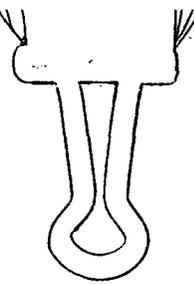


NSL-2382. A



April 10, 1996

Rec: 3/14/96
Susp: 4/3/96
Released 4/10/96

Meridian Oil, Inc.
Attention: Peggy Bradfield
P.O. Box 4289
Farmington, New Mexico 87499-4289



Administrative Order NSL-2382-A

Dear Ms. Bradfield:

Reference is made to your application dated March 13, 1996 for a non-standard coal gas well location within the Cedar Hill-Fruitland Basal Coal (Gas) Pool [not the Basin Dakota Coal (Gas) Pool as referenced in said application] for your existing Payne Well No. 11 (API No. 30-045-26804), which was originally drilled in September, 1987 and completed in the Basin-Dakota Pool at a previously approved non-standard gas well location (see Division Administrative Order NSL-2382, dated August 24, 1987) 590 feet from the North line and 810 feet from the East line (Lot 1/Unit A) of Section 27, Township 32 North, Range 10 West, NMPM, San Juan County, New Mexico.

It is our understanding that the Basin-Dakota interval will be properly plugged back at this time and recompleted up-hole to the Cedar Hill-Fruitland Basal Coal (Gas) Pool, which pursuant to the "*Special Rules and Regulations for the Cedar Hill-Fruitland Basal Coal (Gas) Pool*", as promulgated by Division Order No. R-7588, as amended, is unorthodox.

By the authority granted me under the provisions of **Rule 4** of said Order No. R-7588, as amended, the above-described unorthodox coal gas well location is hereby approved.

Further, Lots 1 through 8 (E/2 equivalent) of said Section 27 shall be dedicated to the well to form a standard 305.02-acre gas spacing and proration unit for said pool.

Said original Division Administrative Order NSL-2382, as amended on May 22, 1990 [which order also approved this location within the Cedar Hill-Fruitland Basal Coal (Gas) Pool], shall be placed in abeyance until further notice.

Sincerely,

Administrative Order NSL-2382-A

Meridian Oil, Inc.

April 10, 1996

Page 2

William J. LeMay

Director

WJL/MES/kv

cc: Oil Conservation Division - Aztec
US Bureau of Land Management - Farmington
Williams Production Company (Attn: M. Vern Hansen) - Tulsa, Oklahoma
File: NSL-2382
Rand Carroll, General Counsel - OCD, Santa Fe

WILLIAMS FIELD SERVICES

ONE OF THE WILLIAMS COMPANIES, INC.

OIL CONSERVATION DIVISION
RECEIVED

'96 APR 8 AM 8.52

April 4, 1996

Mr. Michael Stogner
New Mexico Oil Conservation Commission
2040 Pacheco Street
Santa Fe, New Mexico 87505

Re: Application for Non-Standard Location
Payne #11, API #30-045-26804
590' FNL & 810' FEL, Sec.27,T32N,R10W
San Juan County New Mexico

Gentlemen:

Williams Production Company received Meridian Oil's waiver for a non-standard gas well location in the Basin Fruitland Coal for the referenced well.

Williams opposes the non-standard location. Meridian has proposed to drill the Payne #221 Fruitland Coal well in the NE/4 of Sec.22,T32N,R10W, and current spacing rules will not allow a well to be drilled in the SE/4 of Section 22,T32N,R10W to protect our acreage from drainage from the proposed Payne #11 well.

Sincerely yours,



M. Vern Hansen
Senior Landman

cc: Bryan Guderian
M. J. Turnbaugh



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

January 17, 1995

Williams Production Company
P. O. Box 3102
Tulsa, Oklahoma 74101

Attention: M. Vern Hansen

RE: Administrative application of Meridian Oil, Inc. for an unorthodox coal gas well location within the Cedar Hill-Fruitland Basal Coal (Gas) Pool [not the Basin Dakota Coal (Gas) Pool as referenced in said application] for its existing Payne Well No. 11 (API No. 30-045-26804), which was originally drilled in September, 1987 and completed in the Basin-Dakota Pool at a previously approved non-standard gas well location (see Division Administrative Order NSL-2382, dated August 24, 1987) 590 feet from the North line and 810 feet from the East line (Lot 1/Unit A) of Section 27, Township 32 North, Range 10 West, NMPM, San Juan County, New Mexico.

Dear Mr. Hansen:

The subject application was filed with the Division on March 14, 1996, your letter of objection dated April 4, 1996 (see copy attached) was received by the Division on April 8, 1996, or 25 calendar days after the official filing date of the Meridian application. Pursuant to **Rule 5** the "*Special Rules and Regulations for the Cedar Hill-Fruitland Basal Coal (Gas) Pool*", as promulgated by Division Order No. R-7588, as amended:

"The Division Director may approve the application upon receipt of written waivers from all offset operators offsetting the proration unit or if no objection to the unorthodox location has been entered within 20 days after the Director has received the application."

Your objection was received too late for the Division to take any action in either delaying or denying Meridian's request. An order approving this application is being processed at this time and will be forthcoming.

Williams Production Company

April 10, 1996

Page 2

Should Williams Production Company wish to pursue this matter further, an application to rescind this order through the Examiner's hearing process can be filed by William Production Company as the applicant.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner", with a long horizontal flourish extending to the right.

Michael E. Stogner
Chief Hearing Officer/Engineer

WJL/MES/kv

cc: Oil Conservation Division - Aztec
U.S. Bureau of Land Management - Farmington
Meridian Oil, Inc. (Attn: Peggy Bradfield) - Farmington, NM
W. Thomas Kellahin - Santa Fe
William J. LeMay - OCD Director, Santa Fe
Rand Carroll, General Counsel - OCD, Santa Fe
File: NSL-2382
NSL-2382-A

OIL CONSERVATION DIVISION
RECEIVED

'96 APR 8 AM 8 52

April 4, 1996

Mr. Michael Stogner
New Mexico Oil Conservation Commission
2040 Pacheco Street
Santa Fe, New Mexico 87505

Re: Application for Non-Standard Location
Payne #11, API #30-045-26804
590' FNL & 810' FEL, Sec.27,T32N,R10W
San Juan County New Mexico

Gentlemen:

Williams Production Company received Meridian Oil's waiver for a non-standard gas well location in the Basin Fruitland Coal for the referenced well.

Williams opposes the non-standard location. Meridian has proposed to drill the Payne #221 Fruitland Coal well in the NE/4 of Sec.22,T32N,R10W, and current spacing rules will not allow a well to be drilled in the SE/4 of Section 22,T32N,R10W to protect our acreage from drainage from the proposed Payne #11 well.

Sincerely yours,



M. Vern Hansen
Senior Landman

cc: Bryan Guderian
M. J. Turnbaugh

Mike Stogner

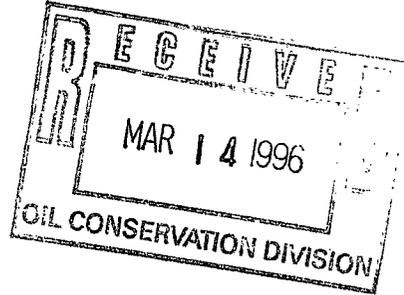
From: Ernie Busch
To: Mike Stogner
Subject: MERIDIAN OIL INC(NSL)
Date: Monday, March 25, 1996 8:29AM
Priority: High

PAYNE #11
A-27-32N-10W
590'FNL;810'FEL
RECOMMEND: APPROVAL

March 13, 1996

Federal Express

Mr. Michael Stogner
New Mexico Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505



Re: Payne #11
590'FNL, 810'FEL, Section 27, T-32-N, R-10-W, San Juan County, NM
API #30-045-26804

Dear Mr. Stogner:

This is a request for administrative approval for a non-standard gas well location in the Basin Fruitland Coal pool. Order NSL-2382 was issued for the non-standard location in the Basin Dakota pool.

Meridian Oil Inc. is planning to plug back the Dakota pool and recompleate the Payne #11 in the Basin Fruitland Coal pool. This well in the northeast quarter is considered off pattern for the Fruitland Coal. To comply with the New Mexico Oil Conservation Division rules, Meridian is submitting the following for your approval of this non-standard location:

1. C-102 plat showing location of the well;
2. Plat showing offset owners/operators;
3. Affidavit of notification of offset owners/operators;
4. Copy of Well Completion Log for original completion.

A copy of this application is being submitted to all offset owners/operators by certified mail with a request that they furnish your Santa Fe office with a Waiver of Objection, and return one copy to this office.

Sincerely yours,


Peggy Bradfield
Regulatory/Compliance Administrator

WAIVER

_____ hereby waives objection to Meridian Oil Inc.'s application for non-standard location for the Payne #11 as proposed above.

By: _____ Date: _____

xc: Phillips Petroleum
Williams Production

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-26804		² Pool Code 71629		³ Pool Name Basin Fruitland Coal	
⁴ Property Code 7379		⁵ Property Name Payne			⁶ Well Number 11
⁷ OGRID No. 14538		⁸ Operator Name MERIDIAN OIL INC.			⁹ Elevation 6898'

¹⁰ Surface Location

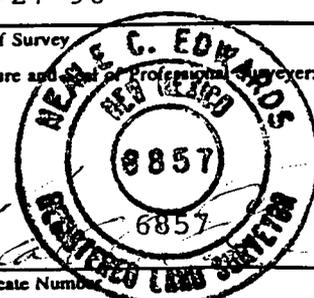
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	27	32N	10W		590	North	810	East	S.J.

