



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

GARREY CARRUTHERS
GOVERNOR

Held out for consideration of Cleveland #221
POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

October 5, 1990

RECEIVED
OCT 15 1990
OIL CON. DIV.
DIST. 3

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

Attention: Peggy Bradfield

Administrative Order NSL-2882

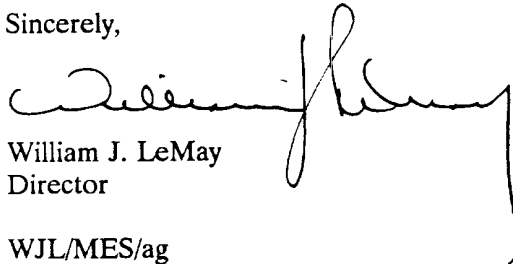
Dear Ms. Bradfield:

Reference is made to your application dated August 8, 1990 for a non-standard Basin-Fruitland coal gas well location for your existing **Reese Federal Well No. 1** which was drilled in 1953 and completed in the Fulcher Kutz Pictured Cliffs Pool at a standard gas well location 1650 feet from the South line and 1632 feet from the East line (Unit J) of Section 17, 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 17 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 CARRUTHERS
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 Stagner

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

Gentlemen:

I have examined the application dated 8-29-90
for the Meridian Oil Inc. Reese Federal #1
Operator Lease & Well No.

T-17-27N-9W and my recommendations are as follows:
Unit, S-T-R

Approve if off pattern development
proves to be beneficial

Yours truly,

Eric Brash



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

RECEIVED
AUG 22 1990
C. D.
RESEA. OFFICE

GARREY CARRUTHERS
GOVERNOR

August 20, 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
AUG 27 1990
OIL CON. DIV.
DIST. 3

RE: Unorthodox coal gas well location, Reese Federal Well No. 1,
1650' FSL - 1632' FEL (Unit J); 17-T27N-R9W, Basin-
Fruitland Coal Gas Pool, San Juan County, New Mexico.

Dear Ms. Bradfield:

Having received several applications in the past to recompleting 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 Fulcher Kutz Pictured Cliffs Gas wells; the Cleveland Well No. 1 located in Unit A and the Reese Federal Well No. 1 located in Unit J. Why was the Reese chosen over the Cleveland 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 8, 1990

Federal Express

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

RE: Reese Federal #1
1650'FSL, 1632'FEL
Section 17, 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 recompleate the Reese Federal #1 well from the Pictured Cliffs pool to the Basin Fruitland Coal Pool. The current location of this well is 1650'FSL, 1632'FEL, Section 17, 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. Copy of Well Completion Log for original completion.

All surrounding lands are operated in the Fruitland coal formation by Meridian Oil Inc.

Sincerely yours,



Peggy Bradfield
encl.

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AUG 09 1990
OIL CON. DIV.
DIST. 2

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-102
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 Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Meridian Oil Inc.			Lease Reese Federal (NM-011393)		Well No. 1
Unit Letter J	Section 17	Township 27 North	Range 9 West	County San Juan	
Actual Footage Location of Well: 1650 feet from the South line and 1632 feet from the East line					
Ground level Elev. 6357'		Producing Formation Fruitland Coal		Pool Basin	
Dedicated Acreage: 320 Acres					

1. Outline the acreage dedicated to the subject well by colored pencil or hectare 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 _____
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, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.

Not resurveyed. Taken
from plat by E.S.Oberly
dated 2-24-56

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AUG 09 1990

OIL CON. DIV.
DIST. 3

7

1632'
1650'

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

Meridian Oil Inc.

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. 8-2-90

Date Surveyed

Signature

Professional Surveyor



Certificate No.

