

**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 31, 1990

HAND DELIVERED

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

Re: Meridian Oil Inc.,  
for Unorthodox Location,  
Payne 271 well, Basin  
Fruitland Coal Gas Pool,  
Rio Arriba County, New Mexico

Dear Mr. LeMay:

Enclosed please find the original and one copy of Meridian Oil Inc.'s application on behalf of El Paso Natural Gas Company, for approval of an unorthodox location in the Basin Fruitland Coal Gas Pool, Rio Arriba County, New Mexico. Please set this application for hearing on the examiner docket on August 22, 1990.

By copy of this letter and Application to all parties, we are notifying them by certified mail, return-recipt requested, 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 in opposition to the Application.

Sincerely,



W. Thomas Kellahin

WTK/tic  
Encl.

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

Certified mail return-receipt

All parties listed on Exhibit "B"  
of application

RECEIVED

JUL 31 1990

OIL CONSERVATION DIV.  
SANTA FE

10055

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 AN UNORTHODOX LOCATION, BASIN  
FRUITLAND COAL GAS POOL, RIO ARRIBA  
COUNTY, NEW MEXICO

Case No. 10255

A P P L I C A T I O N

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 an unorthodox Basin Fruitland Coal gas well location for its Payne #271 well, 65 feet FNL and 300 feet FEL (NE/4 NE/4) of Section 27, T32N, R10W, Rio Arriba County, New Mexico.

1. Meridian is the operator of the above-described proration and spacing unit.

2. Applicant proposes to form a standard proration and spacing unit consisting of the E/2 of Section 27, in accordance with the rules governing the Basin Fruitland Coal Pool.

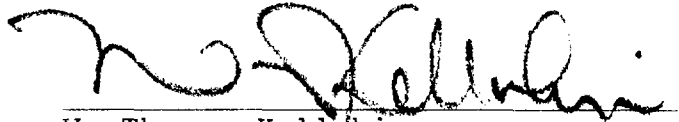
3. Due to terrain considerations, Applicant proposes to drill its Payne #271 well at an unorthodox gas well location 300 feet FEL and 65 feet FNL (NE/4 NE/4) of Section 27, T32N, R10W, Rio Arriba County, New Mexico.

4. Attached as Exhibit A is a plat showing the described acreage and the proposed well location.

5. Pursuant to Division rules, a copy of this application was mailed by certified mail, return-recipt requested, to all parties listed on Exhibit "B" notifying them of the hearing set for August 22, 1990.

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', written over a horizontal line.

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

Attorneys for Meridian Oil Inc.

