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FAX: 505/982-2047

October 10, 1989

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HAND-DELIVERED

RECEIVED

Mr. William J. LeMay
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

OCT 10 1989

OIL CONSERVATION DIVISION

Re: Meridian Oil Inc.
for Unorthodox Gas Well Location,
Rosa Unit No. 257 Well,
Basin Fruitland Coal Gas Pool,
Rio Arriba, New Mexico

Dear Mr. LeMay:

On behalf of Meridian Oil Inc., please set the enclosed application for hearing at the next available examiner's docket now set for November 1, 1989.

We suggest the following to be used for the advertisement for this case:

Application of Meridian Oil Inc. for an unorthodox gas well location, Rio Arriba, New Mexico. Applicant in the above styled cause seeks approval for an unorthodox gas well location 725 feet from the West line and 955 feet from the South line of Section 27, T31N, R5W, Rio Arriba, New Mexico, with the ~~SW/4~~ ~~SW/4~~ of said section being dedicated to its Rosa Unit No. 257 Well, forming a standard 320-acre gas spacing and proration unit for said pool. Said location is approximately _____ miles from _____.

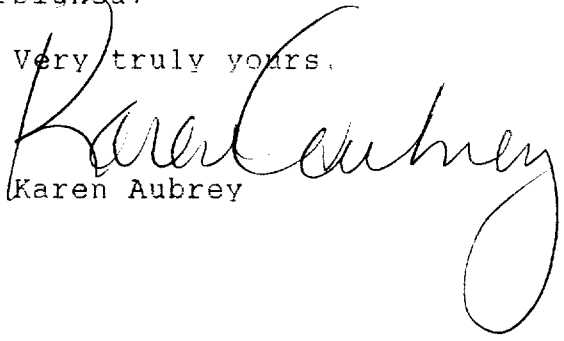
By copy of this letter and application sent certified mail, return-receipt requested, we are notifying each of them of the right to appear at the hearing either in support of or in opposition to this application.

KELLAHIN, KELLAHIN and AUBREY

Mr. William J. LeMay
October 10, 1989
Page 2

Should any such party desire more information about this matter or about the procedures to hearing this application, they may call the Division or the undersigned.

Very truly yours,


Karen Aubrey

WTK/tic

cc: Mr. Allan Alexander
Meridian Oil Inc.
P.O. Box 4289
Farmington, New Mexico 87499-4289

"Certified-Return Receipt Requested"

Northwest Pipeline
3539 East 30th Street
Farmington, New Mexico 87401

RECEIVED

OCT 10 1969

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF MERIDIAN OIL INC. FOR APPROVAL
OF AN UNORTHODOX LOCATION, BASIN
FRUITLAND COAL GAS POOL, RIO ARRIBA
NEW MEXICO

CASE NO.

9863

A P P L I C A T I O N

COMES NOW MERIDIAN OIL INC., by and through its attorneys, KELLAHIN, KELLAHIN & AUBREY, and applies to the New Mexico Oil Conservation Division for approval of an unorthodox Basin Fruitland Coal Gas well location for its Rosa Unit #257 Well, 725' FWL and 955' FSL, SW4/SW4 of Section 27, T31N, R5W, Rio Arriba County, New Mexico.

1. Applicant is a working interest owner and operator of the proposed well.

2. Applicant proposes to form a standard proration and spacing unit consisting of the W/2 of said Section 27, in accordance with the rules governing the Basin Fruitland Coal Pool.

3. Due to topographical considerations, Applicant proposes to drill its Rosa Unit #257 Well at an unorthodox gas well location 725' FWL and 955' FSL, SW4/SW4 of Section 27, T31N, R5W, Rio Arriba County, New Mexico.

5. Attached as Exhibit A is a plat showing the described acreage and the proposed well location.

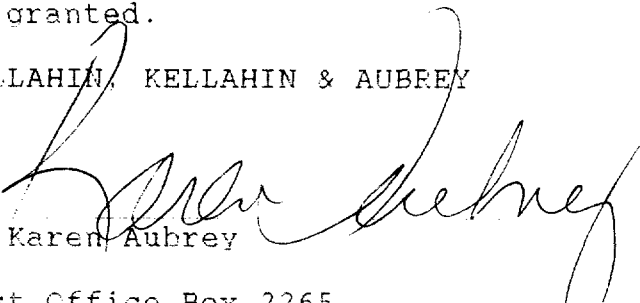
6 Northwest Pipeline, 3539 East 30th Street, Farmington, New Mexico 87401 is the only offsetting operator who is required by Division rules to receive notification of this application.

