

*To Be set for the 12/17/ Hearing*

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

W. THOMAS KELLAHIN\*

\*NEW MEXICO BOARD OF LEGAL SPECIALIZATION  
RECOGNIZED SPECIALIST IN THE AREA OF  
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

TELEPHONE (505) 982-4285  
TELEFAX (505) 982-2047

November 10, 1992

*Case 10631*

Mr. William J. LeMay  
Oil Conservation Division  
State Land Office Building  
310 Old Santa Fe Trail, 2nd Floor  
Santa Fe, New Mexico 87501

**HAND DELIVERED**

Re: Johnston Federal #15R Well  
Application of Meridian Oil Inc.  
for an Unorthodox Well Location,  
San Juan County, New Mexico

RECEIVED

NOV 10 1992

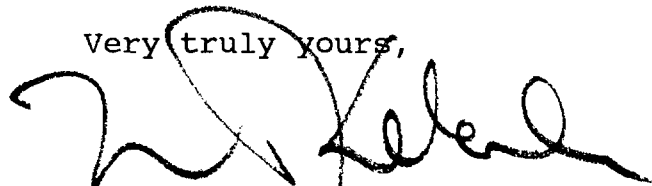
OIL CONSERVATION DIVISION

Dear Mr. LeMay:

On behalf of Meridian Oil Inc., please find enclosed our Application for an Unorthodox Well Location for the Johnston Federal #15R Well, as referenced above, which we request be set for hearing on the next available Examiner's docket now scheduled for December 3, 1992.

By copy of this letter and application, sent certified mail, we are notifying all interested parties within a 1/2 mile radius of the subject well of their right to appear at the hearing and participate in this case, including the right to present evidence either in support of or in opposition to the application.

Very truly yours,



W. Thomas Kellahin

WTK/jcl

Enclosure

cc: Meridian Oil Inc.  
Farmington, New Mexico

**By Certified Mail - Return Receipt**

All Parties Listed on Exhibit "D" of Application

appt1109.330

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

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

CASE NO.:

RECEIVED  
NOV 15 1982  
OIL CONSERVATION DIVISION  
10631

APPLICATION OF MERIDIAN OIL INC.  
FOR AN UNORTHODOX 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 to replace its Johnston Federal #15 Well, located 1450 feet FWL and 1680 feet FNL (Unit F) of Section 35, Township 31 North, Range 9 West, NMPM, San Juan County, New Mexico, with its Johnston Federal #15R Well to be drilled at an unorthodox well location 790 feet FWL and 2330 feet FNL (Unit E) of said Section 35, (Exception to Rule 7 of Order R-8768) and to be dedicated to an existing standard 314.25 acre spacing unit consisting of the W/2 of Section 35 for production from the Basin Fruitland Coal Gas Pool and support thereof states:

(1) Applicant is the operator of the W/2 of Section 35, T31N, R9W, NMPM, San Juan County, New Mexico which is currently dedicated to Basin Fruitland Coal Gas Pool production from the Johnston Federal #15 Well located in Unit F of Section 35 as shown on Exhibit A attached hereto.

(2) In 1979, the Johnston Federal #15 Well was originally drilled as a Blanco Pictured Cliffs Pool well. See Exhibit B.

(3) On March 29, 1989, the Division entered Administrative Order NSL-2643 which approved the Johnston Federal #15 Well as an exception to Rule 8 of the Basin Fruitland Coal Gas Pool Rules (Order R-8768) and its dedication to the W/2 of said Section 35. See Exhibit C attached.

(4) While the W/2 of Section 35 contains substantial volumes of recoverable gas in the Basin Fruitland Coal Gas Pool, the Johnston Federal #15 Well is a low capacity producer because of possible mechanical problems and/or reservoir damage due to its original cased hole completion method.

(5) Meridian proposes to replace the existing well with its Johnston Federal #15R Well to be drilled at an unorthodox location 790 feet FWL and 2330 feet FNL of Section 35. See Exhibits A and D.

(6) While the replacement well will be no closer than 790 feet to the outer boundary of the spacing unit, it is in the NW/4 Section and therefore requires a non-standard location exception to Rule 7 of the Basin Fruitland Coal Gas Pool Rules (Order R-8768).

(7) The proposed replacement well is necessary in order for Meridian to economically recover Basin Fruitland Coal Gas Pool reserves that are present in the W/2 of Section 35 and to avoid having those reserves drained by offsetting Basin Fruitland Coal Gas wells.

(8) As required, notice is provided to those offsetting operators as listed on Exhibit "D."

