

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF MERIDIAN OIL INC. FOR
COMPULSORY POOLING
SAN JUAN COUNTY, NEW MEXICO

CASE NO. 10170

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 in accordance with Section 70-2-17(c) NMSA (1978) applies to the New Mexico Oil Conservation Division for an order pooling all mineral interest in the Basin Fruitland Coal Gas Pool underlying the W/2 of Section 7, T27N, R10W, San Juan County, New Mexico. The above described unit is to be dedicated to its Rowley No. 500 to be drilled at standard well location in said Section 7, and in support thereof would show:

1. Applicant is the operator of the W/2 of Section 7 and is a majority working interest owner in the proposed spacing and proration unit.
2. Applicant desires to drill a well at a standard location in said Section 7, T27N, R10W.

3. Applicant has sought a voluntary agreement with all those parties shown on Exhibit "A" for the formation of appropriate spacing and proration unit for the drilling of the subject well, but has been unable to obtain a voluntary agreement.

4. Pursuant to the Division notice requirements, Applicant has notified all those parties shown on Exhibit "A" of this application for compulsory pooling and the Applicant's request for a hearing before the Division to be set on November 28, 1990.

5. In order to obtain its just and equitable share of the potential production underlying the above tract, Applicant needs an order pooling the mineral interests involved in order to protect Applicant's correlative rights and prevent waste.

WHEREFORE, Applicant prays that this application be set for hearing before the Division's duly appointed Examiner, and that after notice and hearing as required by law, the Division enter its order pooling the mineral interest described herein. Applicant further prays that it be named operator of the well, and that the order make provisions for Applicant to recover out of production its costs of drilling, completing and equipping the subject well, costs of operation, including costs of supervision, and a risk

factor in the amount of 156% for the drilling and completing of the well, for such other and further relief as may be proper.

Respectfully submitted,

KELLAHIN, KELLAHIN & AUBREY

By:

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

W. Thomas Kellahin

P.O. Box 2265

Santa Fe, New Mexico 87504

(505) 982-4285

EXHIBIT "A"

Hondo Oil & Gas	19.46113%
P.O. Box 2208	
Roswell, New Mexico 88201	

Amoco Production Company	8.10593%
P.O. Box 800	
Denver, Colorado 80201	

Conoco Inc.	8.10593%
One Lakeview Energy Center	
3817 NW Expressway	
Oklahoma City, Oklahoma 73112	
Attn: Ed Slovacek	