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RECOGNIZED SPECIALIST IN THE AREA OF  
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

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October 26, 1992

Mr. William J. LeMay  
Oil Conservation Division  
310 Old Santa Fe Trail  
Room 219  
Santa Fe, New Mexico 87501

**HAND DELIVERED**

**RECEIVED**

OCT 26 1992

OIL CONSERVATION DIVISION

RE: **First Amended Application**  
Application of Meridian Oil, Inc.  
for Approval of an Unorthodox Gas  
Well Location, San Juan County,  
New Mexico

10606

Dear Mr. LeMay:

The above-referenced Application, filed today with the Oil Conservation Division, contained an error in the legal description of the subject well. The proposed well should be described in Township 30 North, Range 9 West, not Range 8 West. We hereby amend this application to locate the subject well in Range 9 West, NMPM. The exhibits to the Application give the correct Range description.

A copy of this letter, attached to the original application, has been sent to all affected parties as listed on Exhibit "B" of the application by Certified Mail, Return Receipt Requested.

Very truly yours,

*W. Thomas Kellahin/xcl*

W. Thomas Kellahin

WTK/jcl

lrr1026.330

xc: Alan Alexander - Meridian Oil Inc.

CERTIFIED MAIL - RETURN RECEIPT

WITH ORIGINAL APPLICATION

To all Parties listed on Exhibit "B"  
of the Application

RECEIVED

OCT 26 1992

OIL CONSERVATION DIV.  
SANTA FE

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

CASE NO. 10606

IN THE MATTER OF THE APPLICATION  
OF MERIDIAN OIL INC. FOR APPROVAL  
OF AN UNORTHODOX GAS WELL LOCATION,  
SAN JUAN COUNTY, NEW MEXICO

A P P L I C A T I O N

Comes now MERIDIAN OIL INC., by and through its attorneys, Kellahin and Kellahin, and applies to the New Mexico Oil Conservation Division for approval of an unorthodox well location in the Basin Fruitland Coal Gas Pool for its proposed Johnston Federal No. 270 Well to be drilled at an unorthodox well location 790 feet FNL and 790 feet FWL of Section 12, Township 30 North, Range ~~8~~<sup>9</sup> West, NMPM, San Juan County, New Mexico and to be dedicated to a 320 acre spacing unit consisting of the W/2 of Section 12, and in support states:

(1) Meridian Oil Inc. ("Meridian") is the proposed operator of the subject well and is a working interest owner in the W/2 of Section 12.

(2) On December 20, 1990, Union Texas Petroleum, Inc. ("Union Texas") completed its Johnston Federal #27 Well at a standard location in the SW/4 of Section 12 and

Application of Meridian Oil Inc.

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dedicated the W/2 of Section 12 to the well. See Exhibit A, attached hereto.

(3) In September, 1991, Meridian Oil Production Inc. purchased Union Texas Petroleum, Inc.'s ownership in this well. At the present time, the Johnston Federal #270 <sup>27 well</sup> Well is capable of producing only 30 MCFPD and is shut-in.

(4) While the entire W/2 of Section 12 is potentially productive, Union Texas was unsuccessful in its attempts to obtain a commercial well in a standard quarter section in this spacing unit.

(5) The E/2 of Section 12 is already dedicated to a Fruitland Coal Gas well located in the NE/4 of Section 12 and Meridian's only remaining alternative is to attempt to locate a well in the NW/4 of Section 12.

(6) Meridian seeks to drill its Johnston Federal #270 Well in the Basin Fruitland Coal Gas Pool at an unorthodox location 790 feet FNL and 790 feet FWL of Section 12 as a replacement well for the Johnston Federal #27 Well which will either be plugged and abandoned or used as a pressure observation well after the replacement well is completed.

(7) The proposed location is unorthodox for the Basin-Fruitland Coal Gas Pool because it is located in the NW/4 of the section rather than the NE/4 or the SW/4 of the section, thus requiring an exception to Rule 7 of the Basin Fruitland Case Gas Pool Rules (Order No. R-8768).

