

Submit to Appropriate District Office
 State Leases - 6 copies
 Fee Lease - 5 copies

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-101
 Revised 1-1-89

OIL CONSERVATION DIVISION
 P.O. Box 2088
 Santa Fe, New Mexico 87504-2088

DISTRICT I
 P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
 P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
 1000 Rio Brazos Rd., Aztec, NM 87410

API NO. (assigned by OCD on New Wells)

5. Indicate Type of Lease
 STATE FEE

6. State Oil & Gas Lease No.
 E-9895-3

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work:
 DRILL RE-ENTER DEEPEN PLUG BACK
 b. Type of Well:
 OIL WELL GAS WELL OTHER
 SINGLE ZONE MULTIPLE ZONE

7. Lease Name or Unit Agreement Name
 Moncrief Com

2. Name of Operator
 Meridian Oil Inc.

8. Well No.
 1E

3. Address of Operator
 PO Box 4289, Farmington, NM 87499

9. Pool name or Wildcat
 Gallegos Gallup

4. Well Location
 Unit Letter B : 820 Feet From The North Line and 1840 Feet From The East Line
 Section 16 Township 26N Range 11W NMPM San Juan County

10. Proposed Depth
 11. Formation
 Gallup
 12. Rotary or C.T.

13. Elevations (Show whether DF, RT, GR, etc.)
 6277'
 14. Kind & Status Plug. Bond
 statewide
 15. Drilling Contractor
 16. Approx. Date Work will start.

17. PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
**					

** See operations plan and wellbore schematic attached.

RECEIVED
 MAY 08 1992
 OIL CON. DIV. I
 DIST. 3

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE [Signature] (JAS) TITLE Regulatory Affairs DATE 5-5-92

TYPE OR PRINT NAME _____ TELEPHONE NO. _____

(This space for State Use)

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #3 DATE MAY 20 1992

CONDITIONS OF APPROVAL, IF ANY:

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2068
SANTA FE, NEW MEXICO 87501

Form C-107
Revised 10-

All distances must be from the outer boundaries of the Section.

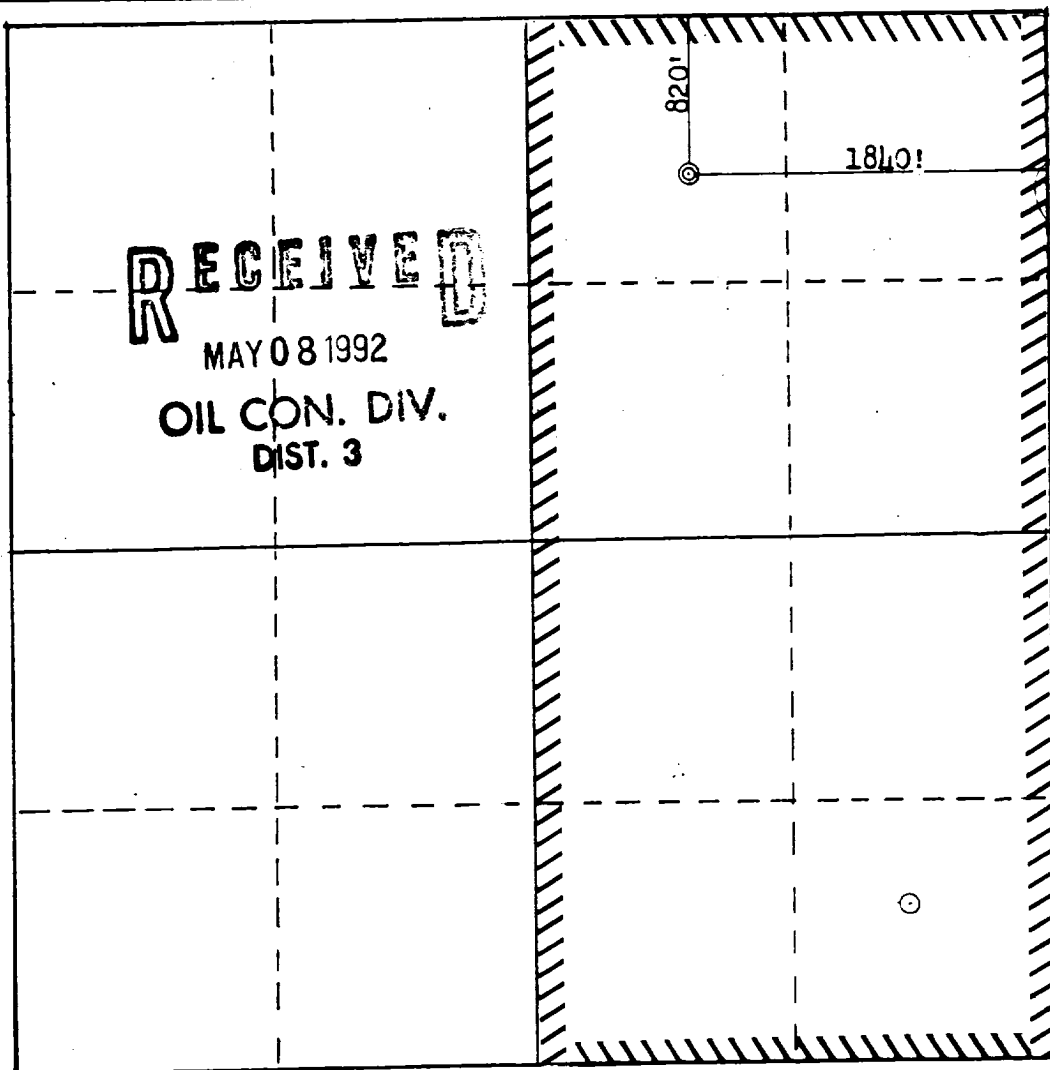
Operator Meridian Oil Inc.		Lease MONCRIEF COM (E-9895-3)			Well No. 1E
Unit Letter B	Section 16	Township 26N	Range 11W	County San Juan	
Actual Footage Location of Well: 820 feet from the North line and 1840 feet from the East line					
Ground Level Elev: 6277	Producing Formation Gallup		Pool Gallup Assoc	Dedicated Acreage: 320 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation communitization agreement dated 9-27-60

