

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

July 16, 1990

RECEIVED

JUL 17 1990

OIL CONSERVATION DIV
SANTA FE

HAND DELIVERED

Mr. William J. LeMay
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87504

Re: NMOCD Case No. 10022
Feasel A No. 3 Well
990' FNL, 1070' FWL,
Sec. 34, T28N, R10W,
San Juan County, New Mexico

NMOCD Case No. 10020
Kutz Deep Test No. 1
990' FSL, 1650' FEL,
Sec. 21, T28N, R10W,
San Juan County, New Mexico

NMOCD Case No. 10021
Kutz Deep Test No. 2
990' FSL, 990' FEL,
Sec. 28, T28N, R10W,
San Juan County, New Mexico

NMOCD Case No. 10019
Kutz Canyon Oil & Gas Well No. 1
990' FSL, 1650' FWL,
Sec. 17, T28N, R10W,
San Juan County, New Mexico

Dear Mr. LeMay:

Our firm represents Meridian Oil, Inc. in each of the referenced cases which were originally filed for administrative approval as unorthodox gas wells in the Basin Fruitland Coal Gas Pool. Thereafter, as a result of an objection filed by Breck Operating Corp. the Division placed these cases on the Examiner docket for hearing on July 25 1990, and directed Meridian to provide notice of hearing.

William J. LeMay
July 16, 1990
Page 2

In order to comply with the notice requirements of Rule 1207, we will need additional time and, therefore, request that the referenced cases be continued from July 25, 1990 to the Examiner Hearing set for August 8, 1990.

By copy of this letter, with enclosures, we are notifying the appropriate offsetting parties by certified mail return-receipt that they have the right to appear at the hearing, to make a statement to the Division, to present evidence and cross examine witnesses either in support of or in opposition to the application. In addition, any party desiring to participate should complete and file with the Division, copy to the undersigned, a pre-hearing statement by Friday, August 3, 1990 at 4:00 p.m.

Very truly yours,



W. Thomas Kerflahin

WTK/tic
Enclosure

cc: Alan Alexander
Meridian Oil, Inc.
Post Office Box 4289
Farmington, New Mexico 87499-4289

Certified mail return-receipt
Breck Operating Corp.
Post Office Box 911
Breckenridge, Texas 76024-0911
Attn: Ronald A. Holloway

Merrion Oil & Gas Corporation
Post Office Box 840
Farmington, New Mexico 87400

Damson Oil Co.
Post Office Box 4391
Houston, Texas 77210-4391

Amoco Production Company
Attn: Southern Division Production Manager
Post Office Box 800

BRECK OPERATING CORP.

P. O. BOX 911

BRECKENRIDGE, TEXAS 76024-0911

June 19, 1990

CERTIFIED MAIL -
RETURN RECEIPT REQUESTED

New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87503

Attention: Mr. William LeMay

RE: Kutz Canyon Oil & Gas #1
990' FSL, 1650' FEL
Section 17, T-28-N, R-10-W
San Juan County, New Mexico

Case 10019

Dear Mr. LeMay:

This letter is written on behalf of B.B.L., Ltd. B.B.L., Ltd. owns working interests in the acreage that offsets the requested non-standard gas well locations requested by Meridian Oil Inc. for the Basin Fruitland Coal Pool.

We are opposed to Meridian's request for the non-standard gas well location. To grant such a location would work a hardship on B.B.L., Ltd. and would create drainage problems for B.B.L., Ltd. We believe the established drainage patterns will best protect the correlative rights of all parties.

Also, B.B.L., Ltd. has approached Meridian about forming pooled units for recompletion possibilities in the Fruitland Coal in the same sections at standard locations. For these reasons we request that their requests be denied.

Yours very truly,



Ronald A. Holloway
Land Manager

RAH/sm
L54/0618b

cc: MERIDIAN OIL INC.
3535 East 30th Street
P. O. Box 4289
Farmington, New Mexico 87499-4289
Attention: Mr. David Pogue



7
FAX COVER SHEET

Date:

8-16-90

Time:

3:28 P.M.

Log No.

Number of Pages:
(Including cover sheet)

A 5

TO:

Mr. Michael Stogner

FROM:

Mr. W. Thomas Kellahin

Of:

OCD

Of:

KELLAHIN, KELLAHIN & AUBREY
P. O. Box 2265
Santa Fe, NM 87504-2265

FAX #:

827-5741

Address:

FAX #:

982-2047

Mike:

The attached waivers apply to OCD Cases 10019, 10020
10021 and 10022.

Tom

SENT BY: Meridian Oil, Inc. ; 8- 3-90 ; 2:58PM ;
AUG-03-1990 15:57 FROM BRECK OPERATING CORP

5053269781- 5059888936:# 3
TO 15053269781 P.04

MERIDIAN OIL

June 8, 1990

Federal Express

Mr. William LeMay
New Mexico Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87503

RE: Kutz Canyon Oil & Gas #1
990'FSL, 1650'FEL
Section 17, T-28-N, R-10-W
San Juan County, New Mexico

Dear Mr. LeMay:

This is a request for administrative approval for a non-standard gas well location in the Basin Fruitland Pool.

Meridian Oil intends to plugback and recomplete the Kutz Canyon Oil & Gas #1 well from the Pictured Cliffs pool to the Basin Fruitland Coal Pool. The current location of this well is 990'FSL, 1650'FEL, Section 17, T-28-N, R-10-W, San Juan County, New Mexico. The well is considered non-standard due to the NE-SW dedicated pattern established for the Basin Fruitland Coal Pool. To comply with the New Mexico Oil Conservation Division rules, Meridian is submitting the following for your approval of this non-standard location:

1. C-102 plat showing location of the well;
2. Plat showing offset owners/operators;
3. Affidavit of notification of offset owners/operators;
4. Copy of Well Completion Log for original completion.

