

MERIDIAN OIL

②

June 17, 1993

Sent Federal Express

Mr. William LeMay
New Mexico Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87501

Rec. 6/18/93

Re: Meridian Oil Inc. San Juan 29-4 Unit #200
1990'FSL, 1850'FWL Section 30, T-29-N, R-4-W
Rio Arriba County, New Mexico

Dear Mr. LeMay:

Meridian Oil Inc. is applying for administrative approval of a non-standard location for the above location in the Pictured Cliffs formation. This application for the referenced location is due to terrain as shown on the topographic map and at the request of the U.S. Forest Service to locate the well on the pad of the plugged and abandoned San Juan 29-4 Unit #1.

This well is planned as a Basin Fruitland Coal/Gobernador Pictured Cliffs commingle and application will be made to the New Mexico Oil Conservation Division for the commingling.

The following attachments are for your review:

1. Application for Permit to Drill.
2. Completed C-102 at referenced location.
3. Offset operators/owners plat and affidavit of notification.
4. 7.5 minute topographic map showing the orthodox windows for the southwest quarter dedication and enlargement of the map to define topographic features.
5. If the well were directionally drilled to a standard bottom hole location, the economics would be severely burdened due to the incremental directional drilling costs of \$200,000.

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

Sincerely,


Peggy Bradfield
Regulatory/Compliance Representative

encs.

WAIVER

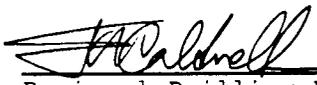
_____ hereby waives objection to Meridian Oil Inc.'s application for a non-standard location and non-standard proration unit for their San Juan 29-4 Unit #200 as proposed.

By: _____ Date: _____

xc: Schalk Development Co., PO Box 25825, Albuquerque, NM 87125
Phillips Petroleum, 5525 Highway 64, NBU 3004, Farmington, NM 87401

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-079893A	
1b. Type of Well GAS	6. If Indian, All. or Tribe	
2. Operator MERIDIAN OIL	7. Unit Agreement Name San Juan 29-4 Unit	
3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700	8. Farm or Lease Name San Juan 29-4 Unit 9. Well Number 200	
4. Location of Well 1990'FSL, 1850'FWL Latitude 36° 41' 40", Longitude 107° 17' 45"	10. Field, Pool, Wildcat Basin Fruitland Coal/ Gobernador Pic.Cliffs 11. Sec., Twn, Rge, Mer. Sec 30, T-29-N, R-4-W NMPM	
14. Distance in Miles from Nearest Town 6 miles from Gobernador, NM	12. County Rio Arriba	13. State NM
15. Distance from Proposed Location to Nearest Property or Lease Line 1850'	17. Acres Assigned to Well 318.1 W/2 158.76 SW/4 Unit K	
16. Acres in Lease	18. Distance from Proposed Location to Nearest Well, Drig, Compl, or Applied for on this Lease 150'	
19. Proposed Depth 4480'	20. Rotary or Cable Tools Rotary	
21. Elevations (DF, FT, GR, Etc.) 7334'GR	22. Approx. Date Work will Start 2nd quarter 1993	
23. Proposed Casing and Cementing Program See Operations Plan attached		
24. Authorized by:  Regional Drilling Engineer	Date <u>6/4/93</u>	

PERMIT NO. _____ APPROVAL DATE _____
APPROVED BY _____ TITLE _____ DATE _____

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

School to Assignment
District Office
State Lease - 4 acres
Fee Lease - 3 acres

State of New Mexico
Energy, Minerals and Natural Resources Department

1320
1320
2640
1251
12540
1850
790
151
2640
1990
650

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

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

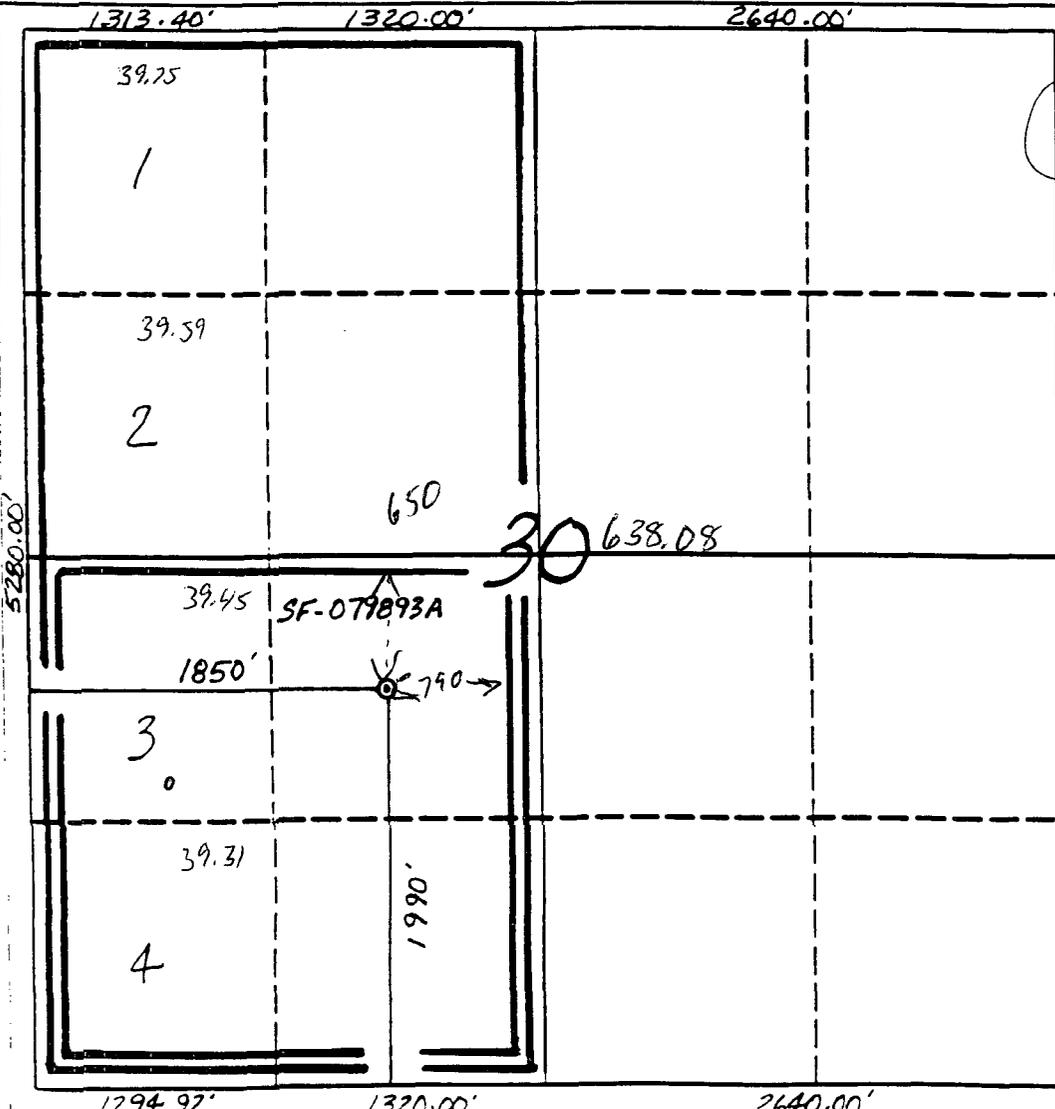
DISTRICT II
P.O. Drawer DD, Arama, NM 88210