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



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DIST. 3

CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

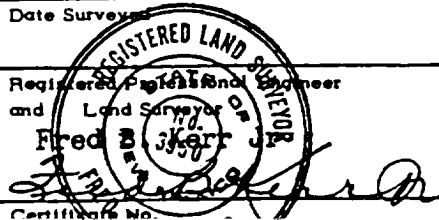
Peggy Bradfield

Name
Peggy Bradfield
Position
Regulatory Affairs
Company
Meridian Oil Inc.

Date
5-5-92

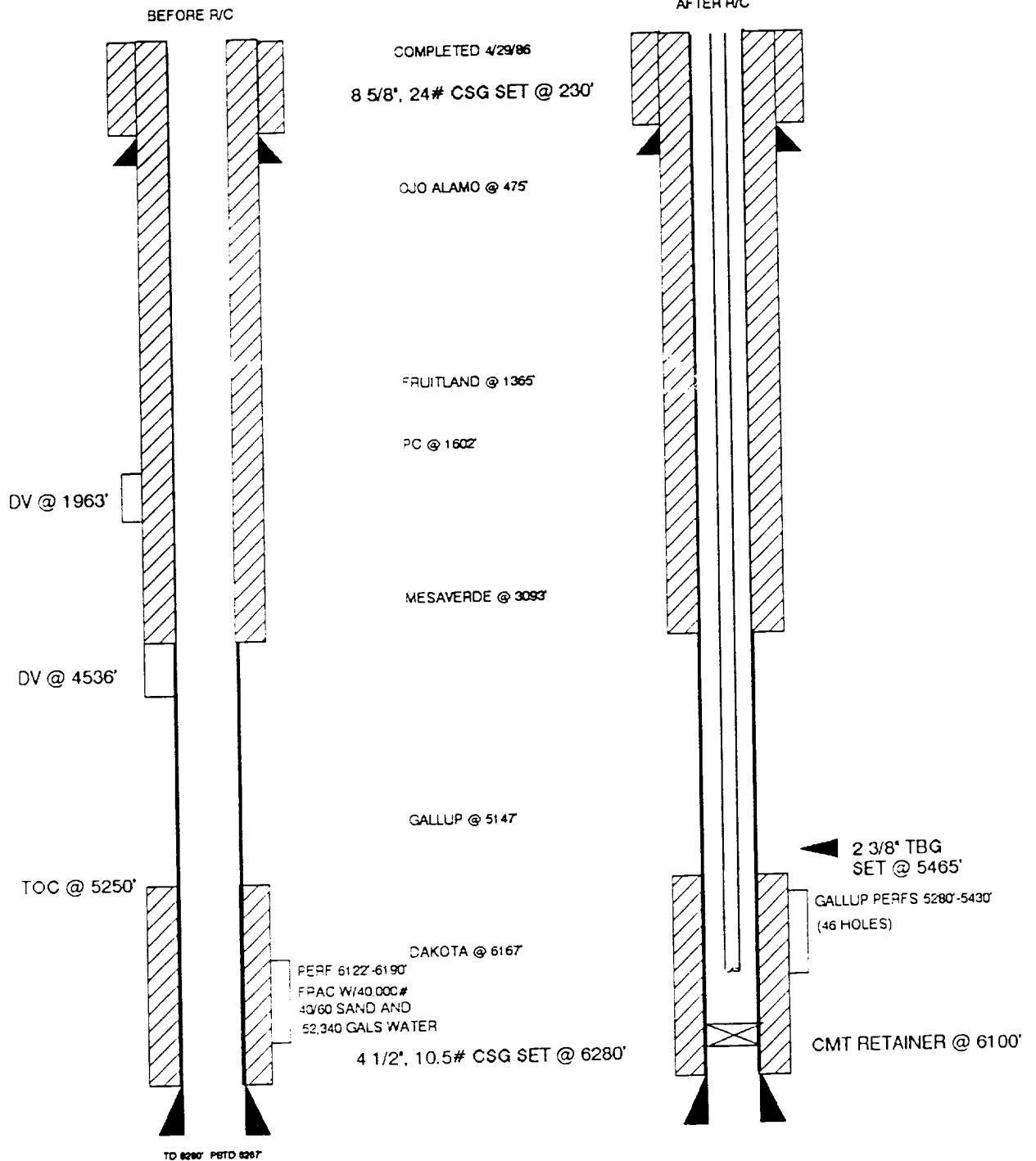
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed _____
Registered Professional Engineer and Land Surveyor
Fred B. Kerr
Certification No. _____



MONCRIEF COM #1E

BASIN DAKOTA
UNIT B SECTION 16, T26N-R11W



**RECOMPLETION PROCEDURE
MONCRIEF COM #1E**

1. Prepare location for workover. Set 2-400 bbl tanks on location and fill with water.
2. MOL and RU. NU BOP with flow tee and stripping head, and test. NU 2-7/8" blowline with 5000# gate valve on tubing head. Load hole with 2% KCl water.
3. PU 2-3/8" 4.7# 8rd EUE tubing with a 4-1/2" 10.5# casing scraper and TIH to 6110'. Circulate hole clean with KCL water. TOOH.
4. RU wireline unit, TIH with wireline-set cement retainer, set at 6100'. TOOH.

* * * DAKOTA IS NOW TEMPORARILY PLUGGED * * *

5. TIH with 4-1/2" fullbore packer on 2 joints of 2-7/8" tubing to protect wellhead from pressure. Pressure test casing to 3800 psi. Release pressure. TOOH.