¹¹ Bottom Hole Location If Different From Surface

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

¹² Dedicated Acres E/305.02	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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

<p>16</p> <p>Not resurveyed, prepared from a plat by Cecil B. Tullis dated 7-1-87.</p> <p>27</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p>Signature Peggy Bradfield</p> <p>Printed Name Regulatory Administrator</p> <p>Title 2-26-96</p> <p>Date</p>	
	<p>18 SURVEYOR CERTIFICATION</p> <p>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.</p> <p>2-21-96</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p>	
		
	<p>Certificate Number</p>	

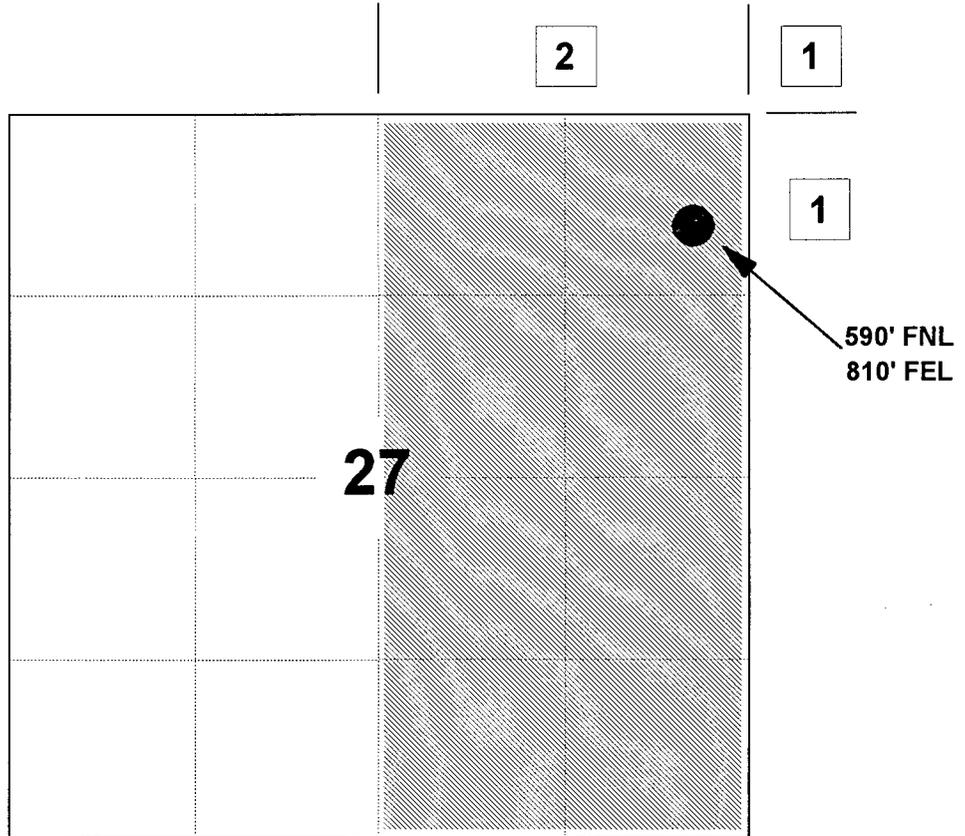
MERIDIAN OIL INC

PAYNE #11

OFFSET OPERATOR \ OWNER PLAT

Unorthodox Fruitland Coal Formation Well Location

Township 32 North, Range 10 West



1) Meridian Oil Inc.

1) Meridian Oil Inc. &

Phillips Petroleum Corporation

5525 Hwy. 64, NBU 3004, Farmington, NM 87401

Williams Production Company

P.O. Box 3102, Mailstop 37-4, Tulsa, OK 74101

Re: Payne #11
590'FNL, 810'FEL, Section 27, T-32-N, R-10-W, San Juan County, NM
API #30-045-26804

I hereby certify that the following offset owners/operators have been notified by certified mail of our application for administrative approval for non-standard well location of the above well.

Phillips Petroleum Corporation
5525 Highway 64, NBU 3004
Farmington, NM 87401

Williams Production Company
PO Box 3102
Mailstop 37-4
Tulsa, OK 74101

A handwritten signature in cursive script, appearing to read "Peggy Bradfield".

Peggy Bradfield
Regulatory/Compliance Administrator

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE

Form approved
Budget Bureau No. 1004-0137
Expires August 31, 1985

RECEIVED

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. TYPE OF WELL: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> Other <u>99 MAY 26 PM 1:02</u>		2. NAME OF OPERATOR Union Texas Petroleum		7. UNIT AGREEMENT NAME N/A	
b. TYPE OF COMPLETION: NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEP-EN <input type="checkbox"/> PIPE BACK <input type="checkbox"/> DIFF. RENOV. <input type="checkbox"/> Other <u>FARMINGTON RESOURCE AREA</u>		3. ADDRESS OF OPERATOR 375 US Highway 64 Farmington, NM 87401		8. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)* At surface 590' FNL & 810' FEL At top prod. interval reported below At total depth		14. PERMIT NO.		DATE ISSUED	
15. DATE SPUDDED 9/2/87		16. DATE T.D. REACHED 9/23/87		17. DATE COMPL. (Ready to prod.) 11/7/87	
18. ELEVATIONS (DP, RMB, RT, OR, ETC.)* 6898 G.L. 6910 KB		19. ELEV. CASINGHEAD 6899		9. WELL NO. 11	
20. TOTAL DEPTH, MD & TVD 8425		21. PLUG. BACK T.D., MD & TVD 8384		10. FIELD AND POOL, OR WILDCAT Basin Dakota	
22. IF MULTIPLE COMPL., HOW MANY* N/A		23. INTERVALS DRILLED BY ROTARY TOOLS CABLE TOOLS 10-8425		11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA Sec. 27 - T31N-R10W	
24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)* 8243-8380 (gross) Dakota				12. COUNTY OR PARISH San Juan	
25. WAS DIRECTIONAL SURVEY MADE No				13. STATE NM	
26. TYPE ELECTRIC AND OTHER LOGS RUN DIGL-GR, SDL-DSN-GR				27. WAS WELL CORROD No	
28. CASING RECORD (Report all strings set in well)					
CASING SIZE		WEIGHT, LB./FT.		DEPTH SET (MD)	
9-5/8		36		1322	
7		23		4011	
HOLE SIZE		CEMENTING RECORD		AMOUNT PULLED	
12-1/4		See attached			
8-3/4		See attached			
29. LINER RECORD					
SIZE		TOP (MD)		BOTTOM (MD)	
4-1/2		3808		8421	
SACKS CEMENT*		SCREEN (MD)		30. TUBING RECORD	
See attached				SIZE	
				2-3/8	
				DEPTH SET (MD)	
				8356	
				PACKER SET (MD)	
				N/A	
31. PERFORATION RECORD (Interval, size and number) 33 total 0.32" holes 1 JSPF at 8243'-8259' 8298', 8304', 19', 20', 21', 22', 31', 33', 44', 46', 51', 52', 66', 70', 80'. 5050' squeeze holes					
32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC. DEPTH INTERVAL (MD) AMOUNT AND KIND OF MATERIAL USED See attached					
33. PRODUCTION					
DATE FIRST PRODUCTION		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) Flowing			WELL STATUS (Producing or shut-in) shut-in
DATE OF TEST 5/13/88		HOURS TESTED 3	CHOKE SIZE 3/4	PROD'N. FOR TEST PERIOD Tr	OIL—BBL. 89
GAS—MCF. 89		WATER—BBL. Tr		GAS-OIL RATIO N/A	
FLOW. TUBING PRBS. 50		CASING PRESSURE 1945 SICP	CALCULATED 24-HOUR RATE Tr	OIL—BBL. 715	GAS—MCF. 2
WATER—BBL. N/A		OIL GRAVITY-API (CORR.) N/A			
34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) Vented				TEST WITNESSED BY Cliff Gates	
35. LIST OF ATTACHMENTS Cementing and Stimulation Record					
36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records					
SIGNED <u>Robert C. Frank</u>		TITLE <u>Permit Coordinator</u>		DATE <u>5/23/88</u>	

*(See Instructions and Spaces for Additional Data on Reverse Side) FARMINGTON RESOURCE AREA

Sec : 27 Twp : 32N Rng : 10W Section Type : NORMAL

L 40.00 Fee owned	K 40.00 Fee owned A A	6 37.90 Federal owned	5 37.87 Federal owned
M 40.00 Fee owned	N 40.00 Fee owned	7 37.99 Federal owned A	8 37.96 Federal owned

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

75.89
75.83

151.72
153.30

305.02

75.83

CMD :
OG6IWCM

ONGARD
INQUIRE WELL COMPLETIONS

04/10/96 08:29:01
OGOMES -EMFH

API Well No : 30 45 26804 Eff Date : 01-14-1991 WC Status : S
Pool Idn : 71599 BASIN DAKOTA (PRORATED GAS)
OGRID Idn : 14538 MERIDIAN OIL INC
Prop Idn : 7379 PAYNE

