

KELLAHIN, KELLAHIN AND AUBREY

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

W. THOMAS KELLAHIN
KAREN AUBREY

CANDACE HAMANN CALLAHAN

JASON KELLAHIN
OF COUNSEL

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

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



GARREY CARRUTHERS
GOVERNOR

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

X: ^{Bob} KSB
REF
JWC

MERIDIAN OIL
JUL 2 - 1990
FARMINGTON, NEW MEXICO
REGULATORY

JUL 1990
RECEIVED
OIL CONSERVATION DIVISION

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



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

Xc-100
 REF
 JWC
 1306

GARREY CARRUTHERS
 GOVERNOR

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

June 29, 1990

JUL 29 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.

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

REP
 JWC

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.

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

GARREY CARRUTHERS
GOVERNOR

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

July 20, 1990

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

ATTN: W. THOMAS KELLAHIN

RE: CASE NO. 10021
Application of Meridian Oil, Inc.
for an Unorthodox Coal Gas
Well Location, Kutz Deep Test
Well No. 2, 990' FS&EL, P-28-
T28N-R10W, Basin Fruitland Coal
Gas Pool, San Juan County,
New Mexico.

Dear Mr. Kellahin:

Reference is made to your letter dated July 19, 1990, notifying the Division of Meridian's intent to reorient the proposed spacing unit for the subject well from a lay-down S/2 dedication to a stand-up E/2 orientation. This will of course require readvertisement and since your notice was received too late for the August 8th docket, this matter shall be readvertised and continued to the August 22nd docket. Should you have any questions concerning this matter, please contact me. Thank you.

Sincerely,

Michael E. Stogner, Examiner
Chief Hearing Officer

MES/si

cc: OCD Aztec Office
U.S. BLM - Farmington
Meridian Oil, Inc. - Farmington
Breck Operating Corp. - Breckridge, Texas

KELLAHIN, KELLAHIN AND AUBREY

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

TELEPHONE (505) 982-4285

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W. THOMAS KELLAHIN
KAREN AUBREY

CANDACE HAMANN CALLAHAN

JASON KELLAHIN
OF COUNSEL

July 19, 1990

HAND DELIVERED

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

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

Dear Mr. LeMay

On behalf of Meridian Oil, Inc., I wish to inform you that while the proposed unorthodox well location for the referenced case has not changed. Meridian has reoriented the spacing unit from a S/2 to an E/2 unit in this section. I have enclosed a plat to show the change and by copy of this letter to the offsetting operators notified them of the change.

This matter is pending a hearing on August 8, 1990, having been continued from the July 25, 1990 docket.

Very truly yours,



W. Thomas Kellahin

WTK/tic
Enclosure

cc: Bob Hopkins
Meridian Oil, Inc.
Post Office Box 4289
Farmington, New Mexico 87401

DK *M.S.*
RECEIVED

JUL 19 1990

OIL CONSERVATION DIV.
SANTA FE

Mr. William J. LeMay
July 19, 1990
Page 2

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 87499

Damson Oil Company
Post Office Box 4391
Houston, Texas 77210-4391

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

KELLAHIN, KELLAHIN AND AUBREY

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

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SANTA FE, NEW MEXICO 87504-2265

W. THOMAS KELLAHIN
KAREN AUBREY

CANDACE HAMANN CALLAHAN

JASON KELLAHIN
OF COUNSEL

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

July 19, 1990

HAND DELIVERED

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

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

RECEIVED

JUL 19 1990

OIL CONSERVATION DIV.
SANTA FE

Dear Mr. LeMay

On behalf of Meridian Oil, Inc., I wish to inform you that while the proposed unorthodox well location for the referenced case has not changed. Meridian has reoriented the spacing unit from a S/2 to an E/2 unit in this section. I have enclosed a plat to show the change and by copy of this letter to the offsetting operators notified them of the change.

This matter is pending a hearing on August 8, 1990, having been continued from the July 25, 1990 docket.

