ubmitted in lieu of Form 3160-5

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-077282
6. **If Indian, All.or Tribe Name**

2. **Name of Operator**
   Meridian Oil Inc.

7. **Unit Agreement Name**

3. **Address & Phone No. of Operator**
   Box 4289, Farmington,NM 87499 (505)326-9700

8. **Well Name & Number**
   Grenier A #2
9. **API Well No.**

4. **Location of Well, Footage,Sec,T,R,M.**
   1700'N, 1600'W Sec.34, T-30-N, R-10-W, NMPM

10. **Field and Pool**
    Aztec Pictured Cliffs
11. **County and State**
    San Juan County, NM

12. **CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OTHER DATA**

Type of Submission	Type of Action	
X Notice of Intent	X Abandonment	__ Change of Plans
	__ Recompletion	__ New Construction
__ Subsequent Report	__ Plugging Back	__ Non-Routine Fracturing
	__ Casing Repair	__ Water Shut Off
__ Final Abandonment	__ Altering Casing	__ Conversion to Injection
	__ Other	

13. **Describe Proposed or Completed Operations**

It is intended to plug and abandon this well per the attached procedure.

RECEIVED
JAN 30 1992
OIL CON. DIV.
DIST. 3

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct
Signed [signature] (GL) Title Regulatory Affairs Date 1-15-92

APPROVED

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE JAN 27 1992
CONDITION OF APPROVAL, IF ANY:

AREA MANAGER

NMOCD

Grenier A #2
Unit F Section 34 T30N R10W
P & A Procedure

1. Install and test rig anchors. MI blow tank. MOL and RUSU. Comply with all NMOCD, BLM, & MOI rules and regulations. NU BOP and stripping head. Test operations of rams. Blow well down. Kill well if necessary.

2. TOOH w/ 1-1/2 " tubing.

3. Set cement retainer @ 2117' (50 feet above top of Fruitland)

4. Squeeze PC perfs with 91 Sacks of Class B cement. This will fill pipe from bottom perf (2507') to 2117' with 100 % excess and will cement across both the PC and Fruitland.

5. Sting out of cement retainer, dump 6 sacks of cement on top of plug and roll hole with 9 PPG, 50 sec/qt. mud. TOOH.

6. Run packer to locate casing leak. If leak is deeper than 1000' call office with depth, otherwise proceed as follows.

7. Perforate 2 squeeze holes at 1350' (50' below the top of the Kirtland).

8. Set cement retainer on tubing at 1110' (50' above top of Ojo Alamo). Squeeze with 113 sx. of Class B cement (this will cement the entire interval from 50' below the top of the Kirtland to 50' above the top of the Ojo Alamo, allowing for 100 % excess in the casing/borehole annulus and 50 % excess in the cased hole). Spot 50 ft. (6 sxs.) of cement on top of cement retainer. TOOH.

9. IF CASING LEAK IS AT 500' OR LESS, establish circulation through the bradenhead, then bullhead cement down casing until cement is circulated out of the bradenhead. Should it be impossible to establish circulation, cover casing leak with a plug then perf 2 squeeze holes at 150' and circulate cement through the bradenhead through the squeeze holes.

10. Cut off wellhead below surface casing flange and install dry hole marker to regulatory agency specifications.

11. Restore location to regulatory agency specifications.

Grenier A #2
P & A Procedure
Calculations

Constants.
1. 5.6146 ft^3/bbl.
2. 1.18 ft^3/sk.
3. 4.78 sx/bbl.
4. Capacities
   a. 5-1/2" 14# casing = .0244 bbl/ft.
   b. annular space between 7-7/8" hole & 5-1/2" casing = .0309 bbl/ft.

Step #3. (2507-2117) ft * (.0244 bbl/ft.) = 9.516 bbl * 4.78 sx/bbl = 45.48 sx * 2 = 91 sx.

Step #7. (1350-1110) ft * { (2 * .0309 bbl/ft) + (1.5 * .0244 bbl/ft) } = 23.616 bbls * 4.78 sx/bbl = 113 sx.

