 21, 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 Deep Test #1 as proposed above.

By: \_\_\_\_\_ Date: \_\_\_\_\_

xc: Southland Royalty Company  
Amoco Production Company  
Breck Operating Company

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

I hereby certify that the following offset owners/operators have been mailed notification 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

Amoco Production Company  
P.O. Box 800  
Denver, CO 80201

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



Peggy Bradfield  
June 5, 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. Denver DD, Artesia, NM 88210

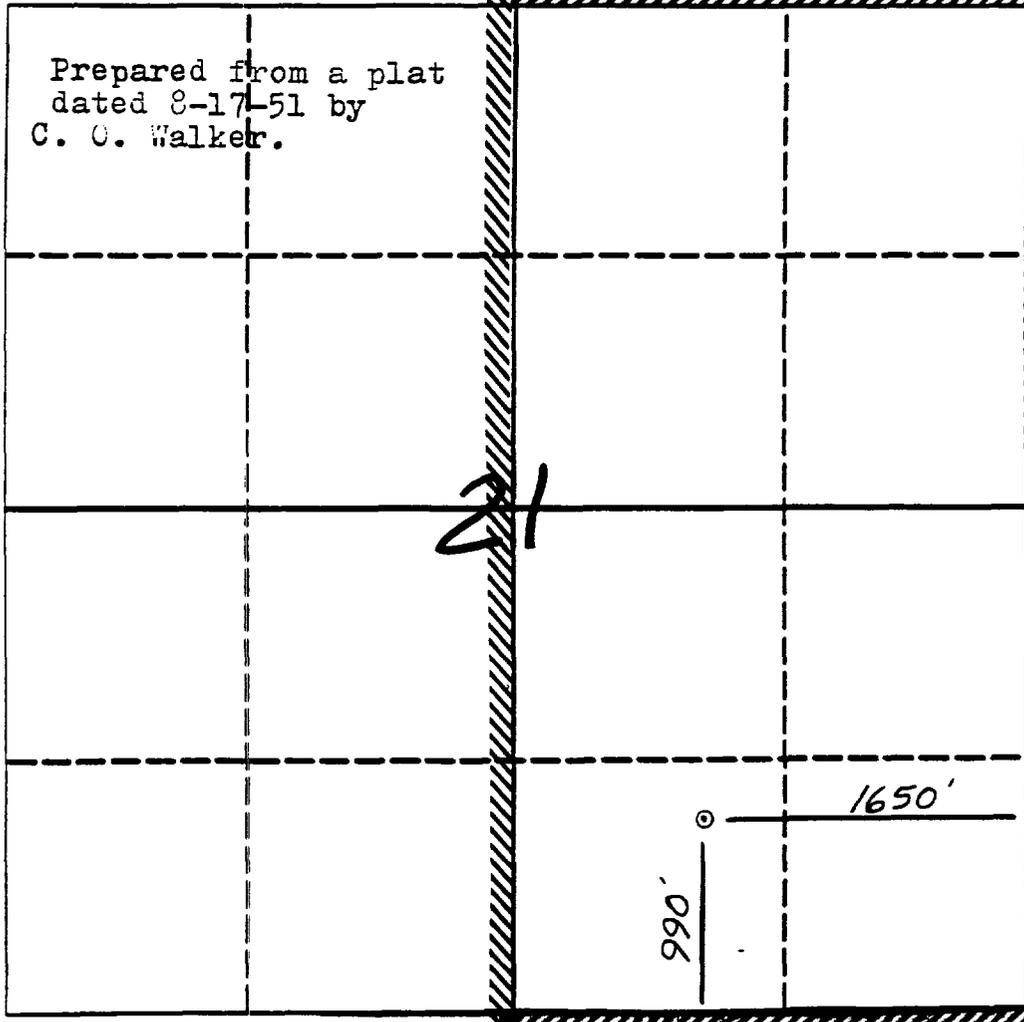
DISTRICT III  
 1000 Rio Brazos Rd., Aztec, NM 87410

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

All Distances must be from the outer boundaries of the section

Operator Meridian Oil Inc.		Lease Kutz Deep Test (SF-077383A)		Well No. 1
Unit Letter 0	Section 21	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. 6124'	Producing Formation Fruitland Coal	Pool Basin	Dedicated Acreage: 320 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or lecture 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 communitization agreement will be obtained this form if necessary. obtained  
 No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, force-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



