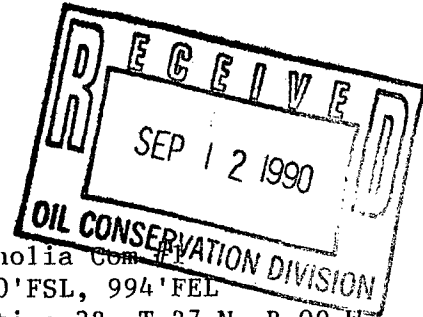


MERIDIAN OIL

September 11, 1990

Federal Express

Mr. William LeMay
New Mexico Oil Conservation Division
310 Old Santa Fe Trail
Santa Fe, New Mexico 87503



RE: Magnolia Com #1
1630'FSL, 994'FEL
Section 32, T-27-N, R-09-W
San Juan County, New Mexico

Dear Mr. LeMay:

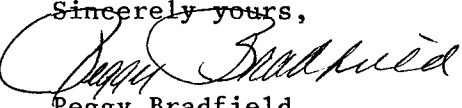
This is a request for administrative approval for a non-standard gas well location in the Basin Fruitland Pool.

Meridian Oil intends to plugback and recompleate the Magnolia Com #1 well from the Pictured Cliffs pool to the Basin Fruitland Coal Pool. The current location of this well is 1630'FSL, 994'FEL, Section 32, T-27-N, R-09-W, San Juan County, New Mexico. The well is considered non-standard due to the NE-SW dedicated pattern established for the Basin Fruitland Coal Pool. 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
encl.

WAIVER

_____ hereby waives objection to Meridian Oil Inc.'s application for a non-standard location for their Magnolia Com #1 as proposed above.

By: _____ Date: _____

xc: Southland Royalty Co.
El Paso Natural Gas Co.
El Paso Production Co.
Texaco, Inc.
Mesa Limited Partnership
Mobil Oil Corporation

Meridian Oil Inc., 3535 East 30th St., P.O. Box 4289, Farmington, New Mexico 87499-4289, Telephone 505-327-0251

Magnolia Com #1
1630'FSL, 994'FEL
Section 32, T-27-N, R-09-W
San Juan County, New Mexico