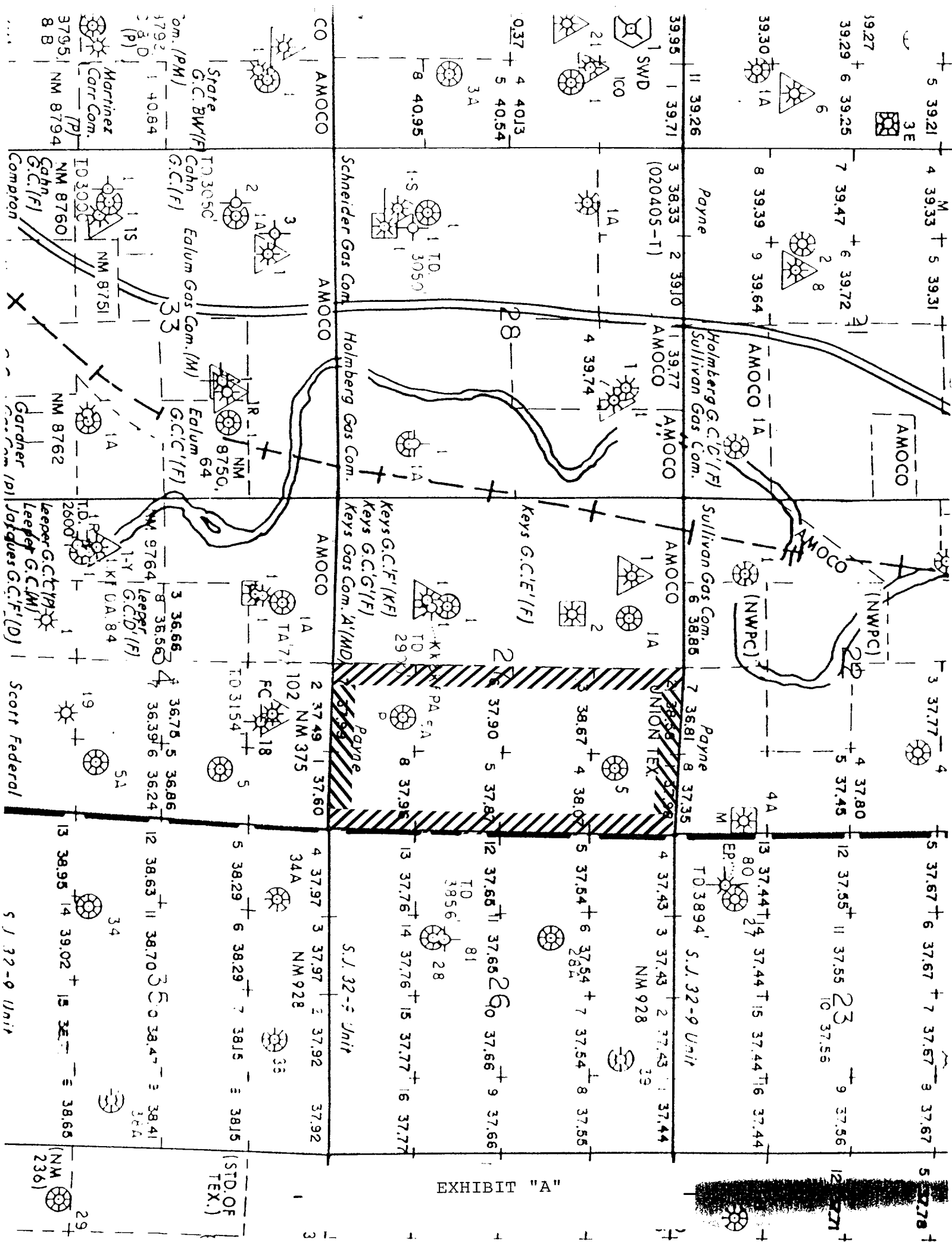


EXHIBIT "A"

