

STATE OF NEW MEXICO

DEPARTMENT OF ENERGY AND MINERALS RECEIVED

OIL CONSERVATION DIVISION

MAY 21

OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF
MERIDIAN OIL, INC. FOR APPROVAL OF
AN UNORTHODOX WELL LOCATION, BASIN
FRUITLAND COAL GAS POOL,
RIO ARRIBA COUNTY, NEW MEXICO

Case No. 9680
9681

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 2560 feet FNL and 2610 feet FWL of Section 15, T30N, R7W, Rio Arriba County, New Mexico for its San Juan 30-6 Unit Well No. 406-R and in support would show:

1. Applicant is a working interest owner and operator for the San Juan 30-6 Unit which includes, among other acreage, all of Section 15, T30N, R9W, NMPM for the development of coal gas production from the Basin Fruitland Coal Gas Pool.

2. The E/2 of Section 15 has been developed for coal gas production by Unit well No. 465.

3. The W/2 of Section 15 has been developed by Unit Well 402 located in the SW/4 NE/4 SW/4 (Unit K) and by Unit Well 406 located in Unit F.

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

5. Applicant desires to convert both the Unit 406 Well and the Unit 402 Well to observation wells and to replace them with the subject Unit 406-R Well.

6. Because of a combination of topography and geology the optimum location for the replacement well in the NW/4 of said Section 15 will be an unorthodox well location 2560 feet FNL and 2610 feet FWL of said Section 15.

7. The unorthodox well location will not impair the correlative rights of any party because it is crowding an interior spacing unit line within the 30-6 unit.

8. In addition, Meridian will not gain any advantage over any other operator in the area because only one of the three wells in the W/2 of Section 15 will be a production well. Attached as Exhibit C is a list of the offsetting interest owners who are to receive notification of this application.

9. Pursuant to Division notice rules, a copy of this application was mailed by certified mail return-receipt to each of the parties listed on Exhibit C.

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

Kellahin, Kellahin & Aubrey

By: 

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

- Legend:
- ⊙ Existing finished coal well
 - ⊙ Proposed finished coal well
 - Orthadox Quaternary Quarters
 - 320 acre drillblock
 - Northeast Blaine Boundary

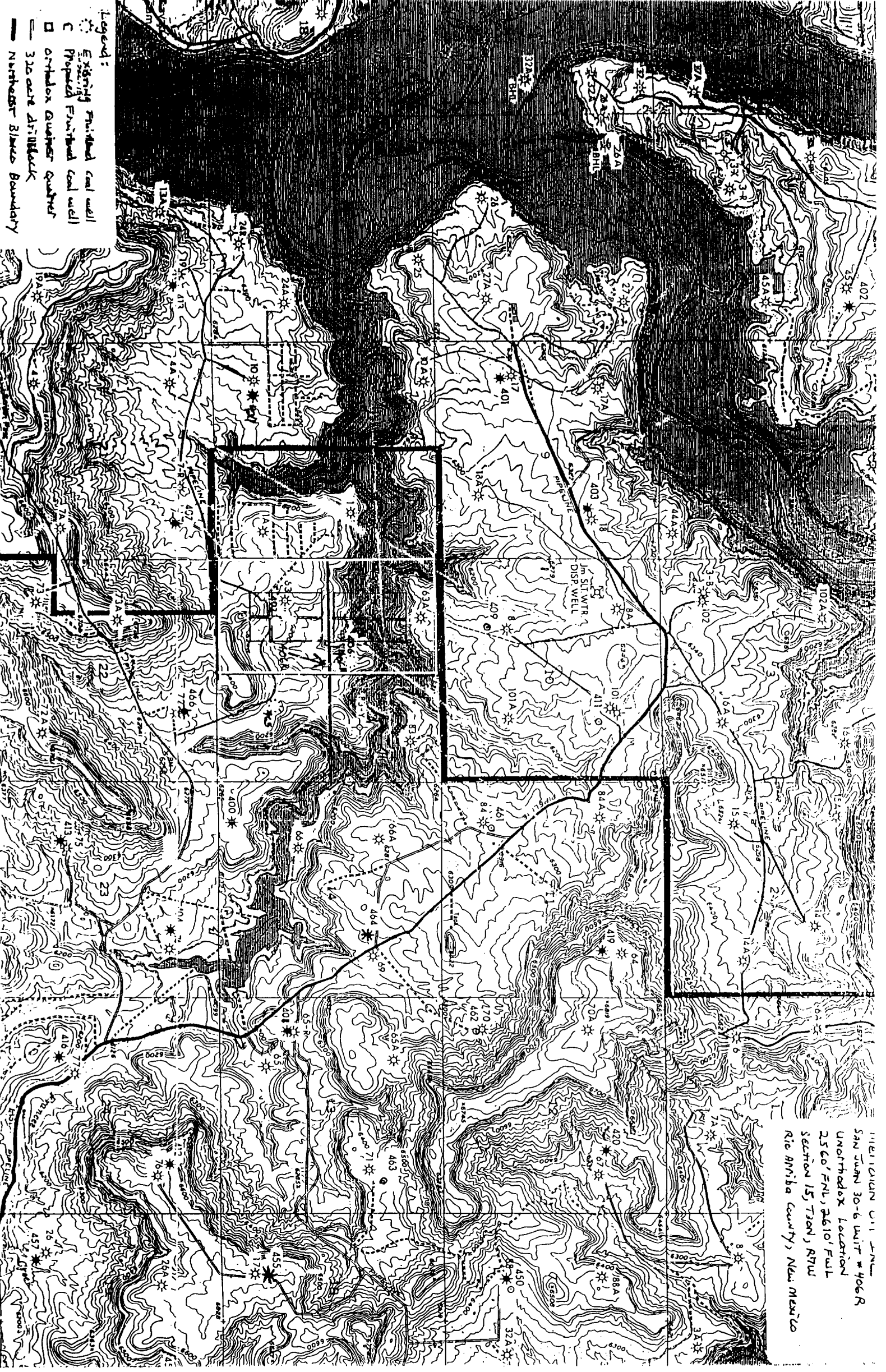


Exhibit A

All distances must be from the outer boundaries of the Section.