DISTRICT III
1000 Rio Arriba 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 San Juan 29-4 Unit		Well No. 200
Unit Lease K	Section 30	Township 29 North	Range 4 West	County NMPM Rio Arriba
Actual Footage Location of Well: 1990 feet from the South line and 1850 feet from the West line				
Ground Level Elev. 7334'	Producing Formation Fruitland Coal/Pic. Cliffs	Pool Basin/Gobernador	Dedicated Acreage 318.1/158.76 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or facsimile marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unconsolidation, force-pooling, etc.?
 Yes No If answer is "yes" type of consolidation unitization
 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, unconsolidation, force-pooling, or otherwise) or until a non-standard tract, eliminating such interest, has been approved by the Division.



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 Rep
Position

Meridian Oil Inc.
Company

6-1-93
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.

4-27-93
Date Surveyed

C. EDWARDS
Name

Professional Surveyor
Signature

6857
Certificate No.

OPERATIONS PLAN

Well Name: San Juan 29-4 Unit #200
Location: 1990'FSL, 1850'FWL Section 30, T-29-N, R-04-W
 Rio Arriba County, New Mexico
 Latitude 36° 41' 40", Longitude 107° 17' 45"
Formation: Basin Fruitland Coal/Gobernador Pictured Cliffs
Elevation: 7334'GL

Formation:	Top	Bottom	Contents
Surface	San Jose	3530'	
Ojo Alamo	3530'	3750'	aquifer
Kirtland	3750'	4005'	
Fruitland	4005'	4195'	
Fruitland Coal Top	4080'	4235'	gas
Pictured Cliffs	4195'	4480'	gas
Total Depth	4480'		

Logging Program: Mud logs from 4000' to Total Depth.
 IND, Dens, Neut, GR, ML 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
200-4480'	Non-dispersed	8.4-9.5	30-60	no control

Casing Program:

<u>Hole Size</u>	<u>Depth Interval</u>	<u>Csg.Size</u>	<u>Wt.</u>	<u>Grade</u>
12 1/4"	0 - 200'	8 5/8"	24.0#	K-40
7 7/8"	0 - 4480'	4 1/2"	10.5#	K-55

Tubing Program:

0 - 4480'	2 3/8"	4.7#	J-55
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Float Equipment: 8 5/8" surface casing - saw tooth guide shoe.
 Centralizers will be run in accordance with Onshore Order #2.

4 1/2" production casing - float shoe on bottom. Three centralizers run every other joint above shoe. Four centralizers run every 3rd joint to the base of the Ojo Alamo @ 3750'. Two turbolizing type centralizers - one below and one into the base of the Ojo Alamo @ 3750'. Standard centralizers thereafter every fourth joint up to the base of the surface pipe.

Wellhead Equipment: 8 5/8" x 4 1/2" x 2 3/8" x 11" 3000 psi xmas tree assembly.

San Juan 29-4 Unit #200

Cementing:

8 5/8" surface casing - cement with 235 sx Class "B" cement with 1/4# flocele/sx and 3% calcium chloride (298 cu.ft. of slurry, 200% excess to circulate to surface). WOC 12 hrs. Test casing to 600 psi for 30 minutes.

4 1/2" production casing -

First stage - lead w/83 sx Class "B" 65/35 Poz w/6% gel, 2% calcium chloride, 6.25# gilsonite/sx and 1/4# flocele/sx (146 cu.ft. of slurry), tail w/100 sx Class "B" w/2% calcium chloride, 5#/sx gilsonite, 0.25#/sx celloflake (118 cu.ft.), 100% excess to circulate stage tool @ 3900').

Second stage - lead w/860 sx of Class "B" 65/35 Poz w/6% gel, 2% calcium chloride, 6.25# gilsonite/sx and 1/4# flocele/sx (1525 cu.ft.). Tail w/25 sx Class "B" w/2% calcium chloride (30 cu.ft. of slurry, 75% excess to circulate to surface). WOC 12 hrs. If cement does not circulate to surface, a temperature log will be run after 8 hours to determine TOC. Test casing to 1500 psi/minutes.

BOP and tests:

Surface to TD - 11" 2000 psi (minimum double gate BOP stack (Reference Figure #1 and #2). Prior to drilling out surface casing, test rams to 600#/30 min.

Completion - 6" 2000 psi (minimum) double gate BOP stack (Reference Figure #2). Prior to completion operations, test rams to 3000#/15 min.

