


UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work DRILL	5. Lease Number SF-080517
1b. Type of Well GAS	6. If Indian, All. or Tribe
2. Operator MERIDIAN OIL 14538	7. Unit Agreement Name
3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700	8. Farm or Lease Name 7379 Payne
	9. Well Number 2E
4. Location of Well 1845' FSL, 1895' FWL Latitude 36° 58.1, Longitude 107° 53.3	10. Field, Pool, Wildcat 71599 Basin Dakota
	11. Sec., Twn, Rge, Mer. (NMPM) K - Sec 21, T-32-N, R-10-W
	API # 30-045-29365
14. Distance in Miles from Nearest Town 3 miles to Cedar Hill	12. County San Juan
	13. State NM
15. Distance from Proposed Location to Nearest Property or Lease Line 1845'	
16. Acres in Lease	17. Acres Assigned to Well w/ 315.56
18. Distance from Proposed Location to Nearest Well, Drig, Compl, or Applied for on this Lease 500'	
19. Proposed Depth 7880	20. Rotary or Cable Tools Rotary
21. Elevations (DF, FT, GR, Etc.) 6265' GR	22. Approx. Date Work will Start 1st quarter 1996
23. Proposed Casing and Cementing Program See Operations Plan attached	
24. Authorized by:  Regional Drilling Engineer	DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS" 12/1/95 Date

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____

Archaeological Report submitted by Union Texas Petroleum.
Threatened and Endangered Species Report to be submitted
NOTE: This format is issued in lieu of U.S. BLM Form 3160-3

APPROVED
AS AMENDED

APPROVED
AS AMENDED

MAR 21 1996

DISTRICT MANAGER

DISTRICT MANAGER

NMOC

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 21, 1994

Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

55 DEC -5 AM 8:13

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-045-29365		Pool Code 71599	Pool Name Basin Dakota
Property Code 7379	Property Name Payne		Well Number 2E
OGRID No. 14538	Operator Name MERIDIAN OIL INC.		Elevation 6265'

10 Surface Location


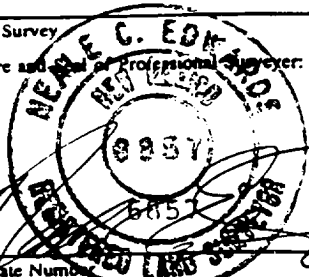
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
K	21	32N	10W		1845	South	1895	West	S.J.

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres W/315.56	Joint or Infill	Consolidation Code	Order No.
-----------------------------	-----------------	--------------------	-----------

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<div>16</div> <div>5235.12'</div> <div>3</div> <div>2</div> <div>1</div> <div>2622.18'</div> <div>4</div> <div>5</div> <div>NMSF-080517</div> <div>21</div> <div>7</div> <div>1895'</div> <div>6</div> <div>2626.14'</div> <div>8</div> <div>1845'</div> <div>9</div> <div>2604.36'</div> <div>2655.18'</div>		<div>17 OPERATOR CERTIFICATION</div> <div>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</div> <div></div> <div>Signature Peggy Bradfield Printed Name Regulatory Administrator Title 11-1-95 Date</div> <div>18 SURVEYOR CERTIFICATION</div> <div>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</div> <div>9-19-95</div> <div>Date of Survey</div> <div>Signature and Seal of Professional Surveyor</div> <div></div> <div>Certificate Number</div>
---	--	--

OPERATIONS PLAN

Well Name: Payne #2E
Location: 1845' FSL, 1895' FWL Section 21, T-32-N, R-10-W
 San Juan County, NM
 Latitude 36° 58.1, Longitude 107° 53.3
Formation: Basin Dakota
Elevation: 6265' GL

<u>Formation Tops:</u>	<u>Top</u>	<u>Bottom</u>	<u>Contents</u>
Surface	San Jose	1347'	
Ojo Alamo	1347'	1382'	aquifer
Kirtland	1382'	2626'	
Fruitland	2626'	3079'	gas
Pictured Cliffs	3079'	3311'	gas
Lewis	3311'	3772'	
Intermediate TD	3511'		
Huerfanito Bentonite	3772'	3812'	gas
Navajo City	3812'	4234'	gas
Otero	4234'	4932'	gas
Massive Cliff House	4932'	5003'	gas
Menefee	5003'	5352'	gas
Point Lookout	5352'	5702'	gas & hydrocarbons
Mancos	5702'	6557'	gas
Intermediate TD	5902'		
Gallup	6557'	7417'	gas
Greenhorn	7417'	7482'	
Graneros	7482'	7614'	
Dakota	7614'	7822'	gas
Morrison	7822'		hydrocarbons
Total Depth	7880'		

Logging Program:

Openhole Wireline Logging -
 DIL/LDT/CNL/Temp/NGT/GR/CAL/FMS
 Mud logs from 3511' to TD

Mud Program:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Vis.</u>	<u>Fluid Loss</u>
0- 200'	Spud	8.4-8.9	40-50	no control
200-3511'	LSND	8.4-9.1	30-60	no control
3511-5902'	Gas	n/a	n/a	n/a
5902-7880'	Gas/LSND	8.7-9.0	40-50	10-15 cc/30 min

pit levels will be visually monitored to detect gain or loss of fluid control.