Neale C. Edwards

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

MERIDIAN OIL INC

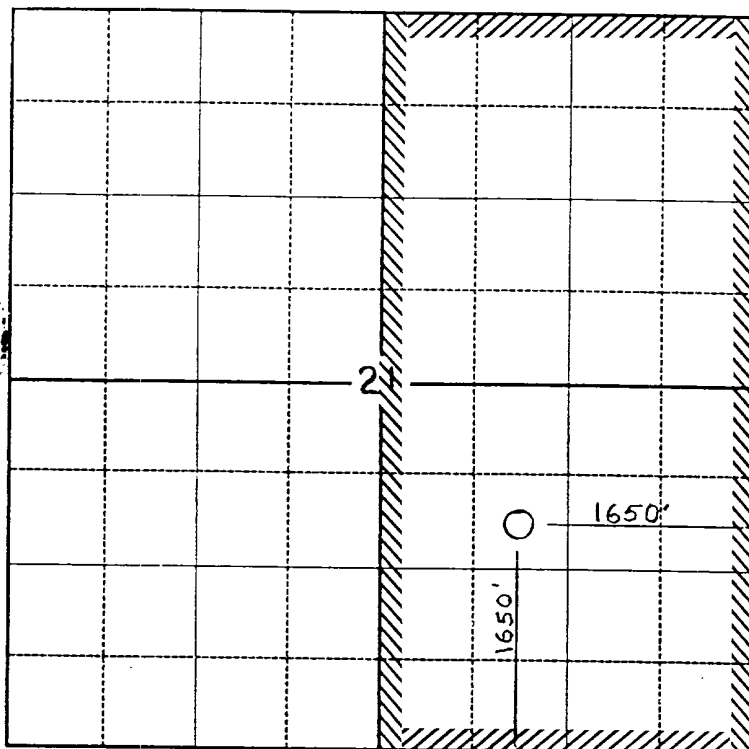
Well Name Reese Federal #1

Footage 1650' FSL; 1650' FEL

APPLICATION FOR NON-STANDARD LOCATION

County San Juan State New Mexico Section 21 Township 27N Range 9W

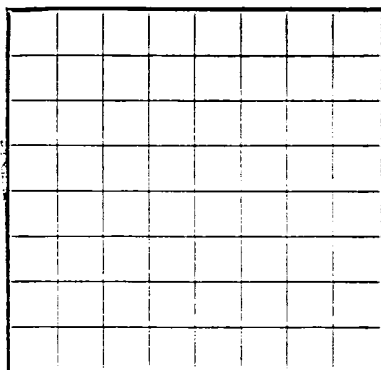
RECEIVED
AUG 09 1990
OIL CON. DIV
DIST. 3



Remarks All surrounding lands are operated in the Fruitland coal
formation by Meridian Oil Inc.

U. S. LAND OFFICE New Mexico
SERIAL NUMBER 011393
LEASE OR PERMIT TO PROSPECT

C O P Y



LOCATE WELL CORRECTLY

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

LOG OF OIL OR GAS WELL

Company Magnolia Petroleum Co. Address Box 633, Midland, Texas
 Lessor or Tract Reese-Federal Field Fulcher Kutz State New Mexico
 Well No. 1 Sec. 17 T. 27N R. 9W Meridian NMPM County San Juan
 Location 1650 ft. [N.] of S. Line and 1632 ft. [E.] of E. Line of Section 17 Elevation 6367
 (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.

Signed (s) C. Beeson NealDate 3-31-53 Title Agent in Farmington

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

Commenced drilling 1-28-53, 19..... Finished drilling 2-18-53, 19.....**OIL OR GAS SANDS OR ZONES**

(Denote gas by G)

No. 1, from 2260 G to 2315 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 Hauled water to location. 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—	
10 3/4"	25.75	8 VT	SBC	212	Howce				
6 5/8"	19.75	8 RT	SBC	2262	Howce				

It is of the highest importance to make a complete history of the well. Please state in detail the date of completion, the date of the last casing run, the date of the last cement job, the date of the last work on the well, and the date of the last casing run.

HISTORY OF OIL OR GAS WELL

10-73007-3 U. S. GOVERNMENT PRINTING OFFICE

MUDDING AND CEMENTING RECORD

Size casing	Where set	Number sacks of cement	Method used	Mud gravity	Amount of mud used
10 3/4"	212	150	Pump & Plug		
6 5/8"	2262	100	Pump & Plug		

MARK

MERIDIAN OIL

August 28, 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: Reese Federal #1
1650' FSL, 1632' FEL (Unit J)
Section 17, 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 Fulcher Kutz 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:

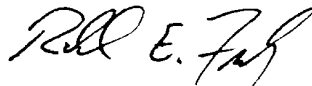
The primary justification of choosing the Reese Federal #1 over the Cleveland #1 (standard location) was the productivity of the wells. The Reese Federal #1 has been producing at 8 MCF/D and is uneconomic to operate. Workovers and sales compression of the producing formation were evaluated, but these alternatives could not be economically justified. The Cleveland #1 has sustained production of 27 MCF/D and is currently economic to operate. The plug back of the Cleveland #1 at this time for the sole purpose of a standardized location would not be considered prudent management by Meridian of existing reserve potential. The continued production of the Cleveland #1 and recompletion of the Reese Federal #1 is the optimum protection of correlative rights for Meridian, the royalty interest owners and the State of New Mexico. Meridian does not feel the productivity of the coal will vary between the locations. Recompletion of the Reese Federal #1 will allow us to produce Fruitland Coal reserves without creating economic waste by drilling a new well.

New Mexico Oil Conservation Division
Reese Federal #1
Page Two

Included is the requested plot 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 economically desirable 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 dark ink, appearing to read "R. E. Fraley". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Richard E. Fraley
Regional Production Engineer

REF/CJS:tt

attachments

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

DATE: AUGUST 23, 1990
 NAME: REESE FEDERAL #1
 FORM: PICTURED CLIFFS

LOCATION
 UNIT: J
 SEC: 17
 TWN: 27
 RNG: 9

T
27
N

[7]

[8]

[9]

[18]

*
 WHITLEY #10
 (DK)
 PROPOSED FTC R/C [17]

[16]

*
 REESE FED #1
 (PC)
 PROPOSED FTC R/C

[19]

*
 MCADAMS A #1
 (PC)
 PROPOSED FTC R/C

[20]

*
 CLEVELAND #2
 (PC)
 COMPLETED R/C

*
 CLEVELAND #220
 COMPLETED NEW DRILL

[21]

LEGEND

*
 WELLNAME
 EXISTING FORMATION --
 PRIOR TO RECOMPLETION