

MERIDIAN OIL

OIL CONSERVATION DIVISION
RECEIVED

'90 NOV 16 AM 9 10

November 13, 1990

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

RE: Jicarilla 126 S #5
890' FNL, 990' FWL (Unit D)
Section 2, T24N, R04W
Basin Fruitland Coal Gas Pool
Rio Arriba 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 N/2 equivalent coal gas proration unit. Therefore, in response to your letter dated November 8, 1990 regarding the subject well, the following is submitted:

The primary justification of choosing the Jicarilla 126 S #5 over the Jicarilla 126 S #4 (standard location) was the productivity of the wells. The Jicarilla 126 S #5 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 Jicarilla 126 S #4 has sustained production of 27 MCF/D and is currently economic to operate. The plug back of the Jicarilla 126 S #4 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 Jicarilla 126 S #4 and the recompletion of the Jicarilla 126 S #5 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 Jicarilla 126 S #5 will allow us to produce Fruitland Coal reserves without creating economic waste by drilling a new well.

New Mexico Oil Conservation Division
Jicarilla 126 S #5
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 E. Fraley
Regional Production Engineer

REF/CJS:tt

attachments

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

DATE: NOVEMBER 13, 1990
 NAME: JICARILLA 126 S #5
 FORM: PICTURED CLIFFS

LOCATION
 UNIT: D
 SEC: 02
 TWN: 24
 RNG: 04

T 25
 N

T 24
 N

LEGEND

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

[34]	[35]	[36]
[3] JICARILLA 126 S #5 * (PC) PROPOSED FRT R/C	[2]	[1]
[10]	[11]	[12] JICARILLA 126 S #13 * (PC) PROPOSED FRT R/C



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

MERIDIAN OIL

NOV 11 1990

FARMINGTON, NEW MEXICO
REGULATORY

GARREY CARRUTHERS
GOVERNOR

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

November 8, 1990

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

Attention: Peggy Bradfield

RE: Unorthodox coal gas well location, Jicarilla 126-S Well No. 5, 890' FNL - 990' FWL (Unit D); 2-T24N-R4W, NMPM, Basin-Fruitland Coal Gas Pool, Rio Arriba County, New Mexico.

Dear Ms. Bradfield:

Having received many 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 off-pattern.

In the immediate instance, the proposed N/2 equivalent coal gas proration unit has two South Blanco Pictured Cliffs Gas wells; the subject Jicarilla 126-S Well No. 5 located in Unit D and the Jicarilla 126-S Well No. 4 located in Unit A at a standard coal gas well location. Why was the No. 5 chosen over the No. 4 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.

It would also appear that an exception to rule 4 of the special Rules and Regulations for the Basin-Fruitland Coal Gas Pool is in order for this well. Please file accordingly.

Meridian Oil, Inc.
Attention: Peggy Bradfield
November 8, 1990
Page 2

Should you have any questions, please contact me.

Sincerely,

A handwritten signature in dark ink, appearing to read "Michael E. Stogner", followed by a long horizontal line extending to the right.

Michael E. Stogner
Chief Hearing Officer/Engineer

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

MERIDIAN OIL

November 29, 1990

Mr. William LeMay
New Mexico Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: Jicarilla 126 S #5
(890' ENL, 990' FWL
Section 2, T-24-N, R-4-W, Rio Arriba County, New Mexico

Dear Mr. LeMay:

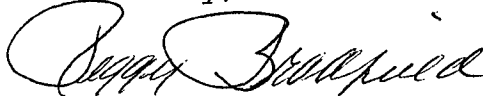
This is a request for administrative approval for a non-standard proration unit in the Basin Fruitland Coal.

An application for non-standard location for plugging back this well to the Fruitland Coal was made October 22, 1990, and this request is to amend the application for inclusion of the non-standard proration unit.

Enclosed is a plat showing location of this well, an offset owners/operators plat, affidavit of notification of offset owners/operators, and well completion log for the original completion.

A copy of this is being sent Federal Express to all offset owners/operators, with a request that they telefax their reply as soon as possible to (505) 326-9833, and furnish your Santa Fe office with a copy.