7. Pursuant to Division notice rules, a copy of this application was mailed by certified mail, return-receipt requested, to Northwest at the above address.

WHEREFORE, Applicant requests that after notice and hearing, the application be granted.

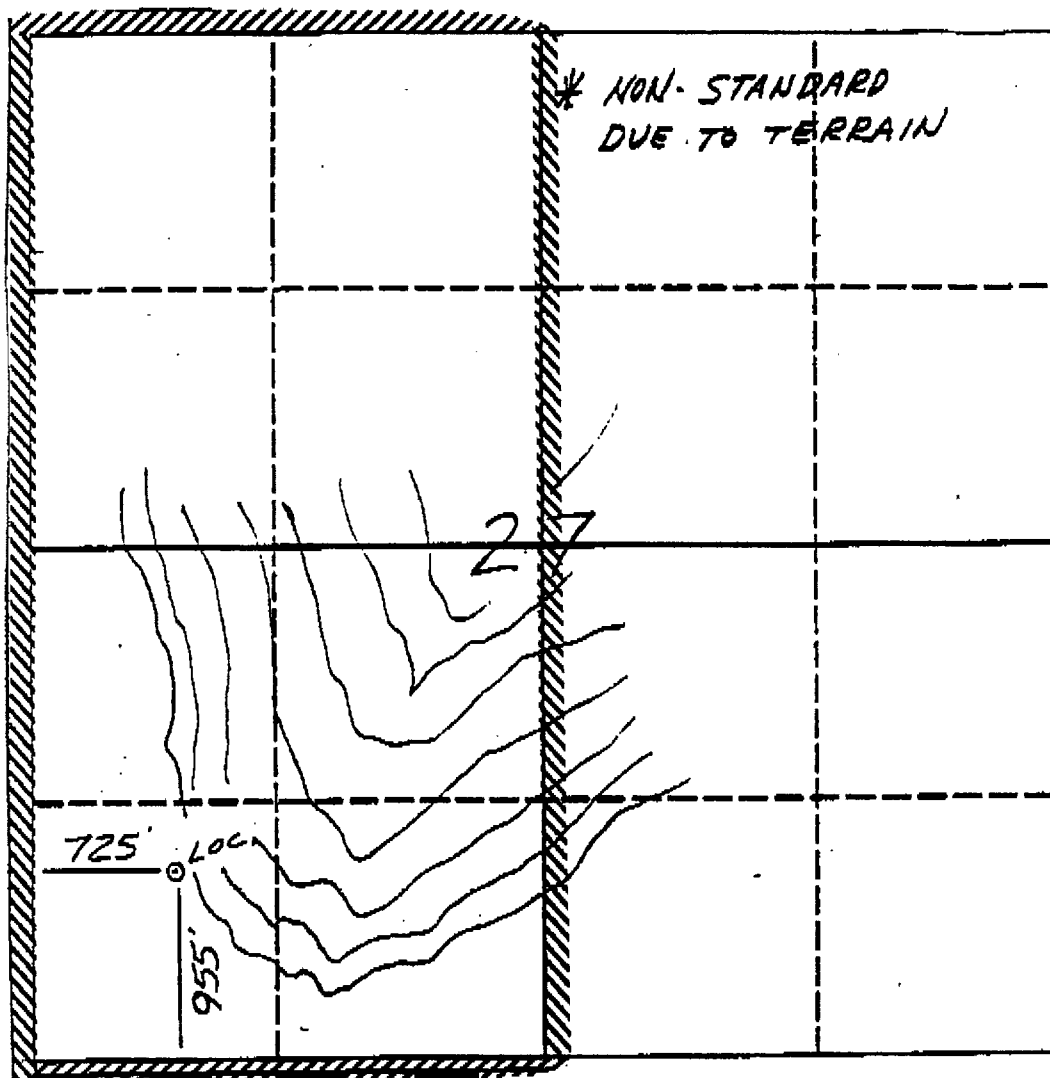
KELLAHIN, KELLAHIN & AUBREY

By:


Karen Aubrey

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

MERIDIAN OIL, INC

Well Name Rosa Unit #257Footage 955' FSL; 725' FWLAPPLICATION FOR NON-STANDARD LOCATIONCounty Rio Arriba State New Mexico Section 27 Township 31N Range 5WRemarks All surrounding lands located within the Rosa Unit.Northwest Pipeline Corporation - Operator.

