

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

1. TYPE OF WELL GAS		5. LEASE NUMBER SF-077383-A	
2. OPERATOR MERIDIAN OIL INC.		6. IF INDIAN, ALL. OR TRIBE NAME	
3. ADDRESS & PHONE NO. OF OPERATOR P O BOX 4289 FARMINGTON, NM 87499		7. UNIT AGREEMENT NAME	
4. LOCATION OF WELL 1260'FSL 986'FWL		8. FARM OR LEASE NAME KUTZ CANYON	
		9. WELL NO. 500	
		10. FIELD, POOL, OR WILDCAT BASIN FRUITLAND COAL	
		11. SEC. T. R. M OR BLK. SEC. 22 T28N R10W NMPM	
14. PERMIT NO.	15. ELEVATIONS 6088'GL	12. COUNTY SAN JUAN	13. STATE NM
16. SUBSEQUENT REPORT OF: Amended Application for Permit to Drill			
17. Describe proposed or completed operations <i>Spec. & Permit Change</i>			

From
Reference is made to D. J. Simmons Co.'s Application for Permit to Drill the Cedar Com 22 #1 approved 08-03-90 at 1260'FSL and 988'FWL.

Meridian Oil Inc. will operate and drill this well as the Kutz Canyon #500 at 1260'FSL and 986'FWL of Section 22 of Township T28N and Range R10W.

Submitted for review:

- C102
- Operations Plan
- BOP Diagrams
- Location Laydown
- Cut and Fill Diagram
- Facilities Diagram

18. AUTHORIZED BY: *[Signature]*
REGULATORY AFFAIRS

NOTE: THIS FORMAT IS ISSUED IN LIEU OF US BLM FORM 3160-5.

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(This space for Federal or State office use)

APPROVED BY _____ TITLE _____
CONDITION OF APPROVAL, IF ANY: _____

RECEIVED
OCT 26 1990
OIL CON. DIV.
DIST. 3

10-9-90
DATE

OCT 15 1990
DATE *[Signature]*

AREA MANAGER
FARMINGTON

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-182
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. Denver OD, Artesia, NM 88210

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Meridian Oil inc.			Lease Kutz Canyon (SF-077383A)		Well No. 500
Unit Letter M	Section 22	Township 28 North	Range 10 West	County San Juan	
Actual Surface Location of Well: 1260 feet from the South line and 986 feet from the West line					
Ground level Elev. 6088'		Producing Formation Fruitland Coal Basin		Dedicated Acreage: 320.00 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or machine marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by commutation, unitization, force-pooling, etc.?
☐ Yes ☐ No If answer is "yes" type of consolidation: _____
If answer is "no" list the owners and unit descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)
No acreage will be assigned to the well until all interests have been consolidated (by commutation, unitization, force-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.

OPERATOR CERTIFICATION

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

Signature: *Peggy Bradfield*

Printed Name: Peggy Bradfield

Position: Regulatory Affairs

Company: Meridian Oil Inc.

Date: 10-9-90

Date: _____

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes 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.

