

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

RECEIVED

JUN 23 1989

OIL CONSERVATION DIVISION

APPLICATION OF MERIDIAN OIL, INC.
FOR EXEMPTION FROM THE NEW MEXICO
NATURAL GAS PRICE PROTECTION ACT,
SAN JUAN COUNTY, NEW MEXICO.

CASE NO. 9703

APPLICATION

Meridian Oil, Inc. ("Applicant"), through its counsel, hereby applies for exemptions from the New Mexico Natural Gas Price Protection Act, Sections 62-7-1 NMSA (1978), et seq. In support, Applicant states:

1 Meridian is the operator of or interest owner in the wells (the "subject wells") identified more particularly in Exhibit "A", attached.

2. Each of the subject wells is an infill well, being the second well to be drilled on the proration units more particularly described on Exhibit "A". The spud dates for each of the subject infill wells is also reflected on Exhibit "A".

3. The drilling and completion of each of the subject wells was necessary to effectively and efficiently recover the reserves from the proration unit which otherwise could not be effectively and efficiently drained by any single well on each of the proration units.

4. The drilling and completion of the subject infill wells has resulted and will result in the more efficient use of reservoir energy.

5. The drilling and completion of the subject infill wells has resulted and will result in the increase of recoverable reserves from the pools in which each of the wells is completed.

6. To the best of the Applicant's knowledge, none of the wells existing on the proration units at the time the subject infill wells were drilled have had their production restricted in any manner for purposes of avoiding the application of the New Mexico Natural Gas Protection Act to sales of natural gas from those wells.

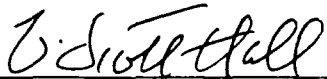
7. The drilling of each of the subject wells was justified for reasons other than avoiding the application of the New Mexico Price Protection Act.

8. Granting exemptions for each of the subject wells from the New Mexico Natural Gas Price Protection Act will not impair correlative rights and will not cause waste.

WHEREFORE, Applicant prays that this matter be set for hearing before the next scheduled hearing of the Oil Conservation Division and that after notice and hearing as required by law, the Division enter its order exempting the subject wells from the provisions of the New Mexico Natural Gas Pricing Protection Act.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

By 
J. Scott Hall
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
(505) 988-4421

ATTORNEYS FOR MERIDIAN OIL, INC.

<u>WELL NAME</u>	<u>OPERATOR</u>	<u>MERIDIAN WORKING INTEREST</u>	<u>SPUD DATE</u>	<u>DESCRIPTION</u>	<u>POOL</u>
Outside Operated Wells					
Hare Gas Com D 1E	Amoco	.125000	02/09/80	SW NE, 14-29N-11W, San Juan, NM	Basin Dakota
Cornell B 1E	Tenneco	.250000	05/12/80	NE NW, 12-29N-12W, San Juan, NM	Basin Dakota
Cornell E 1E	Tenneco	.250000	04/14/80	NE NE, 14-29N-12W, San Juan, NM	Basin Dakota
Hubbell Gas Com C 1E	Amoco	.250000	04/05/80	NE SE, 29-28N-10W, San Juan, NM	Basin Dakota
San Juan Gravel A 1E	Tenneco	.250000	03/24/80	SE NE, 21-29N-13W, San Juan, NM	Basin Dakota
Albright 6E	Union Texas/Unicon	.250000	09/11/80	SW NW, 22-29N-10W, San Juan, NM	Basin Dakota
Hubbell Gas Com B 1E	Amoco	.123170	02/08/81	SE SE, 30-28N-10W, San Juan, NM	Basin Dakota
Moore Com 1E	Tenneco	.250000	09/10/81	SW SW, 25-32N-12W, San Juan, NM	Basin Dakota
Lefkovitz Gas Com B 1E	Amoco	.500000	02/12/82	SE SE, 25-29N-10W, San Juan, NM	Basin Dakota
Shepherd & Kelsey 1E	Mesa	.250000	02/21/81	NW NW, 29-29N-11W, San Juan, NM	Basin Dakota
GerK Gas Com B 1M	Amoco	.281381	01/11/82	SE SW, 19-29N- 9W, San Juan, NM	Blanco MV
GerK Gas Com B 1M	Amoco	.281381	01/11/82	SE SW, 19-29N- 9W, San Juan, NM	Basin Dakota
Coldiron Com A 1M	Tenneco	.375100	10/22/82	SE NW, 2-30N-11W, San Juan, NM	Blanco MV
Coldiron Com A 1M	Tenneco	.375100	10/22/82	SE NW, 2-30N-11W, San Juan, NM	Basin Dakota
McCoy Gas Com D 1E	Amoco	.120687	11/21/81	SW NW, 28-30N-12W, San Juan, NM	Basin Dakota
Martin Gas Com B 1E	Amoco	.250000	02/24/82	SE SE, 31-28N-10W, San Juan, NM	Basin Dakota

Exhibit "A"

<u>WELL NAME</u>	<u>OPERATOR</u>	<u>MERIDIAN WORKING INTEREST</u>	<u>SPUD DATE</u>	<u>DESCRIPTION</u>	<u>POOL</u>
Outside Operated Wells					
Martin Gas Com B 1E	Amoco	.250000	02/24/82	SE SE, 31-28N-10W, San Juan, NM	Fulcher Kutz Pictured Cliffs
State Gas Com BC 1E	Amoco	.250000	01/30/83	SW NE, 32-31N-12W, San Juan, NM	Basin Dakota
Newberry B 1E	Tenneco	.500000	08/31/81	SW SW, 35-32N-12W, San Juan, NM	Basin Dakota
Meridian Operated Wells					
Cain 3R		1.000000	07/24/78	NE SE, 30-29N- 9W, San Juan, NM	Basin Dakota
Reid 22 R		1.000000	08/04/78	NW SE, 7-28N- 9W, San Juan, NM	Basin Dakota
Arizona Jicarilla B 8A		1.000000	06/16/79	NE SW, 9-26N- 5W, San Juan, NM	Blanco MV
Jicarilla 101 7M		1.000000	09/25/81	SW NE, 12-26N- 4W, San Juan, NM	Basin Dakota
Jicarilla 101 7M		1.000000	09/25/81	SW NE, 12-26N- 4W, San Juan, NM	Blanco MV
Arizona Jicarilla B 5F		1.000000	06/25/79	SE SW, 10-26N- 5W, Rio Arr., NM	Blanco MV
Tommy Bolack 1E		.365784	05/28/82	NW SE, 1-30N-12W, San Juan, NM	Basin Dakota
Tommy Bolack 1E		.365784	05/28/82	NW SE, 1-30N-12W, San Juan, NM	Blanco MV
Vasaly 2E		.422146	06/04/81	NW NW, 31-32N-11W, San Juan, NM	Basin Dakota