



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

GARREY CARRUTHERS
GOVERNOR

October 17, 1990

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Meridian Oil, Inc.
P.O. Box 4289
Farmington, NM 87499-4289

Attention: Peggy Bradfield

RECEIVED
OCT 23 1990
OIL CON. DIV.
DIST. 3

Administrative Order NSL-2904

Dear Ms. Bradfield:

Reference is made to your application dated August 9, 1990 for a non-standard Basin-Fruitland coal gas well location for your existing Huerfanito Unit Well No. 38 which was drilled in 1956 and completed in the Ballard Pictured Cliffs Pool at a standard gas well location 1150 feet from the South line and 1520 feet from the East line (Unit O) of Section 28, Township 27 North, Range 9 West, NMPM, San Juan County, New Mexico.

It is my understanding that the Pictured Cliffs zone will be properly plugged back and said well will be recompleted to the Basin-Fruitland Coal Gas Pool, which pursuant to the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool as promulgated by Division Order No. R-8768, is unorthodox. Further, the E/2 of said Section 28 shall be dedicated to the well forming a standard 320-acre gas spacing and proration unit for said pool.

By the authority granted me under the provisions of Rule 8 of said Division Order No. R-8768, the above-described unorthodox coal gas well location is hereby approved.

Sincerely,

William J. LeMay
Director

WJL/MES/ag

cc: Oil Conservation Division - Aztec
US Bureau of Land Management - Farmington



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

GARREY CAPRUTHERS
GOVERNOR

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-0170

Date: 8-29-90

Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504-2088

Mike Stogner

Re: Proposed MC _____
Proposed DHC _____
Proposed NSL X _____
Proposed SWD _____
Proposed WFX _____
Proposed PMX _____

Gentlemen:

I have examined the application dated 8-24-90

for the Meridian Oil Co. Huerfano Unit #35
Operator Lease & Well No.

Q-28-27N-9W and my recommendations are as follows:
Unit, S-T-R

Approve after off pattern development &
known to be beneficial

Yours truly,

Gene B. Baskin



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

August 23, 1990

Meridian Oil, Inc.
P.O. Box 4289
Farmington, NM 87499-4289

Attention: Peggy Bradfield

RECEIVED

AUG 24 1990

OIL CON. DIV
DIST. 3

RE: *Unorthodox coal gas well location, Huerfanito Unit Well No. 38,
1150' FS - 1520' FEL (Unit O); 28-T27N-R9W, NMPM, Basin-
Fruitland Coal Gas Pool, San Juan County, New Mexico.*

Dear Ms. Bradfield:

Having received several applications in the past to recomplete existing wells to the Basin-Fruitland Coal Gas Pool at unorthodox coal gas well locations, usually Pictured Cliffs wells, which are off pattern for coal gas development, it appears that additional information may be necessary to properly evaluate future filings in instances when there are two wells in the proposed coal spacing unit producing from the same formation in which the one to be recompleted is also off-pattern.

In the immediate instance, the proposed E/2 320-acre coal dedication has two Ballard Pictured Cliffs Gas wells; the Huerfanito Unit Well No. 41 located in Unit B and the Huerfanito Unit Well No. 38 located in Unit O. Why was the No. 38 chosen over the No. 41 well? Also, how does this off-pattern recompletion effect coal development in the immediate area? Please submit any supporting production data, engineering evaluation and related technical data to support your choice of wells for recompletion. Also submit a plat of the offsetting sections showing the coal completions presently planned or currently producing and provide a discussion addressing the proposed off-pattern development.

Should you have any questions, please contact me.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: Oil Conservation Division - Aztec
US Bureau of Land Management - Farmington

MERIDIAN OIL

August 9, 1990

Federal Express

Mr. William LeMay
New Mexico Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87503

RECEIVED
AUG 10 1990
OIL CON. DIV.
DIST. 3

RE: Huerfanito Unit #38
1150'FSL, 1520'FEL
Section 28, T-27-N, R-09-W
San Juan, New Mexico

Dear Mr. LeMay:

This is a request for administrative approval for a non-standard gas well location in the Basin Fruitland Pool.