*****SINGLE STAGE STIMULATION*****

6. Perforate top down with a 3-1/8" HSC gun (0.49" hole, 16 gram GOEX charge, or equivalent). Shoot 1 SPF for a total of 46 holes over the following intervals:

9 holes	5280'-5288'	8 net feet
7 holes	5295'-5301'	6 net feet
1 hole	5324'-5326	2 net feet
1 hole	5336'-5338'	2 net feet
1 hole	5346'-5348'	2 net feet
1 hole	5358'-5360'	2 net feet
1 hole	5366'-5368'	2 net feet
<u>25</u> holes	5406'-5430'	<u>24</u> net feet

46 total holes 48 total net feet

7. RD wireline. TIH with 4-1/2" isolation tool with a 4' spacer and straddle each set of perforations. Wash perforations with 15 gals. 15% HCl acid per foot of perforations (3 gals./1000 gals. quaternary amine-type clay stabilizer added). Record pressures. Pump at a rate of 1/2 BPM. TOOH.
8. TIH with 4-1/2" fullbore packer on 2 joints of 2-7/8" tubing.
9. RU Stimulation Company for fracture treatment. Hold safety meeting with all personnel. Pressure test surface lines to 4800 psi with nitrogen. Fracture treat Gallup according to attached schedule at 45 BPM total fluid rate (70 quality foam) with 100,000 lbs. of Ir-182 Tagged 20/40 and 40/70 mesh sand, 730 barrels of 20# gelled water and 1123 MSCF of nitrogen.
MAXIMUM PRESSURE IS LIMITED TO 3800 PSI!