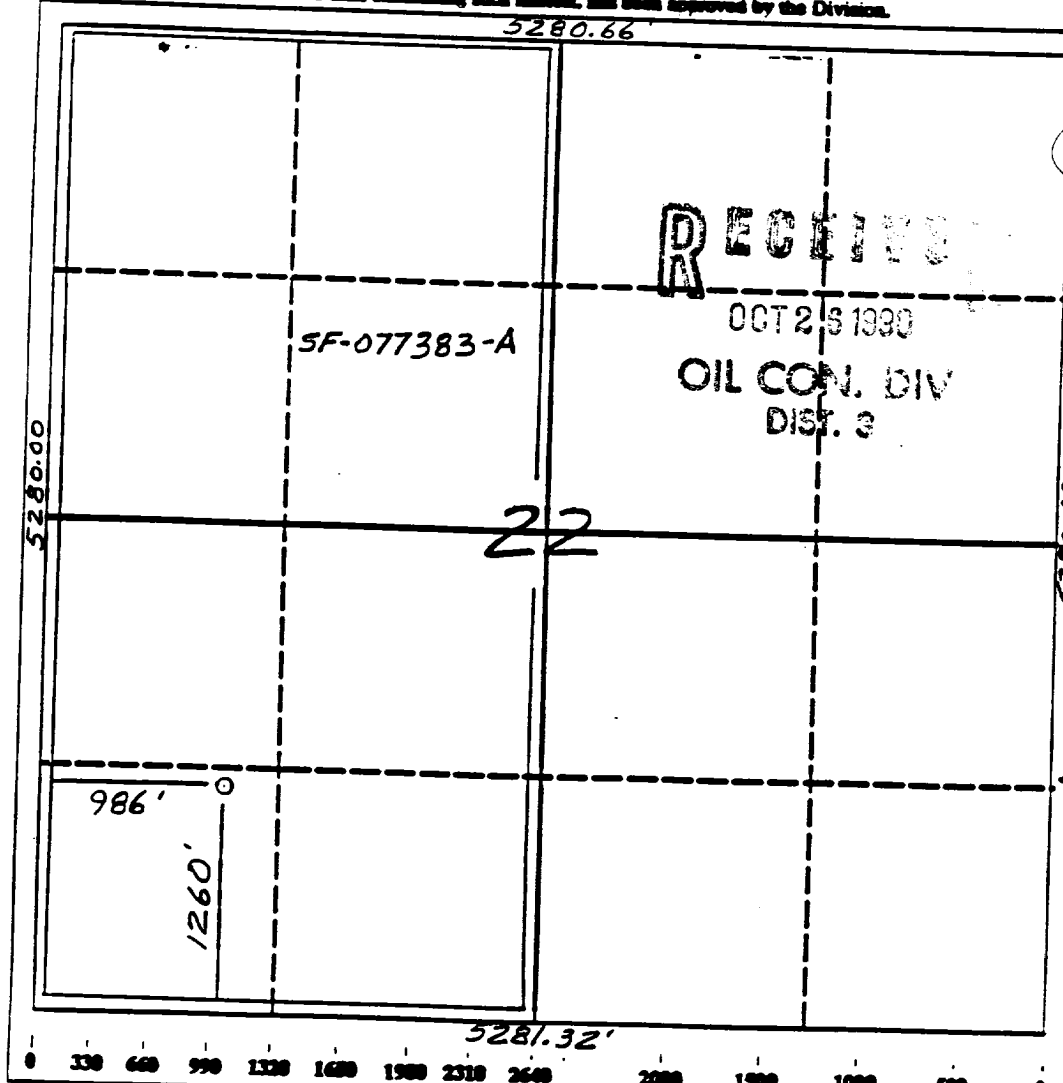
Date Surveyed: 9-5-90

Signature: *Neale C. Edwards*

Professional Seal: *Neale C. Edwards*

Professional Seal: 6857

Neale C. Edwards



Well Name: 500 KUTZ CANYON
 Sec. 22 T28N R10W
 BASIN FRUITLAND COAL

1260' FSL 986' FWL
 SAN JUAN NEW MEXICO
 Elevation 6088' GL

Formation tops: Surface- NACIMIENTO

Ojo Alamo- 1054

Kirtland- 1204

Fruitland- 1944

Fruitland Coal Top- 1995

Fruitland Coal Base- 2138

Pictured Cliffs- 2139

Total Depth- 2149

Logging Program: Mud logs from 1944 to total depth.

Mud Program:	Interval	Type	Weight	Visc.	Fl. Loss
	0 - 200	Spud	8.4 - 8.9	40-50	no control
	200 - 2149	Non-dispersed	8.4 - 9.5	30-60	no control

Casing Program:	Hole Size	Depth Interval	Csg. Size	Weight	Grade
	12 1/4"	0 - 200	8 5/8"	24.0#	K-55
	7 7/8"	0 - 2149	5 1/2"	15.5#	K-55
Tubing Program:		0 - 2149	2 3/8"	4.7#	J-55

Float Equipment: 8 5/8" surface casing - saw tooth guide shoe. Centralizers will be run in accordance with Onshore Order #2.

5 1/2" production casing - float shoe on bottom. Three centralizers run every other joint above shoe. Two turbolizing type centralizers - one below and one into the base of the Ojo Alamo @ 1204'. Standard centralizers thereafter every fourth joint up to the base of the surface pipe.

Wellhead Equipment: 8 5/8" x 5 1/2" x 2 3/8" x 11" 3000 psi xmas tree assembly

Cementing:

8 5/8" surface casing - cement with 211 sacks of class "B" cement with 1/4# flocele/sack and 3% calcium chloride (248 cu ft. of slurry, 200% excess to circulate to surface). WOC 12 hours. Test casing to 600 psi for 30 minutes.

5 1/2" production casing - lead with 328 sacks of 65/35 class "B" poz with 6% gel, 2% calcium chloride and 1/2 cu.ft. Perlite/sack (10.3 gallons of water/sack) tail with 100 sacks of class "B" with 2% calcium chloride. 751 cu ft. of slurry, 100% excess to circulate to surface. If hole conditions permit, a 600 ft spacer will be run ahead of the cement slurry to avoid mud contamination of the cement. WOC 12 hours. If cement does not circulate to surface, a temperature log will be run after 8 hours to determine TOC.

BOP and Tests:

Surface to TD - 11" 2000 psi(minimum) double gate BOP stack (Reference Figure #1 and #2). Prior to drilling out surface casing, test rams to 600 psi for 30 minutes.

Completion - 6" 2000 psi(minimum) double gate BOP stack (Reference Figure #2). Prior to completion operations, test rams to 3000 psi for 15 minutes.

From surface to TD - choke manifold (Reference Figure #3).

Pipe rams will be actuated at least once each day and blind rams actuated once each trip to test proper functioning. An upper kelly cock valve with handle and drill string safety valves to fit each drill string will be maintained and available on the rig floor.

Additional Information:

- * The Fruitland coal formation will be completed.
- * Anticipated Fruitland pore pressure is 319 psi.
- * This gas is dedicated.
- * The W/2 of Section 22 is dedicated to this well.
- * New casing will be utilized.
- * Cementing Contractor will provide the BLM with a chronological log including the pump rate and pressure, and the slurry density and volume for all cement jobs.
- * Pipe movement (either rotation or reciprocation) will be done if hole conditions permit.