(8) The proposed unorthodox location is necessary in order for the applicant to economically recover Basin-Fruitland Coal Gas Pool reserves that are present in the W/2 of Section 12 and to avoid having this acreage drained by offsetting Basin Fruitland Coal Gas wells.

(9) Meridian requests that this matter be docketed for hearing on the Division Examiner docket now scheduled for November 19, 1992.

(10) A copy of this application has been sent to all offsetting operators and interested parties who might be affected by this application as identified and set forth on Exhibits B.

WHEREFORE, Meridian requests that this matter be set for hearing on November 19, 1992 before a duly appointed Examiner of the Oil Conservation Division and that after

Application of Meridian Oil Inc.  
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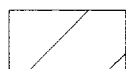
notice and hearing as required by law, the Division enter  
its order granting this application.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', written over a horizontal line.

W. Thomas Kellahin  
Kellahin and Kellahin  
P.O. Box 2265  
Santa Fe, New Mexico 87504-2265  
(505) 982-4285  
Attorneys for Applicant

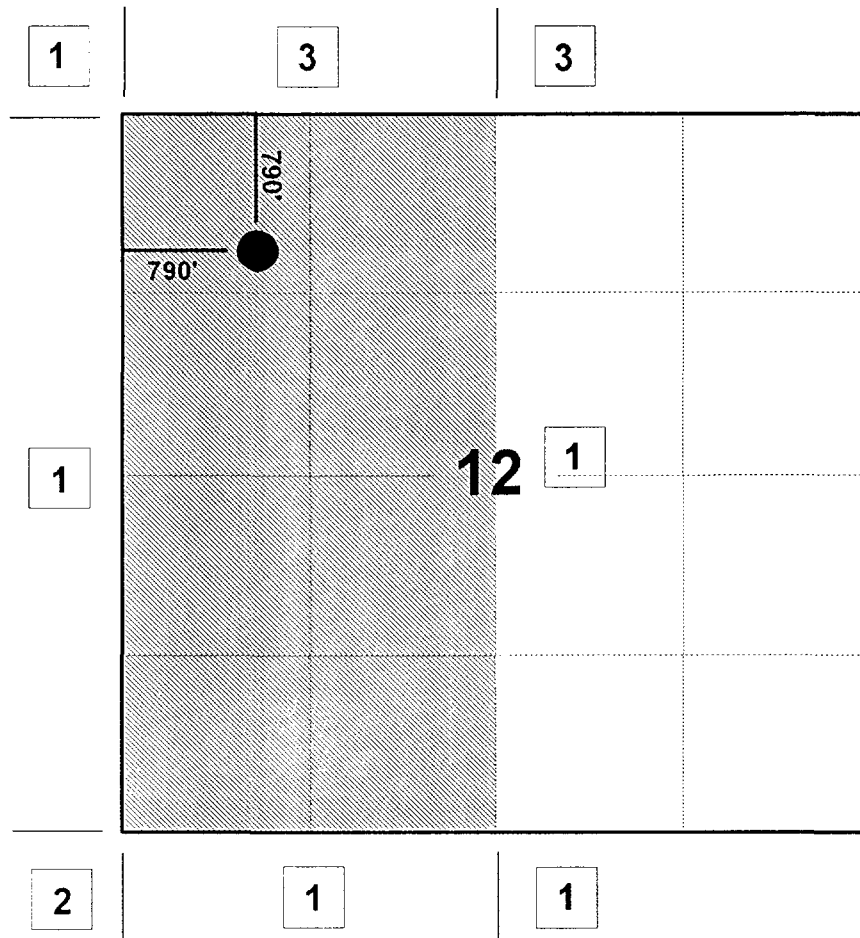
JOHNSTON FEDERAL # 270  
790'FNL, 790'FWL  
SECTION 12-30N-9W



# MERIDIAN OIL

**MERIDIAN OIL INC****OFFSET OPERATOR \ OWNER PLAT****JOHNSTON FEDERAL #270****Unorthodox Well Location**

Township 30 North, Range 09 West



1) Meridian Oil Inc

2) Albert M. Senter, Jr

PO Box 335, Albuquerque, NM 87114

Amoco Production Company

PO Box 800, Denver, CO 80201

3) Amoco Production Company