RECOMPLETION PROCEDURE-pg 2
MONCRIEF COM #1E

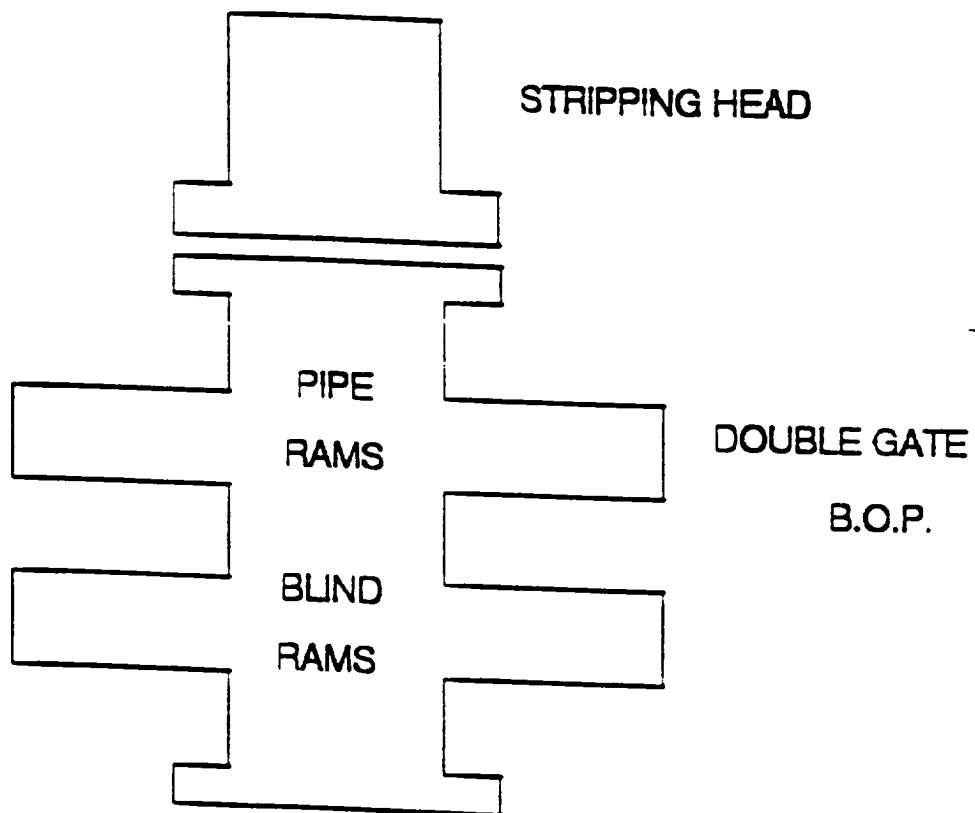
10. Flow well back slowly until closure is seen (5 minutes max.). Record pressures. SI and RD Stimulation Company. Open well through variable choke, flowing back slowly. Continue to flow back until returns diminish. TIH with 3-7/8" concave bit or mill on 2-3/8" tubing and clean out with air. Clean out until sand flow stops. Gauge well. TOOH.
11. RU wireline unit and run after frac gamma ray log.
12. TIH with 1/2" tapped 2-3/8" bullplug, 1 full joint 2-3/8" tubing, 3' perforated sub (set at 5435'-no higher!), seating nipple, and 2-3/8" tubing to surface. Space out tubing string so that perforated sub is set at 5435'.
13. Gauge well for production capacity. Release Rig.

Vendors

Wireline Perforating: Basin 327-5244
Cement/Frac. Stim.: Western 327-6222
Sand Tracer: Pro-Technics 326-7133

Approve: _____
J. A. Howieson

WORKOVER / RECOMPLETION B.O.P. SCHEMATIC



MINIMUM: 6" 2000 PSI DOUBLE GATE B.O.P.
MAXIMUM ANTICIPATED SHUT-IN WELLHEAD
PRESSURE IS LESS THAN 2000 PSI