



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

October 31, 1989

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

Mr. Thomas Kellahin
Kellahin, Kellahin & Aubrey
Attorneys at Law
Post Office Box 2265
Santa Fe, New Mexico 87504-2265

Re: CASE NO. 9732
ORDER NO. R-8995-A

Applicant:

Meridian Oil Inc.

Dear Sir:

Enclosed herewith are two copies of the above-referenced
Division order recently entered in the subject case.

Sincerely,

Florene Davidson

FLORENE DAVIDSON
OC Staff Specialist

Copy of order also sent to:

Hobbs OCD x
Artesia OCD x
Aztec OCD x

Other _____



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

GARREY CARRUTHERS
GOVERNOR

February 5, 1990

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

Meridian Oil, Inc.
c/o Kellahin, Kellahin & Aubrey
P.O. Box 2265
Santa Fe, NM 87504-2265

Attention: W. Thomas Kellahin

*RE: Allison Unit Well No. 103, NMOCD
Case No. 9732, Division Order Nos.
R-8995 and R-8995-A*

Dear Mr. Kellahin:

Per your letter dated February 1, 1990, this matter will require readvertisement and reopening of Case No. 9732. The next available hearing date is March 7, 1990. Below is a proposed advertisement for that docket:

"CASE 9732 (Reopened and Readvertised)

Application of Meridian Oil, Inc. for a non-standard gas proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 401.20 acre non-standard gas spacing and proration unit comprising Lots 1, 2, 8, 9, 10 and 11, N/2 SE/4, and the SE/4 SE/4 of Section 10 and Lots 3 and 4 of Section 11, both in Township 32 North, Range 7 West, Basin Fruitland Coal Gas Pool. Said unit to be dedicated to the existing Allison Unit Well No. 103 located at a standard coal gas well location 1795 feet from the South line and 2270 feet from the West line (Unit K) of said Section 10, which is approximately 1/2 mile southwest of Mile Corner No. 248 located on the Colorado/New Mexico state line.

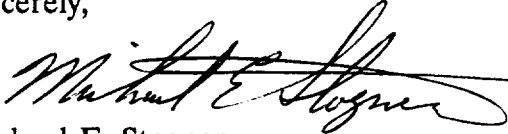
This case was originally heard at the August 23, 1989 hearing and was subsequently reopened at the October 4, 1989 hearing to correct an error in the subject well location, Order Nos. R-8995 and R-8995-A were issued as a result of both hearings. Due to inadvertence, the advertisement for both hearings and both orders contained an erroneous description of the non-standard gas proration unit.

IN THE ABSENCE OF OBJECTION, THIS CASE WILL BE TAKEN
UNDER ADVISEMENT."

Meridian Oil, Inc.
c/o Kellahin, Kellahin & Aubrey
February 5, 1990
Page 2

Should you have any questions or comments concerning this matter, please contact me. I apologize for this oversight and any inconvenience this may have caused. Thank you for your patience.

Sincerely,

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

Michael E. Stogner
Chief Hearing Officer/Engineer

MES/ag

cc: Oil Conservation Division - Aztec
Case File No. 9732 ✓

OIL CONSERVATION DIVISION
RECEIVED

'90 FEB 2 AM 9:09

KELLAHIN, KELLAHIN AND AUBREY

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

W. THOMAS KELLAHIN
KAREN AUBREY

CANDACE HAMANN CALLAHAN

JASON KELLAHIN
OF COUNSEL

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

February 1, 1990

March 7, 1990

Mr. David R. Catanach
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87504

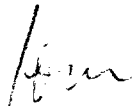
Re: Meridian Oil, Inc.
Allison Unit No. 103 Well
NMOCD Case No. 9732
NMOCD Order No. R-8995

Dear David:

I believe the enclosed Order R-8995, while correctly describing the acreage approved for the non-standard proration unit, does not correctly state the number of acres in the unit. The Transcript and Exhibits show a request for approval of 401.20 acres while the Order incorrectly shows 357.45 acres.

If you agree, I would request the issuance of a Nunc Pro Tunc Order. If you do not agree, please call me so we can discuss how to proceed.

Very truly yours,



W. Thomas Kellahin

WTK/tic
Enclosure

xc: Alan Alexander



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

GARREY CARRUTHERS
GOVERNOR

September 1, 1989

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(505) 827-5800

RECEIVED SEP 05 1989

Mr. Thomas Kellahin
Kellahin, Kellahin & Aubrey
Attorneys at Law
Post Office Box 2265
Santa Fe, New Mexico

Re: CASE NO. 9732
ORDER NO. R-8995

Applicant:

Meridian Oil Inc.