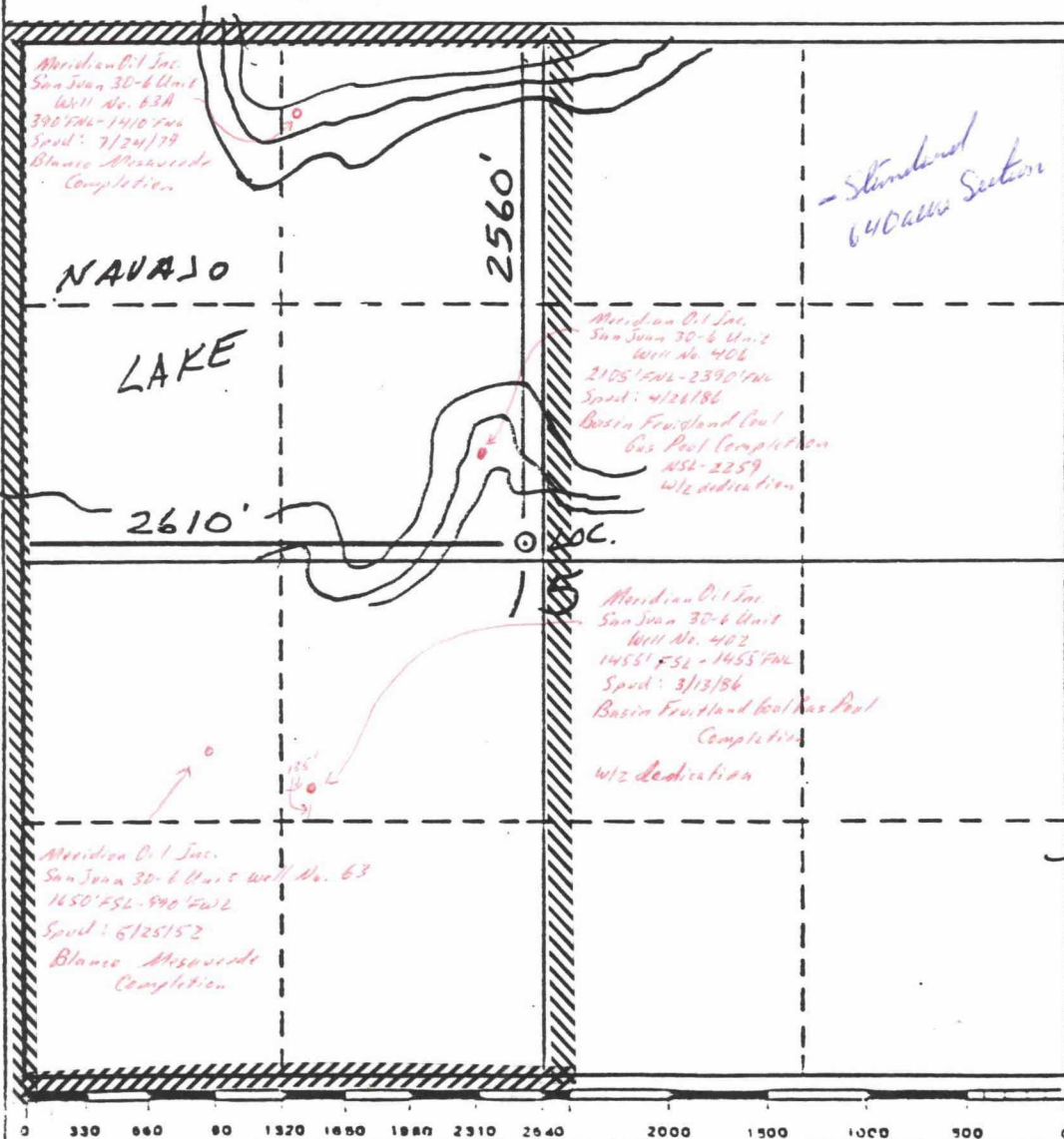
Operator El Paso Natural Gas		Lease San Juan 30-6 Unit		Well No. 406 R
Unit Letter F	Section 15	Township 30 North	Range 7 West	County Rio Arriba
Actual Footage Location of Wells: 2560 feet from the North line and 2610 feet from the West line				
Ground Level Elev. 6195	Producing Formation	Pool	Dedicated Acreage:	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name

Position

Company

Date

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

9-22-88

Registered Professional Engineer and/or Land Surveyor

Neale C. Edwards

Certificate No.

6357

SAN JUAN 30-6 UNIT #406 R

Blackwood & Nichols Co., LTD
1310 1st Natl. Center West
Oklahoma City, OK 73102

W. P. Carr, Individually & as Trustee
6700 Forest Lane
Dallas, Texas 75230

Amoco Production Company
Attention: Southern Division
Production Manager
Post Office Box 800
Denver, Colorado 80201

Amoco Production Company
Attention: District Manager
2325 East 30th Street
Farmington, New Mexico 87401

Cross Timbers Partners
c/o Cross Timbers Production Company
810 Houston Street, Suite 200
Fort Worth, TX 76102

Mr. Morris Mizel
c/o Mizel Resources
6560 East 41st Street
Tulsa, Oklahoma 74145

T. H. McElvain, Jr.
& T. H. McElvain Oil & Gas Properties
Post Office Box 2148
Santa Fe, New Mexico 87501

Exhibit "C"