Well No : 011
GL Elevation: 6898

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
B.H. Locn	: 1	27	32N	10W	FTG 590 F N	FTG 810 F E	P

Lot Identifier:
Dedicated Acre: 305.02
Lease Type : F
Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

Sec : 27 Twp : 32N Rng : 10W Section Type : NORMAL

D 40.00 Fee owned A	C 40.00 Fee owned A	2 38.58 Federal owned	1 37.98 Federal owned A A
E 40.00 Fee owned	F 40.00 Fee owned A	3 38.67 Federal owned	4 38.07 Federal owned

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

77.25 76.05
76.05

153.30

Submitted in lieu of Form 13160-5

CONSERVATION DIVISION
RECEIVED

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED
BUT MAIL ROOM

96 MAR 24 AM 8 52

Sundry Notices and Reports on Wells

MAR 20 AM 11:55

610 FARMINGTON, NM

1. Type of Well
GAS

2. Name of Operator
MERIDIAN OIL

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

4. Location of Well, Footage, Sec., T, R, M
590' FNL, 810' FEL, Sec.27, T-32-N, R-10-W, NMPM

- 5. Lease Number SF-080517
- 6. If Indian, All. or Tribe Name
- 7. Unit Agreement Name
- 8. Well Name & Number Payne #11
- 9. API Well No. 30-045-26804
- 10. Field and Pool Basin Fruitland Coal/ Basin Dakota
- 11. County and State San Juan Co, NM

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

Type of Submission

Type of Action

- | | | |
|--|---|--|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Abandonment | <input type="checkbox"/> Change of Plans |
| <input type="checkbox"/> Subsequent Report | <input checked="" type="checkbox"/> Recompletion | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Final Abandonment | <input checked="" type="checkbox"/> Plugging Back | <input type="checkbox"/> Non-Routine Fracturing |
| | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> Water Shut off |
| | <input type="checkbox"/> Altering Casing | <input type="checkbox"/> Conversion to Injection |
| | <input checked="" type="checkbox"/> Other - Plug and abandon Dakota | |

13. Describe Proposed or Completed Operations

It is intended to plug back and sidetrack the subject well to the Fruitland Coal formation according to the attached procedure and wellbore diagram.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct.

Signed [Signature] (GWL5) Title Regulatory Administrator Date 2/26/96

(This space for Federal or State Office use)

APPROVED BY _____ Title _____

Date **APPROVED**

CONDITION OF APPROVAL, if any:

[Handwritten Note]

MAR 01 1996

DISTRICT MANAGER

4

AM4000

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

Form C-10
 Revised February 21, 1995
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

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

96 FEB 28 AM 11:55

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-045-26804		Pool Code 71629	Pool Name Basin Fruitland Coal
Property Code 7379	Property Name Payne		Well Number 11
OGRID No. 14538	Operator Name MERIDIAN OIL INC.		Elevation 6898'

10 Surface Location

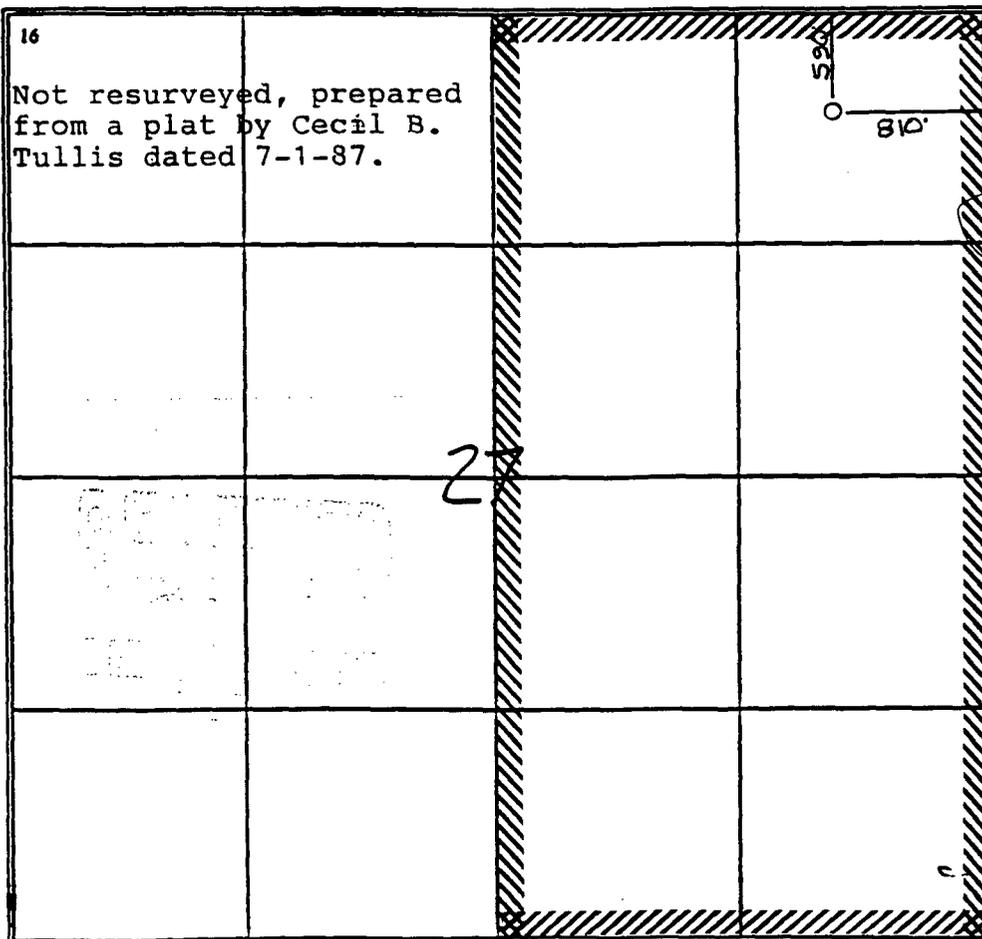
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	27	32N	10W		590	North	810	East	S.J.

11 Bottom Hole Location If Different From Surface

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

12 Dedicated Acres E/305.02	13 Joint or Infill	14 Consolidation Code	15 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



17 OPERATOR CERTIFICATION

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

Peggy Bradford
 Signature

Peggy Bradford
 Printed Name
 Regulatory Administrator
 Title

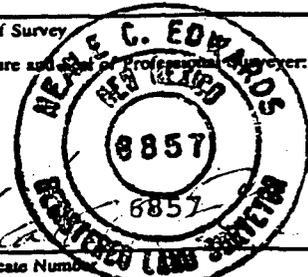
2-26-96
 Date

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by or under my supervision, and that the same is true and correct to the best of my belief.

2-21-96
 Date of Survey

Signature and Seal of Professional Surveyor



Certificate Number

Payne #11
Unit A, Sec 27, T32N, R10W
San Juan County, NM

Procedure to plug back and sidetrack in Fruitland Coal

Isolate Dakota perms 8243' - 8380'

1. Set 4-1/2" CIBP @8200'.
2. TIH w/tbg and pump 8 sx (9.44 cu ft) Class B cement inside 4-1/2" casing on top of CIBP.

Isolate Gallup formation (Top @6650')

3. Pick up to 6700'
4. Pump balanced plug of 12 sx (14.16 cu ft) Class B cement inside 4-1/2" casing from 6700' - 6600'
5. TOOH

Isolate Mesaverde formation (Top @5252')

6. Perforate 4 squeeze holes @5302'.
7. TIH w/cement retainer and set @5252'.
8. Pump 25 sacks (29.5 cu ft) Class B cement inside and outside 4-1/2" casing.
9. Sting out of cement retainer and pump 8 sx (9.44 cu ft) Class B cement on top of cement retainer.

Isolate 7" casing shoe @4011'

10. Pick up to 4061'.
11. Pump balanced plug of 12 sx (14.16 cu ft) Class B cement inside 4-1/2" casing from 4061' - 3961'.

Isolate Pictured Cliffs formation (Top @3723')

12. Pick up to 3773'.
13. Pump balanced plug of 29 sacks (34.22 cu ft) Class B cement inside 7" casing from 3773' - 3673'.

