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JUN 26 1990

OIL CON. DIV.

DIST. 3

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

30-039-2402

1a. TYPE OF WORK
DRILL

1b. TYPE OF WELL
GAS

2. OPERATOR
EL PASO NATURAL GAS CO.
Meridian

3. ADDRESS & PHONE NO. OF OPERATOR
P O BOX 4289
FARMINGTON, NM 87499

4. LOCATION OF WELL
2030' FNL 1090' FEL

5. LEASE NUMBER
SF-078945

6. IF INDIAN, ALL. OR TRIBE NAME

7. UNIT AGREEMENT NAME
SAN JUAN 29-7 UNIT

8. FARM OR LEASE NAME
SAN JUAN 29-7 UNIT

9. WELL NO.
533

10. FIELD, POOL, OR WILDCAT
BASIN FRUITLAND COAL

11. SEC. T. R. M OR BLK.
H SEC. 3 T29N R07W NMPM

12. COUNTY
RIO ARRIBA

13. STATE
NM

14. DISTANCE IN MILES FROM NEAREST TOWN
3 MILES E. OF NAVAJO CITY

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE. 1090'

16. ACRES IN LEASE 17. ACRES ASSIGNED TO WELL
2543.15 *E/318.05*

18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL DR. COMPL., OR APPLIED FOR ON THIS LEASE. 800'

19. PROPOSED DEPTH 20. ROTARY OR CABLE TOOLS
3691' ROTARY

21. ELEVATIONS (DF, FT, GR, ETC.)
6822' GL

22. APPROX. DATE WORK WILL START

This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4

23. PROPOSED CASING AND CEMENTING PROGRAM

*SEE OPERATIONS PLAN

24. AUTHORIZED BY: *[Signature]*
REG. DRILLING ENGR. 5/3/90
DATE

PERMIT NO. _____ APPROVAL DATE APPRO

APPROVED BY _____ TITLE _____ DATE _____

JUN 21 1990
[Signature]
AREA MANAGER

NOTE: THIS FORMAT IS ISSUED IN LIEU OF US BLM FORM 3160-3.

NMOCD

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

State of New Mexico
Energy, Minerals and Natural Resources Department

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OIL CONSERVATION DIVISION

JUN 26 1990

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

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

OIL CON. DIV.
DIST. 3

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

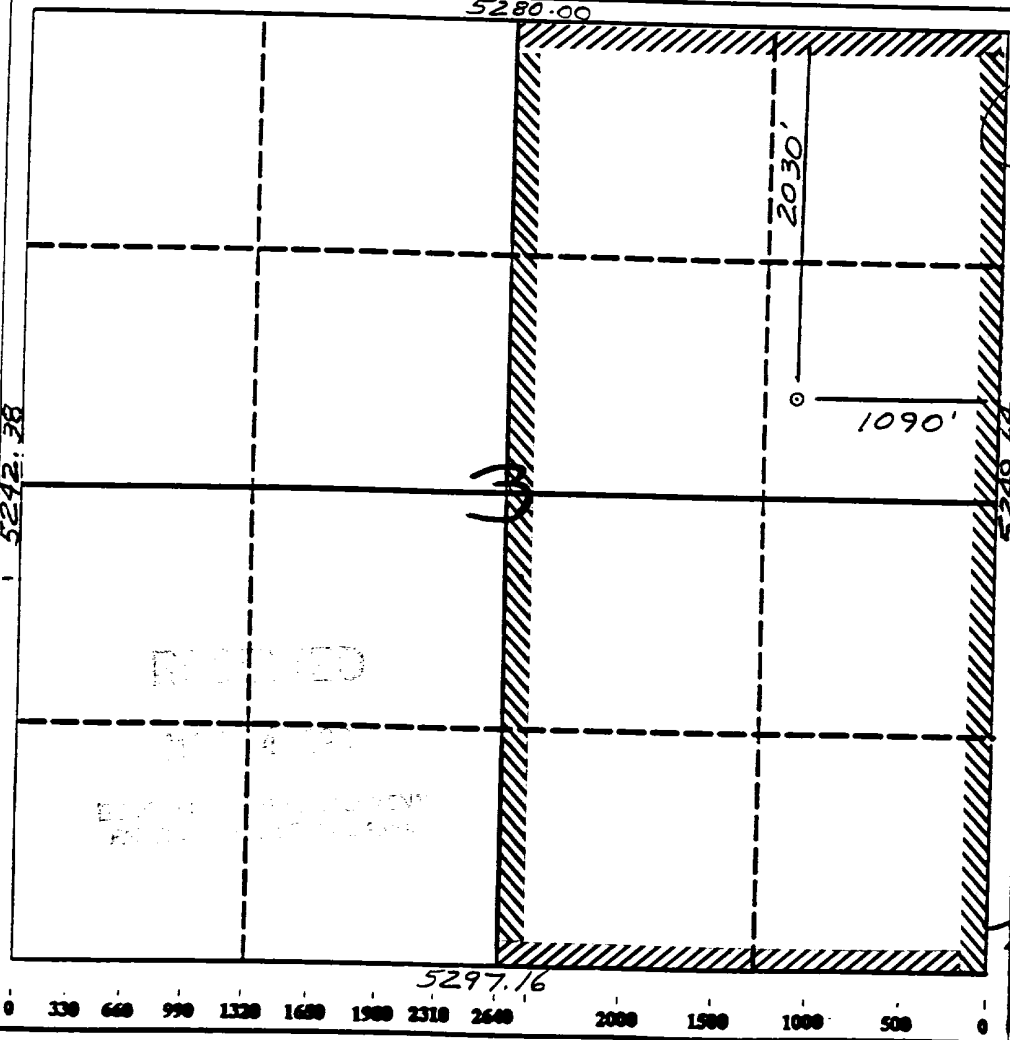
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator El Paso Natural Gas		Lease San Juan 29-7 Unit (SF-078945)	Well No. 533
Unit Letter H	Section 3	Township 29 North	Range 7 West
Actual Footage Location of Well: 2030 feet from the North line and 1090 feet from the East line		County NMFM	Rio Arriba
Ground level Elev. 6822'	Producing Formation Fruitland Coal	Pool Basin	Dedicated Acreage: 318.05 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or lacquer 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 interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
 Yes No If answer is "yes" type of consolidation unitization
 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, 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.