Dear Sir:

Enclosed herewith are two copies of the above-referenced
Division order recently entered in the subject case.

Sincerely,

Florene Davidson

FLORENE DAVIDSON
OC Staff Specialist

Copy of order also sent to:

Hobbs OCD x
Artesia OCD x
Aztec OCD x

Other _____

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. 9732
Order No. R-8995

APPLICATION OF MERIDIAN OIL, INC.
FOR A NON-STANDARD GAS PRORATION
UNIT, SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on August 23, 1989, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 31st day of August, 1989, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) Division Case Nos. 9730, 9731 and 9732 were consolidated at the time of the hearing for the purpose of testimony.

(3) The applicant, Meridian Oil, Inc., seeks approval of a non-standard 357.45-acre, more or less, gas spacing and proration unit comprising Lots 1 and 2, the NE/4 SW/4, S/2 SW/4, and the SE/4 of Section 10 and Lots 3 and 4 of Section 11, both in Township 32 North, Range 7 West, NMPM, (1964 survey) Basin-Fruitland Coal Gas Pool, San Juan County, New Mexico. Said unit is to be dedicated to the applicant's Allison Unit Well No. 103 located at a previously approved unorthodox coal gas well location, pursuant to Decretory

CASE NO. 9732
Order No. R-8995
Page -2-

Paragraph No. 4 of Division Order No. R-8768, 1745 feet from the South line and 2270 feet from the West line (Unit K) of said Section 10.

(4) The proposed non-standard gas proration unit is necessitated by a variation in the legal subdivision of the United States Public Lands Survey.

(5) The entire non-standard gas proration unit may reasonably be presumed productive of gas from the Basin-Fruitland Coal Gas Pool and the entire non-standard gas proration unit can be efficiently and economically drained and developed by the aforesaid well.

(6) The proposed non-standard gas proration unit has previously been established by the Division by Order No. R-2046, dated August 14, 1961, for use in developing gas reserves in the Basin-Dakota Pool, and by Order No. R-2717, dated June 3, 1964, for use in developing gas reserves in the Blanco-Mesaverde Pool, and has proven to be effective in promoting orderly development in this area.

(7) The proposed non-standard gas proration unit lies entirely within the applicant's Allison Unit Area, and there are no offset operators to the proposed non-standard unit.

(8) Approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the Basin-Fruitland Coal Gas Pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) A 357.45-acre, more or less, non-standard gas spacing and proration unit in the Basin-Fruitland Coal Gas Pool comprising Lots 1 and 2, the NE/4 SW/4, S/2 SW/4, and the SE/4 of Section 10 and Lots 3 and 4 of Section 11, both in Township 32 North, Range 7 West, NMPM, (1964 survey) San Juan County, New Mexico, is hereby established and dedicated to Meridian Oil, Inc.'s Allison Unit Well No. 103 located at

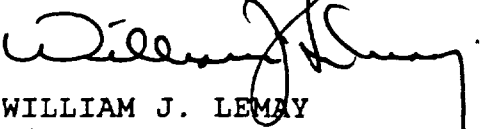
CASE NO. 9732
Order No. R-8995
Page -3-

a previously approved unorthodox coal gas well location 1745 feet from the South line and 2270 feet from the West line (Unit K) of said Section 10.

(2) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director

S E A L



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

September 1, 1989

POST OFFICE BOX 2088
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(505) 827-5800

Mr. Thomas Kellahin
Kellahin, Kellahin & Aubrey
Attorneys at Law
Post Office Box 2265
Santa Fe, New Mexico

Re: CASE NO. 9732
ORDER NO. R-8995

Applicant:

Meridian Oil Inc.

Dear Sir:

Enclosed herewith are two copies of the above-referenced
Division order recently entered in the subject case.

Sincerely,

Florene Davidson

FLORENE DAVIDSON
OC Staff Specialist

Copy of order also sent to:

Hobbs OCD x
Artesia OCD x
Aztec OCD x

Other _____



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

March 15, 1990

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

Mr. Thomas Ksllahin
Kellahin, Kellahin & Aubrey
Attorneys at Law
Post Office Box 2265
Santa Fe, New Mexico

Re: CASE NO. 9732
ORDER NO. R-8995-B

Applicant:

Meridian Oil, Inc.

Dear Sir:

Enclosed herewith are two copies of the above-referenced
Division order recently entered in the subject case.

Sincerely,

Florene Davidson

FLORENE DAVIDSON
OC Staff Specialist

Copy of order also sent to:

Hobbs OCD x
Artesia OCD x
Aztec OCD x

Other _____