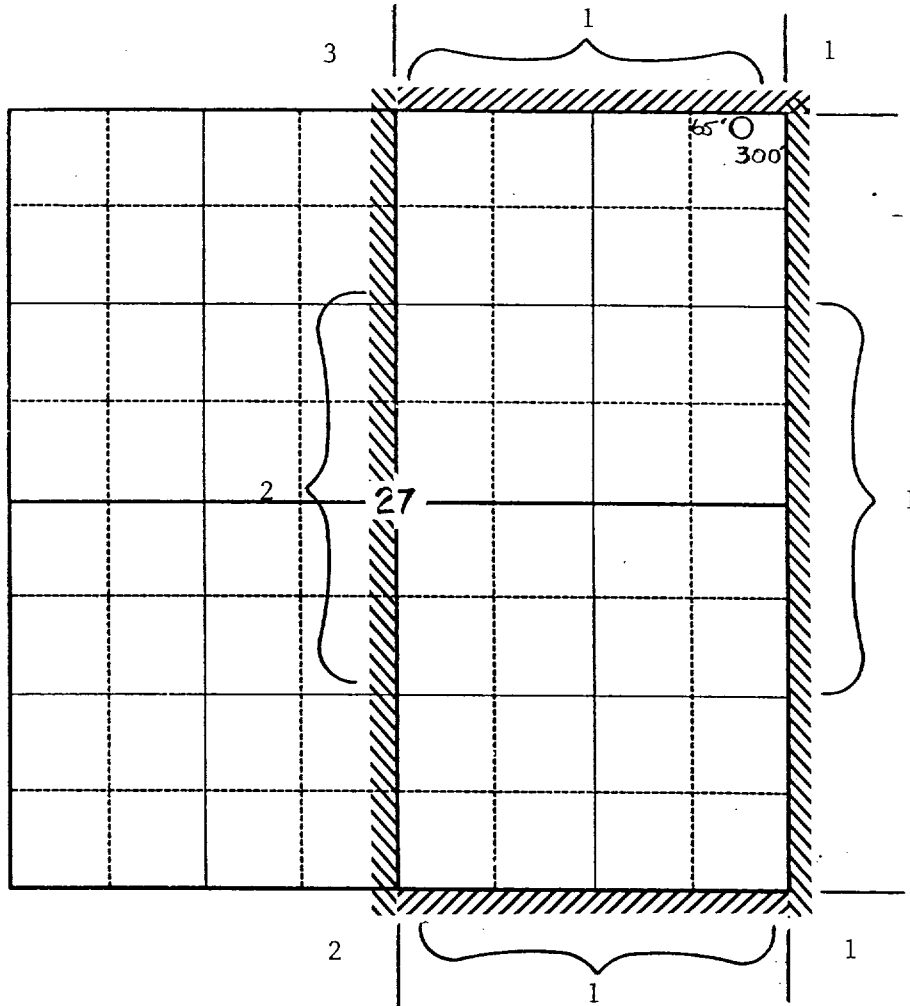
MERIDIAN OIL INC

Well Name Payne #271

Footage 65' FNL; 300' FEL

## APPLICATION FOR NON-STANDARD LOCATION

County San Juan State New Mexico Section 27 Township 32N Range 10W



Remarks 1) Meridian Oil Inc

2) Amoco Production Co

3) Northwest Pipeline Corp

EXHIBIT "B"

KELLAHIN, KELLAHIN AND AUBREY DIVISION

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2088

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

90 AUG 1 PM 5 06

August 1, 1990

HAND DELIVERED

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

Re: Meridian Oil Inc.,  
for Unorthodox Location,  
Payne 271 well, Cedar  
Hills Coal Gas Pool,  
San Juan County, New Mexico

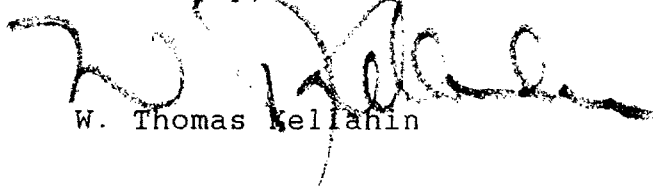
*Mr. C.*  
*Case No.*  
*10055*

Dear Mr. LeMay:

Enclosed please find the original and one copy of Meridian Oil Inc.'s application on behalf of El Paso Natural Gas Company, for approval of an unorthodox location in the Cedar Hills Coal Gas Pool, San Juan County, New Mexico. Please set this application for hearing on the examiner docket on August 22, 1990.

By copy of this letter and Application to all parties, we are notifying them by certified mail, return-recipt requested, 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 in opposition to the Application.

Sincerely,

  
W. Thomas Kellahin

WTK/tic  
Encl.

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

Certified mail return-receipt

All parties listed on Exhibit "B"  
of application

OIL CONSERVATION DIVISION  
RECEIVED  
'90 AUG 1 PM 5 06

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 AN UNORTHODOX LOCATION, CEDAR HILLS  
COAL GAS POOL, SAN JUAN COUNTY,  
NEW MEXICO

Case No. 10055

FIRST AMENDED  
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 an unorthodox Cedar Hills Coal gas well location for its Payne #271 well, 65 feet FNL and 300 feet FEL (NE/4 NE/4) of Section 27, T32N, R10W, San Juan County, New Mexico.