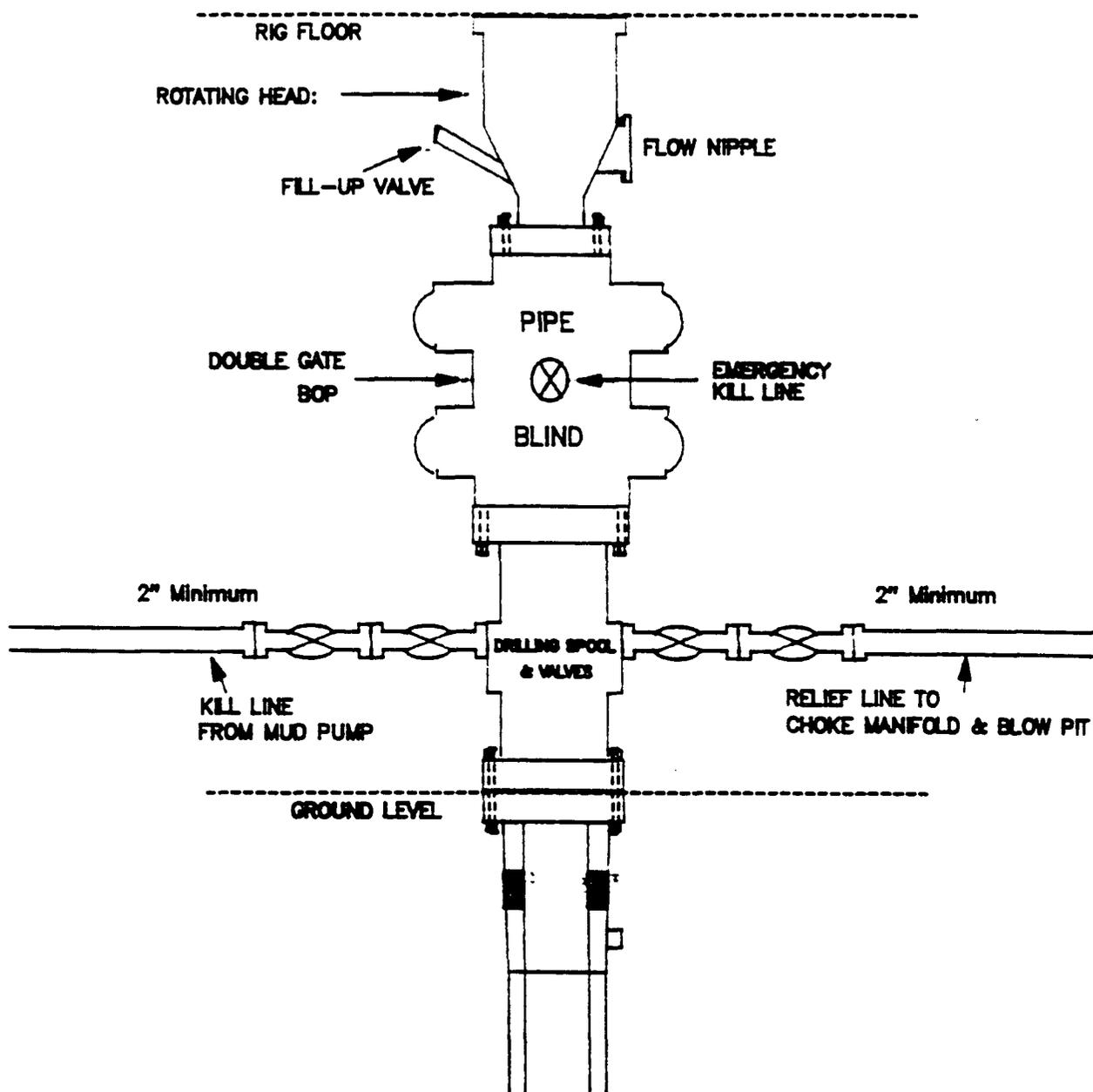
From surface to TD - choke manifold (Reference Figure #3).

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

Additional information:

- * The Fruitland Coal and Pictured Cliffs formations will be completed and commingled per New Mexico Oil Conservation Division order.
- * Anticipated pore pressure for the Fruitland is 1150 psi and for the Pictured Cliffs is 1150 psi.
- * This gas is dedicated.
- * The west half of Section 30 is dedicated to the Fruitland Coal and the southwest quarter of the section is dedicated to the Pictured Cliffs.
- * New casing will be utilized.
- * Pipe movement (either rotation or reciprocation) will be done if hole conditions permit.

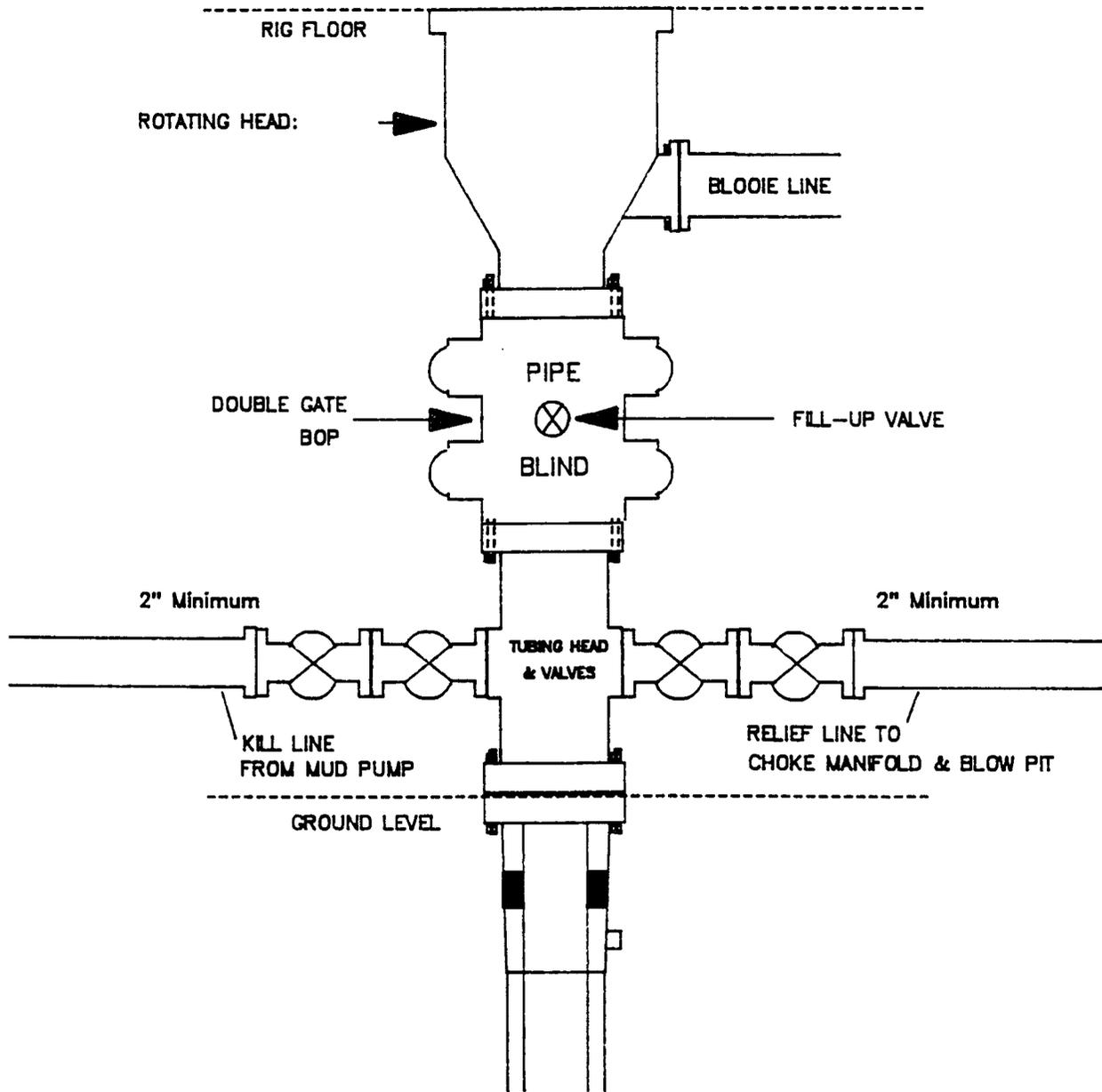
MERIDIAN OIL INC.
 Drilling Rig
 BOP Configuration



Minimum BOP installation for a typical Pictured Cliffs well from surface to Total Depth. 11" Bore (10" Nominal), 2000psi minimum working pressure double gate BOP to be equipped with blind and pipe rams. A Schaffer Type 50 or equivalent rotating head to be installed on the top of BOP. All equipment is 2000psi working pressure/or greater.

