State of New Mexico Energy, Minerals and Natural Resources Department

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

| APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK | API NO. (assigned by OCD on new well 5. Indicate Type of Lease | | |
|--|---|--|--|
| | | | |
| | STATE OF NEW MEXICO 6. State Oil & Gas Lease No. | | |
| 1a. Type of Work | E-1010-1 | | |
| PLUG BACK AUG3 0 1990 | 7. Lease Name or Unit Agreement Name | | |
| b. Type of Well GAS OIL CON. DIV. DIST. 3 | MAGNOLIA COM | | |
| 2 Name of Operator | 8. Well No. | | |
| MERIDIAN OIL INC. | 1 1 | | |
| 3. Address of Operator P. O. BOX 4289 | 9. Pool Name or Wildcat | | |
| FARMINGTON, NM 87499 | BASIN FRUITLAND COAL | | |
| 4. Well Location 1630' FSL; 994' FEL SEC. 32, 7 | r27n, R09W, SAN JUAN COUNTY, NM | | |
| 10. Proposed Depth 11. Formati | ion 12. Rotary or C.T. | | |
| | iz. Rocary of C.1. | | |
| 13. Elevation 14. Bond Type 15. Drill 6 | Contractor 16. Est. Start Date | | |
| 17. PROPOSED CASING AND | CEMENT PROGRAM | | |
| SIZE HOLE SIZE CASING WT. PER FT. S | SET. DEPTH SKS OF CEMENT EST. TOP | | |
| | | | |
| | | | |
| I hereby certify that the information above my knowledge and belief. | ve is true and complete to the best of | | |
| SIGNATURE MAY MARKELLA (SHL) TITLE | gulatony Offices DATE 8-29-92 | | |
| (This space for State Use) | | | |
| APPROVED BY Suarh TITLE Conditions of approval, if any: | DATE | | |
| Hald C-104 FOR CA tNSL | | | |

Schemic to Appropriate District Office State Lance - 4 copies Fee Lance - 3 copies-

State of New Mexico: Energy, Minerals and Natural Resources Department

DISTRICT! P.O. Box 1980, Hobbs, NM. 88249....

OIL CONSERVATION DIVISION P.O. Box 2008 Sanza Fe; New Mexico: 87504-2088

DISTRICT II .
P.O. Desert OO, Astenia, NA4 - 82210 ... DISTRICT III

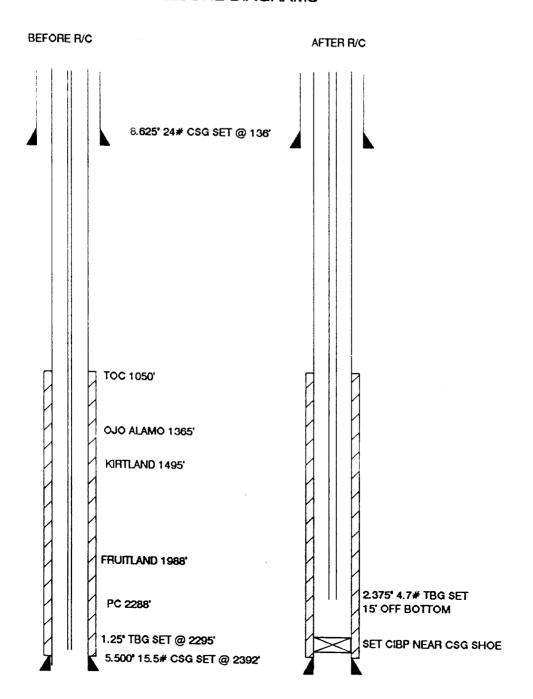
| OOD Rio Brissos Rd., Aziec, NM 87410 WELL LOCATION AND ACREAGE DEDICATION PLAT All Claimness must be from the outer boundaries of the section | | | | | |
|---|--|--|---|---|--|
| 041 7 | 1.000 | | | Well it X | |
| Oil Inc. | Mac | nolia Com | | 11 | |
| 32 27 N | | West | | Tuen | |
| | | | NMM San | Juan | |
| | | | he from the East | t · " | |
| • | | <u></u> | | Dedicated Acresps: | |
| | | | | 320 Acre | |
| one lease of different oversethip sto-pooling, etc.? No If a list the owners and anot decer- | is declicated to the well, have t master is "yes" type of consoli- paces which have examily bee | communication of all communications of all c | tization ag | reement will | |
| to the management to the world want it | il interest have been generalide | ed (by comme | The transfer of the same | obtained | |
| | | LIVER | | J. OF CHARTINE) | |
| resurveyed plat by ilven 10-22-57 | 2 | | Peggy Printed Name Regul Position | Bradfield | |
| | | 994 | on this plat actual survey supervison, a correct to the | ely state the well leaves on plants from field and the same or and the same is the same in the same of any leavestay. -28-90 6857 | |
| | Oil Inc. 32 27 N (Wel: South Fruitland Co Townson Fruitland Co | Oil Inc. Oil Inc. Mac South Producing Formation Fruitland Coal Bas: See sees is dedicated to the well, outline each and identify the sees. I have been expected by the reservery by the sees. | Oil Inc. Magnolia Com Magnolia | Oil Inc. Magnolia Com (E-1010-1) 32 27 North 9 West NAME San Fred South 994 feet from the East Fred South Page 1 San Fred South Page 1 San Fred South Page 2 South Page 2 South Page 3 South Page | |

