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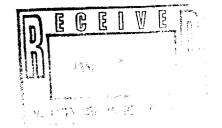
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

'NEW MEXICO BOARD OF LEGAL SPECIALIZATION RECOGNIZED SPECIALIST IN THE AREA OF

W. THOMAS KELLAHIN*

January 24, 1994



HAND DELIVERED

Mr. William J. LeMay Oil Conservation Division State Land Office Building 310 Old Santa Fe Trail, 2nd Floor Santa Fe, New Mexico 87501

Re: Lodewick #1 Well

18-T27N, R9W

Application of Meridian Oil Inc. for an unorthodox coal gas well location and downhole commingling,

San Juan County, New Mexico

Dear Mr. LeMay:

On behalf of Meridian Oil Inc., please find enclosed our referenced application which we request be set for hearing on the next available Examiner's docket now scheduled for February 17, 1994.

By copy of this letter and application, sent certified mail, we are notifying all interested parties of their right to appear at the hearing and participate in this case, including the right to present evidence either in support of or in opposition to the application and that failure to appear at the hearing may preclude them from any involvement in this case at a later date.

Mr. William J. LeMay January 24, 1994 Page Two

Pursuant to the Division's Memorandum 2-90, all parties are hereby informed that if they appear in this case, then they are requested to file a Pre-Hearing Statement with the Division not later than 4:00 PM on Friday, February 11, 1994, with a copy delivered to the undersigned.

Also enclosed is our proposed advertisement of this case for the NMOCD docket.

Very truly yours,

W. Thomas Kellahin

WTK/mg Enclosure

cc: Meridian Oil Inc. and

By Certified Mail - Return Receipt

All Interested Parties

Mr. William J. LeMay January 24, 1994 Page Two

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PROPOSED ADVERTISEMENT

: Application of Meridian Oil Inc. for an unorthodox gas well location and downhole commingling, San Juan County, New Mexico. Applicant seeks approval to downhole commingle Fulcher Kutz-Pictured Cliffs Gas Pool and the Basin-Fruitland Coal Gas Pool production within the wellbore of its Lodewick #1 Well, a existing Pictured Cliffs formation well, located 990 feet FNL and 990 feet FWL, (Unit D) Section 18, T27N, R9W, NMPM, San Juan County, New Mexico. Said well would be an "off-pattern" unorthodox coal gas well and would be dedicated to a standard 320-acre gas spacing unit for the Basin-Fruitland Coal Gas Pool being W/2 of Section 18 and to a standard 160-acre gas spacing unit for the Fulcher Kutz-Pictured Cliffs Gas Pool being the NW/4 of Section 18. The well is located approximately 2 miles northeast from Angels Peak, New Mexico.