

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

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OIL CONSERVATION DIVISION

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

CASE: 9543

A P P L I C A T I O N

COMES NOW, MERIDIAN OIL, INC., by and through its attorneys, Campbell & Black, P.A., 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 16, T32N, R10W, San Juan County, New Mexico. The above described unit is to be dedicated to its EPNG Com C #100 Well to be drilled to a depth of approximately 3200 feet at standard well location in said Section 16, and in support thereof would show:

1. Applicant is a working interest owner in the W/2 of Section 16, T32N R10W.
2. Applicant desires to drill a well at a standard location in the SE/4 SW/4 of the Section 16.

3. Applicant, has sought a voluntary agreement with all those parties shown on Exhibit "A" for the formation of appropriate spacing and proration unit as shown on Exhibit B 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 22, 1988.

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 200% for the drilling and completing of the well, for such other and further relief as may be proper.

Respectfully submitted,

By 

William F. Carr  
Campbell & Black  
P.O. Box 2208  
Santa Fe, New Mexico 87504

(505) 988-4421

EXHIBIT "A"

Attached to and made a part of that certain Operating Agreement dated May 1, 1988, between MERIDIAN OIL INC., as Operator, and Non-Operators.

I. LANDS SUBJECT TO OPERATING AGREEMENT:

Township 32 North, Range 10 West

Section 16: W/2

II. RESTRICTIONS, IF ANY, AS TO DEPTHS OR FORMATIONS:

This Agreement shall cover only the Fruitland formation.

III. ADDRESSES AND PERCENTAGES OR FRACTIONAL INTERESTS OF PARTIES TO THIS AGREEMENT:

|   |          |
|---|----------|
| Meridian Oil Inc.<br>c/o Land Department<br>Meridian Oil Production Inc.<br>P.O. Box 4289<br>Farmington, New Mexico 87499-4289          | Operator |
| El Paso Production Company<br>c/o Land Department<br>Meridian Oil Production Inc.<br>P.O. Box 4289<br>Farmington, New Mexico 87499-4289 | 62.50%   |
| Chevron U.S.A., Inc.<br>Post Office Box 599<br>Denver, Colorado 80201   | 25.00%   |
| Fina Oil & Chemical<br>Post Office Box 2990<br>Midland, Texas 79702   | 12.50%   |

|  |                                  |     |
|--|----------------------------------|-----|
| 10w  |                                  |     |
| E-3150-1<br>40A.<br>EPPC-100%.             | E-1058-1<br>40A.<br>EPPC-100%.   |     |
| B-11127-1<br>80A<br>Chevron USA, Inc-100%. |                                  |     |
| E-3150-1<br>40A<br>EPPC-100%.              | B-11318-26<br>40A<br>EPPC-100%.  | 16  |
| E-286-22<br>40A<br>EPPC-100%.              | B-11127-1<br>40A<br>Fina - 100%. | 32N |

EPNG Com C<sup>#</sup>100  
 W/2 Sec. 16-32N-10W  
 San Juan County, N.M.  
 320 Acres