KELLAHIN, KELLAHIN and AUBREY

Attorneys at Law

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Santa Fé, New Mexico 87504-2265

Telephone 982-4285 Area Code 505

June 29, 1989

Case 9707

RECEIVE

HAND DELIVERED

Mr. William J. LeMay Oil Conservation Division Post Office Box 2088 Santa Fe, New Mexico 87501 JUN 29 1989

OIL CONSERVATION DIVISION

Re: Application of Meridian Oil, Inc. for Approval of a Unorthodox Well

Location for its Heizer #100 Well, Basin Fruitland Coal Gas Pool, Rio Arriba County, New Mexico

Dear Mr. LeMay:

On behalf of Meridian Oil Inc., please find enclosed a copy of our application for approval of an unorthodox well location for the referenced well.

We would appreciate you setting this matter for an examiner hearing now scheduled for July 26, 1989.

Very truly yours,

Thomas Kellahir

WTK/rs

Encl.

cc: Alan Alexander (Meridian-Farmington)
John Caldwell (Meridian-Farmington)

Certified mailing return-receipt parties listed on Exhibit B of Application.

STATE OF NEW MEXICO

RECEIVED

DEPARTMENT OF ENERGY AND MINERALS

JUN 29 7

OIL CONSERVATION DIVISION

OIL CONSERVATION DIVISION

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

Case No. 9707

APPLICATION

COMES NOW, MERIDIAN OIL, INC., by and through it attorneys, Kellahin, Kellahin & Aubrey, and applies to the New Mexico Oil Conservation Division for approval of an unorthodox Basin Fruitland Coal Gas Well location 1430 feet FNL and 2250 feet FEL of Section 15, T32N, R10W, Rio Arriba County, New Mexico for its Heizer #100 Well and in support would show:

- 1. Applicant is a working interest owner and operator for all of Section 15, T32N, R10W, NMPM for the development of coal gas production from the Basin Fruitland Coal Gas Pool.
- 2. The E/2 of Section 15 is to be developed for coal gas production by the Heizer #100 Well to be located at an unorthodox well location due to topography, archeology and geologic constraints as shown on Exhibit A.
- 3. Attached as Exhibit A is a plat showing the described acreage of the subject well location.

- 4. Because of a combination of topography, archeology and geology the optimum location for the Heizer #100 Well in the NE/4 of said Section 15 will be an unorthodox well location 1430 feet FNL and 2250 feet FEL of said Section 15.
- 5. The unorthodox well location will not impair the correlative rights of any party because it is crowding an interior line within Section 15 which is controlled by Meridian who will have the right to drill a well in the W/2 of Section 15.
- 6. In addition, Meridian will not gain any advantage over any other operator in the area because the well is farther away from offset operators than a standard location and those offset operators have signed waivers. Attached as Exhibit B is a list of the offsetting interest owners who are to receive notification of this application.

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

Kellahin, Kellahin & Aubrey

By:

W. Thomas Kellahin

Post Office Box 2265

Santa Fe, New Mexico 87504

(505) 982-4285

MERIDIAN OIL INC

Well Name

Heizer #100

Footage

1430' FNL; 2250' FEL

APPLICATION FOR NON-STANDARD LOCATION

State New Mexico Section 15 Township 32N Range 10W County San Juan (1)(1) (2) (1) (2) 00. (1) (2) (2) (2) (3)

Remarks

- 1) Meridian Oil Inc.
- 2) Amoco Production Company
- 3) Union Texas Petroleum Corporation

Exhibit "A"