Figure #1

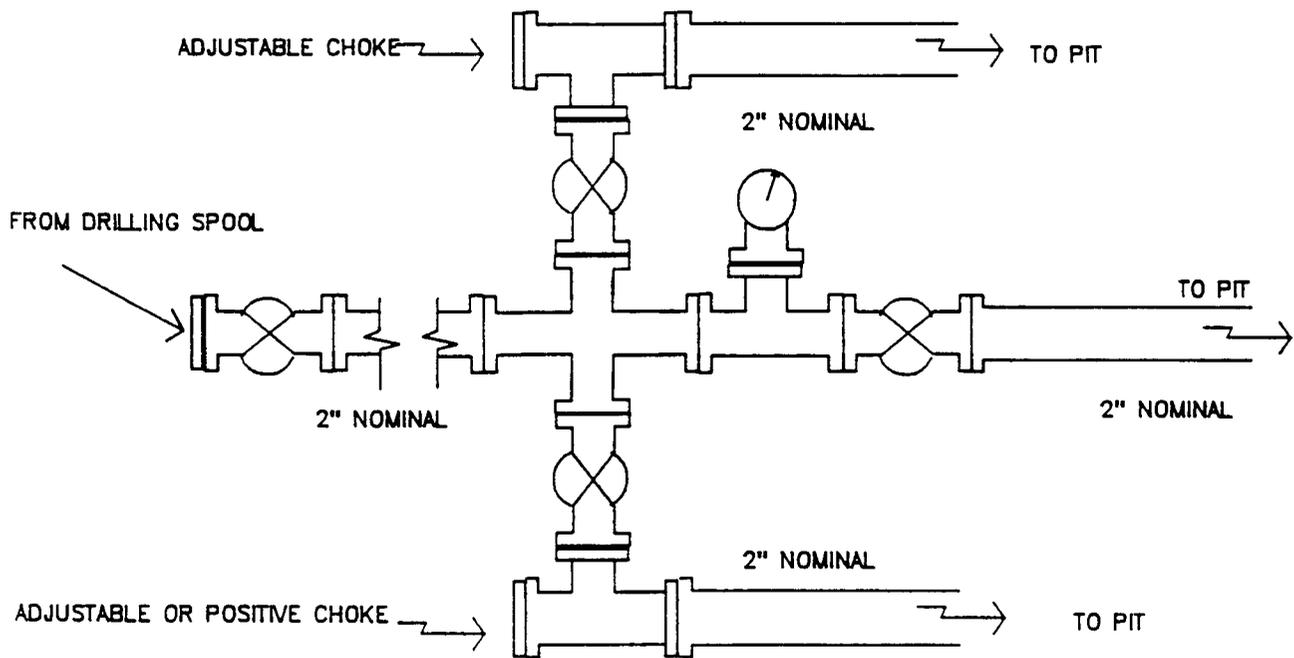
MERIDIAN OIL INC.
Completion Rig
BOP Configuration



Minimum BOP installation for Completion Operations. 7 1/16" Bore (6" Nominal), 2000psi minimum working pressure double gate BOP to be equipped with blind and pipe rams.

Figure #2

MERIDIAN OIL INC.
Typical Pictured Cliffs Well
Choke Manifold Configuration



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

Figure #3

MERIDIAN OIL
San Juan 29-4 Unit #200
Multi-Point Surface Use Plan

1. Existing Roads - Refer to Map No. 1. Existing roads used to access the proposed location will be properly maintained for the duration of the project. Bureau of Land Management right-of-way has been applied for as shown on Map No. 1.
2. Planned Access Road - Refer to Map No. 1. None required.
3. Location of Existing Wells - Refer to Map No. 1A.
4. Location of Existing and/or Proposed Facilities if Well is Productive -
 - a. On the Well Pad - Refer to Plat No. 1, anticipated production facilities plat.
 - b. Off the Well Pad - Anticipated facilities off the well pad will be applied for as required.
5. Location and Type of Water Supply - Water will be hauled by truck for the proposed project and will be obtained from San Juan 29-6 Water Well #1 in located in SW/4 Section 28, T-29-N, R-6-W, New Mexico.
6. Source of Construction Materials - If construction materials are required for the proposed project, such materials will be obtained from a commercial quarry.
7. **Methods of Handling Waste Materials - All garbage and trash materials will be removed from the site for proper disposal. A portable toilet will be provided for human waste and serviced in a proper manner. If liquids are left in the reserve pit after completion of the project, the pit will be fenced until the liquids have had adequate time to dry. The location clean-up will not take place until such time as the reserve pit can be properly covered over to prevent run-off from carrying waste materials into the watershed. All reserve pits will be lined with 12 mil bio-degradable plastic liner. All earthen pits will be so constructed as to prevent leakage from occurring; no earthen pit will be located on natural drainage. Generation of hazardous waste is not anticipated. Federal regulations will be adhered to regarding handling and disposal of such waste if so generated.**
8. Ancillary Facilities - None anticipated.
9. Wellsite Layout - Refer to the location diagram and to the wellsite cut and fill diagram (Figure No. 4). The blow pit will be constructed with a 2'/160' grade to allow positive drainage to the reserve pit and prevent standing liquids in the blow pit.