Casing Program:

<u>Hole Size</u>	<u>Depth Interval</u>	<u>Csg. Size</u>	<u>Wt.</u>	<u>Grade</u>
17 1/2"	0' - 200'	13 3/8"	48.0#	H-40
12 1/4"	200' - 3511'	9 5/8"	36.0#	K-55
8 3/4"	3361' - 5902'	7"	23.0#	K-55
6 1/4"	5752' - 7880'	4 1/2"	11.6#	N-80

Tubing Program:

0' - 7880' 2 3/8" tubing

BOP Specifications, Wellhead and Tests:

Surface to Intermediate TD -

13 5/8" 2000 psi minimum double gate BOP stack (Reference Figure #1). After nipple-up prior to drilling out surface casing, rams and casing will be tested to 600 psi for 30 minutes.

Intermediate TD to Total Depth -

11" 2000 psi minimum double gate BOP stack (Reference Figure #1). After nipple-up prior to drilling out intermediate casing, rams and casing will be tested to 1500 psi for 30 minutes.

Surface to Total Depth -

2" nominal, 2000 psi minimum choke manifold (Reference Figure #3).

DST's and Coring - No DSTs. No cores.

Completion Operations -

6" 2000 psi double gate BOP stack (Reference Figure #2). After nipple-up prior to completion, pipe rams, casing and liner top will be tested to 2000 psi for 15 minutes.

Wellhead -

13 3/8" x 9 5/8" x 7" x 2 3/8" 2000 psi tree assembly.

General -

- Pipe rams will be actuated once each day and blind rams will be actuated once each trip to test proper functioning.
- An upper kelly cock valve with handle available and drill string valves to fit each drill string will be available on the rig floors at all times.
- BOP pit level drill will be conducted weekly for each drilling crew.
- All BOP tests and drills will be recorded in daily drilling reports.
- Blind and pipe rams will be equipped with extension hand wheels.

Cementing:

13 3/8" surface casing - cement with 353 sx Class "B" cement with 1/4# flocele/sx and 3% calcium chloride (417 cu.ft. of slurry, 200% excess to circulate to surface). WOC 12 hrs. Test casing to 600 psi for 30 minutes.

Saw tooth guide shoe on bottom. Bowspring centralizers will be run in accordance with Onshore Order #2.

9 5/8" casing -

First stage - lead w/264 sx of 65/35 Class "B" poz w/6% gel, 2% calcium chloride, 5# gilsonite/sx and 1/4# flocele/sx. Tail w/100 sx Class "B" w/2% calcium chloride (586 cu.ft. of slurry, 100% excess to circulate to stage tool @ 2576'.)

Second stage - Lead w/845 sx 65/35 Class "B" poz w/6% gel, 2% calcium chloride, 5# gilsonite/sx and 1/4# flocele/sx. Tail w/100 sx Class "B" w/2% calcium chloride (1614 cu.ft. of slurry, 100% excess to circulate to surface.) WOC minimum of 12 hours before drilling out intermediate casing. If cement does not circulate to surface, a temperature log will be run after 8 hours to determine TOC. Test casing to 1500 psi for 30 minutes.

Cement nose guide shoe on bottom with float collar spaced on top of shoe joint. Seven bowspring centralizers spaced every other joint off bottom, with three spaced every fourth joint to the base of the Ojo Alamo at 1382'. Two turbolating centralizers at the base of the Ojo Alamo at 1382'. Bowspring centralizers spaced every fourth joint from the base of the Ojo Alamo to the base of the surface casing.

7" intermediate liner -

Cement to circulate liner top. Lead w/365 sx of 65/35 Class "B" poz w/6% gel, 2% calcium chloride, 5# gilsonite/sx and 1/4# flocele/sx. Tail w/100 sx Class "B" w/2% calcium chloride (764 cu.ft. of slurry, 100% excess to circulate liner top at 3361'.) WOC minimum of 12 hours before drilling out intermediate liner. If cement does not circulate to surface, a cement bond log will be run during completion. Test casing to 1500 psi for 30 minutes.