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

Southland Royalty Co.
P.O. Box 4289
Farmington, NM 87499


El Paso Natural Gas Co.
P.O. Box 4289
Farmington, NM 87499

El Paso Production Co.
P.O. Box 4289
Farmington, NM 87499

Texaco, Inc.
P.O. Box 2100
Denver, CO 80201

Mesa Limited Partnership
P.O. Box 2009
Amarillo, TX 79189-2009

Mobil Oil Corporation
P.O. Box 650232
Dallas, TX 75265-0232


Peggy Bradfield
September 11, 1990

San Juan County
State of New Mexico

My commission expires August 17, 1992

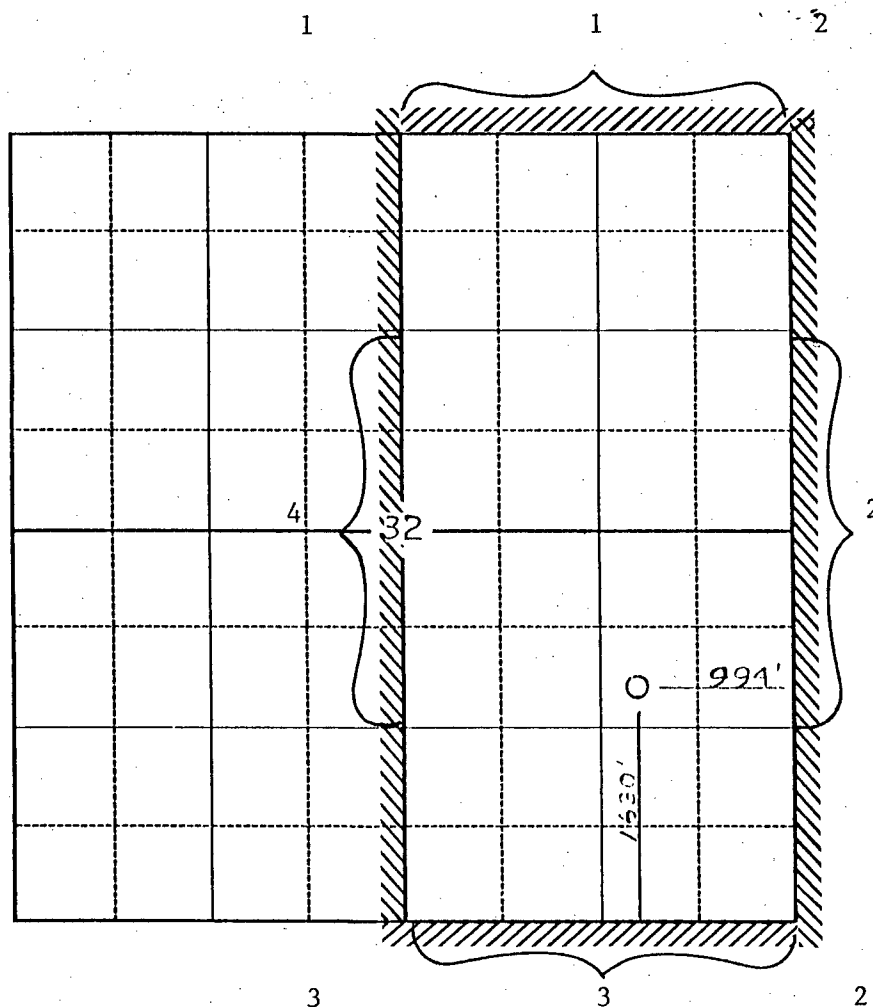
MERIDIAN OIL INC

Well Name Magnolia Com #1

Footage 1630' FSL; 994' FEL

APPLICATION FOR NON-STANDARD LOCATION

County San Juan State New Mexico Section 32 Township 27N Range 9W



Remarks (1) Southland Royalty Company

(2) Huerfanito Unit - El Paso Natural Gas Company

(3) Huerfano Unit - El Paso Natural Gas Company

(4) El Paso Production Co., Texaco, Mesa, & Mobil - Working Interest Owners

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

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

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

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Meridian Oil Inc.			Lease Magnolia Com (E-1010-1)			Well No. 1		
Unit Letter I	Section 32	Township 27 North	Range 9 West	County NMNM	San Juan			
Actual Footage Location of Well: 1630 feet from the South line and 994 feet from the East line								
Ground level Elev. 6486		Producing Formation Fruitland Coal		Pool Basin		Dedicated Acreage: 320 Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.

2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

☐ Yes ☐ No

If answer is "yes" type of consolidation - communitization agreement will be obtained
If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.

Note: not resurveyed
taken from plat by
David O. Vilven 10-22-57

OPERATOR CERTIFICATION

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

Signature

Peggy Bradfield

Printed Name

Regulatory Affairs

Position

Meridian Oil Inc.

Company

Date

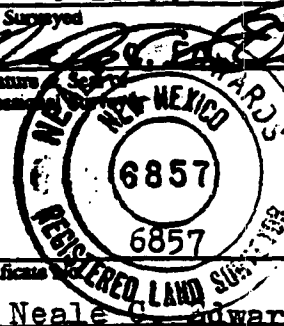
SURVEYOR CERTIFICATION

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 knowledge and belief.

8-28-90

Date Surveyed

Signature
Professional Surveyor



Certificate
Neale C. Edwards

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

Santa Fe, New Mexico

WELL RECORD

**AREA 640 ACRES
LOCATE WELL CORRECTLY**

El Paso Natural Gas Company

Magnolia Pool Unit

.....
(Company or Operator)

(Lease)

Well No. 1 in NE $\frac{1}{4}$ of SE $\frac{1}{4}$ of Sec. 32, T. 27N, R. 9W, NMPM.

Ballard P.C. Ext.

Pool

San Juan

County.

Well is 1630 feet from South line and 994 feet from East line

of Section 32 If State Land the Oil and Gas Lease No. is E-1010-1

Drilling Commenced.....10-9-1958 Drilling was Completed.....10-14-1958

Name of Drilling Contractor Grossman Drlg. Co.; San Juan Drlg. Col. E. L. Chilton & Son

Address

Elevation above sea level at Top of Tubing Head..... 6486' The information given is to be kept confidential until
....., 19.....

OIL SANDS OR ZONES

No. 1, from 2273 to 2354 (G) No. 4, from to

No. 2, from to No. 5, from to

No. 3, from.....to..... No. 6, from.....to.....

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from to feet.

No. 2, from to feet.

No. 3, from to feet.

No. 4, from.....to.....feet.

CASING RECORD

SIZE	WEIGHT PER FOOT	NEW OR USED	AMOUNT	KIND OF SHOE	CUT AND PULLED FROM	PERFORATIONS	PURPOSE
8 5/8"	24	New	124'	Howco			Surface
5 1/2"	15.5	New	2382'	Baker			Prod. casing
1 1/4"	2.4	New	2295'				Siphon

MUDDING AND CEMENTING RECORD

SIZE OF HOLE	SIZE OF CASING	WHERE SET	NO. SACKS OF CEMENT	METHOD USED	MUD GRAVITY	AMOUNT OF MUD USED
13 3/4"	8 5/8"	136'	125	circulated		
8 3/4"	5 1/2"	2392'	175	single stage		

RECORD OF PRODUCTION AND STIMULATION

(Record the Process used, No. of Qts. or Gals. used, interval treated or shot.)

10-25-58. COTD 2337'. Treated perfs. 2288-2310 w/2 sh/ft. w/35,000 gal. water, 35,000# sand. Flush w/4500 gal. water. Max. pr. 2100#, BDP 1200#, tr. pr. 1750#, I.R. 54.4 BPM. No balls.

10-30-56. Water frac. P.G. perf. int. 2288 2310 w/38,685 gal. water & 34,500# sand. BDP None
max. pr. 1850#, avg. tr. pr. 1650#, I.R. 56.4 BPM. Flush None. Fired Lane Wells Vibra frac

charges 2296-2306 before sand water fracing. Dropped one set of 25 balls during frac.

Result of Production Stimulation..... A.O.F. & Ch. Vol. --158 MCF/D

..Depth Cleaned Out.....2337'.....