



BRUCE KING  
GOVERNOR

ANITA LOCKWOOD  
CABINET SECRETARY

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

7 30-8



November 7, 1992

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SANTA FE, NEW MEXICO 87504  
(505) 827-5800

Meridian Oil, Inc.  
c/o W. Thomas Kellahin  
P.O. Box 2265  
Santa Fe, NM 87504-2265

**RECEIVED**  
NOV 13 1992  
OIL CON. DIV.  
DIST. 3

*Administrative Order DD-69*

Dear Mr. Kellahin:

Under the provisions of General Rule 111 (c), (d) and (e), Meridian Oil, Inc. made application to the New Mexico Oil Conservation Division on October 2, 1992, for authorization to directionally drill its proposed Howell "C" Com Well No. 300R, San Juan County, New Mexico.

The Division Director Finds That:

- (1) The application has been duly filed under the provisions of Rule 111(d) and (e) of the Division General Rules and Regulations;
- (2) Satisfactory information has been provided that all offset operators have been duly notified;
- (3) The applicant has presented satisfactory evidence that all requirements prescribed in General Rule 111 will be met,
- (4) No objections have been received within the waiting period prescribed by said rule; and,
- (5) The subject well is to be a replacement well on an existing gas spacing and proration unit in a non-prorated gas pool.

**IT IS THEREFORE ORDERED THAT:**

(1) The applicant, Meridian Oil, Inc., is hereby authorized to directionally drill its Howell "C" Com Well No. 300R, the surface location of which shall be 140 feet from the North line and 525 feet from the East line (Unit A) of Section 7, Township 30 North, Range 8 West, NMPM, San Juan County, New Mexico, by kicking off from vertical at some point and drilling in such a manner as to bottom in the Basin-Fruitland Coal Gas Pool at a standard coal gas well location as prescribed by the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool, as promulgated by Division Order No. R-8768, as amended, within the NE/4 NE/4 of said Section 7.

**PROVIDED HOWEVER THAT** prior to commencing directional drilling operations into said wellbore, the applicant shall establish the location of the kick-off point by means of a directional survey acceptable to the Division.

**PROVIDED HOWEVER THAT** during or upon completion of directional drilling operations, the applicant shall conduct an accurate wellbore survey from the kick-off point to total depth in order that the subsurface bottomhole location, as well as the wellbore's true depth and course, may be determined.

(2) The applicant shall notify the supervisor of the Aztec district office of the Division of the date and time said wellbore surveys are to be conducted so that they may be witnessed. The applicant shall further provide a copy of said wellbore surveys to the Santa Fe and Aztec offices of the Division upon completion.

(3) Form C-105 shall be filed in accordance with Division Rule 1105 and the operator shall indicate thereon true vertical depth in addition to measured depths.

(4) The existing 320-acre standard gas spacing and proration unit comprising the E/2 of said Section 7, presently dedicated to Meridian's Howell "C" Com Well No. 300, which was drilled in 1988 at an unorthodox coal gas well location 2335 feet from the North line and 460 feet from the East line (Unit H) of said Section 7 (Division Administrative Order No. NSL-2525).

**PROVIDED HOWEVER THAT** upon completion of the subject replacement well, the existing Howell "C" Com Well No. 300 shall cease production of gas from the Basin-Fruitland Coal Gas Pool in accordance with the two Division Memorandums dated July 27, 1988 and August 3, 1990 (see copies attached).

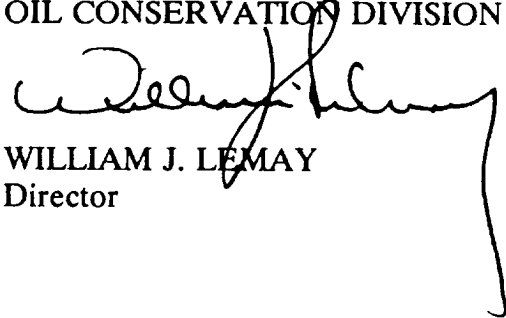
(5) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

*Administrative Order DD-69*  
*Meridian Oil, Inc.*  
*November 7, 1992*  
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DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
WILLIAM J. LEMAY  
Director

S E A L

WJL/MES/amg

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