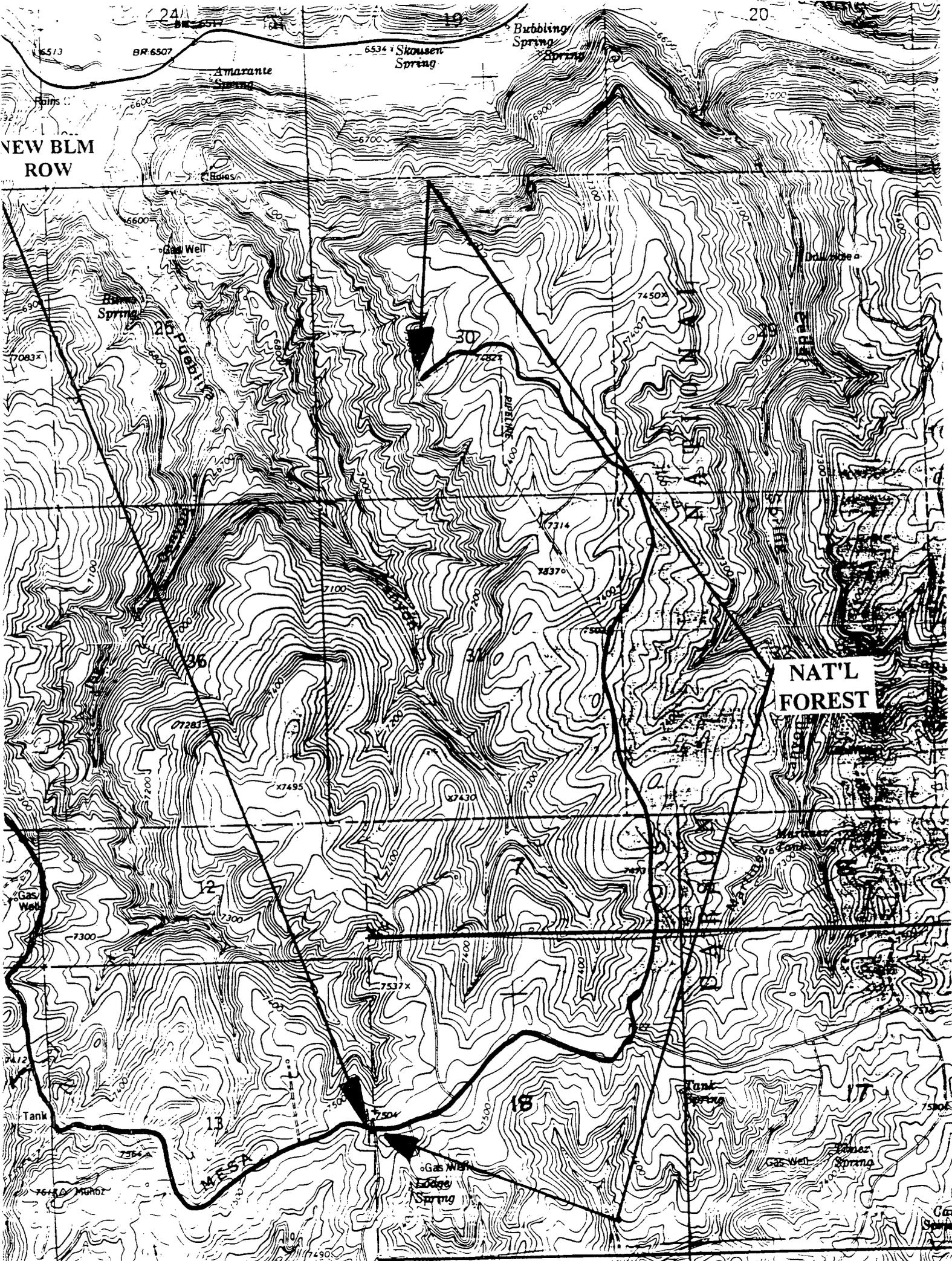
10. Plans for Restoration of the Surface - After completion of the proposed project, the location will be cleaned and leveled. The location will be left in such a condition that will enable reseeding operations to be carried out. Seed mixture as designated by the responsible government agency will be used. The reseeding operations will be performed during the time period set forth by the responsible government agency. The permanent location facilities will be painted as designated by the responsible government agency.
11. Surface Ownership - Carson National Forest.
12. Other Information - Environmental stipulations as outlined by the responsible government agency will be adhered to. Refer to the archaeological report for a description of the topography, flora, fauna, soil characteristics, dwellings, historical and cultural sites.
13. Operator's Representative and Certification - Meridian Oil Regional Drilling Manager, Post Office Box 4289, Farmington, NM 87499, telephone (505) 326-9700. I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan, are to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Meridian Oil Inc. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.



Regional Drilling Engineer

6/4/93
Date

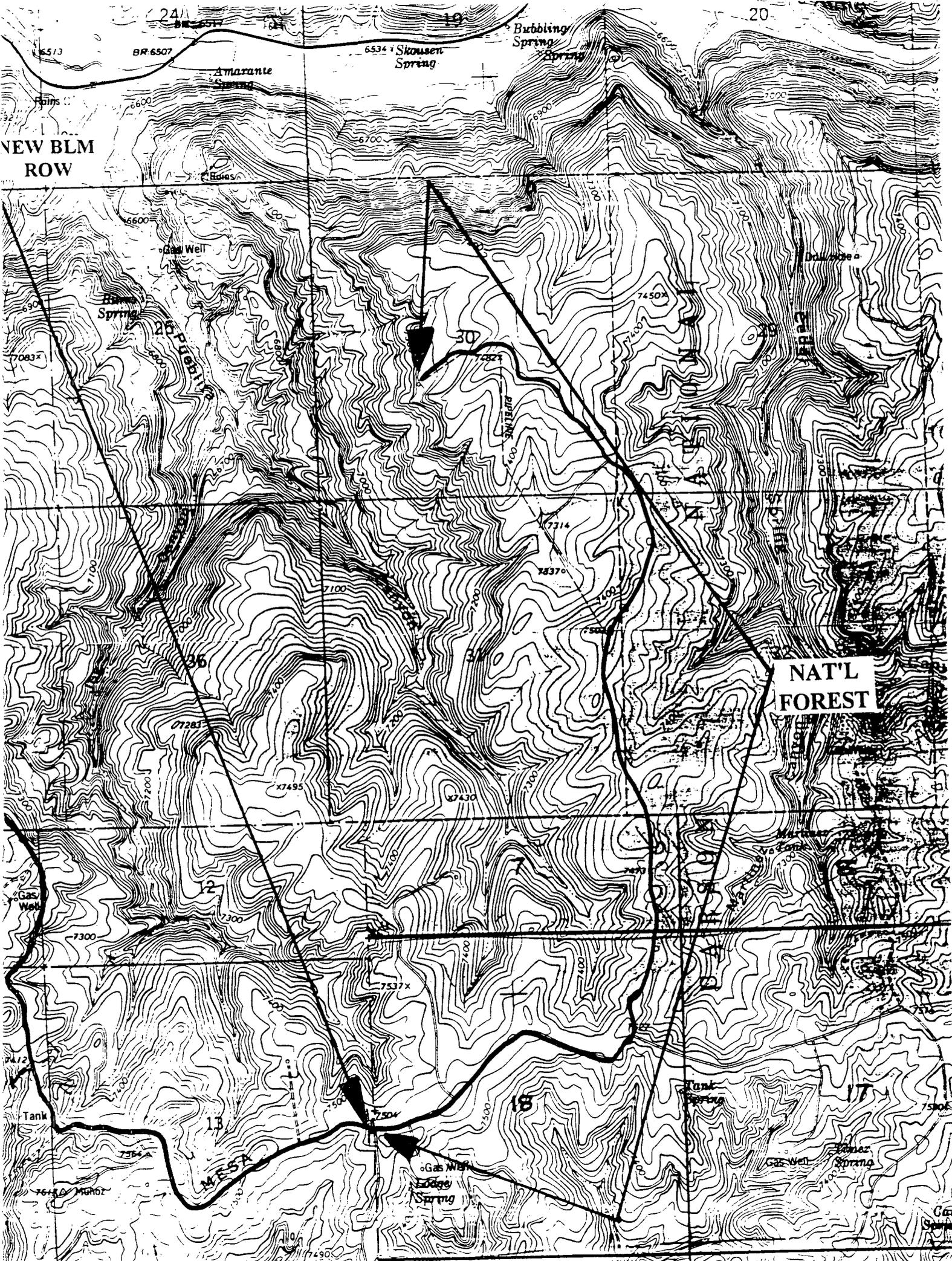
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NEW BLM
ROW

