



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

October 15, 1990

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

Attention: Peggy Bradfield

RE: *Unorthodox coal gas well location, Huerfanito Unit Well No. 23,
1042' FNL - 1516' FWL (Unit C); 4-T26N-R9W, NMPM,
Basin-Fruitland Coal Gas Pool, San Juan County, New Mexico.*

Dear Ms. Bradfield:

Having received several applications in the past to recompleat 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 recompleated is off-pattern.

In the immediate instance, the proposed W/2 equivalent 321.44-acre coal dedication has two Ballard Pictured Cliffs Gas wells; the subject Huerfanito Unit Well No. 23 located in Unit C and the Huerfanito Unit Well No. 24 located in Unit K at a standard coal gas well location. Why was the No. 23 chosen over the No. 24 well? Also, how does this off-pattern recompleat 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 recompleat. 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

④ 40.76	Meridian Oil, Inc. Huerfano Unit No. 23 1042' FWL - 1516' FWL Spud - 8/21/55 Ballard P.C. Pool Producing <u>Subject well</u>	③ 40.60	① 40.52
			Meridian Oil, Inc. Huerfano Unit No. 22 1650' FWL - 990' FWL Spud - 7/29/55 T.D. - 2248' Basin Fruitland Coal Gas Prod. was E/Z dedication
	Meridian Oil, Inc. Huerfano Unit No. 24 1850' FWL - 1650' FWL Spud - 8/14/55 T.D. - 2192' Ballard Pictured Cliffs Producing		
Meridian Oil, Inc. Huerfano Unit No. 60 990' FWL Spud 10/21/60 T.D. - 6755' Basin Dakota Pool Producing			1

40.76
 40.58
 81.44
 8
 161.44
 16
 321.44

MERIDIAN OIL

September 17, 1990

Federal Express

Mr. William LeMay
New Mexico Oil Conservation Division
310 Old Santa Fe Trail
Santa Fe, New Mexico 87503

RE: Huerfanito Unit #23
1042'FNL, 1516'FWL
Section 04, T-26-N, R-09-W
San Juan County, 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 Huerfanito Unit #23 well from the Pictured Cliffs pool to the Basin Fruitland Coal Pool. The current location of this well is 1042'FNL, 1516'FWL, Section 04, T-26-N, R-09-W, San Juan County, 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 owned or operated by Meridian Oil Inc.

Sincerely yours,

Peggy Bradfield
Peggy Bradfield *by Howard*
encl.



