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W. THOMAS KELLAHIN
KAREN AUBREY

CANDACE HAMANN CALLAHAN

JASON KELLAHIN
OF COUNSEL

July 16, 1990

RECEIVED

HAND-DELIVERED

Mr. William J. LeMay
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

JUL 17 1990

OIL CONSERVATION DIV.
SANTA FE

Re: Meridian Oil, Inc.'s Application
for Eleven (11) Non-Standard Spacing and
Proration Units, Basin Fruitland Coal Gas Pool,
Rio Arriba County, New Mexico

10041

Dear Mr. LeMay:

On behalf of Meridian Oil, Inc., please set the
enclosed application for hearing at the next available
examiner's docket now set for August 8, 1990.

We suggest the following to be used for the
advertisement for this case:

Application of Meridian Oil, Inc. for eleven
non-standard spacing and proration units, Rio Arriba
County, New Mexico. Applicant in the above-styled
cause seeks approval of eleven non-standard spacing and
proration units for wells in Sections 12, 13, 24, 25,
and 36 of T30N, R6W; Sections 30 and 31 of T30N, R7W;
Sections 6, 7, 18, and 19 of T29N, R7W, Rio Arriba
County, New Mexico. Said locations are approximately
_____ miles from _____.

By copy of this letter and application sent certified
mail, return-receipt requested, we are notifying each of the
offsetting owners and/or operators of their right to appear
at the hearing either in support of or in opposition to this
application.

Mr. William J. LeMay
July 16, 1990
Page 2

Should any party desire more information about this matter or about the procedures for hearing this application, they may call the Division or the undersigned.

Very truly yours,



W. Thomas Kellahin

WTK/tic

cc: Mr. Alan Alexander
Meridian Oil, Inc.
P.O. Box 4289
Farmington, New Mexico 87499-4289

"Certified-Return Receipt Requested"

All parties listed on Exhibit A.

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OIL CONSERVATION DIV.
SANTA FE

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF MERIDIAN OIL, INC. FOR
APPROVAL OF ELEVEN NON-STANDARD
PRORATION AND SPACING UNITS, BASIN
FRUITLAND COAL GAS POOL,
RIO ARriba COUNTY, NEW MEXICO

CASE NO. 10041

APPLICATION

COMES NOW MERIDIAN OIL, INC., by and through its
attorneys, KELLAHIN, KELLAHIN & AUBREY, and applies to the
New Mexico Oil Conservation Division for approval of eleven
non-standard proration and spacing units in the Basin
Fruitland Coal Gas Pool as follows:

| | <u>Description</u> | <u>Acres</u> |
|----------------|--|--------------|
| Lot 1, 2, 3, 6 | W/2 E/2 (E/2) Section 12, T30N. R6W | 227.48 |
| Lot 1 - 4 | W/2 E/2 (E/2) Section 13, T30N, R6W | 227.76 |
| Lot 1 - 4 | W/2 E/2 (E/2) Section 24, T30N, R6W | 228.52 |
| Lot 1 - 4 | W/2 E/2 (E/2) Section 25, T30N, R6W | 229.56 |
| Lot 1 - 4 | W/2 E/2 (E/2) Section 36, T30N, R6W | 230.24 |
| Lot 5 - 8 | E/2 W/2 (W/2) Section 30, T30N, R7W | 209.36 |
| Lot 5 - 8 | E/2 W/2 (W/2) Section 31, T30N, R7W | 211.32 |
| Lot 10 - 14 | SE/4NW/4, E/2SW/4 (W/2) Section 6, T29N, R7W | 215.22 |
| Lot 5 - 8 | E/2 W/2 (W/2) Section 7, T29N, R7W | 226.72 |
| Lot 5 - 8 | E/2 W/2 (W/2) Section 18, T29N, R7W | 231.03 |
| Lot 5 - 8 | E/2 W/2 (W/2) Section 19, T29N, R7W | 238.88 |

1. Applicant is a working interest owner and the
operator of the eleven spacing units.

2. As a result of governmental surveys, the eastern side of T30N, R9W and the western side of T30N, R7W and T29N, R7W, consist of a series of irregularly shaped lots, each of which contains more or less than 40 acres, resulting in the necessity for proration and spacing units, which are contrary to the Oil Conservation Division rules for Basin Fruitland Coal gas wells.

3. Applicant proposes to dedicate the acreage described above to Basin Fruitland Coal Gas Wells as shown on Exhibit B.

4. Attached as Exhibit A is a list of all offsetting owners and/or operators who are required by Division rules to receive notification of this application and the request for the August 8, 1990 hearing.

5. Pursuant to Division rules, a copy of this application was mailed by certified mail, return-receipt requested, to all parties listed on Exhibit A.

WHEREFORE, Applicant requests that after notice and hearing the application be granted.

KELLAHIN, KELLAHIN & AUBREY

A handwritten signature in dark ink, appearing to read 'W. Thomas Kellahin', is written over a horizontal line.

W. Thomas Kellahin
Post Office Box 2265
Santa Fe, New Mexico 87504-2265
(505) 982-4285

EXHIBIT A

Northwest Pipeline Corporation
Attn: Mr. Darrell Gillen
Post Office Box 58900
Salt Lake City, Utah 84158-0900

Blackwood & Nichols Co., Ltd.
Attn: Mr. Bill Clark
Post Office Box 1237
Durango, Colorado 81302-1237

Amoco Production Company
Post Office Box 800
Denver, Colorado 80201

Mesa Limited Partnership
Post Office Box 2009
Amarillo, Texas 79189

Texaco, Inc.
Attn: Land Department
Post Office Box 3109
Midland, Texas 79702

Union Texas Petroleum
P.O. Box 2120
Houston, Texas 77252-2120

Southern Union Exploration
Attn: Martin Boggs
324 Highway US #64
NBU 3001
Farmington, New Mexico 87401

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