Prepared from a plat dated 8-17-51 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: Meridian Oil Inc.  
 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: 5-23-90  
 Signature: Neale C. Edwards  
 Professional Seal: NEW MEXICO REGISTERED LAND SURVEYOR 6857  
 Certificate No.: 6857  
 Name: Neale C. Edwards



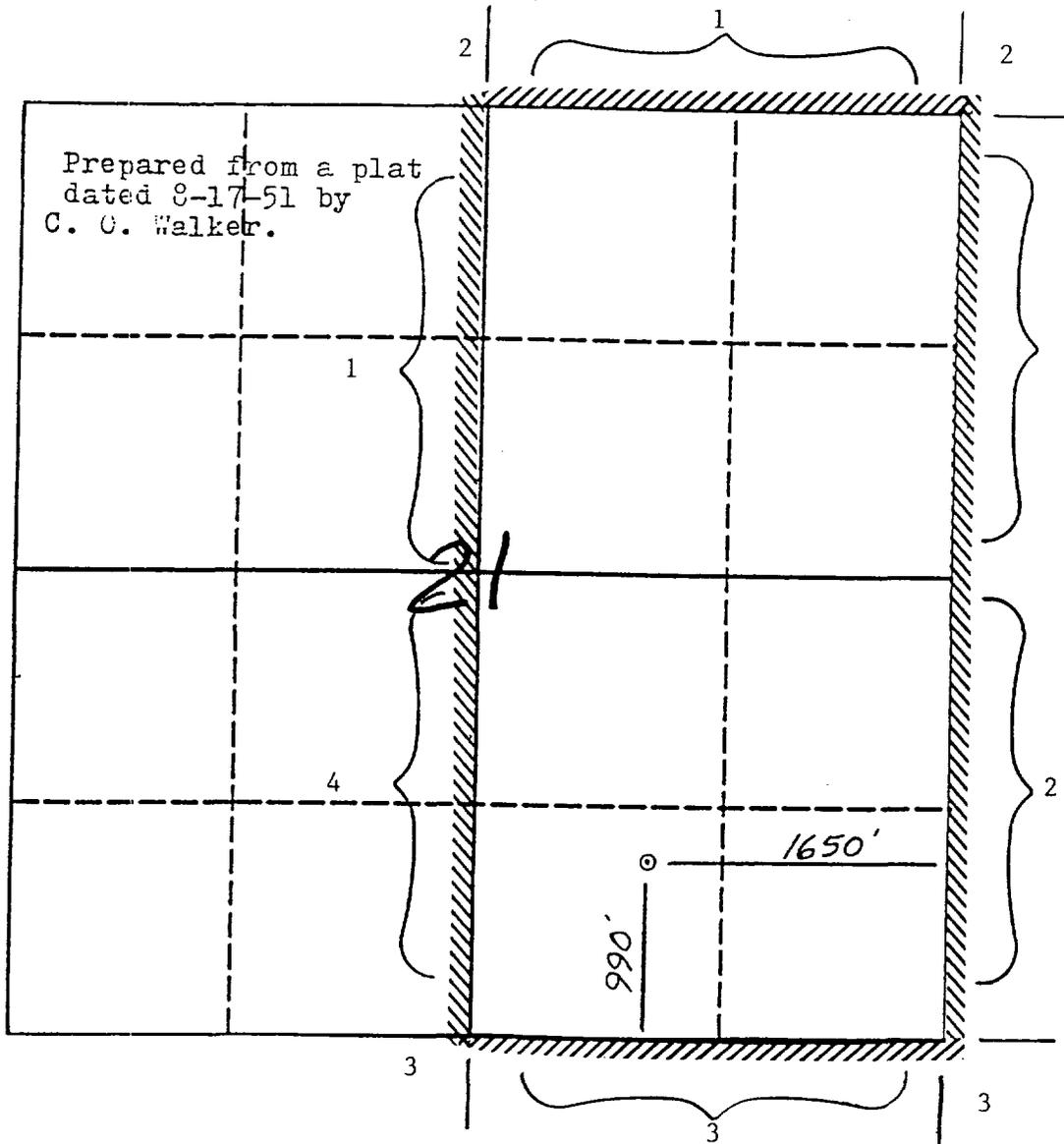
MERIDIAN OIL INC.