1. Meridian is the operator of the above-described proration and spacing unit.

2. Applicant proposes to form a standard proration and spacing unit consisting of the E/2 of Section 27, in accordance with the rules governing the Cedar Hills Coal Pool.

3. Due to terrain considerations, Applicant proposes to drill its Payne #271 well at an unorthodox gas well location 300 feet FEL and 65 feet FNL (NE/4 NE/4) of Section 27, T32N, R10W, San Juan County, New Mexico.

4. Attached as Exhibit A is a plat showing the described acreage and the proposed well location.

5. Pursuant to Division rules, a copy of this application was mailed by certified mail, return-recipt requested, to all parties listed on Exhibit "B" notifying them of the hearing set for August 22, 1990.

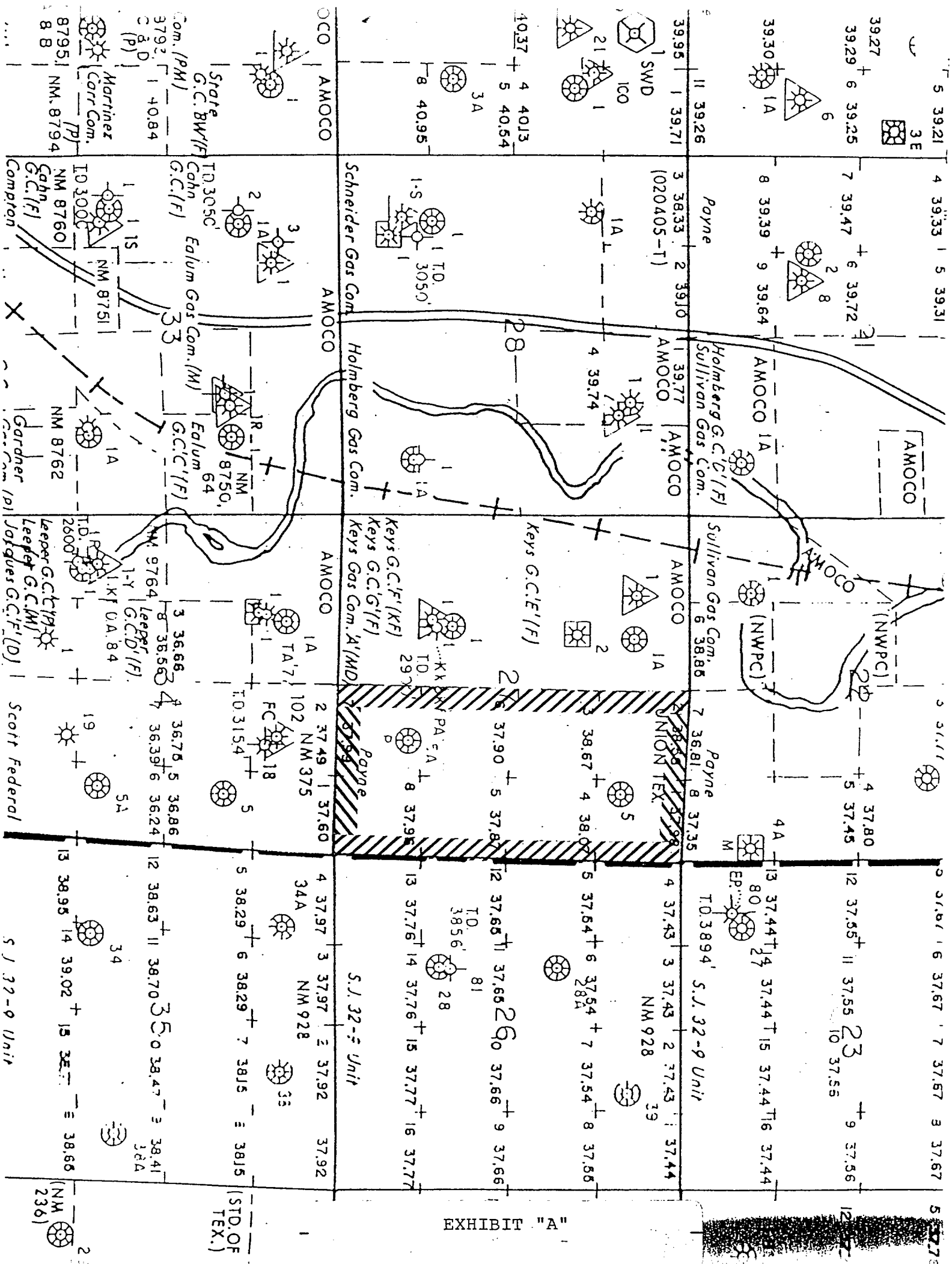
WHEREFORE, Applicant requests that after notice and hearing, the application be granted.