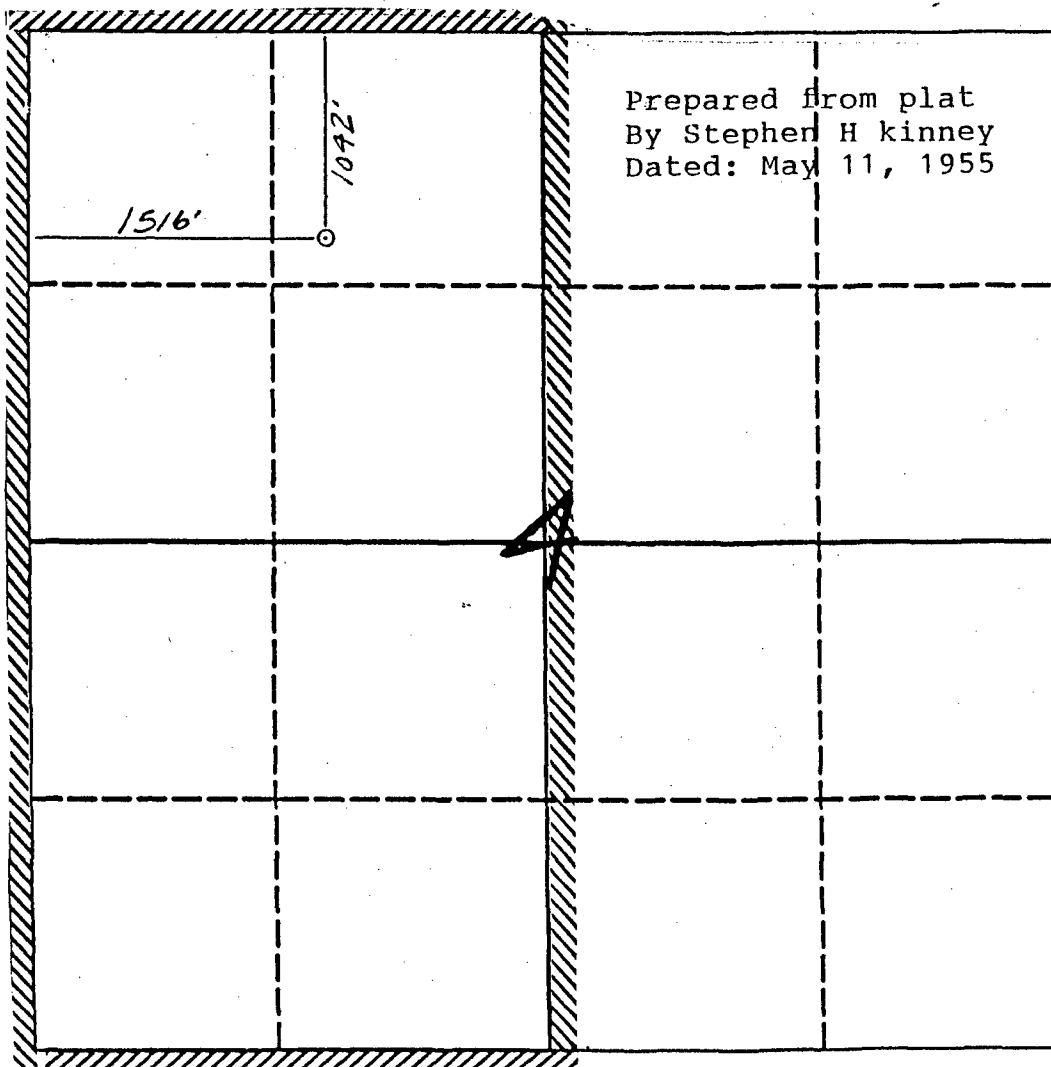
MERIDIAN OIL INC

Well Name Huerfanito Unit # 23

Footage 1042' FNL; 1516' FWL

APPLICATION FOR NON-STANDARD LOCATION

County San Juan State New Mexico Section 4 Township 26N Range 9W



Remarks All surrounding lands are owned or operated by 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-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 El Paso Natural Gas Co		Lease (NM-03491) Huerfanito Unit		Well No. 23
Unit Letter C	Section 4	Township 26 North	Range 9 West	County San Juan
Actual Footage Location of Well: 1042 feet from the North line and 1516 feet from the West line				
Ground level Elev. 6459'	Producing Formation Fruitland Coal		Pool Basin	Dedicated Acreage: 322.44 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.

