

MERIDIAN OIL

OIL CONSERVATION DIVISION  
RECEIVED

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August 9, 1990

Federal Express

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

RE: Huerfanito Unit #93  
790'FNL, 790'FWL  
Section 25, 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 #93 well from the Pictured Cliffs pool to the Basin Fruitland Coal Pool. The current location of this well is 790'FNL, 790'FWL, Section 25, 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

Meridian Oil Inc. hereby waives objection to Meridian Oil Inc.'s application for a non-standard location for their Huerfanito Unit #93 as proposed above.

By:  Date: 8/10/90

xc: Meridian Oil Inc.



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 22, 1990

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

Attention: Peggy Bradfield

*RE: Unorthodox coal gas well location, Huerfanito Unit No. 93, 790'  
FN & WL (Unit D); 25-T27N-R9W, NMPM, Basin-Fruitland  
Coal Gas Pool, San Juan County, New Mexico.*

Dear Ms. Bradfield:

Having received several applications in the past to recomplate 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 W/2 320-acre coal dedication has two South Blanco Pictured Cliffs Gas wells; the Huerfanito Well No. 93 located in Unit D and the Huerfanito Unit Well No. 46 located in Unit M. Why was the No. 93 chosen over the No. 96 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**

OIL CONSERVATION DIVISION  
RECEIVED

'90 SEP 7 AM 8 28

August 29, 1990

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

RE: Huerfanito Unit #93  
790' FNL, 790' FWL (Unit D)  
Section 25, 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 South Blanco Pictured Cliffs gas wells were located in the W/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 #93 over the Huerfanito Unit #46 (standard location) concerns the known mechanical integrity of the Huerfanito Unit #93 wellbore. The Huerfanito Unit #46 wellbore failed in 1983 and its wellbore mechanical condition is judged to be poor. The well will be plugged and abandoned. Pictured Cliffs wells which have mechanical wellbore problems are less desirable recompletion candidates than uneconomic wells having mechanical integrity. Since the Huerfanito Unit #93 productivity is uneconomic at 10 MCF/D its plugback to the Fruitland Coal can be justified. Recompletion of the Huerfanito Unit #93 will allow us to produce Fruitland Coal reserves without creating economic waste by drilling a new well. There should be no correlative rights problem.

The Huerfanito Unit #93 well meets setback footage requirements. We recognize the Huerfanito Unit #93 is off pattern; however, in the near future we anticipate proposing a recompletion well in the SE/4 of Section 25. As indicated in the plat a proposed recompletion in SE/4 of Section 30 will be back on pattern. We have no other proposed recompletions in the area at this time. The working and royalty ownership in the W/2 and NE/4 of Section 25 is common. The direct offset acreage in SW/4 of Section 24; SE/4 of Section 23 and NE/4 of Section 26 is committed to the Huerfanito Unit.

New Mexico Oil Conservation Division  
Huerfanito Unit #93  
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,



Richard K. 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 #93  
 FORM: FRUITLAND COAL

LOCATION  
 UNIT: D  
 SEC: 25  
 T4W: 27  
 R4G: 9

T  
 27  
 N

LEGEND

- \* WELLNAME
- EXISTING FORMATION -
- PRIOR TO RECOMPLETION

<p>[23]        *        HUERFANITO UNIT #55        (PC)        COMPLETED R/C</p>	<p>[24]</p>	<p>[19]</p>
<p>[26]        *        HUERFANITO UNIT #93        (PC)        PROPOSED FTC R/C</p>	<p>[25]        *        H.L. GENTLE #1        (PC)        PROPOSED FTC R/C</p>	<p>[30]        *        NAVAJO INDIAN B #1        (PC)        PROPOSED FTC R/C</p>
<p>[35]        *        HUERFANITO UNIT #29        (PC)        COMPLETED R/C</p>	<p>[36]        *        HUERFANITO UNIT #151        COMPLETED NEW DRILL</p>	<p>[31]</p>

R-8-W

R-9-W