

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

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Oil Conservation Division

In the matter of the hearing called
by the Oil Conservation Division
for the purpose or considering:

Case No. 11331

Application of Meridian Oil Inc.
for downhole commingling, a non-
standard proration unit, an unorthodox
gas well location and dual completion
Rio Arriba, New Mexico.

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Meridian Oil Inc.
as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT

Meridian Oil Inc.
P.O.Box 4289
Farmington, N.M. 87499
Attn: Alan Alexander
505-326-9757

ATTORNEY

W. Thomas Kellahin
Kellahin and Kellahin
P.O. Box 2265
Santa Fe, New Mexico
(505) 982-4285

STATEMENT OF CASE

APPLICANT:

Meridian Oil Inc. seeks approval to downhole commingle East Blanco-Pictured Cliffs Gas Pool and Basin-Fruitland Coal Gas Pool production within the wellbore of its San Juan 30-4 Unit Well No. 40. Said well is located approximately 10.5 miles southeast of Navajo Lake State Park, New Mexico.

The San Juan 30-4 Unit Operating Agreement provides for 320-acre gas spacing in the Pictured Cliffs formation instead of the standard 160-acre spacing established for the East Blanco-Pictured Cliffs Gas Pool. Accordingly, Meridan seeks approval of a non-standard 320-acre spacing and proration unit consisting of the E/2 of said Section 21.

Said unit is to be drilled at an unorthodox gas well location 2450 feet from the South line and 2270 feet from the East line of Section 21, Township 30 North, Range 4 West of Unit J.

The E/2 of Section 21 is to be dedicated to the subject well in the Basin-Fruitland Coal Gas Pool thereby forming a standard 320-acre gas spacing and proration unit for said pool.

The applicant further seeks to establish a 320-acre non-standard gas proration unit for the East Blanco-Pictured Cliffs Gas Pool comprising the E/2 of Section 21.

Applicant further seeks authority to dually complete this well as an East Blanco-Pictured Cliffs/Basin-Fruitland Coal Gas Pool and Blanco-Mesaverde Gas Pool producing well.

PROPOSED EVIDENCE

APPLICANT

WITNESSES	EST. TIME	EXHIBITS:
Julia Gwaltney (Production Engineer)	20 min.	8 total
Greg Jennings (Geologist)	20 min.	
Alan Alexander (Senior Landman)	10 min.	

PROCEDURAL MATTERS

None anticipated at this time.

KELLAHIN AND KELLAHIN

By: 

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