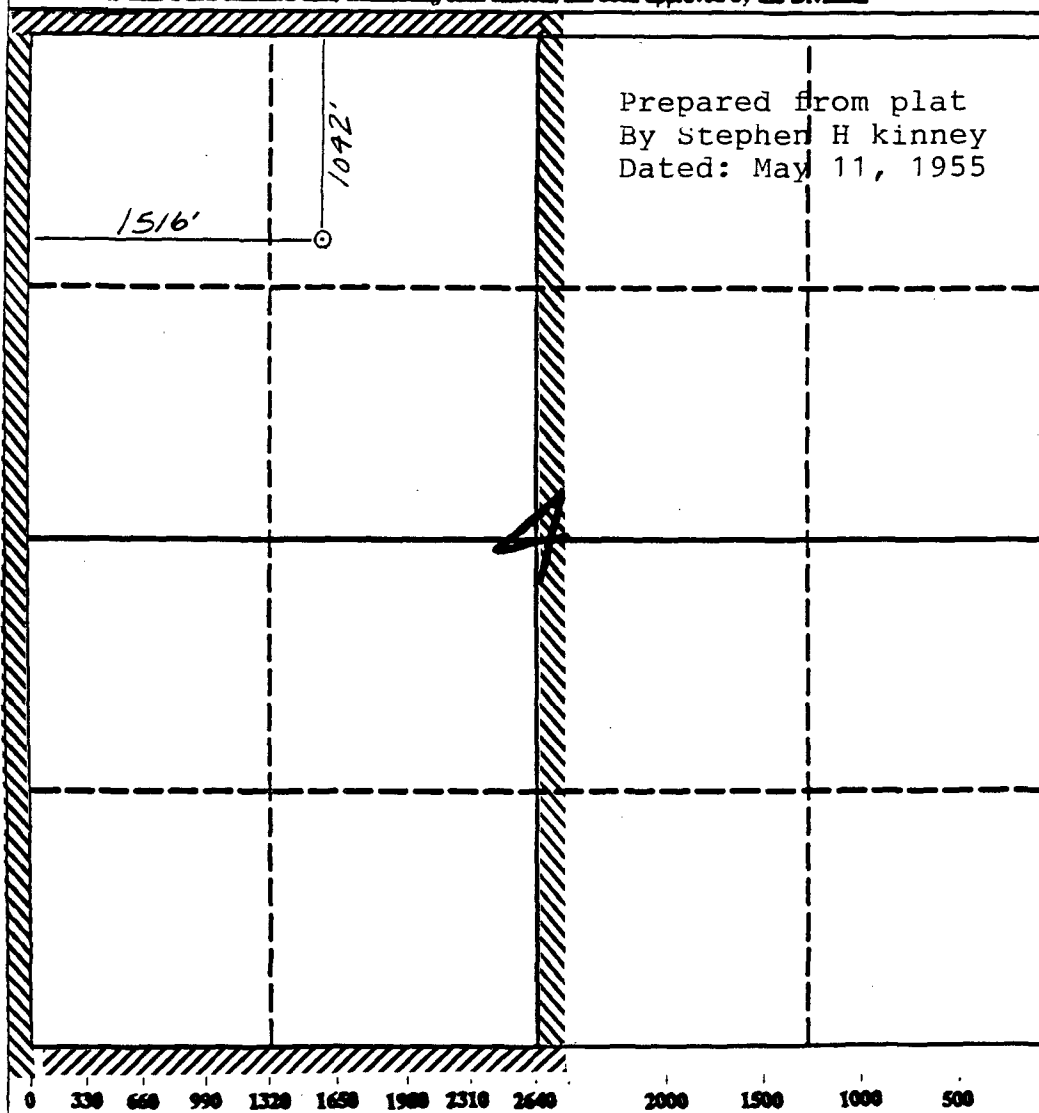
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

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, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



Prepared from plat
By Stephen H kinney
Dated: May 11, 1955

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

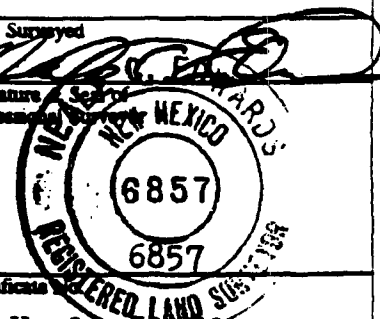
Date

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.