NAT'L
FOREST

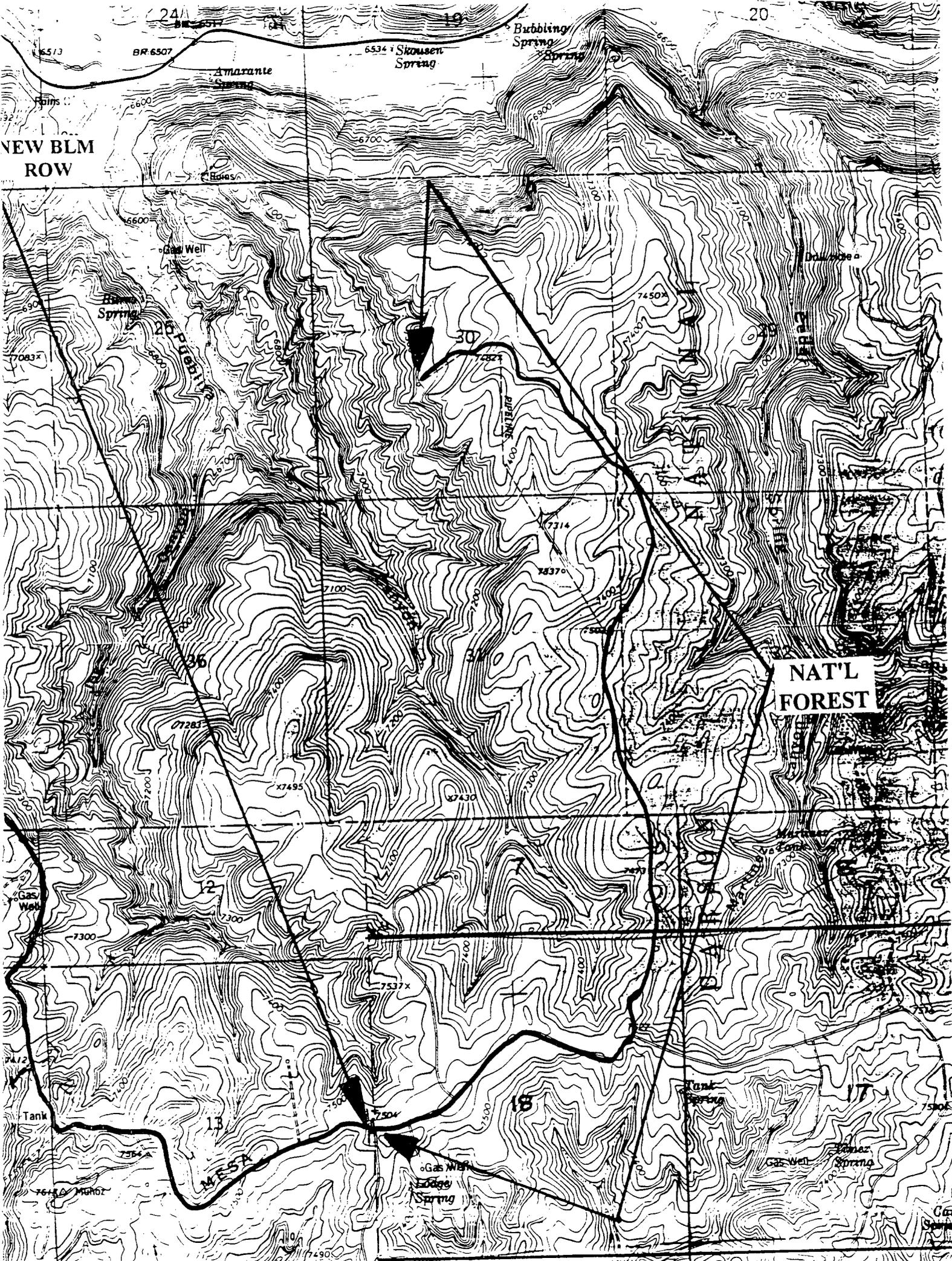
MESA



NEW BLM
ROW

NAT'L
FOREST

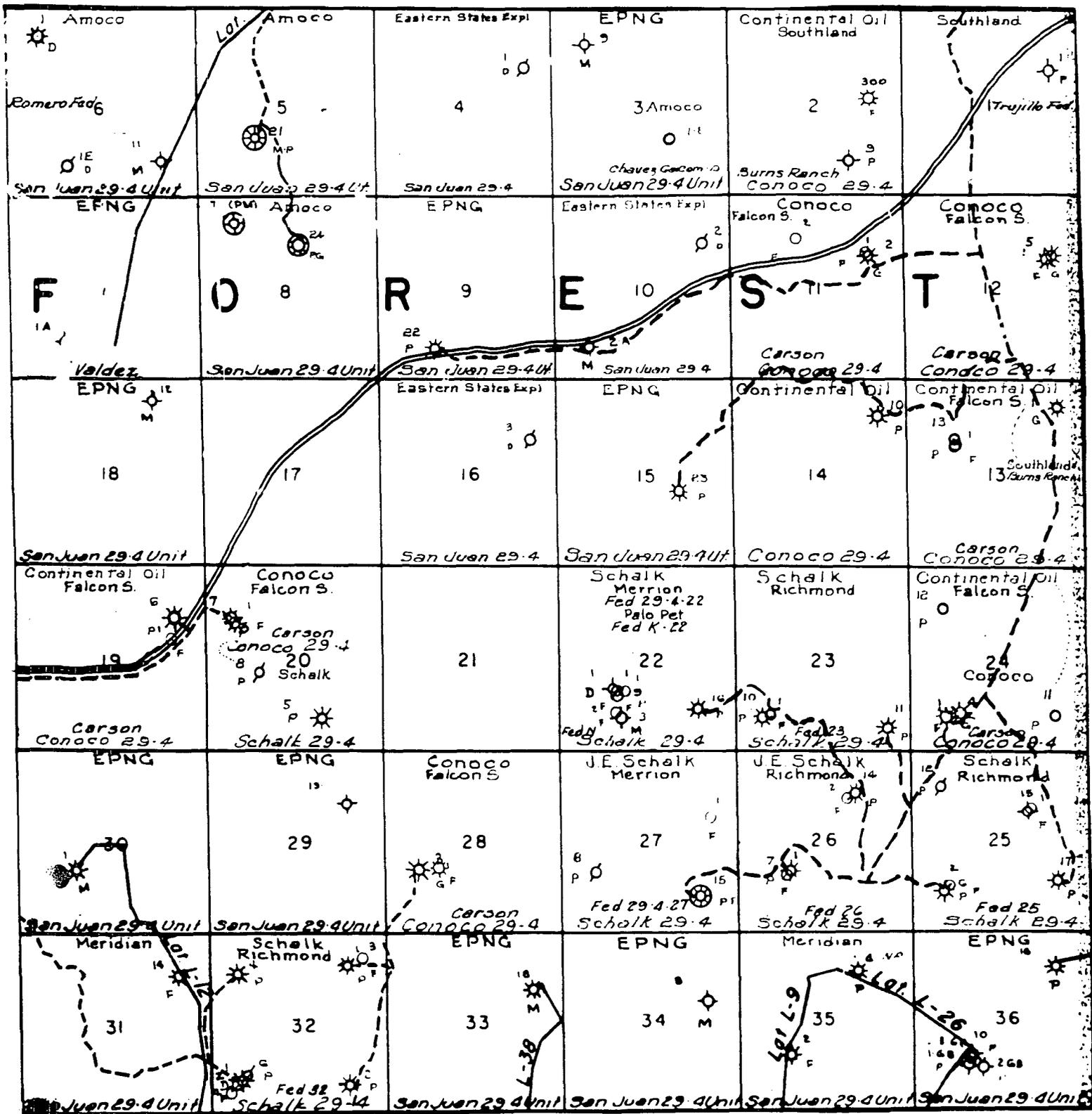
MESA



NEW BLM
ROW