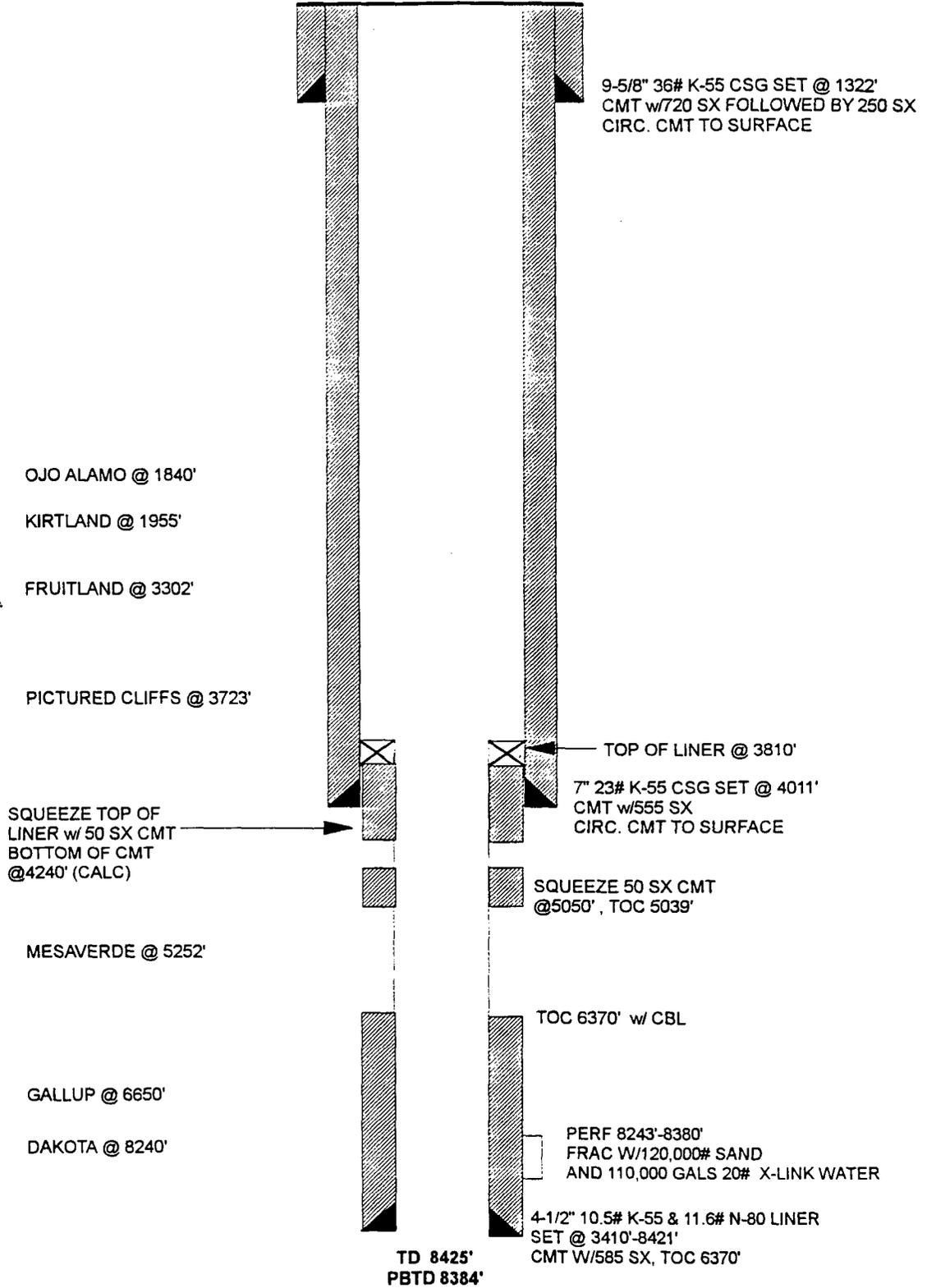
Sidetrack wellbore for Fruitland Coal Completion

14. Run CBL from 3600' to surface.
15. Set CIBP @3388'.
16. Set 7" whipstock on CIBP @3388'.
17. Cut window in 7" casing.
18. Drill 6-1/4" hole to a TD of 3707'.
19. Caviate the Fruitland Coal until productive.
20. Evaluate well to determine if 5-1/2" 15.5# pre-perfed (+ spf) liner will be run in the hole.
21. Run production tubing and rig down.

PAYNE #11

CURRENT
BASIN DAKOTA

UNIT A, SEC 27, T32N, R10W, SAN JUAN COUNTY, NM



Pertinent Data Sheet - Payne #11

Location: NE/4 590' FNL, 810' FEL, Section 27, T32N, R10W.
Lat. 36.961700, Long. 107.8629208 by TDG
San Juan County, NM

Field: Basin Dakota

Elevation: 5898' GL
KB: 9'

ID: 8425'
PBTD: 8384'

Completed: 11-07-87

Spud Date: 09-02-87

DP No: 32741A

Prop. No: 07241200

Fed. No: SF 080517

Casing/Liner Record:

<u>Hole Size</u>	<u>Csq Size</u>	<u>Wt. & Grade</u>	<u>Depth Set</u>	<u>Cement</u>	<u>Top/Cement</u>
12 1/4"	9 5/8"	36# K-55	1322'	720 SX	
				250 SX	to surface
8 3/4"	7"	23# K-55	4011'	555 SX	to surface
6 1/4"	4 1/2" Liner	10.5# K-55	3810'-8000'		
		11.6# N-80	8000'-8421'	585 SX	6371' (TS)

Squeeze top of liner with 50 SX
Squeeze 5050' with 50 SX TOC @ 4940'.

Tubing Record: None.

Formation Tops:

Ojo Alamo:	1840'	Mesaverde:	5252'
Kirtland:	1955'	Mancos:	6263'
Fruitland:	3302'	Gallup:	6650'
Pictured Cliffs:	3723'	Graneros:	8117'
Lewis:	3804'	Dakota:	8240'

Logging Record: DIGL-GR, SDL-DSN-GR, Temp. Survey.

Stimulation: Perfs 8243'-8380'.

Fractured with 120,000# sand and 110,000 gallons of 20# x-link gel water

ATR=50 BPM ATP=3800# ISIP=2300#

Perf squeeze holes at 5050'-squeeze with 50 sx - TOC @ 4940'

Workover History: 8/28/94: Attempt to recomplate as an open hole well was unsuccessful.
Stuck pipe on bottom. Had to work drill pipe out of the hole. See attached
Morning Reports for further detail.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington District Office
1235 La Plata Highway
Farmington, New Mexico 87401

IN REPLY REFER TO:

Attachment to Notice of

Re: Plug Back

Intention to Plug Back and Recomplete:

Well: 11 Payne

CONDITIONS OF APPROVAL

1. **Mike Flaniken** with the Farmington District Office is to be notified at least 24 hours before the plug back operations commence (505) 599-8907.
2. The following modifications to your plug back program are to be made (when applicable):
 - A: **Extend the cement plug from 4061' - 3961' to 4061' - 3758' using 37 sks. cement.**
(50' above liner top @ 3808')

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED
BLM

OIL CONSERVATION DIVISION
RECEIVED

Sundry Notices and Reports on Well

94 AUG 29 PM 3:47 94 SEP 16 AM 8 50

1. Type of Well
GAS

RECEIVED
SEP - 2 1994

070 FARMINGTON, NM

5. Lease Number
SF-080517

6. If Indian, All. or
Tribe Name

7. Unit Agreement Name

2. Name of Operator
MERIDIAN OIL

OIL CON. DIV.
DIST. 3

8. Well Name & Number
Payne #11

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

9. API Well No.
30-045-26804

4. Location of Well, Footage, Sec., T, R, M
590'FNL, 810'FEL, Sec.27, T-32-N, R-10-W, NMPM

10. Field and Pool
Basin Dakota

11. County and State
San Juan Co, NM

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

Type of Submission	Type of Action
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input checked="" type="checkbox"/> Other -
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut off
	<input type="checkbox"/> Conversion to Injection

13. Describe Proposed or Completed Operations

- 8-24-94 MIRU. ND WH. NU BOP. Tbg would not pull. Free point 2 3/8" tbg @ 3990'. Cutter not cutting. TOOH w/20 jts 2 3/8" tbg. TIH w/wireline tag cutting @ 775'. TOOH w/15 jts 2 3/8" tbg. TIH. TOOH w/268 jts 2 3/8" tbg. SDON.
- 8-25-94 TIH, tag fill @ 8359'. TOOH w/tbg. TIH w/4 1/2" csg scraper to 8384'. TOOH. TIH w/7" csg scraper to 3810'. TOH. TIH w/4 1/2" RBP, set @ 8133'. Load hole w/190 bbl wtr. PT 7" csg to 1500 psi/15 min, OK. Release RBP. TOH.
- 8-26/27-94 Milling.
- 8-28-94 ND BOP. NU WH. Rig released.

14. I hereby certify that the foregoing is true and correct.

Signed [Signature] Title Regulatory Affairs Date 8/29/94

(This space for Federal or State Office use)

APPROVED BY _____ Title _____

CONDITION OF APPROVAL, if any:

ACCEPTED FOR RECORD

AUG 31 1994

FARMINGTON DISTRICT OFFICE

[Signature]

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OIL CONSERVATION DIVISION
RECEIVED

Sundry Notices and Reports on Wells

93 NOV 24 AM 10 34

1. Type of Well
GAS

2. Name of Operator
MERIDIAN OIL

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

4. Location of Well, Footage, Sec., T, R, M
590' FNL, 810' FEL Sec. 27, T-32-N, R-10-W, NMPM

- 5. Lease Number
SF-080517
- 6. If Indian, All. or Tribe Name
- 7. Unit Agreement Name
- 8. Well Name & Number
Payne #11
- 9. API Well No.
- 10. Field and Pool
Basin Dakota
- 11. County and State
San Juan Co, NM

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

Type of Submission	Type of Action	
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input checked="" type="checkbox"/> Other -	

13. Describe Proposed or Completed Operations

It is planned to drill out (3 7/8" hole size) from under the 4 1/2" liner (3807-8421') in this well for approximately 100' to a depth of 8521'. The well will be logged and completed open hole with 2 3/8" tbg.

NOV 22 1993

OIL CON. DIV
DIST. D.