Meridian Oil intends to plugback and recomplete the Huerfanito Unit #38 well from the Pictured Cliffs pool to the Basin Fruitland Coal Pool. The current location of this well is 1150'FSL, 1520'FEL, Section 28, T-27-N, R-09-W, San Juan, New Mexico. The well is considered non-standard due to the NE-SW dedicated pattern established for the Basin Fruitland Coal Pool. To comply with the New Mexico Oil Conservation Division rules, Meridian is submitting the following for your approval of this non-standard location:

1. C-102 plat showing location of the well;
2. Plat showing offset owners/operators;
3. Affidavit of notification of offset owners/operators;
4. Copy of Well Completion Log for original completion.

A copy of this application is being submitted to all offset owners/operators by certified mail with a request that they furnish your Santa Fe office with a Waiver of Objection, and return one copy to this office.

Sincerely yours,



Peggy Bradfield
encl.

WAIVER

_____ hereby waives objection to Meridian Oil Inc.'s application for a non-standard location for their Huerfanito Unit #38 as proposed above.

By: _____ Date: _____

xc: Meridian Oil Inc.

RECEIVED
AUG 10 1990
OIL CON. DIV.
DIST. 3

Huerfanito Unit #38
1150'FSL, 1520'FEL
Section 28, T-27-N, R-09-W
San Juan, New Mexico

I hereby certify that the following offset owners/operators have been notified by certified mail of our application for administrative approval for non-standard gas well location for the plugback and recompletion of the above well.

