DEPARTMENT OF THE INTERIO BUREAU OF LAND MANAGEMEN	
Sundry Notices and Reports on	Wells ROOM
SEP1 8 1991. 2. Name of Operator Meridian Oil Inc. Oll CON. DIV. 3. Address & Phone No. of Operator Box 4289, Farmington, NM 87499 (505) 326-9700 4. Location of Well, Footage, Sec, T, R, M. 2240'S, 1430'W Sec.2, T-30-N, R-4-W, NMPM	7. Unit Agreement Name 8. Well Name & Number Simms Federal #303
<pre>X Notice of Intent</pre>	f Action _X Change of Plans New Construction Non-Routine Fracturing
13. Describe Proposed or Completed Operations It is intended to drill and complete this well coal- Pictured Cliffs dual to a total depth of The original APD for this location was approved Management on 7-16-91 as a single Fruitland Coa a copy of the revised operations plan, BOP diag Application is being made with the New Mexico O for a commingling order. It is intended to complete Cliffs production pending NMOCD approv	by the Bureau of Land completion. Attached is rams and C-102 plat. il Conservation Division mingle the Fruitland Coal -
14. I hereby certify that the foregoing is trusigned Indiana Title Regulatory (This space for Federal or State office use) APPROVED BY TITLE CONDITION OF APPROVAL, IF ANY: NMOCO	e and correct Affairs Date 9-13-9/ APPROVED AS AMENDED SEP P87991 Granal Signed: Silirate Nation AREA MANAGER

10 Ap inter - SE LANGE - 3 COOKES

State of New Mexico Energy, Minerais and Natural Resources Demartment

Form C-100

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

OIL CONSERVATION DIVISION
P.O. Box 2088 1 10 AMII: 42

Santa Fe, New Mexico, 87504-2088

DISTRICT II P.O. Drawe DD. Ansess, NM 88210

WELL LOCATION AND ACREAGE DEDICATION PLAT .000 Rio Brazos Rd., Aziac, NM 87410 All Distances must be from the outer boundance of the section COMME Meridian Oil Inc. Simm's Federal (SF-079482) | 303 Une Lotter Carry 30 North 4 West Rio Arriba Actual Footage Location of Well: 2240' for from the South lime and 1430 f feet from the West Ground ISVN Elev. Fruitland Coal/Pic.Cliffs 69431 Basin/East Blanco 341.58 1. Outline the acresspe deducated to the subject well by concret percet or hackers started on the plat below. and 159.3 2. If more than one seas is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty). $\stackrel{>}{\sim}$ If more than one lease of different our ed to the west, have the mearest of all owners been connoticiated by communication. DESCRIPTION TOTAL PRODUCTION SIG.? If asswers "ves" type of conscribing communitization agreement will condition. (Use reverse man of No allowable will be sampled to the well tunol all interests have been consolida-Med (by communication, unityzance, forced-sociane, or otherwise) OPERATOR CERTIFICA: I hereby certify that the i Peggy Bradfield DECEINET Printed Name Regulatory Affai Pomuom SEP1 8 1991 Meridian Oil Inc OIL CON. DIV. Date DIST. 3 SURVEYOR CERTIFICAT I hereby certify that the well locat on this plat was platted from field supervisor, and that the same is correct to the best of my known 8-23-90 WE KE 6857 330 660 990 1320 1650 1900 2310 2640

1500

1000

500

OPERATIONS PLAN DATE: SEP 13,1991

Well Name: 303 SIMMS FEDERAL

2240'FSL 1430'FWL Sec. 2 T30N R04W RIO ARRIBA NEW MEXICO

BASIN FRUITLAND COAL Elevation 6943'GL

EAST BLANCO PICTURED CLIFFS

Formation tops: Surface- SAN JOSE

Ojo Alamo- 3090 Kirtland- 3330

Fruitland- 3590

Fruitland Coal Top- 3631

Fruitland Coal Base- 3706 Total Depth-4110

Pictured Cliffs- 3710 LEWIS - 4165

Logging Program: Mud logs from 3590 to total depth.

Mud Program: Interval Type Weight Visc. Fl. Loss 0 - 2008.4 - 8.9Spud 40-50 no contro. 200 - 4110 Non-dispersed 8.4 - 9.5 30-60 no contro.

Casing Program: Hole Size Depth Interval Csq. Size Grade Weight 8 5/8" 24.0# 12 1/4" 0 - 200 K-55 7 7/8" 0 - 41105 1/2" 15.5# K-55 Tubing Program: 0 - 41102 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 - guide shoe on bottom. Float valve one joint off bottom. Three centralizers run every other joint above shoe. Two turbolizin type centralizers - one below and one into the base of the Ojo Alamo @ 3330' Stage tool @ 3330'. 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 assemb

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 - First stage: Lead with 70 sacks of 65/35 Class "B" pozmix with 6% gel, 2% CaCl2, 5#/sack Gilsonite, and 1/4#/sack Flocele. Tail with 130 sacks Class "B" with 2% CaCl2. Second Stage: Lead with 190 sacks of 65/35 Class "B" pozmix with 6% gel, 2% CaCl2, 5#/sack Gilsonite, and 1/4#/sack Flocele. Tail with 60 sacks Class "B" with 2% CaCl2. WOC 12 hours. If cement does not circulate to surface, a temperature log will be run after 8 hours to determine TOC. for 30 minutes.