070 FEDERAL BLDG, ALBUQUERQUE, NM

93 NOV -9 AM 11:25

RECEIVED
BLM

14. I hereby certify that the foregoing is true and correct.

Signed [Signature] (PDA) Title Regulatory Affairs Date 11/8/93

(This space for Federal or State Office use)

APPROVED BY _____ Title _____

CONDITION OF APPROVAL, if any:

APPROVED

[Signature]
NOV 10 1993
DISTRICT MANAGER

OIL CONSERVATION DIVISION
RECEIVED

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

'91 SEP 6 AM 9 18 Sundry Notices and Reports on Wells

1. Type of Well
GAS

5. Lease Number SF-080517
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
Payne #11
9. API Well No.

4. Location of Well, Footage, Sec, T, R, M.
590'N, 810'E Sec.27, T-32-N, R-10-W, NMPM

10. Field and Pool *Basin DTK*
~~Cedar Hill Fruitland Coal~~
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

- | | | |
|--|--|--|
| <input type="checkbox"/> Notice of Intent | <input type="checkbox"/> Abandonment | <input type="checkbox"/> Change of Plans |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Recompletion | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Final Abandonment | <input type="checkbox"/> Plugging Back | <input type="checkbox"/> Non-Routine Fracturing |
| | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> Water Shut Off |
| | <input type="checkbox"/> Altering Casing | <input type="checkbox"/> Conversion to Injection |
| | <input type="checkbox"/> Other | |

13. Describe Proposed or Completed Operations

Meridian Oil Inc. requests permission to postpone the approved plugback to the Fruitland Coal until July 1, 1992. This request is prompted by the curtailment of capital funds.

Handwritten notes and stamps:
AUG 25 1991
APPROVED
DATE 8-12-91

14. I hereby certify that the foregoing is true and correct
Signed *John D. Brantford* (DM) Title Regulatory Affairs Date 8-12-91

(This space for Federal or State office use)

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

APPROVED
DATE 8-12-91
Signature
MANAGER
FARMINGTON RESOURCE AREA

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

CONSERVATION DIVISION

'91 JAN 22 PM 9 41

Sundry Notices and Reports on Wells

<p>1. Type of Well GAS</p> <hr/> <p>2. Name of Operator Meridian Oil Inc.</p> <hr/> <p>3. Address & Phone No. of Operator Box 4289, Farmington, NM 87499 (505) 326-9700</p> <hr/> <p>4. Location of Well, Footage, Sec, T, R, M. 590'N, 810'E Sec. 27, T-32-N, R-10-W, NMPM <i>A</i></p>	<p>5. Lease Number SF-080517</p> <p>6. If Indian, All. or Tribe Name</p> <p>7. Unit Agreement Name</p> <p>8. Well Name & Number Payne #11</p> <p>9. API Well No.</p> <p>10. Field and Pool Cedar Hill Ft. Basal Coal</p> <p>11. County and State San Juan County, NM</p>
--	--

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

Type of Submission	RECEIVED		Type of Action
<input checked="" type="checkbox"/> Notice of Intent		<input type="checkbox"/> Abandonment	<input checked="" type="checkbox"/> Change of Plans
<input type="checkbox"/> Subsequent Report		<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment		<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
		<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut Off
		<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
		<input type="checkbox"/> Other	

DIST. 3

13. Describe Proposed or Completed Operations

Please change the operator of this well from Union Texas Petroleum to Meridian Oil Inc.

Union Texas Petroleum submitted a sundry notice 4-9-90 to recomplate this well in the Fruitland Coal. This notice was approved 4-16-90. Administrative approval from New Mexico Oil Conservation Division for this non-standard location was granted with NSL-2382 on 5-22-90.

Meridian Oil intends to recomplate this well in the Fruitland Coal per the approved sundry notice, with a change of operations in the completion portion, as follows:

Setting a whipstock @ ± 3412-3425', cutting a window 3412-3425' in the 7" casing, and drilling a sidetrack 6 1/4" hole through the Fruitland Coal to ± 3707'. A 5 1/2" uncemented liner will be set from ± 3262' to 3707'.

14. I hereby certify that the foregoing is true and correct
Signed *Deanna Strickland* Title Regulatory Affairs Date 11-9-90

(This space for Federal or State office use)

APPROVED
AS AMENDED
DEC 28 1990
DATE
Original Signed: STEPHEN MASON
AREA MANAGER

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

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 1004-0135
Expires August 31, 1985

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NO. SF-080517
Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use "APPLICATION FOR PERMIT" for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
1. <input type="checkbox"/> OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER		7. UNIT AGREEMENT NAME
2. NAME OF OPERATOR Union Texas Petroleum Corp.		8. FARM OR LEASE NAME Payne
3. ADDRESS OF OPERATOR P.O. Box 2120 Houston, TX 77252-2120		9. WELL NO. 11
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface 590' FNL & 810 FEL		10. FIELD AND POOL, OR WILDCAT Basin Dakota
		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA 27-32N-10W
14. PERMIT NO.	15. ELEVATIONS (Show whether DP, RT, CR, etc.) 6898 FR	12. COUNTY OR PARISH 13. STATE San Juan NM

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANE <input type="checkbox"/>	(Other) <input type="checkbox"/>	

(Other) **Plug back to Frt Coal XX**

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and names pertinent to this work.)*

We propose that the unproductive Dakota be plugged back and the Fruitland coal be opened and stimulated. This well was drilled and completed in the Dakota late in 1987. However, the Dakota is not capable of commercial gas production and has major crooked hole problems below 6500'. With an AOF of only 727 MCF/D a pipeline connection would not be economical. Since the Dakota is not productive, we looked for an uphole interval that would be productive. The Mesaverde already has a well in the quarter section and the Gallup Pictured Cliffs and Fruitland sands do not appear to be productive.

Needed approval is required for the lower the det. location.

RECEIVED
APR 23 1990
OIL CON. DIV.,
DIST. 3

18. I hereby certify that the foregoing is true and correct

SIGNED *[Signature]* TITLE Reg. Permit Coord. DATE 4/9/90

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ **APPROVED**

CONDITIONS OF APPROVAL, IF ANY:
Hold entry for DSL & Plat.

APR 16 1990
[Signature]
FOR AREA MANAGER

*See Instructions on Reverse Side

RECOMMENDED PROCEDURE

Payne #11

1. Test anchors, dig blow pit, lay blow lines.
2. MIRUSU. TOH with 8358' 2-3/8" N-80 tubing.
3. Set 4-1/2" cement retainer @ 5200' on 2-3/8" N-80 tubing.
4. With 1000 PSI monitored and recorded on backside, pump 400 sx Class "B" cement. (Pipe capacity to bottom Dakota perf plus 75%)
5. Run CBL from 4100'. Set retrievable BP @ 3780' and top with 2 sx sand. Pressure test to 3800 PSI.
6. Perf Basal coal with 6 - 0.5" SPF @ 3680'-3705' and 3720'-22'. Total 174 holes.
7. Rig up frac tanks and frac crew to allow for mixing gel on the fly. Frac Fruitland coal seams down 7" casing at 30 BPM with 30# crosslinked borate gel (boric acid) and the following Arizona sand schedule.

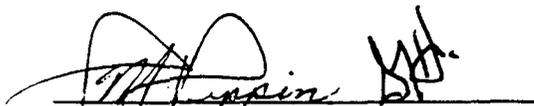
<u>Stage</u>	<u>Fluid</u>	<u>Sand Size</u>	<u>Amount</u>
Pad	28,000 gals		
(Fluid Loss) 1 PFG	10,000 gals	40/70	10,000#
(Fluid Loss) 2 PFG	5,000 gals	40/70	10,000#
2 PFG	10,000 gals	20/40	20,000#
3 PFG	10,000 gals	20/40	30,000#
4 PFG	10,000 gals	20/40	40,000#
5 PFG	9,000 gals	20/40	45,000#
5 PFG (resin coated & activator)	3,000 gals	20/40	15,000#
Flush	(6,035 gals)		
Total	85,000 gals		170,000#

Maximum pressure = 3800 psi. Anticipated treating pressure = 3000 psi.
 Tag all sand with IR-192. Use computer van to monitor treating pressure.
 Have capacity to pump at 50 BPM

8. TIH with 6-1/4" bit on 2-3/8" tubing and clean out to 3770' (RBP @ 3780') with air/mist. Obtain gas pitot gauges and water rates when possible. TOH.
9. TIH with retrieving tool on 2-3/8" tubing and retrieve RBP @ 3780'. TOH.
10. Run after frac GR log from 3800'

Recommended Procedure
Payne #11
Page Two

11. TIH with 32' mud anchor with pump valve, 4' perf sub, standard seating nipple on 2-3/8" tubing. Land tubing @ 3800' with S.N. @ 3770'.
12. Run 2" x 1-1/2" RWAC-LEQ (stroke through) inset pump with Martin ring plunger on 3/4" rods.