Meridian Oil Inc.
P.O. Box 4289
Farmington, NM 87499



Peggy Bradfield
August 9, 1990

San Juan County
State of New Mexico

My commission expires August 17, 1992

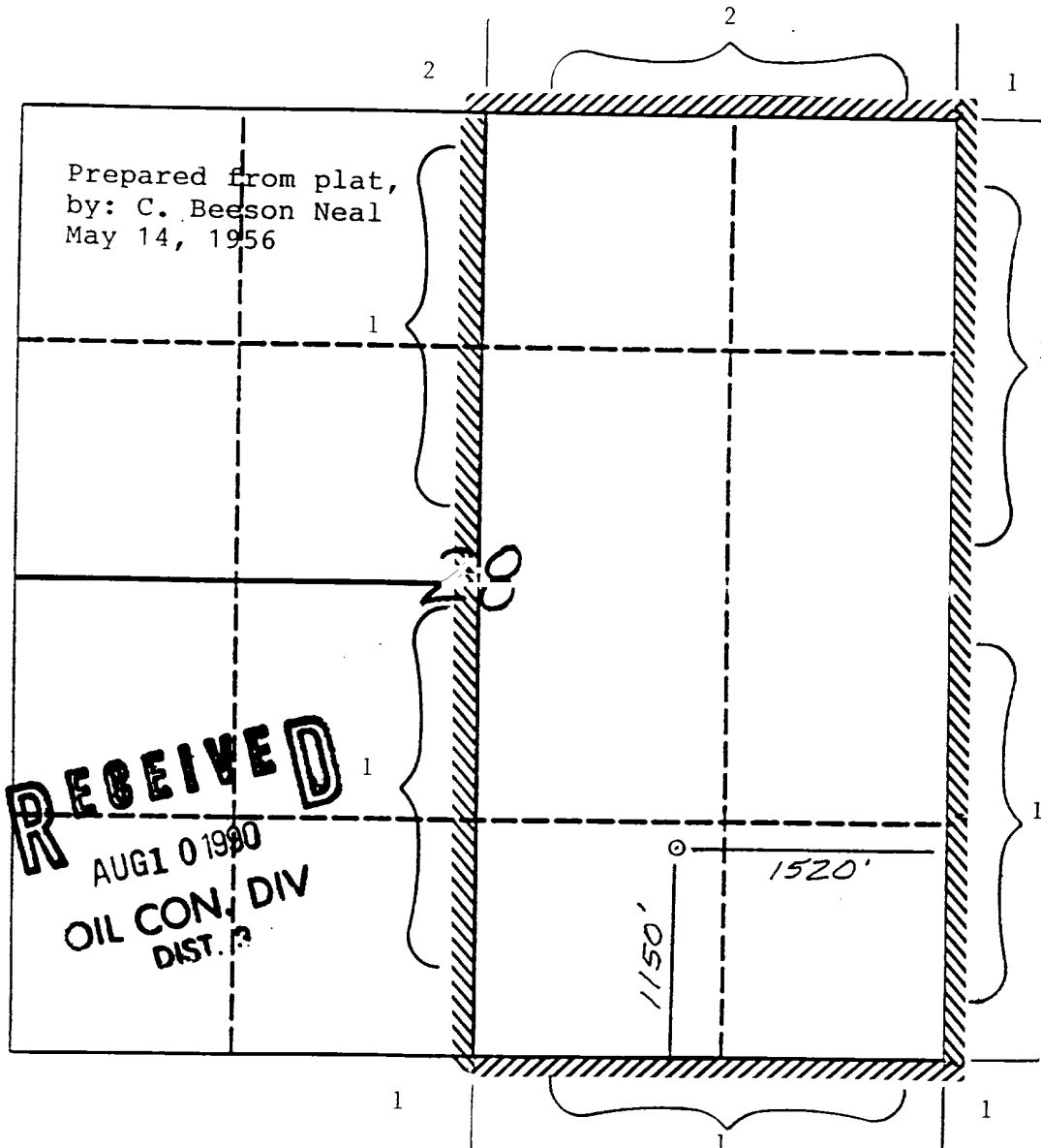
EL PASO NATURAL GAS COMPANY

Well Name Huerfanito Unit #38

Footage 1150' FSL; 1520' FEL

APPLICATION FOR NON-STANDARD LOCATION

County San Juan State New Mexico Section 28 Township 27N Range 9W



Remarks 1) El Paso Natural Gas Co.
2) Meridian Oil Inc.

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-101
Revised 1-1-89

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brizon Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator El Paso Natural Gas, Company			Lease (SF-078081) Huerfanito Unit		Well No. 38
Unit Letter O	Section 28	Township 27 North	Range 9 West	County NMPM San Juan	
Actual Footage Location of Well: 1150 feet from the South line and 1520 feet from the East line					
Ground level Elev. 6511'		Producing Formation Fruitland Coal		Pool Basin	Dedicated Acreage: 320 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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 interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

☒ Yes ☐ No

If answer is "yes" type of consolidation unitization

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

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

Prepared from plat,
by: C. Beeson Neal
May 14, 1956

OPERATOR CERTIFICATION

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

Signature

Peggy Bradfield

Printed Name

Regulatory Affairs

Position

El Paso Natural Gas

Company

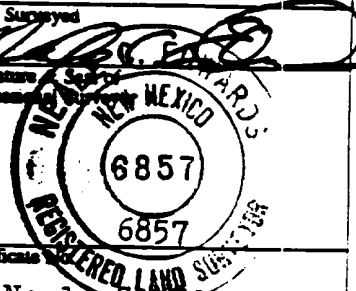
Date

SURVEYOR CERTIFICATION

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

Date Surveyed

Signature of Surveyor
Professional Surveyor

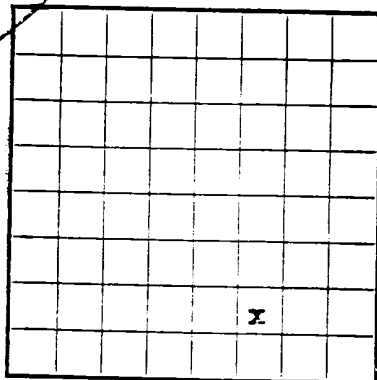


Certificate No.

Neale C. Edwards

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

U. S. LAND OFFICE Santa Fe
SERIAL NUMBER 078081
LEASE OR PERMIT TO PROSPECT _____



LOCATE WELL CORRECTLY

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

LOG OF OIL OR GAS WELL

Company J. Glenn Turner Address Box 728 - Farmington, New Mexico
Lessor or Tract Huerfanito Unit Field Fulcher Kutz Ext. State New Mexico
Well No. 38-28 Sec. 28 T. 27-N R. 9-W Meridian N.M.P.M. County San Juan
Location 1150 ft. [N.] of S. Line and 1520 ft. [W.] of E. Line of Sec. 28 Elevation 6519
(Derrick floor relative to sea level)

The information given herewith is a complete and correct record of the well and all work done thereon so far as can be determined from all available records.

Date May 14, 1956 Signed _____ Title C. Beeson Neal, Agent in Farmington

The summary on this page is for the condition of the well at above date.