DATE: SEP 13,1991

BOP and Tests:

Surface to TD - 11" 3000 psi 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" 3000 psi 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).

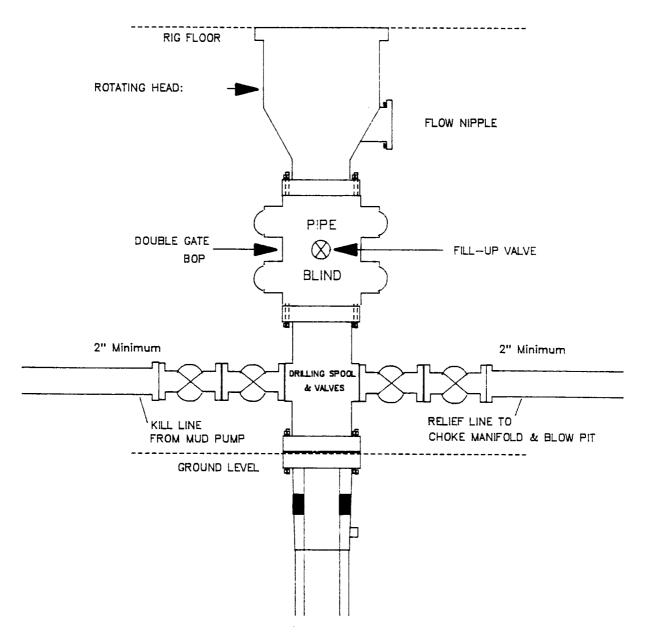
Pipe rams will be actuated at least once each day and blind rams actuated once each trip to test proper functioning. An upper kelly cock valve with handle and drill string safety valves to fit each drill string will be maintained and available on the rig floor.

Additional Information:

- * The Fruitland coal formation will be completed.
- * Anticipated Fruitland pore pressure is 1600 psi.
- * This gas is dedicated.
- * The W/2 of Section 2 is dedicated to this well for the Fruitland Coal.
- * 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.
- * The SW/4 of Section 2 is dedicated to this well for the Pictured Cliffs.
- * The Pictured Cliffs and Fruitland Coal will be commingled pending NMOCD approval.

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Drilling Rig BOP Configuration

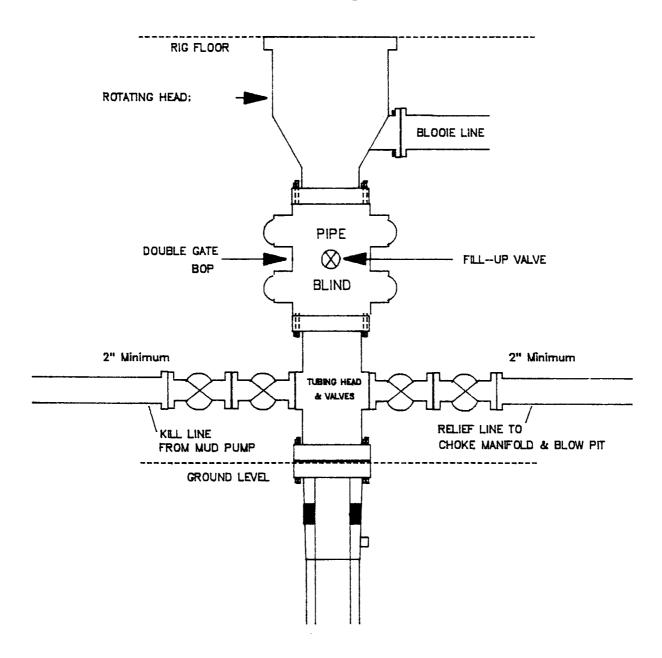


Minimum BOP installation for a typical Fruitland Coal well from surface to Total Depth. 11" Bore (10" Nominal), 2000psi minimum working pressure double gate BOP to be equipped with blind and pipe rams.

A Schaffer Type 50 or equivalent rotating head to be installed on the top of BOP. All equipment is 2000psi working pressure/or greater.

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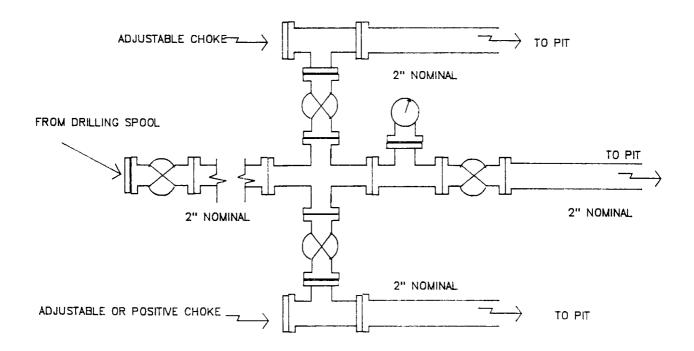
Completion Rig BOP Configuration



Minimum BOP installation for Completion Operations. 7 1/16" Bore (6" Nominal), 3000psi working pressure double gate BOP to be equipped with blind and pipe rams.

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Typical Fruitland Coal Well Choke Manifold Configuration



Minimum choke manifold installation for a typical Fruitland Coal well from surface to Total Depth. 2", 2000psi working pressure equipment with two chokes.

Figure #3