P. M. Pippin
Production Engineer

WORKOVER DATA SHEET

WELL NAME Payne #11 DATE 03/27/90
LOCATION 590' FNL; 820' FEL DATUM KB (12' above G.L.)
Section 27, T32N-R10W
San Juan County, NM
ELEVATION 6898' G.L. TOTAL DEPTH 8421'
FIELD FORMATION Basin Dakota W.I. 100%
NRI = 83.495%

COMPLETED INITIAL POTENTIAL PLUG BACK TOTAL DEPTH
11/7/87 SICP = 1945 PSI 8384'
Q = 715 MCF/D
AOF = 727 MCF/D

<u>CASING RECORD</u>	<u>CASING SIZE</u>	<u>WT. & GRADE</u>	<u>DEPTH SET</u>	<u>CEMENT</u>	<u>TOP CEMENT</u>
	9-5/8"	36.00# K-55	1332'	720 sx	Lost circ. 48 bbls into displacement
	7"	23.00# K-55	4011'	250 sx	Into top
	4-1/2"	11.60# K-55	3808'-8421'	585 sx	Lost circ. 30 bbls into displacement

TUBING RECORD

2-3/8" 4.7# N-80 8358'
S.N. @ 8326'
Open ended

WELL HEAD

LOGGING RECORD

Density Neutron, Induction, CBL

STIMULATION

CBL indicates TOC @ 6370'
Perfed Dakota w/33 - 0.32" SPF @ 8243'-59', 8298', 8319'-22', 8331',
8333', 44', 46', 50', 51', 66', 70', 80'. Fraced w/120,000# 20/40 sand in
20# x-linked gel. Perfed 2 squeeze holes @ 5050' and squeezed w/50 sx cmt.
Squeezed liner top w/50 sx. Ran CBL. 100% bond 5069'-5039'. Pressure
test casing to 3000 PSI - OK. Heavy drag when tripping out of hole to 6500'.

WORKOVER HISTORY

4-12-88 TOH w/2-3/8" tbg. Dragging 20,000# off bottom. TIH w/2-3/8" tbg.
Set pkr @ 6400' w/tail pipe to 7500'. Casing dead. Tbg gauged
1700 MCF/D w/heavy mist. Test csg to 2000 PSI - OK. Land N-80
tbg @ 5326'.

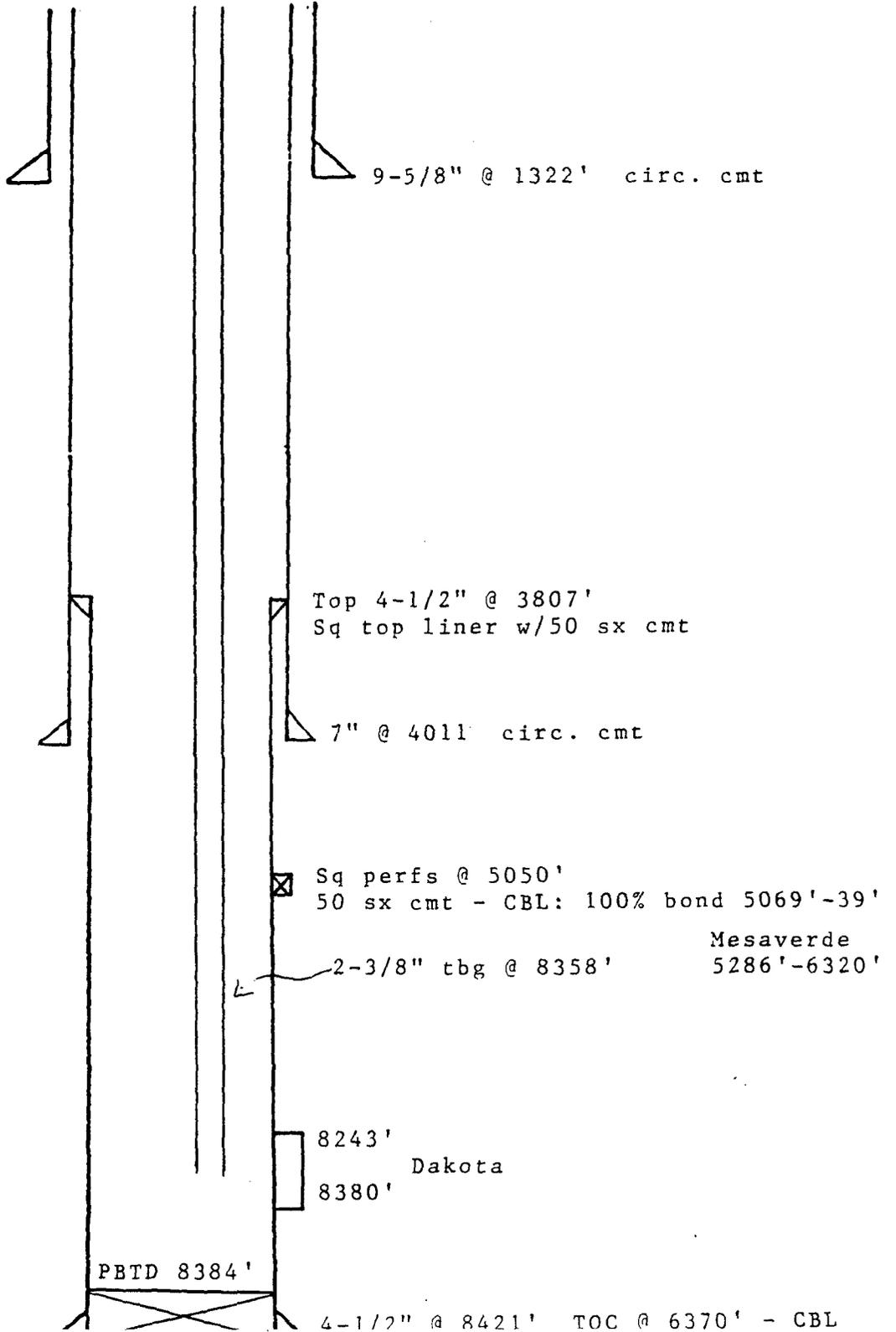
PRODUCTION HISTORY

WELL BORE DIAGRAM FOR

Payne #11 DK

590' FNL, 810' FEL
Section 27, T32N-R10W
San Juan County, NM

Elevation: 9898' G.L. w/12' KB



**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

SUBMIT IN TRIPLICATE*
(Other instructions on re-
verse side)

Expires August 31, 1985

5. LEASE DESIGNATION AND SERIAL NO.
SF-080517

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
N/A

7. UNIT AGREEMENT NAME
N/A

8. FARM OR LEASE NAME
PAYNE

9. WELL NO.
11

10. FIELD AND POOL, OR WILDCAT
BASIN DAKOTA

11. SEC., T., R., M., OR BLK. AND
SUBVST OR AREA
Sec. 27, T32N-R10W

12. COUNTY OR PARISH
SAN JUAN

13. STATE
NM

SUNDRY NOTICES AND REPORTS ON WELLS
(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals.)

1. OIL WELL GAS WELL OTHER

2. NAME OF OPERATOR
Union Texas Petroleum

3. ADDRESS OF OPERATOR
375 US Highway 64, Farmington, NM 87401

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*
See also space 17 below.)
At surface
590' FNL & 810' FEL

14. PERMIT NO. _____ 15. ELEVATIONS (Show whether DF, ST, GR, etc.) _____

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(Other) <u>Reseeding</u> <input checked="" type="checkbox"/>	
(Other) _____		(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)	

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Union Texas Petroleum wishes to advise that the location was reseeded using BLM seed mixture #1. The areas reseeded were the top of location and the pit. The work was completed before September 5, 1988 and all above ground equipment was painted using specified colors (BLM GREEN).

ACCEPTED FOR RECORD
NOV 15 1988
FARMINGTON RESOURCE AREA
FARMINGTON, NEW MEXICO
BY [Signature]

18. I hereby certify that the foregoing is true and correct

SIGNED [Signature] TITLE CONSTRUCTION FOREMAN DATE 10/25/88

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE*

(See other instructions on reverse side)

Form approved.
Budget Bureau No. 1004-0137
Expires August 31, 1985

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. TYPE OF WELL: OIL WELL GAS WELL DRY OTHER
 b. TYPE OF COMPLETION: NEW WELL WORK OVER DEEP-EN PIPE BACK DIFF. REPAIR OTHER

2. NAME OF OPERATOR: Union Texas Petroleum
 3. ADDRESS OF OPERATOR: 375 US Highway 64 Farmington, NM 87401

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements):
 At surface 590' FNL & 810' FEL
 At top prod. interval reported below
 At total depth

14. PERMIT NO. DATE ISSUED
 DIST. 3

5. LEASE DESIGNATION AND SERIAL NO. SF-080517
 6. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A
 7. UNIT AGREEMENT NAME N/A
 8. FARM OR LEASE NAME PAYNE
 9. WELL NO. 11
 10. FIELD AND POOL, OR WILDCAT Basin Dakota
 11. SEC. T. R., M., OR BLOCK AND SURVEY OR AREA Sec. 27 - T31N-R10W
 12. COUNTY OR PARISH San Juan
 13. STATE NM

15. DATE SPUDDED 9/2/87 16. DATE T.D. REACHED 9/23/87 17. DATE COMPL. (Ready to prod.) 11/7/87 18. ELEVATIONS (DF, RKB, RT, GR, ETC.)* 6898 G.L. 6910 KB 19. ELEV. CASINGHEAD 6899

20. TOTAL DEPTH, MD & TVD 8425 21. PLUG, BACK T.D., MD & TVD 8384 22. IF MULTIPLE COMPL., HOW MANY* N/A 23. INTERVALS DRILLED BY ROTARY TOOLS 0-8425 CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)* 8243-8380 (gross) Dakota 25. WAS DIRECTIONAL SURVEY MADE No