Sincerely,



Peggy Bradfield

WAIVER

_____ hereby waives objection to Meridian Oil Inc.'s application for a non-standard proration unit for their Jicarilla 126 S #5 as proposed above.

xc: Apache Corp.
Conoco 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

Dryden Survey

Operator Meridian Oil Inc.		Lease (Jic. Cont #126) Jicarilla 126 S		Well No. 5
Unit Letter D	Section 2	Township 24 North	Range 4 West	County NMPM Rio Arriba
Actual Footage Location of Well: 890 feet from the North line and 990 feet from the West line				
Ground level Elev. 6909'	Producing Formation Fruitland Coal		Pool Basin	Dedicated Acreage: 446.61 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 _____

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.

6384.5

990'

890'

Not resurveyed
Prepared from plat
By: Ernest V. Echohawk
Dated: June 10, 1956

2

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.

10-20-90

Date Surveyed

Signature
Professional Surveyor
NEW MEXICO
6857
6857
REGISTERED LAND SURVEYOR
Certificate No.
Neale C. Edwards

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

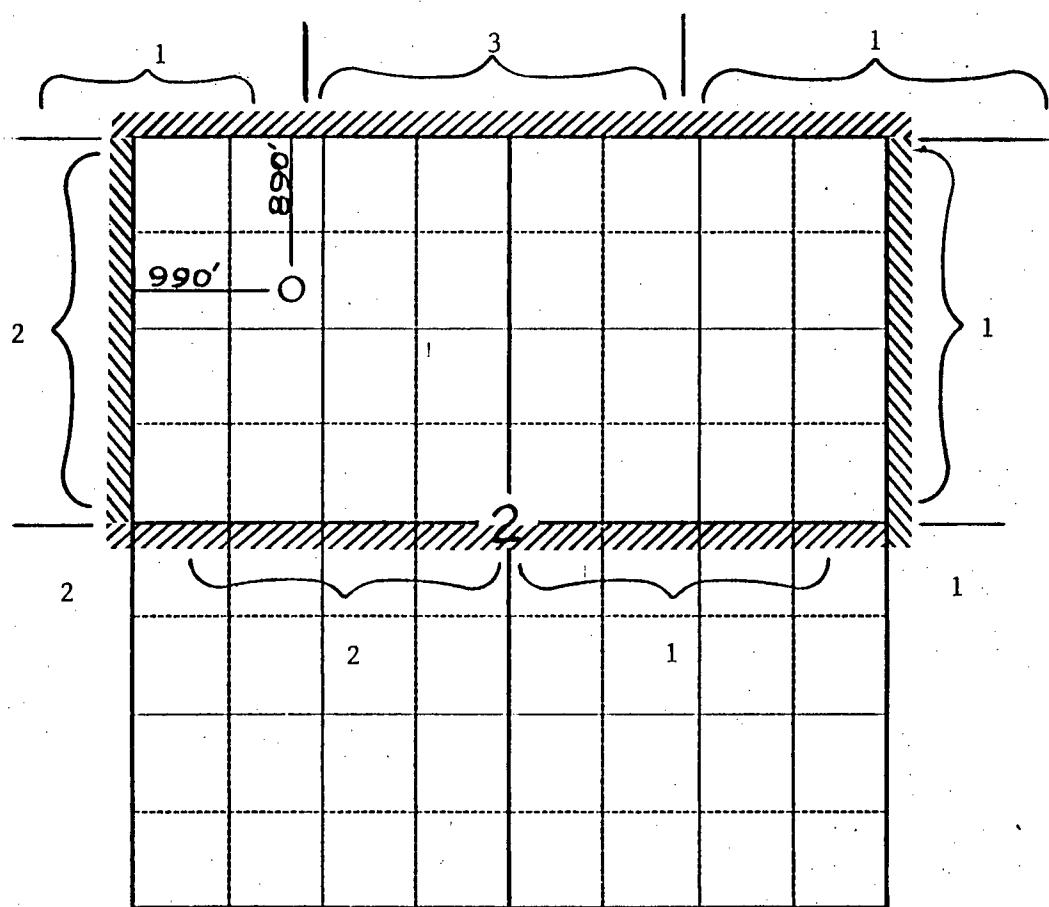
MERIDIAN OIL INC

Well Name Jicarilla 126 S #5

Footage 890' FNL; 990' FWL

APPLICATION FOR NON-STANDARD PRORATION UNIT

County Rio Arriba State New Mexico Section 2 Township 24 N Range 4 W



Remarks 1) Meridian Oil Inc.
2) Apache Corporation
3) Conoco Inc.