Peggy Bradfield
Signature

Peggy Bradfield
Printed Name

Regulatory Affairs
Position

Meridian Oil Inc.
Company

5-2-90
Date

SURVEYOR CERTIFICATION

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

1-27-90
Date Surveyed

NEALE O. EDWARDS
Signature of Sealer

857
Professional Surveyor

REGISTERED LAND SURVEYOR
Professional Seal

Neale O. Edwards
Signature

Certificate No. **6857**

Well Name: 533 SAN JUAN 29-7 UNIT 2030'FNL 1090'FEL
 Sec. 3 T29N R07W RIO ARRIBA NEW MEXICO
 BASIN FRUITLAND COAL Elevation 6822'GL

Formation tops: Surface- SAN JOSE
 Ojo Alamo- 2785
 Kirtland- 2910
 Fruitland- 3335
 Fruitland Coal Top- 3560
 Fruitland Coal Base- 3690
 Intermediate TD- 3540
 Total Depth- 3691
 Pictured Cliffs- 3695

Logging Program: Mud logs from intermediate to total depth.

Mud Program:	Interval	Type	Weight	Visc.	Fl. Loss
	0 - 200	Spud	8.4 - 8.9	40-50	no control
	200 - 3540	Non-dispersed	8.4 - 9.1	30-60	no control
	3540 - 3691	Formation Water	8.4		no control

Casing Program:	Hole Size	Depth Interval	Csg. Size	Weight	Grade
	12 1/4"	0 - 200	9 5/8"	32.3#	H-40
	8 3/4"	0 - 3540	7"	20.0#	K-55
	6 1/4"	3490 - 3691	5 1/2"	15.5#	K-55
Tubing Program:		0 - 3691	2 7/8"	6.5#	J-55

Float Equipment: 9 5/8" surface casing - saw tooth guide shoe. Centralizers will be run in accordance with Onshore Order #2.

7" intermediate casing - guide shoe and self-fill insert float valve. Three centralizers run every other joint above shoe and four centralizers run every other joint across Ojo Alamo. Run insert float one joint above the guide shoe.

5 1/2" production casing - float shoe on bottom and a pre-drilled liner run to the 7" casing with a minimum 50' overlap. Liner hanger is a double slip grip type.

Wellhead Equipment: 9 5/8" x 7" x 2 7/8" x 11" 3000 psi xmas tree assembly.

Cementing:

9 5/8" surface casing - cement with 160 sacks of class "B" cement with 1/4# flocele/sack and 3% calcium chloride (189 cu ft. of slurry, 200% excess to circulate to surface). WOC 12 hours. Test casing to 600 psi for 30 minutes.

7" intermediate casing - lead with 523 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. 1128 cu ft. of slurry, 110% excess to circulate to surface. WOC 12 hours.

5 1/2" liner - do not cement.