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  
(505) 982-4285

Attorneys for Meridian Oil Inc.



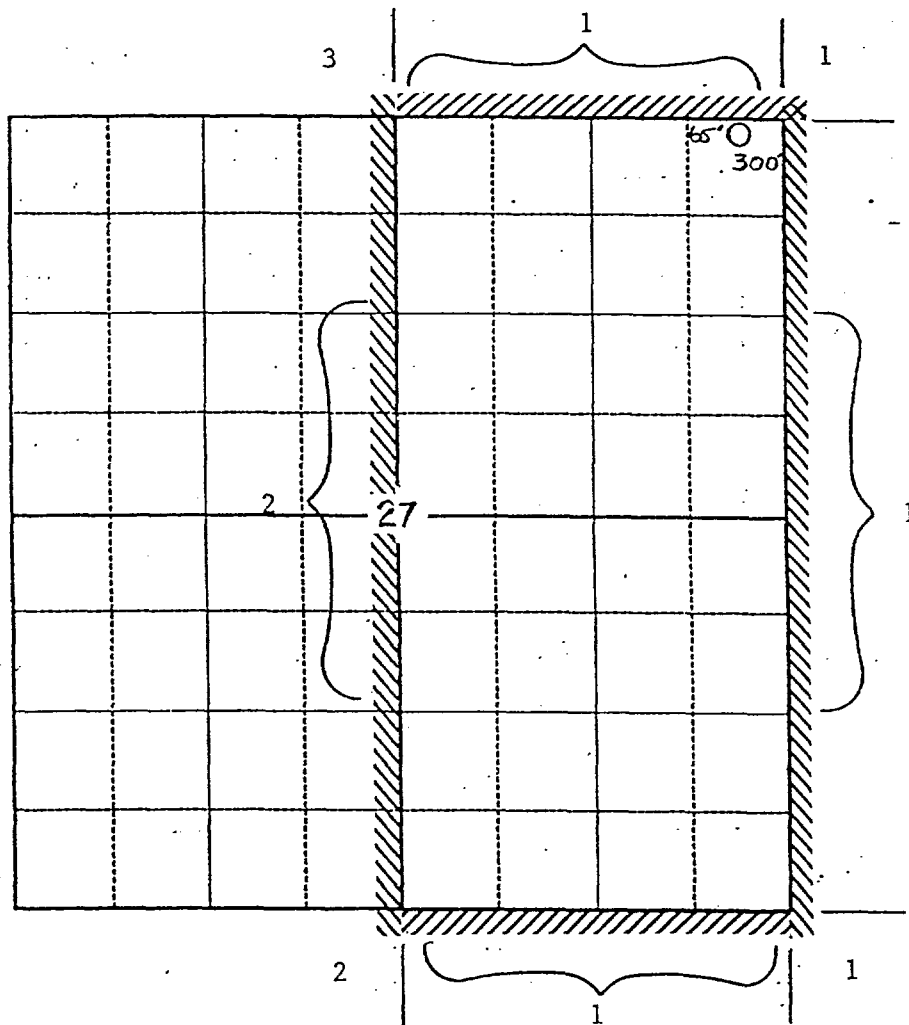
MERIDIAN OIL INC

Well Name Payne #271

Footage 65' FNL; 300' FEL

APPLICATION FOR NON-STANDARD LOCATION

County San Juan State New Mexico Section 27 Township 32N Range 10W



Remarks 1) Meridian Oil Inc

2) Amoco Production Co

3) Northwest Pipeline Corp

EXHIBIT "B"