Re: Jicarilla 126 S #5

890'FNL, 990'FWL

Section 2, T-24-N, R-4-W, Rio Arriba County, New Mexico

I hereby certify that the following offset owners/operators have been notified by Federal Express of our application for administrative approval for non-standard proration unit for the plugback and recompletion of the above well.

Apache Corporation
Two Warren Place, Suite 1500
Tulsa, OK 74136

Conoco Inc.
600 North Derry Ashford Road
Houston, TX 77079



Peggy A. Bradfield
November 28, 1990

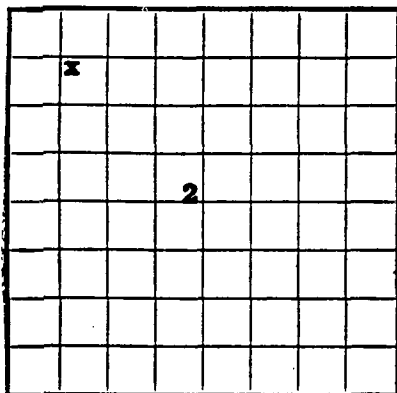
San Juan County, New Mexico

My commission expires August 17, 1992

UBGS - 5
Acctg - 1
File - 1

Budget Bureau No. 42-R-355.3.
Approval expires 12-31-55.

U. S. LAND OFFICE _____
SERIAL NUMBER Jicarilla _____
LEASE OR PERMIT TO PROSPECT _____
Contract #126



LOCATE WELL CORRECTLY

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

LOG OF OIL OR GAS WELL

Company Northwest Production Corporation Address 520 Simms Bldg., Albuquerque, N. M.
Lessor or Tract "8" Field Wildcat State New Mexico
Well No. 5-2 Sec. 2 T. 24N R. 4W Meridian N.M.P.M. County Rio Arriba
Location 890 ft. S. of Sec. Line and 990 ft. W. of Sec. Line of Section 2 Elevation 6909.0 Grnd.
(Denote feet 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 RAY PHILLIPS
Ray Phillips

Date September 18, 1956Title Asst. Mgr., Production Operations

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

Commenced drilling 7-10, 1956 Finished drilling 8-20, 1956

OIL OR GAS SANDS OR ZONES

(Denote gas by G)

No. 1, from 3112 to 3146 G No. 4, from _____ to _____
No. 2, from 3170 to 3192 G No. 5, from _____ to _____
No. 3, from _____ to _____ No. 6, from _____ to _____

IMPORTANT WATER SANDS

No. 1, from 3112 to 3146 G No. 2, from 3170 to 3192 G
No. 3, from 3112 to 3146 G No. 4, from 3170 to 3192 G
No. 5, from 3112 to 3146 G No. 6, from 3170 to 3192 G

CASING RECORD

Size casing	Weight per foot	Threads per inch	Make	Amount	Kind of shoe	Cut and pulled from	Perforated		Purpose
							From—	To—	
7-5/8	24	8-ED	Spang	101.96					
5	14.5	8-ED	Spang	325.58					
1-1/4	2.3	10-ED	Spang	3125.58					

MUDDING AND CEMENTING RECORD

Size casing	Where set	Number sacks of cement	Method used	Mud gravity	Amount of mud used
7-5/8	111.61	75	Howco		
5	3259.4	50 of 8% & 50 neat	Howco		

PLUGS AND ADAPTERS

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



Oklahoma City Division RECEIVED
RECEIVED

Conoco Inc.
3817 Northwest Expressway
Oklahoma City, OK 73112-1400
(405) 948-3100

'90 DEC 27 AM 9 29

December 19, 1990

NSL-2958

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

RE: Meridian Oil's Waiver Request of November 29, 1990
Jicarilla 126 S #5 / Sec. 2-24N-4W / Arriba Co., NM

Dear Mr. LeMay:

Enclosed is a signed original waiver as requested by Meridian Oil Inc. for the above location description.

Sincerely,

Ronald R. Heldenbrand
Manager—Safety, Environmental,
Regulatory and Training

Encs.

xc: GMG:JDH:LMK:JES

Meridian Oil Inc.
%Peggy Bradfield
3535 E. 30th St.
P O Box 4289
Farmington, NM 87499-4289