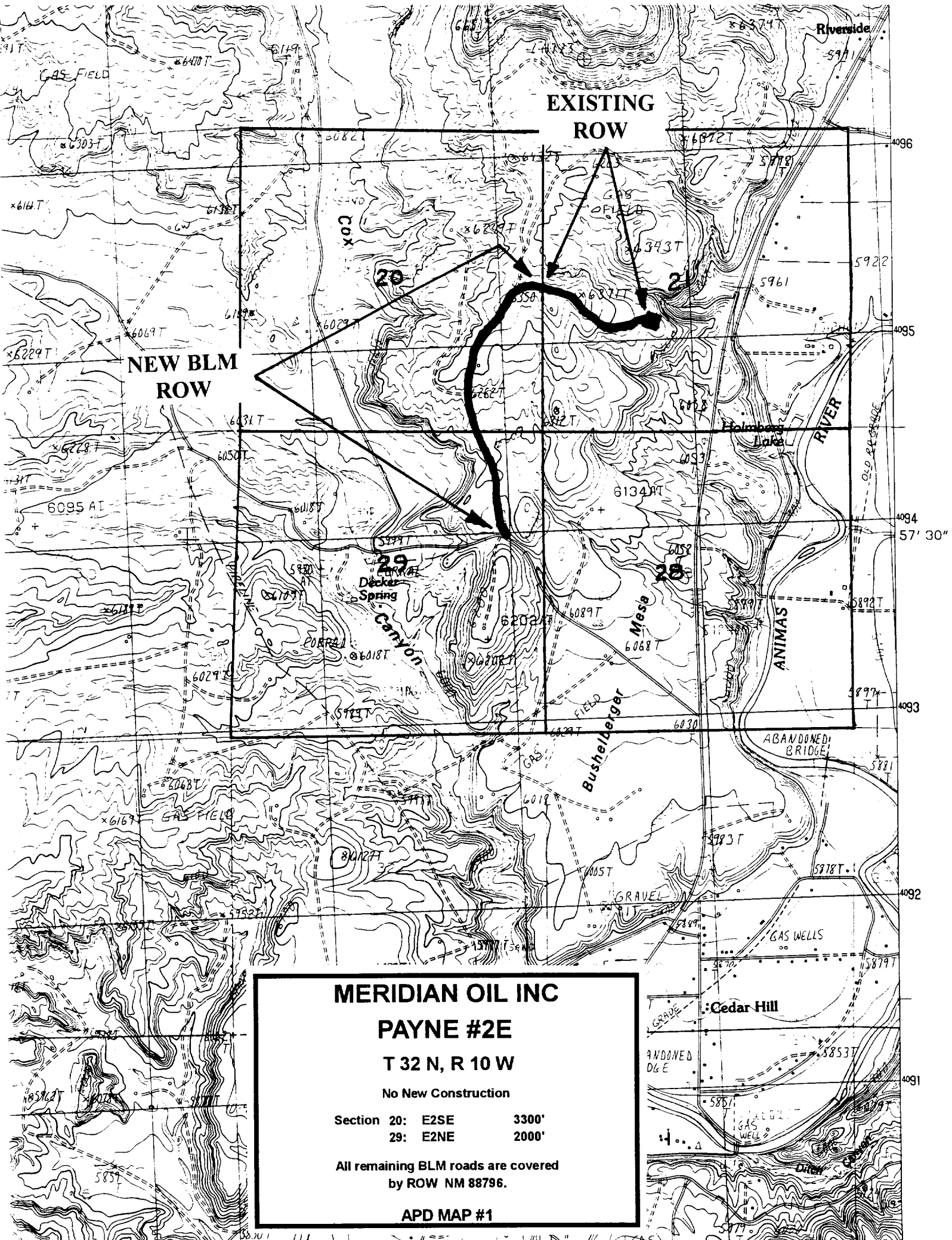
Double float shoe on bottom. No bowspring centralizers will be run for gas hole.

4 1/2" Production Liner -

Cement to circulate liner top. Lead with 180 sx 65/35 Class "B" poz w/6% gel, 2% calcium chloride, 5# gilsonite/sx and 1/4# flocele/sx. Tail with 100 sx Class "B" w/2% calcium chloride (437 cu.ft., 100% excess to circulate liner top). WOC a minimum of 18 hrs prior to completing.

Double float shoe on bottom. Bowspring centralizers spaced every other joint off bottom to top of liner. The liner hanger will have a rubber packoff.

- If hole conditions permit, an adequate water spacer will be pumped ahead of each cement job to prevent cement/ mud contamination or cement hydration.
- The pipe will be rotated and/or reciprocated, if hole conditions permit.



MERIDIAN OIL INC

PAYNE #2E

T 32 N, R 10 W

No New Construction

Section 20:	E2SE	3300'
29:	E2NE	2000'

All remaining BLM roads are covered
by ROW NM 88796.

APD MAP #1