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SANTA FE, NEW MEXICO 87504-2265

JASON KELLAHIN  
OF COUNSEL

September 20, 1990

RECEIVED

SEP 20 1990

HAND DELIVERED

Mr. Michael E. Stogner  
Oil Conservation Division  
Post Office Box 2088  
Santa Fe, New Mexico 87504

OIL CONSERVATION DIVISION

Re: NMOCD Case No. 10055  
Application of Meridian Oil Inc.  
for Unorthodox Coal Gas Well  
Location or in the alternative  
for directional drilling of the  
Payne No. 271 Well

Dear Mr. Stogner:

At the hearing held on September 19, 1990 in the referenced case, no party other than Meridian appeared. Mr. Catanach took the case under advisement based upon the record made at the August 22, 1990 hearing.

Enclosed is the original and one copy of the Supplemental Notice for the September 19, 1990 hearing to show notification of the amended application which was amended to include the alternative remedy of directional drilling.

Please call me if you have any questions.

Very truly yours,



W. Thomas Kellahin

WTK/tic  
Enclosure

xc: Alan Alexander

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

RECEIVED

SEP 20 1990

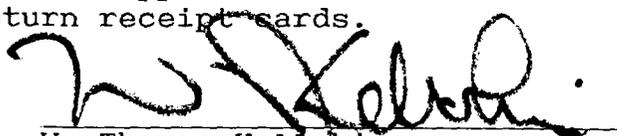
IN THE MATTER OF THE APPLICATION  
OF MERIDIAN OIL, INC. FOR  
UNORTHODOX COAL GAS WELL LOCATION  
AND A NON-STANDARD PRORATION UNIT,  
SAN JUAN COUNTY, NEW MEXICO

OIL CONSERVATION DIVISION

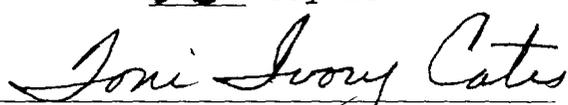
CASE NO. 10055

SUPPLEMENTAL  
CERTIFICATE OF MAILING  
AND  
COMPLIANCE WITH ORDER R-8054

In Accordance with Division Rule 1207 (Order R-8054) I hereby certify that on August 27, 1990, I caused to be mailed by certified mail return-receipt requested notice of this hearing and a copy of the First Amended Application for the above referenced case along with the cover letter, at least twenty days prior to the hearing set for September 19, 1990, to the parties shown in the Application as evidenced by the attached copies of return receipt cards.

  
W. Thomas Kellahin

SUBSCRIBED AND SWORN to before me this 20 day of  
September, 1990.

  
Notary Public

My Commission Expires:  
7-6-91

**SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.  
Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1.  Show to whom delivered, date, and addressee's address. (Extra charge) 2.  Restricted Delivery (Extra charge)

3. Article Addressed to: <i>Amoco Production P.O. Box 800 Denver, Colo. 80201</i>	4. Article Number <i>P 438 025 432</i>
5. Signature - Addressee <i>X</i>	Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise
6. Signature - Agent <i>X</i>	Always obtain signature of addressee or agent and <u>DATE DELIVERED.</u>
7. Date of Delivery <i>8/20</i>	8. Addressee's Address (ONLY if requested and fee paid) <i>Payne # 271 Wee Meridian.</i>

PS Form 3811, Apr. 1989 \*U.S.G.P.O. 1989-238-815 DOMESTIC RETURN RECEIPT

**SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.  
Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1.  Show to whom delivered, date, and addressee's address. (Extra charge) 2.  Restricted Delivery (Extra charge)

3. Article Addressed to: <i>Northwest Pipeline 3539 E. 30th St Tulsa, Okla.</i>	4. Article Number <i>P 438 025 433</i>
5. Signature - Addressee <i>X</i>	Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise
6. Signature - Agent <i>X Robin Roden</i>	Always obtain signature of addressee or agent and <u>DATE DELIVERED.</u>
7. Date of Delivery <i>8-29-90</i>	8. Addressee's Address (ONLY if requested and fee paid) <i>Payne # 271 Wee Meridian</i>

PS Form 3811, Apr. 1989 \*U.S.G.P.O. 1989-238-815 DOMESTIC RETURN RECEIPT

EXHIBIT D

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

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

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W. THOMAS KELLAHIN  
KAREN AUBREY

CANDACE HAMANN CALLAHAN

JASON KELLAHIN  
OF COUNSEL

August 23, 1990

HAND DELIVERED

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

RECEIVED

AUG 23 1990

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

OIL CONSERVATION DIVISION

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