Well Name Kutz Deep Test #1

Footage----- 990' FSL; 1650' FEL

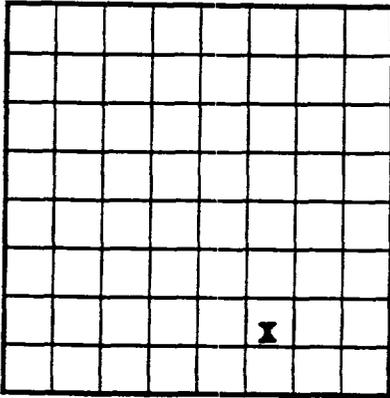
APPLICATION FOR NON-STANDARD PRORATION UNIT

County San Juan State New Mexico Section 21 Township 28N Range 10W



- REMARKS:
- 1) Meridian Oil Inc.
  - 2) Southland Royalty Company
  - 3) Amoco Production Company
  - 4) Breck Operating Company
- PO Box 911  
Breckenridge, TX 76024-0911

U. S. LAND OFFICE Santa Fe  
SERIAL NUMBER 077383  
LEASE OR PERMIT TO PROSPECT Kutz



LOCATE WELL CORRECTLY

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

LOG OF OIL OR GAS WELL

Company El Paso Natural Gas Co. Address P.O. Box 997, Farmington, New Mexico  
Lessor or Tract Kutz Deep Test Field Fulcher-Kutz State New Mexico  
Well No. 1 Sec. 21 T. 23N R. 10W Meridian 109W County San Juan  
Location 990 ft. (S.) of 8 Line and 1650 ft. (W.) of 3 Line of Sec. 21 Elevation 6120  
(Derive feet relative to sea level)

The information given herewith is a complete and correct record of the well and all work done thereon so far as can be determined from all available records.

Signed ORIGINAL SIGNED E. J. COEL

Date November 20, 1951 Title ---

The summary on this page is for the condition of the well at above date.

Commenced drilling October 5, 1951 Finished drilling October 11, 1951

OIL OR GAS SANDS OR ZONES

(Denote gas by G)

No. 1, from 2152 to 2210 (G) No. 4, from --- to ---  
No. 2, from --- to --- No. 5, from --- to ---  
No. 3, from --- to --- No. 6, from --- to ---

IMPORTANT WATER SANDS

No. 1, from --- to --- No. 3, from --- to ---  
No. 2, from --- to --- No. 4, from --- to ---

CASING RECORD

Size casing	Weight per foot	Threads per inch	Make	Amount	Kind of shoe	Cut and pulled from	Perforated		Purpose
							From-	To-	
<u>8-5/8</u>	<u>21</u>	<u>8</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
<u>5-7/8</u>	<u>21.58</u>	<u>8</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
<u>1</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>

MUDDING AND CEMENTING RECORD

Size casing	Where set	Number sacks of cement	Method used	Mud gravity	Amount of mud used
<u>8-5/8</u>	<u>103</u>	<u>60</u>	<u>Circulating</u>	<u>---</u>	<u>---</u>
<u>5-9/16</u>	<u>2158</u>	<u>140</u>	<u>Single Stage</u>	<u>---</u>	<u>---</u>

PLUGS AND ADAPTERS

Heaving plug—Material --- Length --- Depth set ---  
Adapters—Material --- Size ---

FOLD MARK

**KELLAHIN, KELLAHIN AND AUBREY**

ATTORNEYS AT LAW  
EL PATIO BUILDING  
117 NORTH GUADALUPE  
POST OFFICE BOX 2265

TELEPHONE (505) 982-4285  
TELEFAX (505) 982-2047

W. THOMAS KELLAHIN  
KAREN AUBREY

CANDACE HAMANN CALLAHAN

JASON KELLAHIN  
OF COUNSEL

SANTA FE, NEW MEXICO 87504-2265

July 16, 1990

**RECEIVED**

JUL 17 1990

OIL CONSERVATION DIV.  
SANTA FE

HAND DELIVERED

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

Re: NMOCD Case No. 10022  
Feasel A No. 3 Well  
990' FNL, 1070' FWL,  
Sec. 34, T28N, R10W,  
San Juan County, New Mexico

NMOCD Case No. 10020  
Kutz Deep Test No. 1  
990' FSL, 1650' FEL,  
Sec. 21, T28N, R10W,  
San Juan County, New Mexico

NMOCD Case No. 10021  
Kutz Deep Test No. 2  
990' FSL, 990' FEL,  
Sec. 28, T28N, R10W,  
San Juan County, New Mexico

NMOCD Case No. 10019  
Kutz Canyon Oil & Gas Well No. 1  
990' FSL, 1650' FWL,  
Sec. 17, T28N, R10W,  
San Juan County, New Mexico

Dear Mr. LeMay:

Our firm represents Meridian Oil, Inc. in each of the referenced cases which were originally filed for administrative approval as unorthodox gas wells in the Basin Fruitland Coal Gas Pool. Thereafter, as a result of an objection filed by Breck Operating Corp. the Division placed these cases on the Examiner docket for hearing on July 25 1990, and directed Meridian to provide notice of hearing.