(9) The granting of this Application will be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Applicant requests that this matter be set for hearing on December 3, 1992 before a duly appointed Examiner of the Oil Conservation Division and,

Application of Meridian Oil Inc.  
Page 4

after notice and hearing as required by law, the Division  
enter its Order granting this application.

Respectfully submitted,

KELLAHIN and KELLAHIN

By: 

W. Thomas Kellahin  
Post Office Box 2265  
Santa Fe, New Mexico 87504  
(505) 982-4285

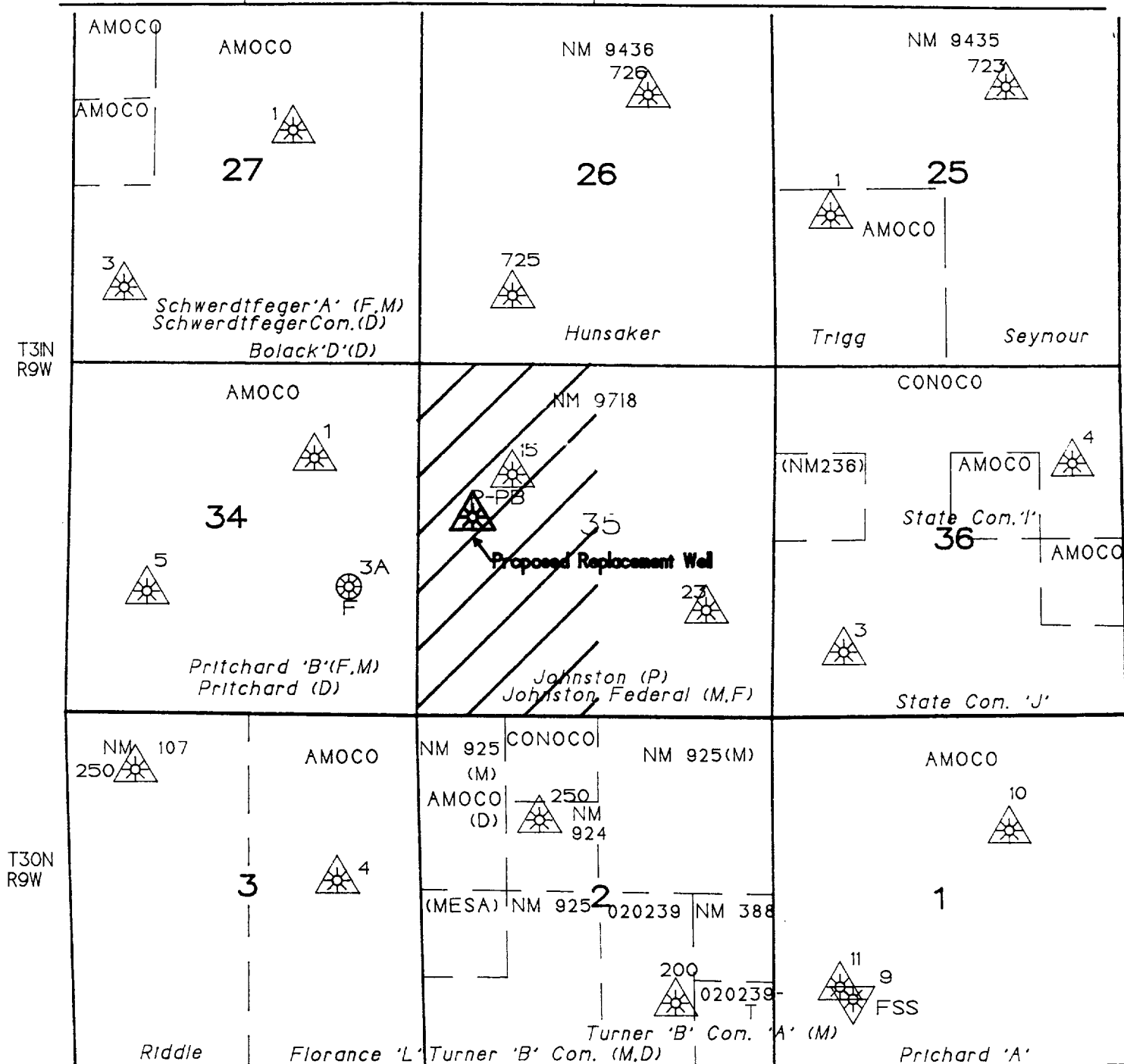
Attorneys for Applicant

EXHIBIT "A"

# JOHNSTON FEDERAL # 15R WELL

## 790'FNL, 2330'FEL

### SECTION 35-31N-9W



**MERIDIAN OIL**

## EXHIBIT "B"

MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLATForm C-102  
Supersedes C-  
Effective 1-1-6

All distances must be from the outer boundaries of the Section.