Commenced drilling Feb. 24, 1956, 19____ Finished drilling March 12, 1956, 19____

OIL OR GAS SANDS OR ZONES

(Denote gas by G)

No. 1, from 2346 to 2425 ("G") No. 4, from _____ to _____
No. 2, from _____ to _____ No. 5, from _____ to _____
No. 3, from _____ to _____ No. 6, from _____ to _____

IMPORTANT WATER SANDS

No. 1, from _____ to _____ No. 3, from _____ to _____
No. 2, from _____ to _____ No. 4, from _____ to _____

CASING RECORD

Size casing	Weight per foot	Threads per inch	Make	Amount	Kind of shoe	Cut and pulled from	Perforated		Purpose
							From—	To—	
8-5/8"	21#	8 rd. thd.	J-55	89'	None				Surface
5-1/2"	16.5#	8 rd. thd.	J-55	2109'	None				Log string
HIGHEST OF OIL OR GAS LEFT									

MUDDING AND CEMENTING RECORD

Size casing	Where set	Number sacks of cement	Method used	Mud gravity	Amount of mud used
8-5/8"	98'	70	Halliburton	Mostly Water	
5-1/2"	2349'	100	Halliburton	Mostly water	

PLUGS AND ADAPTERS

Denth set _____

MERIDIAN OIL

August 29, 1990

RECEIVED
SEP 07 1990
OIL CON. DIV.
DIST. 3

New Mexico Oil Conservation Division
Attn: Mr. Michael E. Stogner
P.O. Box 2088
Santa Fe, New Mexico 87504

RE: Huerfanito Unit #38
1150' FSL, 1520' FEL (Unit 0)
Section 28, T27N, R09W
Basin Fruitland Coal Gas Pool
San Juan County, New Mexico
Unorthodox Coal Gas Well Location

Dear Mr. Stogner:

At the time Meridian Oil submitted the above-referenced unorthodox coal gas well location for your approval, we were aware that two Ballard Pictured Cliffs gas wells were located in the E/2 320-acre coal dedication. Therefore, in response to your letter dated August 20, 1990 regarding the subject well, the following is submitted:

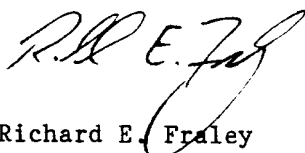
The primary justification of choosing the Huerfanito Unit #38 over the Huerfanito Unit #41 (standard location) was the productivity of the wells. The Huerfanito Unit #38 has been producing at 2 MCF/D and is uneconomic to operate. Workovers and sales compression of the producing formation were evaluated, but these alternatives could not be economically justified. The Huerfanito Unit #41 has sustained production of 15 MCF/D and is currently economic to operate. The plug back of the Huerfanito Unit #41 at this time for the sole purpose of a standardized location would not be considered prudent management by Meridian of existing reserve potential. Meridian does not feel the productivity of the coal will vary between the locations. Recompletion of the Huerfanito Unit #38 will allow us to produce Fruitland Coal reserves without creating economic waste by drilling a new well. There should be no correlative rights problem since all direct offset acreage (NE/4 of Section 33, NW/4 of Section 34 and SW/4 of Section 27) is committed to the Huerfanito Unit and all working interest and burden owners are unitized.

New Mexico Oil Conservation Division
Huerfanito Unit #38
Page Two

Included is the requested plat of offsetting dedicated units showing completed coal projects and those proposed to date. Although all proposed coal gas well development projects are included, additional projects may be proposed in the future. Because it is less desirable from an economic standpoint to drill new wells in this area, the off pattern development of this unit utilizing the existing subject wellbore represents the most prudent operation for the immediate area.

Should you have any questions, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "R. E. Fraley", written over the printed name.