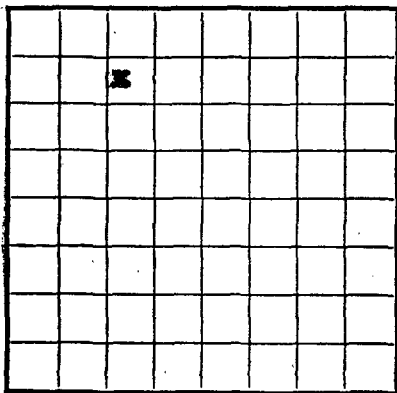
Date Surveyed

Signature of Seal of
Professional Surveyor



Certificate No. 6857
Neale C. Edwards

U. S. LAND OFFICE **New Mexico**
SERIAL NUMBER **03491**
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 P. O. Box 723 - Farmington, New Mexico
Lessor or Tract Barfomite Unit Field Ballard P.C. State New Mexico
Well No. 10-4 Sec. 4 T. 26-N R. 9-W Meridian N.M.P.M. County San Juan
Location 1042 ft. 24 } of N Line and 1516 ft. 15 } of W Line of Sec. 4 Elevation 6167
[S.] [E.]
(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 C. Benson Neal
Date October 13, 1955 Title C. Benson Neal, Agent in Farmington

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

Commenced drilling August 21, 1955, 19___ Finished drilling Sep. 17, 1955, 19___

OIL OR GAS SANDS OR ZONES

(Denote gas by G)

No. 1, from 2209 to 2280 (704) 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

[illegible]

MUDDING AND CEMENTING RECORD

[illegible]

PLUGS AND ADAPTERS

Heaving plug—Material _____ Length _____ Depth set _____
Adapters—Material _____ Size _____

FOLD | MARK

MERIDIAN OIL

October 19, 1990

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

RE: Huerfanito Unit #23
1042' FNL, 1516' FWL (Unit C)
Section 4, T26N, 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 W/2 320-acre coal dedication. Therefore, in response to your letter dated October 15, 1990 regarding the subject well, the following is submitted:

The primary justification of choosing the Huerfanito Unit #23 over the Huerfanito Unit #24 (standard location) was the productivity of the wells. The Huerfanito Unit #23 has been producing at 5 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 #24 has sustained production of 35 MCF/D and is currently economic to operate. The plug back of the Huerfanito Unit #24 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 #23 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 (SE/4 and SW/4 of Section 33 and NE/4 of Section 4) is committed to the Huerfanito Unit and all working interest and burden owners are unitized.

New Mexico Oil Conservation Division
Huerfanito Unit #23
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 dark ink, appearing to read 'R.E. Fraley', followed by a horizontal line and the text 'for REF'.

Richard E. Fraley
Regional Production Engineer

REF/SHL:tt

attachments

cc: Oil Conservation Division/Aztec
US Bureau of Land Management/Farmington
Peggy A. Bradfield

DATE: OCTOBER 19, 1990
 NAME: HUERFANITO UNIT #23
 FORM: FRUITLAND COAL

LOCATION
 UNIT: C
 SEC: 4
 TWN: 26
 RNG: 9

T 27
 N

T 26
 N

<p>[32]</p> <p>* MAGNOLIA COM #1 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 (PC) [34] COMPLETED NEW DRILL</p>
<p>* HUERFANO UNIT #49 (PC) [5] COMPLETED R/C</p>	<p>* HUERFANITO UNIT #23 (PC) PROPOSED R/C</p> <p>* HUERFANITO UNIT #22 (PC) [4] COMPLETED R/C</p>	<p>* HUERFANITO UNIT #19 (PC) [3] PROPOSED R/C</p> <p>* HUERFANITO UNIT #68 (PC) COMPLETED R/C</p>
<p>[8]</p> <p>* HUERFANO UNIT #232 PROPOSED FT R/C</p>	<p>[9]</p>	<p>* HUERFANITO UNIT #70 (PC) PROPOSED R/C</p> <p>[10]</p>



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

XC: KOB
REF

GARREY CARRUTHERS
GOVERNOR

MERIDIAN OIL

OCT 17 1990

FARMINGTON, NEW MEXICO
REGULATORY

October 15, 1990

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

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P.O. Box 4289
Farmington, NM 87499-4289

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