BOP and Tests:

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

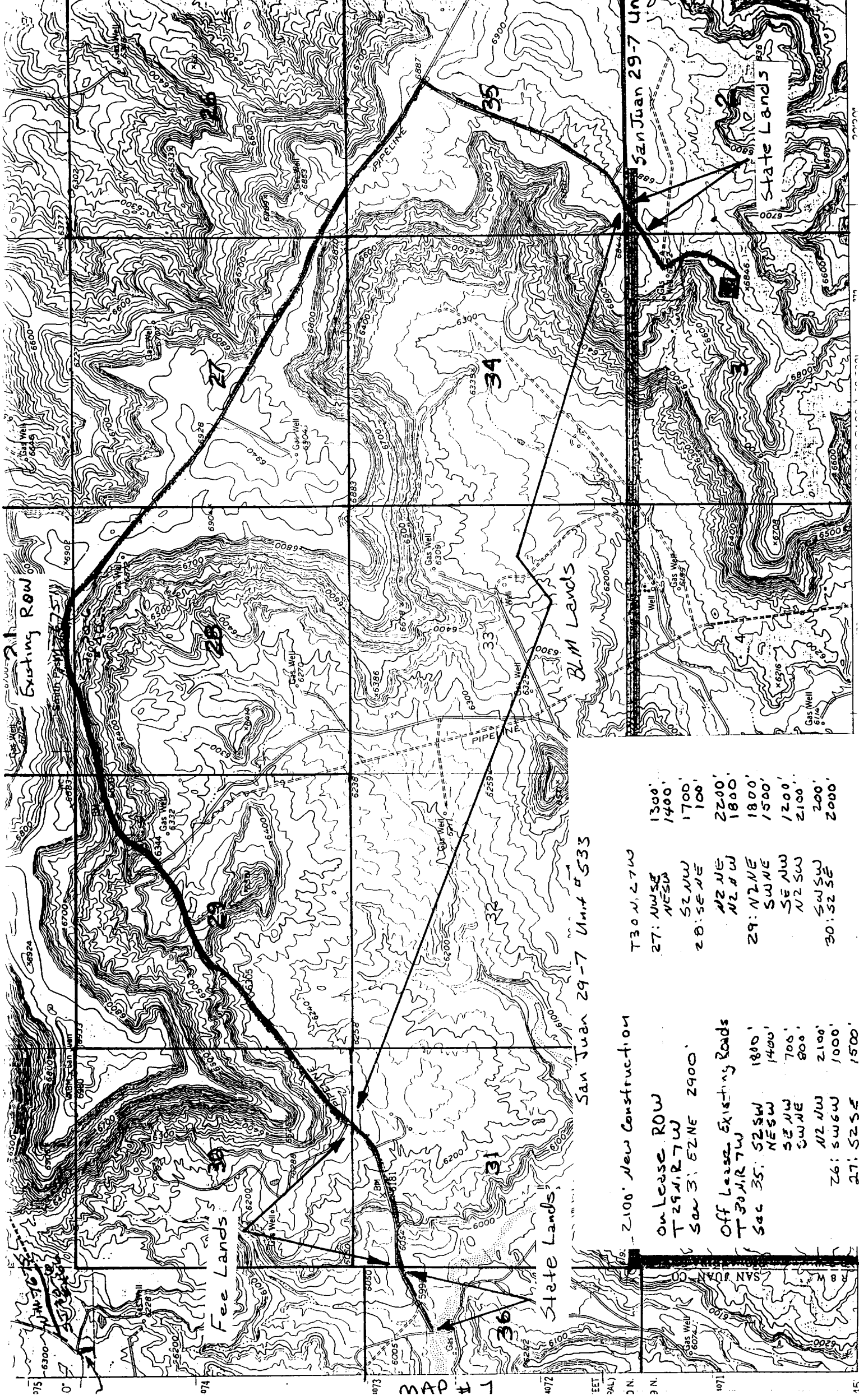
Intermediate TD to TD - 7 1/16" 2000 psi(minimum) double gate BOP stack (Reference Figure #2). Prior to drilling out intermediate casing, test blind rams and casing to 2500 psi for 30 minutes; all pipe rams and casing to 2500 psi for 30 minutes each.

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. A kelly cock valve 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 1189 psi.
This gas is dedicated.
The E/2 of Section 3 is dedicated to this well.
New casing will be utilized.



MAP # 1

San Juan 29-7 Unit #533

2100' New Construction

on Lease ROW
 T 29 N, R 7 W
 S 27, S 28, S 29, S 30

Off Lease Existing Roads
 T 30 N, R 7 W
 Sec 35: S 2 SW 1800'
 NE SW 1400'
 SE NW 700'
 SW NE 800'
 N 2 NW 2100'
 S 26: SW 6 W 1000'
 S 27: S 2 SE 1500'

T 30 N, R 7 W
 27: NW 1/4 1300'
 NE 1/4 1400'
 S 28: SW 1/4 1700'
 SE 1/4 100'
 29: N 2 NE 2200'
 N 2 NW 1800'
 S 29: N 2 NE 1800'
 SW NE 1500'
 SE NW 1200'
 N 2 SW 2100'
 SW SW 200'
 S 30: S 2 SE 2000'