Richard E. Fraley
Regional Production Engineer

REF/CRB:tt

attachments

cc: Oil Conservation Division/Aztec
US Bureau of Land Management/Farmington

DATE: AUGUST 27, 1990
 NAME: HUERFANITO UNIT #38
 FORM: FRUITLAND COAL

LOCATION
 UNIT: 0
 SEC: 28
 T4N: 27
 R4G: 9

T
27
N

LEGEND

*
 WELLNAME
 EXISTING FORMATION -
 PRIOR TO RECOMPLETION

<p>[20]</p> <p>* MCADAMS A #1 (PC) PROPOSED FTC R/C</p> <p>* CLEVELAND #2 (PC) COMPLETED R/C</p>	<p>* CLEVELAND #220 COMPLETED NEW DRILL</p> <p>[21]</p>	<p>* HUERFANITO UNIT #53 (PC) [22] COMPLETED R/C</p> <p>* HUERFANITO UNIT #43 (PC) COMPLETED R/C</p>
<p>* A.D. HUDSON #2 (PC) PROPOSED R/C</p> <p>[29]</p> <p>* A.D. HUDSON #1 (PC) PROPOSED R/C</p>	<p>[28]</p> <p>* HUERFANITO UNIT #38 (PC) PROPOSED FTC R/C</p>	<p>* HUERFANITO UNIT #47 (PC) [27] COMPLETED R/C</p> <p>* HUERFANITO UNIT #39 (PC) COMPLETED R/C</p>
<p>[32]</p> <p>* MAGNOLIA COM #1 (PC) PROPOSED R/C</p>	<p>* HUERFANITO UNIT #32 (PC) COMPLETED R/C</p> <p>* HUERFANITO UNIT #33 (PC) [33] COMPLETED R/C</p>	<p>* HUERFANITO UNIT #154 COMPLETED NEW DRILL</p> <p>[34]</p>

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Sundry Notices and Reports on Wells

<p>1. Type of Well GAS</p> <p>2. Name of Operator El Paso Natural Gas Company DIST. 3</p> <p>3. Address & Phone No. of Operator Box 4289, Farmington, NM 87499 (505) 326-9700</p> <p>4. Location of Well, Footage, Sec, T, R, M. 1150'S, 1520'E Sec. 28, T-27-N, R-9-W, NMPM</p>	<p>5. Lease Number SF-078081</p> <p>6. If Indian, All. or Tribe Name</p> <p>7. Unit Agreement Name Huerfanito Unit</p> <p>8. Well Name & Number Huerfanito Unit #38</p> <p>9. API Well No.</p> <p>10. Field and Pool Basin Fruitland Coal</p> <p>11. County and State San Juan County, NM</p>																					
<p>12. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OTHER DATA</p> <table border="0"><tr><td>Type of Submission</td><td colspan="2">Type of Action</td></tr><tr><td><input type="checkbox"/> Notice of Intent</td><td><input type="checkbox"/> Abandonment</td><td><input type="checkbox"/> Change of Plans</td></tr><tr><td><input checked="" type="checkbox"/> Subsequent Report</td><td><input checked="" type="checkbox"/> Recompletion</td><td><input type="checkbox"/> New Construction</td></tr><tr><td><input type="checkbox"/> Final Abandonment</td><td><input checked="" type="checkbox"/> Plugging Back</td><td><input type="checkbox"/> Non-Routine Fracturing</td></tr><tr><td></td><td><input type="checkbox"/> Casing Repair</td><td><input type="checkbox"/> Water Shut Off</td></tr><tr><td></td><td><input type="checkbox"/> Altering Casing</td><td><input type="checkbox"/> Conversion to Injection</td></tr><tr><td></td><td><input type="checkbox"/> Other</td><td></td></tr></table>		Type of Submission	Type of Action		<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans	<input checked="" type="checkbox"/> Subsequent Report	<input checked="" type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction	<input type="checkbox"/> Final Abandonment	<input checked="" type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing		<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut Off		<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection		<input type="checkbox"/> Other	
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	<input type="checkbox"/> Other																					

13. Describe Proposed or Completed Operations

10-31-90 MOL&RU. Kill w/wtr. ND WH. NU BOP. TOOH w/1" tbg. SDFN.
11-01-90 load hole w/wtr. Ran GR-CCL-CNL. Set CIBP @ 2340'. PT csg
1200#/15 min, ok. TIH, circ hole w/2% KCl wtr. Swab to 1700'.
SDFN.
11-2-90 Spot 135 gal. 15% HCl @ 2301'. Perf 2154-56', 2160-62',
2166-68', 2196-2207', 2284-92' w/2 spf. TIH w/SPIT tool to BD
perfs. BD w/375 gal. 15% HCl acid. Swabbed. SDFN.
11-3-90 Swabbed. TOOH w/tool. Ran 73 jts 2 3/8", 4.7#, J-55 EUE 8rd tbg
landed @ 2278'. SN @ 2246'. ND BOP. NU WH. SDFN.
11-4-90 Swabbed. Released rig.

14. I hereby certify that the foregoing is true and correct
Signed Beggs, D. A. [Signature] Title Regulatory Affairs Date 11-7-90

(This space for Federal or State office use)

ACCEPTED FOR RECORD

APPROVED BY _____ TITLE _____ NOV 14 1990
CONDITION OF APPROVAL, IF ANY:

FARMINGTON RESOURCE AREA

BY [Signature]