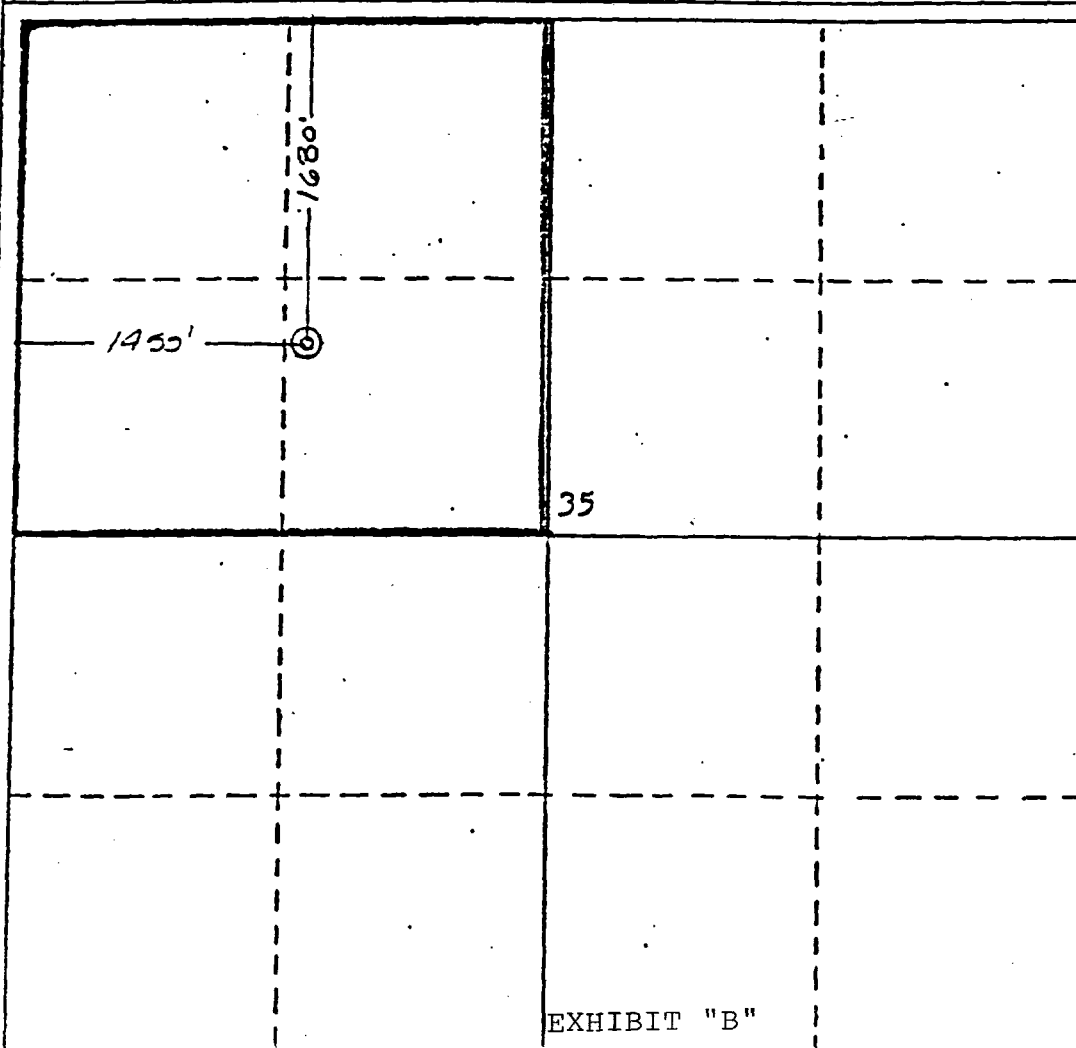
Operator <b>UNION TEXAS PETROLEUM</b>		Lease <b>JOHNSTON FEDERAL</b>		Well No. <b>15</b>	
Unit Letter <b>F</b>	Section <b>35</b>	Township <b>31 NORTH</b>	Range <b>9 WEST</b>	County <b>SAN JUAN</b>	
Actual Footage Location of Well: <b>1680</b> feet from the <b>NORTH</b> line and <b>1450</b> feet from the <b>WEST</b> line					
Ground Level Elev. <b>6000</b>	Producing Formation <b>Pictured Cliffs</b>		Pool <b>Blanco Pictured Cliffs</b>		Dedicated Acreage: <b>157.31</b> Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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 interests 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 interests, has been approved by the Commission.



## CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

*Donald B. Wells*  
Name **DONALD B. WELLS**  
Position **District Production Mgr.**  
Company **Union Texas Petro**  
Date **October 3, 1979**

I hereby certify that the well location shown on this plat was plotted from field notes on 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  
**24 January 1979**  
Registered Professional Engineer  
and/or Land Surveyor

*Michael Daly*  
Michael Daly

EXHIBIT "C"

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

March 29, 1989



Union Texas Petroleum Corporation  
P.O. Box 2120  
Houston, TX 77252-2120

*KW*  
APR 3 1989

Attention: Ken White  
Regulatory Permit Coordinator

Administrative Order NSL-2643

Dear Mr. White:

Reference is made to your application of March 3, 1989 for a non-standard coal gas well location for your Johnston Federal Well No. 15 located 1680 feet from the North line and 1450 feet from the West line (Unit F) of Section 35, Township 31 North, Range 9 West, NMPM, Basin Fruitland Coal (Gas) Pool, San Juan County, New Mexico. The W/2 of said Section 35 shall be dedicated to the well forming a standard 320-acre gas spacing and proration unit.

By the authority granted me under the provisions of Rule 8 of the Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool as promulgated by Division Order No. R-8768, the above-described unorthodox coal gas well location is hereby approved.

Sincerely,

*for WJL*  
William J. LeMay  
Director

WJL/MES/ag

cc: Oil Conservation Division - Aztec  
New Mexico Oil & Gas Engineering Committee - Hobbs  
US Bureau of Land Management - Farmington

EXHIBIT "C"



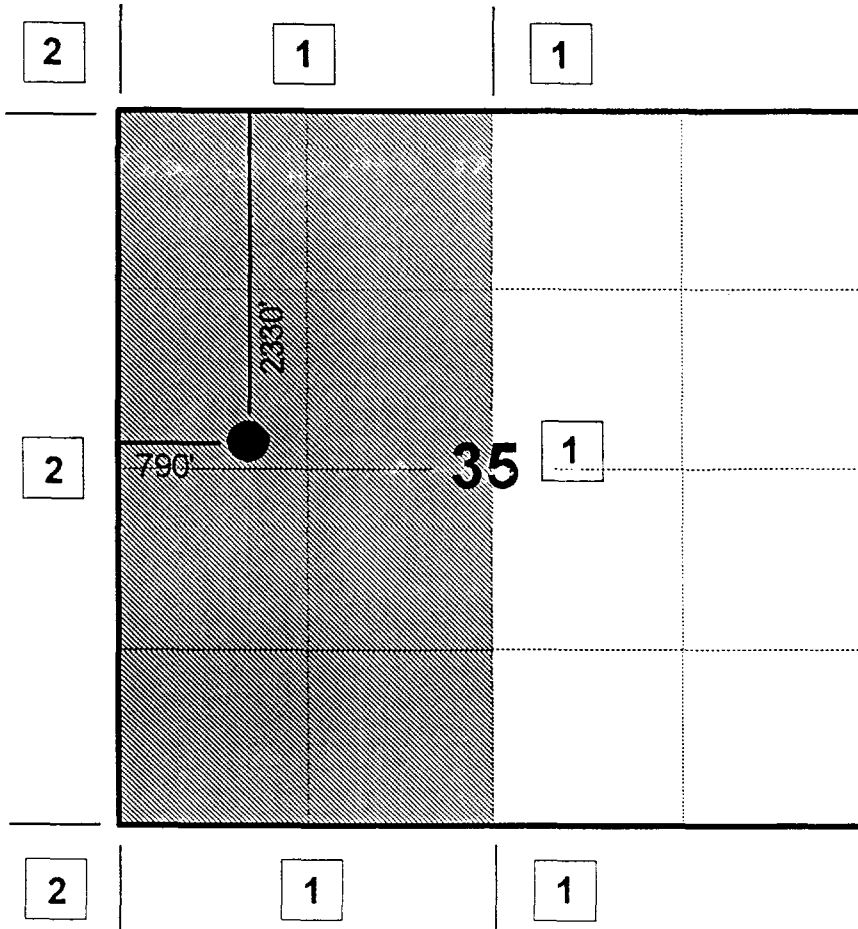
**MERIDIAN OIL INC**

OFFSET OPERATOR \ OWNER PLAT

JOHNSTON FEDERAL #15R

Unorthodox Well Location

Township 31 North, Range 09 West



1) Meridian Oil Inc

2) Amoco Production Company

PO Box 800, Denver, CO 80201