MERIDIAN OIL INC

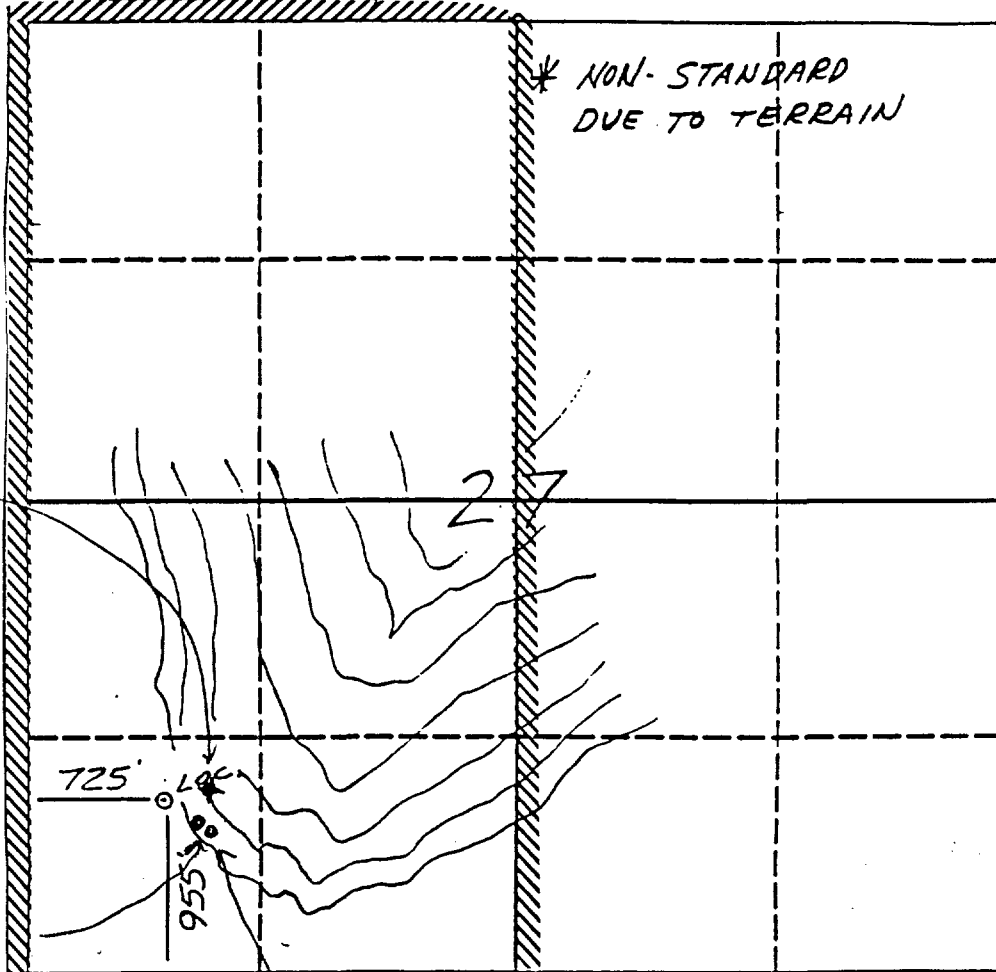
Well Name Rosa Unit #257

Footage 955' FSL; 725' FWL

APPLICATION FOR NON-STANDARD LOCATION

County Rio Arriba State New Mexico Section 27 Township 31N Range 5W

*Standard
640 acre
Section*



*Northwest Pipeline
Corp.*

*Rosa Unit Well No. 6
990' FSL - 790' FWL
Spud: 4/29/53
Prod: Dec. 1987
Blanco Mesquite
Completion*

*Northwest Pipeline
Corp.*

*Rosa Unit Well No. 112
850' FSL - 810' FWL
Spud: 5/19/85
Dually Completed
Gullup Basin, Dakota*

*Omeco Production Co.
Rosa Unit Well No. 112
840' FSL - 810' FWL
Spud: 11/1/84*

*Drilled to 8643
Pending Completion
in the Mesquite
Zone*

Remarks All surrounding lands located within the Rosa Unit.

Northwest Pipeline Corporation - Operator.