26. TYPE ELECTRIC AND OTHER LOGS RUN DIGL-GR, SDL-DSN-GR 27. WAS WELL CORED No

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
9-5/8	36	1322	12-1/4	See attached	
7	23	4011	8-3/4	See attached	

29. LINER RECORD 30. TUBING RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
4-1/2	3808	8421	See attached		2-3/8	8356	N/A

31. PERFORATION RECORD (Interval, size and number)
 33 total 0.32" holes 1 JSPF at 8243'-8259'
 8298', 8304', 19', 20', 21', 22', 31', 33', 44',
 46', 51', 52', 66', 70', 80'.
 5050' squeeze holes

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
	See attached

33.* PRODUCTION

DATE FIRST PRODUCTION PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) Flowing WELL STATUS (Producing or shut-in) shut-in

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
5/13/88	3	3/4		Tr	89	Tr	N/A

FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)
50	1945 SICP		Tr	715	2	N/A

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) Vented TEST WITNESSED BY Cliff Gates

35. LIST OF ATTACHMENTS Cementing and Stimulation Record

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records
 SIGNED Robert C. Frank TITLE Permit Coordinator DATE 5/23/88

*(See Instructions and Spaces for Additional Data on Reverse Side)

7. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries):

38. GEOLOGIC MARKERS

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	TOP	
					MEAS. DEPTH	TRUE VERT. DEPTH
				Ojo Alamo	2474	
				Kirtland	2623	
				Fruitland	3265	
				Pictured Cliffs	3719	
				Lewis	3804	
				Mesaverde	5252	
				Mancos	6263	
				Gallup	6650	
				Greenhorn	8052	
				Graneros	8117	
				Dakota	8240	

Cementing Record

Surface

720 sx (850 cu.ft.) Cl "B" with 2% CaCl₂ and 1/4# flocele/sk. Lost circulation. Top out through 1" tubing with 250 sx (295 cu.ft.) Cl "B" with 2% CaCl₂.

Intermediate

400 sx (1148 cu.ft.) 65/35 POZ with 12% gel, 12-1/4# gilsonite/sk, tailed by 150 sx (177 cu.ft.) Cl "B" containing 2% CaCl₂. Circulate 30 bbls (168 cu.ft.) of cement to surface.

Liner

235 sx (660 cu.ft.) 65/35 POZ containing 12% gel, 6# hyseal/sk and 1.25 CF-10, tailed by 350 sx (550 cu.ft.) 50/50 POZ containing 4% gel, 6-1/4# gilsonite/sk, and 10# salt/sk. Lost circulation. Cement top at 6371'.

Stimulation Record

8243'-8380'

Acidize: 3000 gals 15% HCl and 66 - 7/8" ball sealers

Frac: 120,000# 20/40 sand in 110,000 gals
20# crosslink gelled water

5050'

Squeeze: 50 sx (59 cu.ft.) Cl "B" with 2% CaCl₂. Squeeze to 2000 psi. Test squeeze to 3000 psi for 15 minutes. Held.

3808'

Set packer at 3707'. Squeeze liner top with 50 sx (59 cu.ft.) Cl "B". Squeeze to 2000 psi. Test squeeze to 3000 psi for 15 minutes. Held.

RECEIVED
MAIL ROOM
28 MAY 26 PM 1:01
FARWELL RECORDS AREA
FARWELL, NEW MEXICO

IV. COMPLETION DATA

Designate Type of Completion - (X)		Oil Well	Gas Well X	New Well X	Workover	Deepen	Plug Back	Same Res'v.	Diff. Res'v.
Date Spudded 9/2/87	Date Compl. Ready to Prod. 11/7/87		Total Depth 8425		P.B.T.D. 8384				
Elevations (DF, RKB, RT, CR, etc.) 6898 GL 6910 KB		Name of Producing Formation Dakota		Top Oil/Gas Pay 8243		Tubing Depth 8356			
Perforations 8243-8380 (gross)						Depth Casing Shoe 8421 KB (liner)			
TUBING, CASING, AND CEMENTING RECORD									
HOLE SIZE	CASING & TUBING SIZE		DEPTH SET		SACKS CEMENT				
12-1/4	9-5/8		1322		970 sx (1105 cu.ft.)				
8-3/4	7		4011		550 sx (1325 cu.ft.)				
6-1/4	4-1/2		3808-8421		585 sx (1210 cu.ft.)				
	2-3/8		8356						

V. TEST DATA AND REQUEST FOR ALLOWABLE (Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours)

Date First New Oil Run To Tanks	Date of Test	Producing Method (Flow, pump, gas lift, etc.)		
Length of Test	Tubing Pressure	Casing Pressure	Choke Size	
Actual Prod. During Test	Oil - Bbls.	Water - Bbls.	Gas - MCF	

GAS WELL

Actual Prod. Test - MCF/D 715	Length of Test 3 hrs	Bbls. Condensate/MMCF Tr	Gravity of Condensate N/A
Testing Method (pilot, back pr.) back pressure	Tubing Pressure (Shut-In) 1943	Casing Pressure (Shut-In) 1945	Choke Size 3/4

MULTIPOINT AND ONE POINT BACK PRESSURE TEST FOR GAS WELL

Type Test <input checked="" type="checkbox"/> Initial <input type="checkbox"/> Annual <input type="checkbox"/> Special				Test Date 5/13/88							
Company Union Texas Petroleum			Connection Sunterra Gas Gathering Co.								
Pool Basin			Formation Dakota			Unit					
Completion Date 11/7/87		Total Depth 8425		Plug Back TD 8384		Elevation 6898 GL					
Farm or Lease Name Payne											
Coq. Size 4.500	Wt. 23.0 10.5	d 6.366 4.052	Set At 4010 3807-8421	Perforations: From 8243 To 8380		Well No. 11					
Tbg. Size 2.375	Wt. 4.7	d 1.995	Set At 8356	Perforations: From 8325 To 8328		Unit A	Sec. Twp. Rge. 27 32N 10W				
Type Well - Single - Brodenhead - G.G. or G.O. Multiple Single-Gas				Packer Set At		County San Juan					
Producing Thru Tubing		Reservoir Temp. °F #		Mean Annual Temp. °F		Baro. Press. - P _g 12					
State New Mexico											
L	H	G _g 0.695	% CO ₂	% N ₂	% H ₂ S	Prover	Meter Run Taps				
FLOW DATA				TUBING DATA		CASING DATA		Duration of Flow			
NO.	Prover Line Size	x	Orifice Size	Press. p.s.i.g.	Diff. h _w	Temp. °F	Press. p.s.i.g.	Temp. °F	Press. p.s.i.g.	Temp. °F	Duration of Flow
SI	2"		3/4"				1943		1945		7 Days
1.							50	68°	280	68°	3 Hours
2.											
3.											
4.											
5.											
RATE OF FLOW CALCULATIONS											
NO.	Coefficient (24 Hour)	$\sqrt{h_w P_m}$	Pressure P _m	Flow Temp. Factor Fl.	Gravity Factor F _g	Super Compress. Factor, F _{pv}	Rate of Flow Q, Mcfd				
1	12.3650		62	0.9924	0.9292	1.011	715				
2.											
3.											
4.											
5.											
NO.	P _t	Temp. °R	T _r	Z	Gas Liquid Hydrocarbon Ratio	Mcf/bbl.					
1.					A.P.I. Gravity of Liquid Hydrocarbons	_____ Deg.					
2.					Specific Gravity Separator Gas	XXXXXXX					
3.					Specific Gravity Flowing Fluid	XXXXX					
4.					Critical Pressure	_____ P.S.I.A.					
5.					Critical Temperature	_____ R					
	P _c 1957										
		P _c 2 3 829 849									
NO.	P _t ²	P _w	R _w ²	P _c ² - R _w ²	(1) $\frac{P_c^2}{R_w^2 - R_w^2} =$	(2) $\left[\frac{P_c^2}{R_w^2 - R_w^2} \right]^n =$					
1		292	85,264	3,744,585	1.0228	1.0170					
2											
3											
4											
5											
AOF = Q $\left[\frac{R_w^2}{R_c^2 - R_w^2} \right]^n =$					727						
Absolute Open Flow					727 Mcfd @ 15.025						
Angle of Slope @					0.75						
Remarks: Blowing heavy mist.											
Approved By Division		Conducted By: Cliff Gates		Calculated By: John C. Rector		Checked By:					

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 1004-0135
Expires August 31, 1985

SUNDRY NOTICES AND REPORTS ON WELLS
(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use "APPLICATION FOR PERMIT—" for such proposals.)