**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

August 23, 1990

HAND DELIVERED

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

Re: Meridian Oil, Inc.  
for Unorthodox Location  
or in the Alternative  
Directional Drilling and  
a Non-Standard Proration  
Unit, Payne #271 well,  
Cedar Hills Coal Gas Pool,  
San Juan County, New Mexico

RECEIVED

AUG 27 1990

OIL CONSERVATION DIVISION

10055

Dear Mr. LeMay:

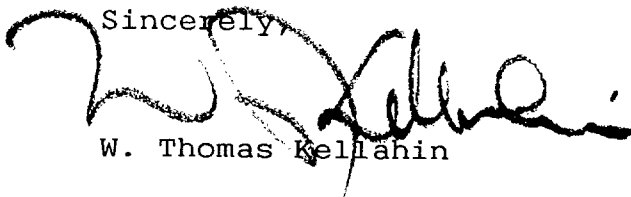
The referenced case was heard by Examiner Catanach at the hearing held on August 22, 1990 during which we amended our application to include in the alternative the approval of directional drilling of the subject well.

While our evidence has been presented on the vertical vs directional well issue, we would appreciate your assistance in having this case readvertised to the September 19, 1990 docket to which it was continued.

Enclosed is our amended application.

By copy of this letter and Application to all parties, we are notifying them by certified mail, return-receipt requested, 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 in opposition to the Application.

Sincerely,



W. Thomas Kellahin

Mr. William J. LeMay  
August 23, 1990  
Page 2

WTK/tic  
Encl.

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

Certified mail return-receipt

All parties listed on Exhibit D  
of application

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

RECEIVED

AUG 27 1990

OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION  
OF MERIDIAN OIL, INC. FOR APPROVAL  
OF AN UNORTHODOX LOCATION OR IN THE  
ALTERNATIVE DIRECTIONAL DRILLING AND  
A NON-STANDARD PRORATION UNIT, CEDAR  
HILLS COAL GAS POOL, SAN JUAN COUNTY,  
NEW MEXICO

CASE NO. 10055

SECOND AMENDED  
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 a non-standard proration and spacing unit consisting of 305.02 acres, more or less, and for the approval of an unorthodox Cedar Hills Coal gas well location for its Payne #271 well, 65 feet FNL and 300 feet FEL (NE/4 NE/4) of Section 27, T32N, R10W, San Juan County, New Mexico. Alternately, the applicant seeks to directionally drill said well from the above-described surface location to a standard bottomhole coal gas well location within the NE/4 equivalent of said Section 27. Said unit is located approximately 1.5 miles northeast of Cedar Hill, New Mexico.

2. Applicant proposes to form a non-standard proration and spacing unit consisting of 305.02 acres being the E/2 of Section 27, in accordance with the rules governing the Cedar Hills Coal Pool.

3. Due to terrain considerations, Applicant proposes to drill its Payne #271 well at an unorthodox gas well location 300 feet FEL and 65 feet FNL (NE/4 NE/4) of Section 27, T32N, R10W, San Juan County, New Mexico.


4. Attached as Exhibit A is a plat showing the described acreage and the proposed well location.

5. In the alternative, applicant proposes to directionally drill the well. Exhibit B and C are plats showing the described directional drilling and bottomhole target.

6. Pursuant to Division rules, a copy of this application was mailed by certified mail, return-receipt requested, to all parties listed on Exhibit D notifying them of the hearing continued to September 19, 1990.