William J. LeMay  
July 16, 1990  
Page 2

In order to comply with the notice requirements of Rule 1207, we will need additional time and, therefore, request that the referenced cases be continued from July 25, 1990 to the Examiner Hearing set for August 8, 1990.

By copy of this letter, with enclosures, we are notifying the appropriate offsetting parties 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. In addition, any party desiring to participate should complete and file with the Division, copy to the undersigned, a pre-hearing statement by Friday, August 3, 1990 at 4:00 p.m.

Very truly yours,



W. Thomas Kellahin

WTK/tic  
Enclosure

cc: Alan Alexander  
Meridian Oil, Inc.  
Post Office Box 4289  
Farmington, New Mexico 87499-4289

Certified mail return-receipt  
Breck Operating Corp.  
Post Office Box 911  
Breckenridge, Texas 76024-0911  
Attn: Ronald A. Holloway

Merrion Oil & Gas Corporation  
Post Office Box 840  
Farmington, New Mexico 87400

Damson Oil Co.  
Post Office Box 4391  
Houston, Texas 77210-4391

Amoco Production Company  
Attn: Southern Division Production Manager  
Post Office Box 800  
Denver, Colorado 80201



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

X: <sup>Bob</sup> KBB  
REF  
JWC

**MERIDIAN OIL**

JUL 2 - 1990  
FARMINGTON, NEW MEXICO  
REGULATORY

GARREY CARRUTHERS  
GOVERNOR

JUL 1990

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

Attention: Peggy Bradfield

*RE: Administrative Application for an unorthodox coal gas well location; Kutz Canyon Oil and Gas Well No. 1, 990' FSL - 1650' FWL (Unit O), Section 17, 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,

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

XC: ~~AA~~ T3ab  
REP  
JWC



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

GARREY CARRUTHERS  
GOVERNOR

June 29, 1990

POST OFFICE BOX 2022  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

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

**MERIDIAN OIL**  
JUL 2 - 1990  
FARMINGTON, NEW MEXICO  
REGULATORY

Attention: Peggy Bradfield

*RE: Administrative Application for an unorthodox coal gas well location; Kutz Deep Test No. 2, 990' FSL - 990' FEL (Unit P), Section 28, 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,

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



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

Xc - AVEY Bob  
 REF  
 JWC

GARREY CARRUTHERS  
 GOVERNOR

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

June 29, 1990

JUL 1 1990

**MERIDIAN OIL**  
 JUL 2 1990  
 FARMINGTON, NEW MEXICO  
 REGULATORY

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

Attention: Peggy Bradfield

*RE: Administrative Application for an unorthodox coal gas well location; Feasel A No. 3, 990' FNL - 1070' FWL (Unit D), Section 34, 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.

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Sincerely,

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

AC. 4285  
REP  
JWC



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

GARREY CARRUTHERS  
GOVERNOR

JUL 1990

June 29, 1990

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

**MERIDIAN OIL**

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

JUL 2 - 1990  
FARMINGTON, NEW MEXICO  
REGULATORY

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.*

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Sincerely,

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



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

August 21, 1990

GARREY CARRUTHERS  
 GOVERNOR

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

Mr. Thomas Kellahin  
 Kellahin, Kellahin & Aubrey  
 Attorneys at Law  
 Post Office Box 2265  
 Santa Fe, New Mexico

Re: CASE NO. 10020  
 ORDER NO. R-9262

Applicant:  
Meridian Oil, Inc.

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Sincerely,

*Florene Davidson*

FLORENE DAVIDSON  
 OC Staff Specialist

Copy of order also sent to:

Hobbs OCD           x            
 Artesia OCD           x            
 Aztec OCD           x          

Other James Bruce  
 \_\_\_\_\_  
 \_\_\_\_\_