A copy of this application is being submitted to all offset owners/operators by certified mail with a request that they furnish your Santa Fe office with a Waiver of Objection, and return one copy to this office.

Sincerely yours,


Peggy Bradfield
encl.

Breck Operating Corp., Individually WAIVER
and on behalf of B.B.L., Ltd. hereby waives objection to Meridian Oil Inc.'s application for a non-standard location for their Kutz Canyon Oil & Gas #1 as proposed above.

Date: 8/3/90

BRECK OPERATING CORP.

cc: Southland Royalty Company
Breck Operating Company
Meridian Oil & Gas Conservation

By: 
Fred H. Dwyer, President

APPRO:
AS TO R

AUG-07-90 TUE 11:30

G3

P.03



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

GARREY CARRUTHERS
GOVERNOR

June 29, 1990

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

Meridian Oil, Inc.
P.O. Box 4289
Farmington, NM 87499-4289

Case 10019

Attention: Peggy Bradfield

RE: Administrative Application for an unorthodox coal gas well location; Kutz Canyon Oil and Gas Well No. 1, 990' FSL - 1650' FWL (Unit O), Section 17, Township 28 North, Range 10 West, NMPM, Basin Fruitland Coal Gas Pool, San Juan County, New Mexico.

Dear Ms. Bradfield:

This agency has received an objection from Breck Operating Corporation to the subject filing in a timely manner (see copy attached); therefore, this matter will be set for hearing before an examiner on the next available docket scheduled for July 25, 1990.

Please provide adequate notice for such an application prior to the hearing as required by Division General Rule 1207.

If you should have any questions concerning this matter, please contact me.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

MES/ag

cc: Oil Conservation Division - Aztec
US Bureau of Land Management - Farmington
Breck Operating Corporation Breckenridge, TX

BRECK OPERATING CORP.

P. O. BOX 911
BRECKENRIDGE, TEXAS 76024-0911

100 JUN 21 AM 8 37

June 19, 1990

CERTIFIED MAIL -
RETURN RECEIPT REQUESTED

Case 10019

New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87503

Attention: Mr. William LeMay

RE: Kutz Canyon Oil & Gas #1
990' FSL, 1650' FEL
Section 17, T-28-N, R-10-W
San Juan County, New Mexico

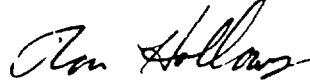
Dear Mr. LeMay:

This letter is written on behalf of B.B.L., Ltd. B.B.L., Ltd. owns working interests in the acreage that offsets the requested non-standard gas well locations requested by Meridian Oil Inc. for the Basin Fruitland Coal Pool.

We are opposed to Meridian's request for the non-standard gas well location. To grant such a location would work a hardship on B.B.L., Ltd. and would create drainage problems for B.B.L., Ltd. We believe the established drainage patterns will best protect the correlative rights of all parties.

Also, B.B.L., Ltd. has approached Meridian about forming pooled units for recompletion possibilities in the Fruitland Coal in the same sections at standard locations. For these reasons we request that their requests be denied.

Yours very truly,



Ronald A. Holloway
Land Manager

RAH/sm
L54/0618b

cc: MERIDIAN OIL INC.
3535 East 30th Street
P. O. Box 4289
Farmington, New Mexico 87499-4289
Attention: Mr. David Pogue





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

August 8, 1990

Meridian Oil, Inc.
P.O. Box 4289
Farmington, NM 87499-4289

Attention: Peggy Bradfield

Administrative Order NSL-2841

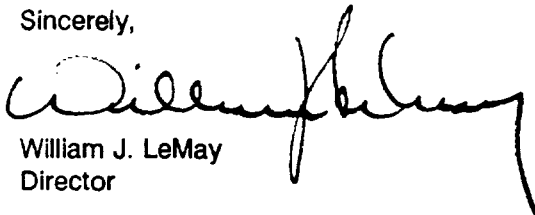
Dear Ms. Bradfield:

Reference is made to your application dated June 8, 1990 for a non-standard Basin-Fruitland coal gas well location for your existing Kutz Canyon Oil and Gas Well No. 1 which was drilled in 1951 and completed in the Fulcher Kutz Pictured Cliffs Pool at a standard gas well location 990 feet from the South line and 1650 feet from the East line (Unit O) of Section 17, Township 28 North, Range 10 West, NMPM, San Juan County, New Mexico.

It is my understanding that the Pictured Cliffs zone will be properly plugged back and said well will be recompleted to the Basin-Fruitland Coal Gas Pool, which pursuant to the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool as promulgated by Division Order No. R-8768, is unorthodox. Further, the S/2 of said Section 17 shall be dedicated to the well forming a standard 320-acre gas spacing and proration unit for said pool.

By the authority granted me under the provisions of Rule 8 of said Division Order No. R-8768, the above-described unorthodox coal gas well location is hereby approved.

Sincerely,



William J. LeMay
Director

WJL/MES/ag

cc: Oil Conservation Division - Aztec
US Bureau of Land Management - Farmington
W. Thomas Kellahin - Santa Fe
File: Case No. 10019



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

GARREY CARRUTHERS
GOVERNOR

August 21, 1990

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

Re: CASE NO. 10019
ORDER NO. R-9261

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 James Bruce