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

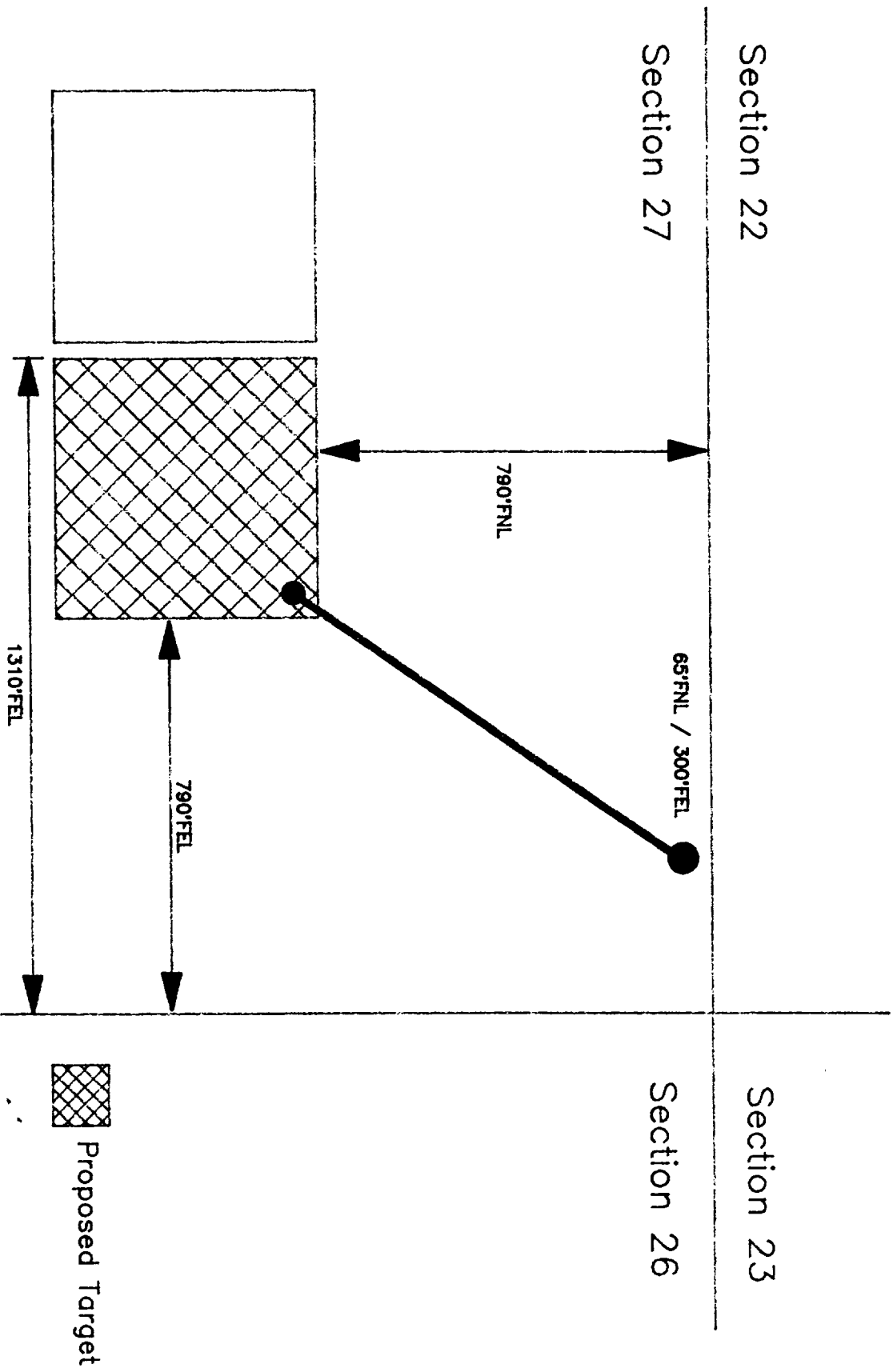
KELLAHIN, KELLAHIN & AUBREY



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



Payne #271  
E/2 Sec. 27, T32N, R10W