Steps #4 & 8. 50 ft. * (.0244 bbl/ft) = 1.22 bbls * 4.78 sx/bbl = 6 sx.

IN REPLY REFER TO
(019)

UNITED STATES DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT
FARMINGTON RESOURCE AREA
1235 LA PLATA HIGHWAY
FARMINGTON, NEW MEXICO 87401

Attachment to Notice of

Intention to Abandon

Re: Permanent Abandonment

Well: 2 Grenier A

CONDITIONS OF APPROVAL

1. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal Leases."

2. Mark Kelly with the Farmington Office is to be notified at least 24 hours before the plugging operations commence (505) 326-6201.

3. Blowout prevention equipment is required.

4. The following modifications to your plugging program are to be made (when applicable):

Office Hours: 7:45 a.m. to 4:30 p.m.

GENERAL REQUIREMENTS FOR
PERMANENT ABANDONMENT OF WELLS ON FEDERAL AND INDIAN LEASES
FARMINGTON RESOURCE AREA

1. Secure prior approval either on a Sundry Notice (Form 3160-5) or verbally from the Fluids Drilling & Production Section at this office before changing the approved plugging program.

2. Plugging equipment used shall have separate mixing and displacement pumps and a calibrated tank to assure proper displacement of plugs. The Operator is responsible for providing all measuring devices needed to assure proper measurement of materials being used.

3. A proper tank or pit will be used to contain all fluids pumped from the well during plugging operations. Unattended pits are to be fenced.

4. All cement plugs are to be placed through tubing (or drillpipe) and shall be a minimum of 100 feet in length with 50% excess inside casing or 100% excess when plug is set in open hole or squeezed into perforations. 15.6#/gal slurry weight is to be used when using class B neat cement or when $CaCl_2$ is used. Use the recommended slurry weight of other type cements when they are used (Class C, Pozzolan etc.).

5. Any cement plugs placed when well is not full of fluid, or when well may be taking fluid, (i.e. across perfs-unless bridge plug or retainer is used, across bad csg., or fresh water formations) will be tagged (touched) after cement has set to verify proper location.

5a. Testing The first plug below the surface plug shall generally be tested by either tagging the plug with the working pipe string, or pressuring to a minimum pump (surface) pressure of 1000 psig, with no more than a 10 percent drop during a 15-minute period (cased hole only). If the integrity of any other plug is questioned, it must be tested in the same manner. Also, any cement plug which is the only isolating medium for a fresh water interval or a zone containing a valuable mineral deposit should be tested by tagging with the drill string.

6. Mud must be placed between plugs. Plugging mud is to be made up with a minimum of 15 lbs/bbl of sodium bentonite, and a nonfermenting polymer. Minimum consistency of plugging mud must be 9 lbs/gal and with a minimum viscosity of 50 sec/qt. Fresh water is to be utilized for mixing mud.

7. Following the placement of a cement plug, the withdrawl rate for at least the length of the cement plug shall not exceed 30 ft/min, in order to minimize the contamination of the plug.

8. Within 30 days after plugging work is completed, file a Sundry Notice (Subsequent Report of Abandonment, Form 3160-5), in quintuplicate with Area Manager, Bureau of Land Management, 1235 La Plata Highway, Farmington, NM 87401. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. Show date well was plugged.

9. All permanently abandoned wells are to be marked with a regulation marker (4" pipe extending 4' above the ground line) containing the information as specified in 43 CFR 3162.6(d). Unless otherwise approved.

10. After plugging work is completed the surface is to be rehabilitated in accord with instructions from the Fluids Surface Management Section of the Farmington Resource Area Office.

All above are minimum requirements. The period of liability under the bond of record will not be terminated until the lease is inspected and surface work approved.

Please advise this office when the well location is ready for final inspection.

Failure to comply with the above conditions of approval may result in an assessment for noncompliance and/or a Shut-in Order being issued pursuant to 43 CFR 3163.1.

You are further advised that any instructions, orders or decisions issued by the Bureau of Land Management are subject to administrative review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4 and 43 CFR 4.700.