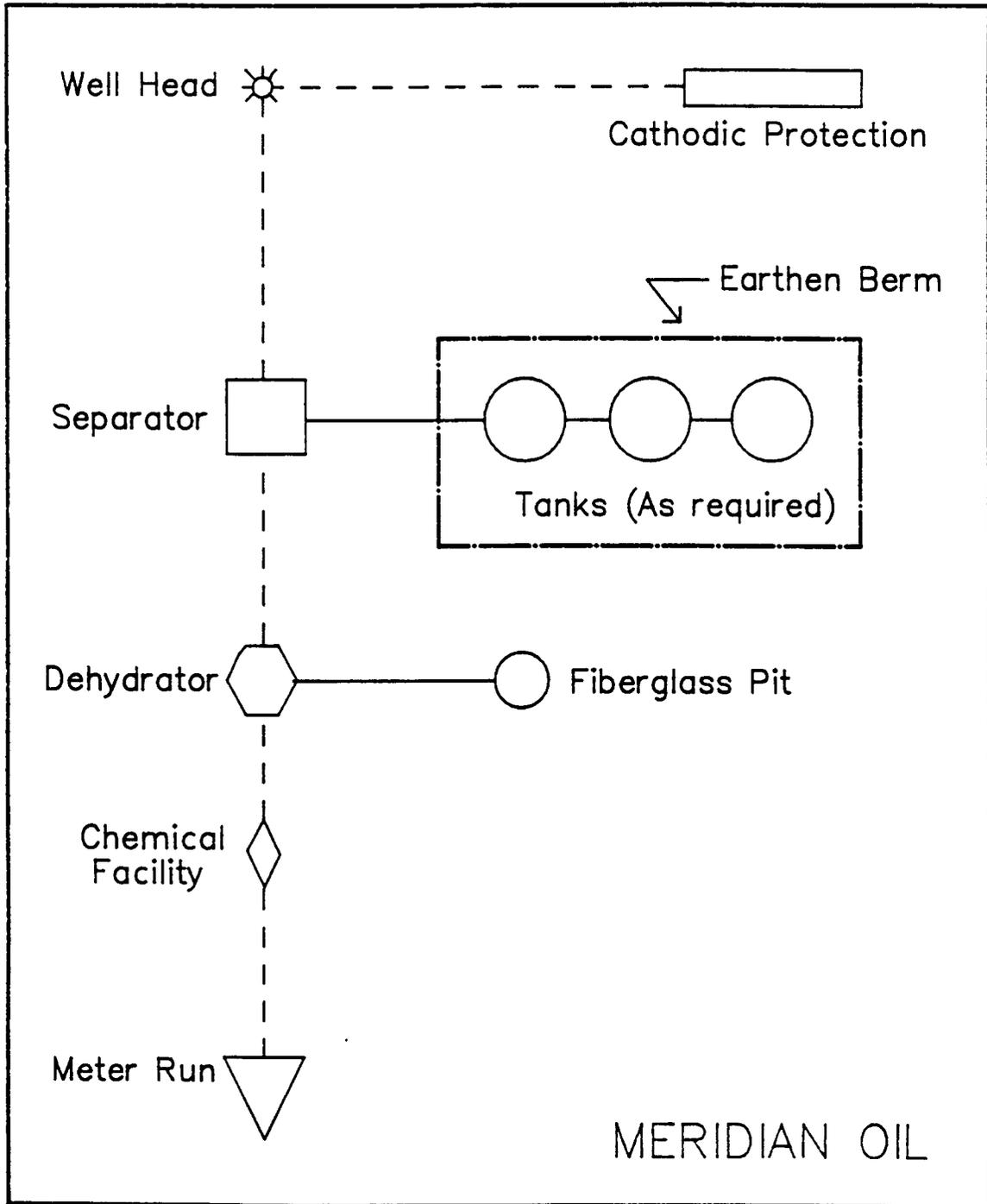
NAT'L
FOREST

MESA



MERIDIAN OIL INC.
 Pipeline Map
 T-29-N, R-04-W
 San Juan County, New Mexico
 San Juan 29-4 Unit #200
 Map #1A