Payne #271  
E/2 Sec. 27, T32N, R10W

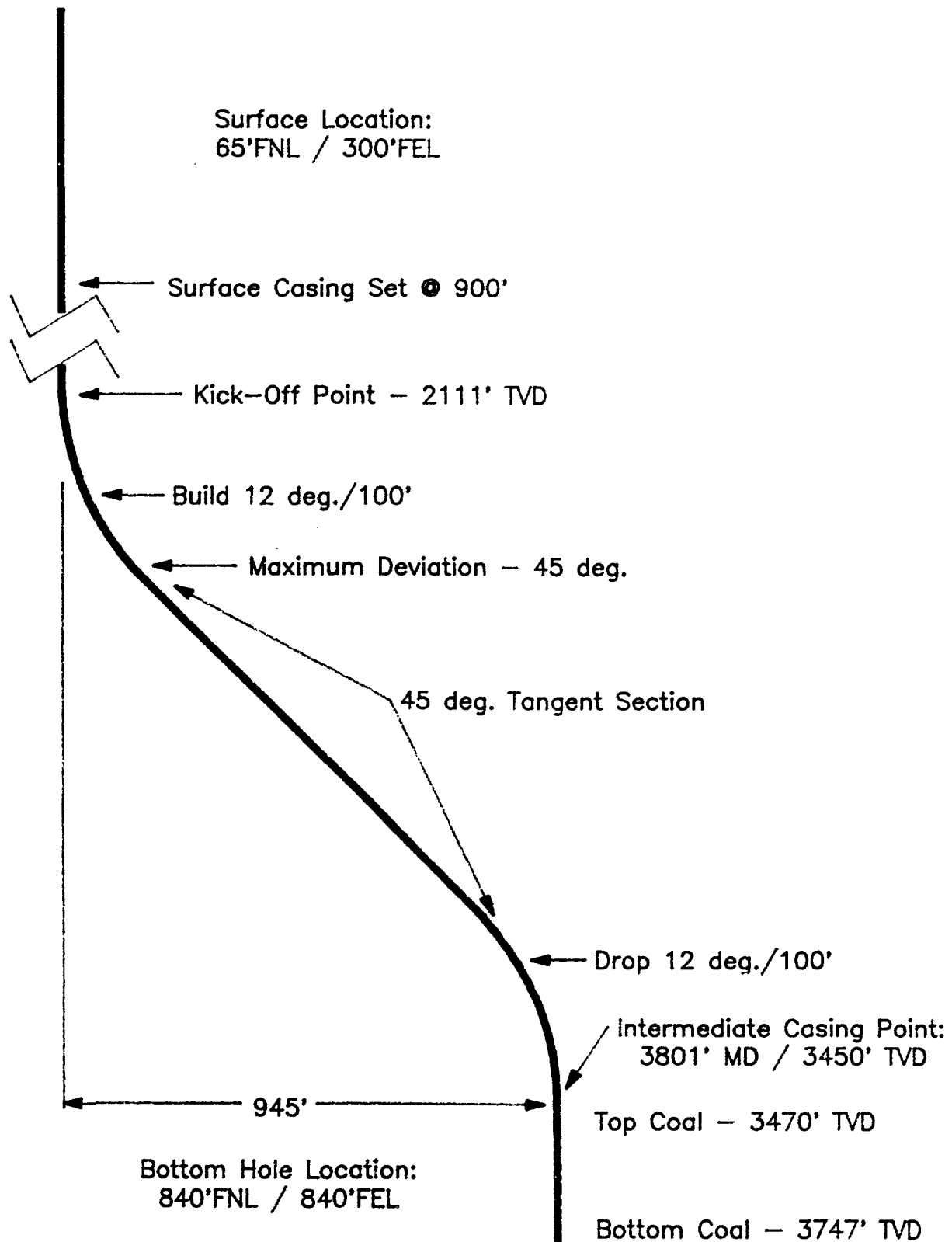


EXHIBIT D

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

Northwest Pipeline Corporation  
3539 E. 30th Street  
Farmington, New Mexico 87401