Very truly yours,



W. Thomas Kellahin

WTK/tic
Enclosure

cc: Bob Hopkins
Meridian Oil, Inc.
Post Office Box 4289
Farmington, New Mexico 87401

Mr. William J. LeMay
July 19, 1990
Page 2

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W. THOMAS KELLAHIN
KAREN AUBREY

CANDACE HAMANN CALLAHAN

JASON KELLAHIN
OF COUNSEL

July 19, 1990

HAND DELIVERED

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

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

Dear Mr. LeMay

On behalf of Meridian Oil, Inc., I wish to inform you that while the proposed unorthodox well location for the referenced case has not changed. Meridian has reoriented the spacing unit from a S/2 to an E/2 unit in this section. I have enclosed a plat to show the change and by copy of this letter to the offsetting operators notified them of the change.

This matter is pending a hearing on August 8, 1990, having been continued from the July 25, 1990 docket.

Very truly yours,



W. Thomas Kellahin

WTK/tic
Enclosure

cc: Bob Hopkins
Meridian Oil, Inc.
Post Office Box 4289
Farmington, New Mexico 87401

DL *2/20/90*
RECEIVED

JUL 19 1990

OIL CONSERVATION DIV.
SANTA FE

Mr. William J. LeMay
July 19, 1990
Page 2

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 87499

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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

August 8, 1990

GARREY CARRUTHERS
GOVERNOR

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

Kellahin, Kellahin & Aubrey
P.O. Box 2265
Santa Fe, NM 87504-2265

Attention: W. Thomas Kellahin
General Counsel for Meridian Oil, Inc.

RE: Case No. 10021, Application of Meridian Oil, Inc. for an unorthodox coal gas well location, Kutz Deep Test Well No. 2, 990' FS & EL, P-28-28N-10W, Basin Fruitland Coal Gas Pool, San Juan County, New Mexico.

Dear Mr. Kellahin:

Reference is made to Breck Operating Corporation's withdrawal of objection to this application received by the NMOCD on August 7, 1990 (see attached). This withdrawal of objection was received too late to cancel the readvertisement and continuance notice of Case No. 10021 to the August 22, 1990 examiner hearing. However, this matter can be dismissed at this time.

Your letter dated July 19, 1990 which resulted in the need for readvertisement, brings up the need for an amendment to the administrative application. If Meridian still wished to reorient the spacing unit from a lay-down S/2 dedication to a stand-up E/2 dedication, please provide notice to all offset operators for the amended unit.

Please contact me should you have any questions concerning this matter.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

MES/ag

cc: Oil Conservation Division - Aztec
US Bureau of Land Management - Farmington
Case File No. 10021



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

July 20, 1990

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

ATTN: W. THOMAS KELLAHIN

RE: CASE NO. 10021
Application of Meridian Oil, Inc.
for an Unorthodox Coal Gas
Well Location, Kutz Deep Test
Well No. 2, 990' FS&EL, P-28-
T28N-R10W, Basin Fruitland Coal
Gas Pool, San Juan County,
New Mexico.

Dear Mr. Kellahin:

Reference is made to your letter dated July 19, 1990, notifying the Division of Meridian's intent to reorient the proposed spacing unit for the subject well from a lay-down S/2 dedication to a stand-up E/2 orientation. This will of course require readvertisement and since your notice was received too late for the August 8th docket, this matter shall be readvertised and continued to the August 22nd docket. Should you have any questions concerning this matter, please contact me. Thank you.

Sincerely,

Michael E. Stogner, Examiner
Chief Hearing Officer

MES/si

cc: OCD Aztec Office
U.S. BLM - Farmington
Meridian Oil, Inc. - Farmington
Breck Operating Corp. - Breckridge, Texas

KELLAHIN, KELLAHIN AND AUBREY

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2285

SANTA FE, NEW MEXICO 87504-2285

W. THOMAS KELLAHIN
KAREN AUBREY

CANDACE HAMANN CALLAHAN

JASON KELLAHIN
OF COUNSEL

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

July 19, 1990

HAND DELIVERED

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

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

Dear Mr. LeMay

On behalf of Meridian Oil, Inc., I wish to inform you that while the proposed unorthodox well location for the referenced case has not changed. Meridian has reoriented the spacing unit from a S/2 to an E/2 unit in this section. I have enclosed a plat to show the change and by copy of this letter to the offsetting operators notified them of the change.

