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Santa Fé, New Mexico 87504-2265

July 18, 1988

RECEIVED

JUL 20 1988

Case 9469

OIL CONSERVATION DIVISION

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

"Hand Delivered"

Re: Application of Meridian Oil Inc.
for a Horizontal Drain Hole
Pilot Project, Lea County, New Mexico

Dear Mr. LeMay:

On behalf of Meridian Oil Inc. we would appreciate you having the enclosed application set for hearing on the next available Examiner's docket now scheduled for August 17, 1988.

We suggest the following for an advertisement for the docket and newspaper.

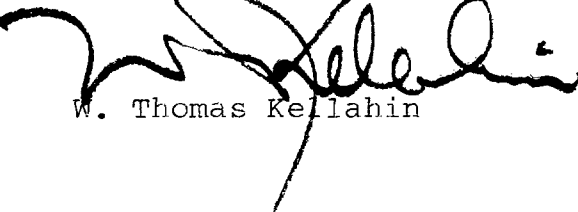
Application of Meridian Oil Inc. for a Horizontal Directional Drilling, Unorthodox Bottom hole location, Lea County, New Mexico. Applicant in the above styled cause seeks authority to re-enter its Corbin State No. 1, surface location 1980 feet FWL, 1980 feet FNL, Section 16, Township 18 South, Range 33 East, and plug back to approximately 11,320 feet and thence to drill a short radius curve and thence to drill horizontally in a westerly direction approximately 600 feet. The terminus of the bottomhole location will be unorthodox no closer than 1380 feet from the West line of Section 16. The proposed horizontal section will be located within the Wolfcamp Limestone Formation at a depth of approximately 11,320 feet and will be totally contained within an 80-acre proration unit being the S/2NW/4 of said Section 16, to be dedicated to the well within the South Corbin Wolfcamp Pool. Said location is approximately 8.5 miles southeast of Maljamar, New Mexico.

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By copy of this letter to all parties shown on Exhibit A to the application, we are forwarding a copy of the application and notifying them 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. Those parties are directed to contact the Division or the applicant's attorney to determine what additional rights they may have.

Very truly yours,



W. Thomas Kellahin

WTK:ca
Enc.

cc: Mr. Arden Walker
Meridian Oil Inc.
21 Desta Drive
Midland, Texas 79705

"Certified" Return-Receipt Requested

All parties listed in Application

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

RECEIVED

JUL 20 1965

OIL CONSERVATION DIVISION

IN THE MATTER OF THE
APPLICATION OF MERIDIAN OIL INC.
FOR A HORIZONTAL DIRECTIONAL
DRILLING PILOT PROJECT AND
UNORTHODOX BOTTOM HOLE LOCATION,
LEA COUNTY, NEW MEXICO.

CASE NO.: 9465

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 authority to re-enter its Corbin State No. 1, surface location 1980 feet FWL, 1980 feet FNL, Section 16, Township 18 South, Range 33 East, wherein the applicant proposes to drill a short radius horizontal wellbore extending to the west approximately 600 feet. The terminus of the bottomhole location will be unorthodox. The proposed horizontal section will be located within the Wolfcamp Limestone Formation at a depth of approximately 11,320 feet and will be totally contained within an 80-acre proration unit being the S/2NW/4 of said Section 16, to be dedicated to the well. Said location is approximately 8.5 miles southeast of Maljamar, New Mexico, and in support thereof would show:

1. Applicant drilled its Corbin State No. 1 well at a surface location 1980 feet FWL and 1980 feet FNL of Section 16, T18S, R33E, NMPM, to a total depth of 13,700.

2. Applicant proposes to re-enter this well and plug back to approximately 11,320 feet and there commence a short radius curve directional drilling within approximately 12 feet interval and then to drill horizontally in a westerly direction not more than a maximum of 600 feet.

3. The original spacing unit for the Corbin State No. 1 well is the E/2NW/4 of said Section 16.

4. Applicant proposes to re-orient the spacing unit and dedicate the S/2NW/4 of Section 16 to the well.

5. Applicant is the operator of the NW/4 of Section 16.

6. Attached as Exhibit "A" to this application is a list of the names and addresses of all offset operators that may be affected by this application.

7. Pursuant to notice requirements, applicant has caused all parties shown on Exhibit "A" to be sent written notification by certified mail return-receipt of this application and applicants request that this matter be set for hearing on the Examiner's docket of August 17, 1988.

8. The proposed horizontal section of the wellbore will be located in the Wolfcamp limestone formation within the vertical limits of the South Corbin Wolfcamp Pool.

9. Applicant seeks approval of this application in order to determine if this type of wellbore and completion in the Wolfcamp formation will result in the recovery of substantially greater amounts of hydrocarbons from the Wolfcamp than would normally be recovered by a conventional well completion thereby improving ultimate recovery and preventing waste.

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

Respectfully Submitted:

By 

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

EXHIBIT "A"

Amoco Production Company
Attn: Mr. Dan McQue
P. O. Box 3092
Houston, Texas 77253

Cal-Mon Oil Company
Attn: Mr. Bob Monaghan
P. O. Box 2066
Midland, Texas 79702

Cities Service Oil and Gas Corporation
Attn: Mr. Charlie Dickenson
3545 NW 58th Street
Oklahoma City, Oklahoma 73112

Conoco Inc.
Attn: Mr. Boyd Nelson
P. O. Box 460
Hobbs, New Mexico 88240

Harvey E. Yates Company
Attn: Ms. Shari Darr
P. O. Box 1933
Roswell, New Mexico 88202

J. M. Huber Corporation
Attn: Land Department
2000 West Loop South
Houston, Texas 77027

Yates Energy Corporation
Attn: Land Department
Sunwest Centre, Suite 1010
Roswell, New Mexico 88201

Murphy Operating Company
Attn: Land Department
P. O. Box 2648
Roswell, New Mexico 88201