RECOMPLETION PROCEDURE MAGNOLIA COM #1

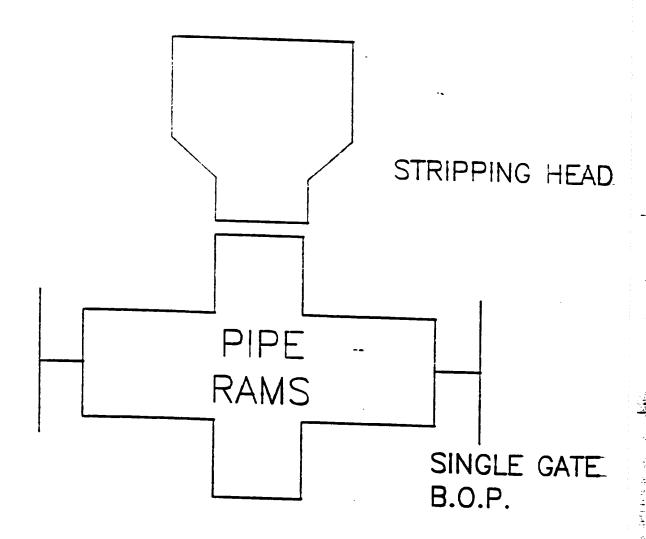
NO WORK IS TO BE PERFORMED OR EQUIPMENT TO BE LOCATED OFF APPROVED WELLPAD

- 1. Prepare location for workover. Install or replace anchors as necessary.
- 2. MOL with workover rig, hold safety meeting, install safety signs and proper fire equipment at strategic points. Comply with all BLM, NMOCD, and MOI regulations.
- 3. Rig up blow lines, record tubing and casing pressures and blow well down. NU 6" 3000 psi BOP and test. Load hole with water.
- 4. TOOH with tubing.
- 5. PU 5 1/2" casing scraper and TIH with 2 3/8" 4.7# J-55 EUE tubing. TOOH.
- 6. RU wireline unit and set a 5 1/2" CIBP near 2280'. Pressure test casing to 2500 psi for 15 minutes.
- 7. Run logs.
- 8. Perforate across the coal. Perforations to be picked from log.
- 9. TIH with tubing and swab wellbore dry. Check well for gas flow. Evaluate well overnight. Check well for buildup pressure and gas flow.
- 10. Hold safety meeting with all personnel on location. PT surface lines to 4000 psi. Fracture stimulate well.
- 11. TIH with tubing and clean out to CIBP.
- 14. Land tubing. Swab well in. Record final 30, 45 and 60 minute gauges on morning report. ND BOP. NU tree. Rig down and release rig.
- 15. Shut well in for pressure build up. Obtain gas and water sample for analysis.

MAGNOLIA COM #1 WELLBORE DIAGRAMS



WORKOVER / RECOMPLETION B. O. P. SCHEMATIC



MINIMUM: 2 7/8" 1500 PSI SINGLE GATE B.O.P.

MAXIMUM ANTICIPATED SHUT-IN WELLHEAD PRESSURE IS LESS THAN 1500 PSI