RECEIVED
MAIL ROOM
60 MAR 25 PM 12:48
FARMINGTON RESOURCE AREA
FARMINGTON, NEW MEXICO

<p>1. <input type="checkbox"/> OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER</p> <p>2. NAME OF OPERATOR Union Texas Petroleum</p> <p>3. ADDRESS OF OPERATOR 375 US Highway 64, Farmington, NM 87401</p> <p>4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface 590' FNL & 810' FEL</p> <p>14. PERMIT NO.</p>	<p>5. LEASE DESIGNATION AND SERIAL NO. SF-080517</p> <p>6. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A</p> <p>7. UNIT AGREEMENT NAME N/A</p> <p>8. FARM OR LEASE NAME PAYNE</p> <p>9. WELL NO. 11</p> <p>10. FIELD AND POOL, OR WILDCAT Basin Dakota</p> <p>11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 27, T32N-R10W</p> <p>12. COUNTY OR PARISH San Juan</p> <p>13. STATE NM</p> <p>15. ELEVATIONS (Show whether DF, BT, GR, etc.)</p>
--	---

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(Other) <u>Well status</u>	<input checked="" type="checkbox"/>

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

In response to your letter referenced SF-080517 (WC), 3162.3-1.0 (019), Union Texas Petroleum wishes to advise:

1. The subject well has been completed. However, during the completion the well developed problems with the liner hanger.
2. Due to lease stipulations (Bald Eagle) we were unable to move back on the well.
3. A remedial plan will be developed and the liner hanger repaired as soon as surface occupancy is permitted pursuant to our lease.

I hereby certify that the foregoing is true and correct.
SIGNED Robert C. Frank TITLE Permit Coordinator ACCEPTED FOR RECORD DATE 4/23/88

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY: _____
BY Sam

*See Instructions on Reverse Side

NMOCC

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

SUBMIT IN TRIPLICATES
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 1004-0135
Expires August 31, 1985

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NO. SF-080517
(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use "APPLICATION FOR PERMIT" for such proposals.)		6. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A
1. OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>	7. UNIT AGREEMENT NAME N/A	
2. NAME OF OPERATOR Union Texas Petroleum	8. FARM OR LEASE NAME PAYNE	
3. ADDRESS OF OPERATOR 375 U.S. Highway 64 Farmington, New Mexico 87401	9. WELL NO. 11	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface 590' FNL & 810' FEL	10. FIELD AND POOL, OR WILDCAT Basin Dakota	
14. PERMIT NO.	15. ELEVATIONS (Show whether DF, RT, GR, etc.) 6898' G.L.	11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Section 27-T33N-R10W
		12. COUNTY OR PARISH 13. STATE San Juan NM

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(Other) <u>Int. csq & prod. liner</u>	

(NOTE: Report results of multiple completion or Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

1. Drill 8-3/4" hole to 4011'.
2. Run 7", 23#, K-55 intermediate casing to 4011'.
3. Cement with 400 sx (1148 cu.ft.) 65/35 POZ with 12% gel and 12-1/4# gilsonite, tailed by 150 sx (177 cu.ft.) C1 "8" containing 2% CaCl2. Circulate 30 bbls (168 cu.ft.) of cement to surface.
4. Test BOP and manifold to 1500 psi. Test casing to 1500 psi. All held OK.
5. Drill 6-1/4" hole with gas to 8036'. Mud up and drill to TD of 8425'.
6. Log well.
7. Run 4-1/2", 10.5# liner from 3808'-7968' and 4-1/2", 11.6# from 7968'-8421'.
8. Cement with 235 sx (660 cu.ft.) 65/35 POZ containing 12% gel, 6#/sk Hyseal and 1.25% CF-10, tailed by 350 sx (550 cu.ft.) 50/50 POZ containing 4% gel, 6-1/4# gilsonite/sk and 10# salt/sk. Lost circulation during displacement. Cement top will be determined by bond log prior to completion.
9. Rig down, move off.

18. I hereby certify that the foregoing is true and correct

SIGNED Robert C. Frank TITLE Permit Coordinator DATE 10/02/1987

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

SUBMIT IN TRIPLICATE*
(Other instructions on re-
verse side)

Form approved.
Budget Bureau No. 1004-0135
Expires August 31, 1985

SUNDRY NOTICES AND REPORTS ON WELLS
(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals.)

1. OIL WELL GAS WELL OTHER

2. NAME OF OPERATOR
Union Texas Petroleum

3. ADDRESS OF OPERATOR
375 U.S. Highway 64, Farmington, New Mexico 87401

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*
See also space 17 below.)
At surface
590' FNL & 810' FEL

14. PERMIT NO. _____ 15. ELEVATIONS (Show whether DF, RT, GR, etc.)
6898' G.L.

5. LEASE DESIGNATION AND SERIAL NO.
SF-080517

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
N/A

7. UNIT AGREEMENT NAME
N/A

8. FARM OR LEASE NAME
PAYNE

9. WELL NO.
11

10. FIELD AND POOL, OR WILDCAT
Basin Dakota

11. SEC., T., S., M., OR BLK. AND SURVEY OR AREA
32
Section 27-T33N-R10W

12. COUNTY OR PARISH
San Juan

13. STATE
NM

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(Other) <u>Spud and Surface Casing</u> <input checked="" type="checkbox"/>	
(Other) <input type="checkbox"/>		(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)	

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Union Texas Petroleum wishes to advise that this well was spud at 11:30 AM on 9/2/87. A 12-1/4" hole was drilled to 1326' KB. Run 9-5/8", 36#, K-55 casing to 1322' KB, cementing to surface with 720 sx (850 cu.ft.) C1 "B" with 2% CaCl2 and 1/4# flocele/sk. Lost circulation. Run 1" tubing to 100' and cement to surface with 250 sx (295 cu.ft.) of C1 "B" with 2% CaCl2 and 1/4# flocele/sk. Circulate 5 bbls (28 cu.ft.) of cement to surface. Nipple up BOP and manifold, testing to 1000 psi. Held OK. Test casing to 1000 psi. Held OK. Drill 8-3/4" hole to surface.

RECEIVED
BILL HALL ROAD
07 SEP 11 AM 9:00
FARMINGTON RESOURCE AREA
FARMINGTON, NEW MEXICO

RECEIVED
SEP 2 1987
FARMINGTON RESOURCE AREA

18. I hereby certify that the foregoing is true and correct

SIGNED Robert C. Frank TITLE Permit Coordinator DATE 09/09/1987

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE 9/1987

CONDITIONS OF APPROVAL, IF ANY:

FARMINGTON RESOURCE AREA
BY Jmm

*See Instructions on Reverse Side

NMOC

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

20-045-26804V

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		LEASE DESIGNATION AND SERIAL NO. SF-080517	
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A	
2. NAME OF OPERATOR Union Texas Petroleum		7. UNIT AGREEMENT NAME N/A	
3. ADDRESS OF OPERATOR 375 U.S. Highway 64, Farmington New Mexico 87401		8. FARM OR LEASE NAME PAYNE	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 590' FNL & 810' FEL At proposed prod. zone		9. WELL NO. 11	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 3 miles north of Cedar Hill, New Mexico		10. FIELD AND POOL, OR WILDCAT Basin Dakota	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 810' from lease 590' from DU		11. SEC. T. E. M., OR BLM. AND SURVEY OR AREA Section 27, T32N-R10W	
18. NO. OF ACRES IN LEASE 1680/1633.69		12. COUNTY OR PARISH San Juan	
19. PROPOSED DEPTH 8425'		13. STATE NM	
17. NO. OF ACRES ASSIGNED TO THIS WELL E/2 305.02 acres		20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 6898 G.L. (graded)		22. APPROX. DATE WORK WILL START* August 30, 1987	

23. "GENERAL REQUIREMENTS" PROPOSED CASING AND CEMENTING PROGRAM
 DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED
 This section is subject to technical and procedural review pursuant to 43 CFR 3165 and appeal pursuant to 43 CFR 3165.4-4.

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	9-5/8"	32.3#	1320'	750 sxs (885 cu.ft.)
8-3/4"	7"	23.0#	4010'	375 sxs (907 cu.ft.)
6-1/4"	4-1/2" liner	10.5	3810'-8425'	555 sxs (871 cu.ft.)

Union Texas Petroleum wishes to advise we intend to drill 12-1/4" hole with mud to 1320+ and set 9-5/8" 32.3#, H-40, ST&C csg. to 1320+, cementing to surface with 750 sxs (885 cu.ft.) C1 "B" with 2% CaCl2 and 1/4# flocele/sk. Wait on cement for 12 hrs.

Nipple up, test BOP. Drill 8-3/4" hole with mud out of surface to 4010'. Set 7", 23.0#, K-55, ST&C intermediate csg. to 4010', cementing to surface with 275 sxs (789 cu.ft.) 65-35 POZ with 12% gel and 12-1/4# gilsonite/sk, tailed by 100 sxs (118 cu.ft) C1 "B" with 2% CaCl2

Drill 6-1/4" hole with air out of intermediate to a TD of 8425'. Log well, run 4-1/2", 10.5#, K-55, ST&C liner from 3810' to 8425'. Cement liner into intermediate csg with 555 sxs (871 cu.ft.) 50-50 POZ with 4% gel, 6-1/4# gilsonite/sk, and 10# salt/sk.

Following perforation and treatment of the Dakota formation, standard production equipment will be installed. Buried cathodic protection cable will be tied in the existing thermo-electric generator on the Payne 5. An Unorthodox Location Request has been made of the NMOCD.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Robert C. Frank TITLE Permit Coordinator DATE July 24, 1987

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____
 APPROVED BY _____ TITLE _____ DATE _____
 CONDITIONS OF APPROVAL, IF ANY:

Hold C-104 for NSL
EB

*See Instructions On Reverse Side

RECEIVED
AUG 20 1987
OIL CON. DIV.
DIST. 3

1/1 James E. Edwards Jr.

