

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. 10700

APPLICATION OF MERIDIAN OIL INC.
FOR DOWNHOLE COMMINGLING,
SAN JUAN COUNTY, NEW MEXICO.

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by 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, NM 87504
(505) 982-4285

OPPOSITION OR OTHER PARTY

ATTORNEY

N/A

STATEMENT OF CASE

APPLICANT:

Meridian Oil Inc. seeks approval to downhole commingle Fulcher Kutz-Pictured Cliffs Gas Pool and Basin-Fruitland Coal Gas Pool production within the wellbore of its Shiotani Federal Com #400 Well which was drilled at a standard gas well location in Unit L of Section 8, T29N, R12W, San Juan County New Mexico. As set forth in its application, Meridian will establish, among other things, that:

- (1) Ownership is different between the two spacing units but correlative rights will not be impaired;
- (2) The Fruitland Coal Gas and the Pictured Cliffs gas at this location cannot economically be produced in any other means than downhole commingling; and
- (3) No reservoir damage will occur.

The current Basin-Fruitland Coal Gas Pool spacing unit is the W/2 equivalent of Section 8 being 325.77 acres. The proposed Fulcher Kutz-Pictured Cliffs Pool spacing unit is the SW/4 equivalent of Section 8 being 164.44 acres. Both are standard in size for their respective pools.

PROPOSED EVIDENCE


APPLICANT

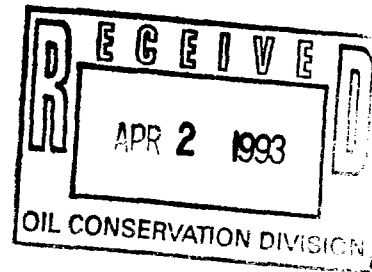
WITNESSES	EST. TIME	EXHIBITS
Chip Head (geologist)	15 min.	2
Alan Alexander (landman)	10 min.	4
Scott Daves (petroleum engineer)	15 min.	2

PROCEDURAL MATTERS

None applicable at this time.

KELLAHIN AND KELLAHIN

By: 
W. Thomas Kellahin
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(505) 982-4285
Attorney for Applicant



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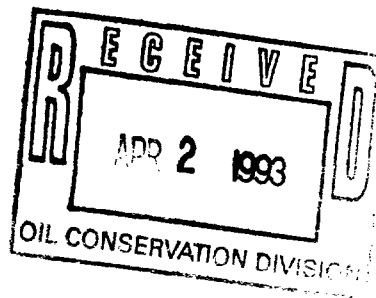
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