This matter is pending a hearing on August 8, 1990, having been continued from the July 25, 1990 docket.

Very truly yours,



W. Thomas Kellahin

WTK/tic
Enclosure

cc: Bob Hopkins
Meridian Oil, Inc.
Post Office Box 4289
Farmington, New Mexico 87401

RECEIVED

JUL 19 1990

OIL CONSERVATION DIV.
SANTA FE

Mr. William J. LeMay
July 19, 1990
Page 2

Certified mail return-receipt
Breck Operating Corp.
Post Office Box 911
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Attn: Ronald A. Holloway

Merrion Oil & Gas Corporation
Post Office Box 840
Farmington, New Mexico 87499

Damson Oil Company
Post Office Box 4391
Houston, Texas 77210-4391

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

FAX COVER SHEET

Date: 8-16-90
Time: 3:28 P.M.

Log No.
Number of Pages: ~~3~~ 5
(Including cover sheet)

TO:
Mr. Michael Stogner

FROM:
Mr. W. Thomas Kellahin

of: OCD

of: **KELLAHIN, KELLAHIN & AUBREY**
P. O. Box 2265
Santa Fe, NM 87504-2265

FAX #: 827-5741

Address:

FAX #: 982-2047

Mike:

The attached waivers apply to OCD Cases 10019, 10020
10021 and 10022.

Tom

SENT BY: Meridian Oil, Inc. ; 8-3-90 ; 2:57PM ;
AUG-03-1990 15:58 FROM BRECK OPERATING CORP

5053269781- 5059888936:# 4
TO 15053269781 P.05

MERIDIAN OIL

June 5, 1990

Certified Mail

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

RE: Kutz Deep Test #2
990'FSL, 990'FEL
Section 28, 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 #2 well from the Pictured Cliffs pool to the Basin Fruitland Coal Pool. The current location of this well is 990'FSL, 990'FEL, Section 28, 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. G-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,

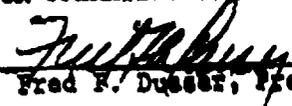


Peggy Bradfield
encl.

WAIVER
Breck Operating Corp., Individually
and on behalf of B.B.L., Ltd. hereby waives objection to Meridian Oil Inc.'s application for a non-standard location for their Kutz Deep Test #2 as proposed above.

Date: 8-3-90

BRECK OPERATING CORP.

By: 
Fred R. Dussler, President

cc: Southland Royalty Company
Amoco Production Company
Breck Operating Company

APPROVED
AS TO FORM



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

December 26, 1990

GARREY CARRUTHERS
GOVERNOR

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

Administrative Order NSL-2967

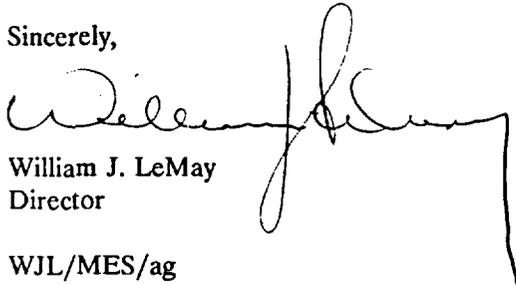
Dear Ms. Bradfield:

Reference is made to your application dated June 5, 1990, as amended by letter dated December 31, 1990, for a non-standard Basin-Fruitland coal gas well location for your existing Kutz Deep Test Well No. 2 which was drilled in 1951 and completed in the Fulcher Kutz Pictured Cliffs Pool at a standard gas well location 990 feet from the South and East lines (Unit P) of Section 28, Township 28 North, Range 10 West, NMPM, San Juan 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 28 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
Case File No. 10021
W. Thomas Kellahin - Santa Fe