Well Pad Boundary

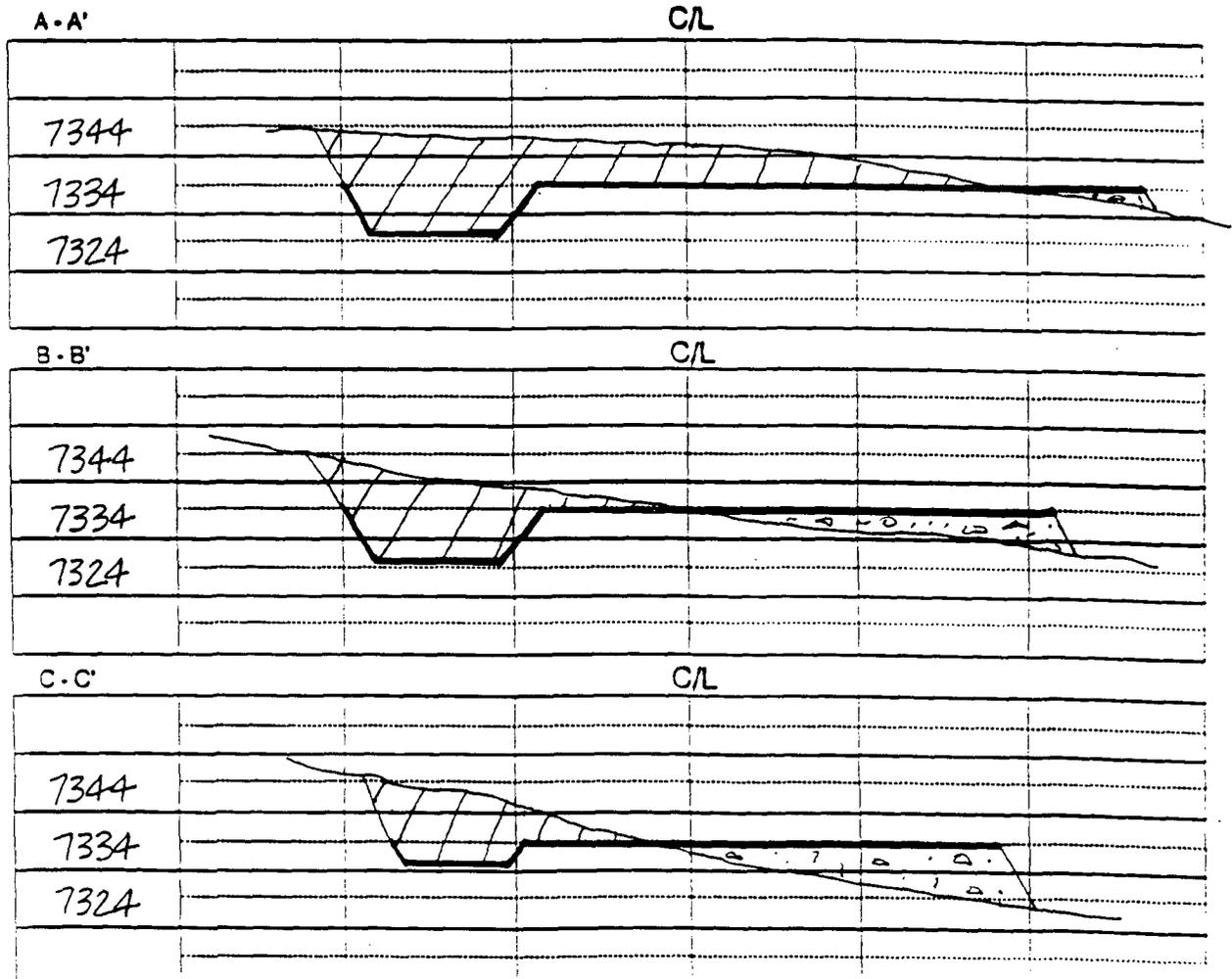
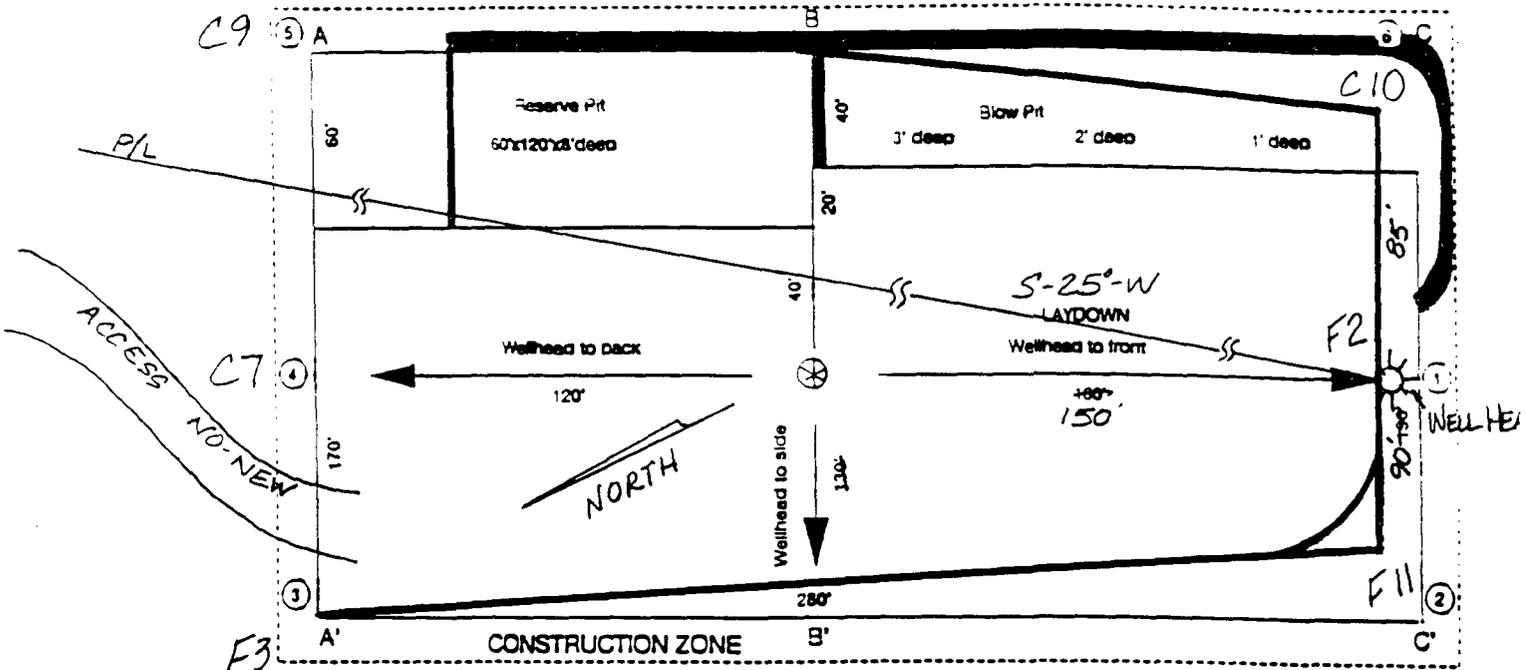


ANTICIPATED
PRODUCTION FACILITIES
FOR A
FRUITLAND COAL/PICTURED CLIFFS COMMINGLED WELL

MERIDIAN OIL

Plat 2

Name: MOI SAN JUAN 29-4 UNIT # 200
 Footage: 1990' FSL, 1850' FWL
 Sec 30 T. 29 N.R. 4 W NMPM
 Co. RIO ARRIBA St. N.M.
 Elevation: 7334 Date: 4-27-93



String to Acquaintance
 District Office
 State Lease - 4 copies
 Fee Lease - 3 copies

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-192
 Revised 1-1-89

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

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

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

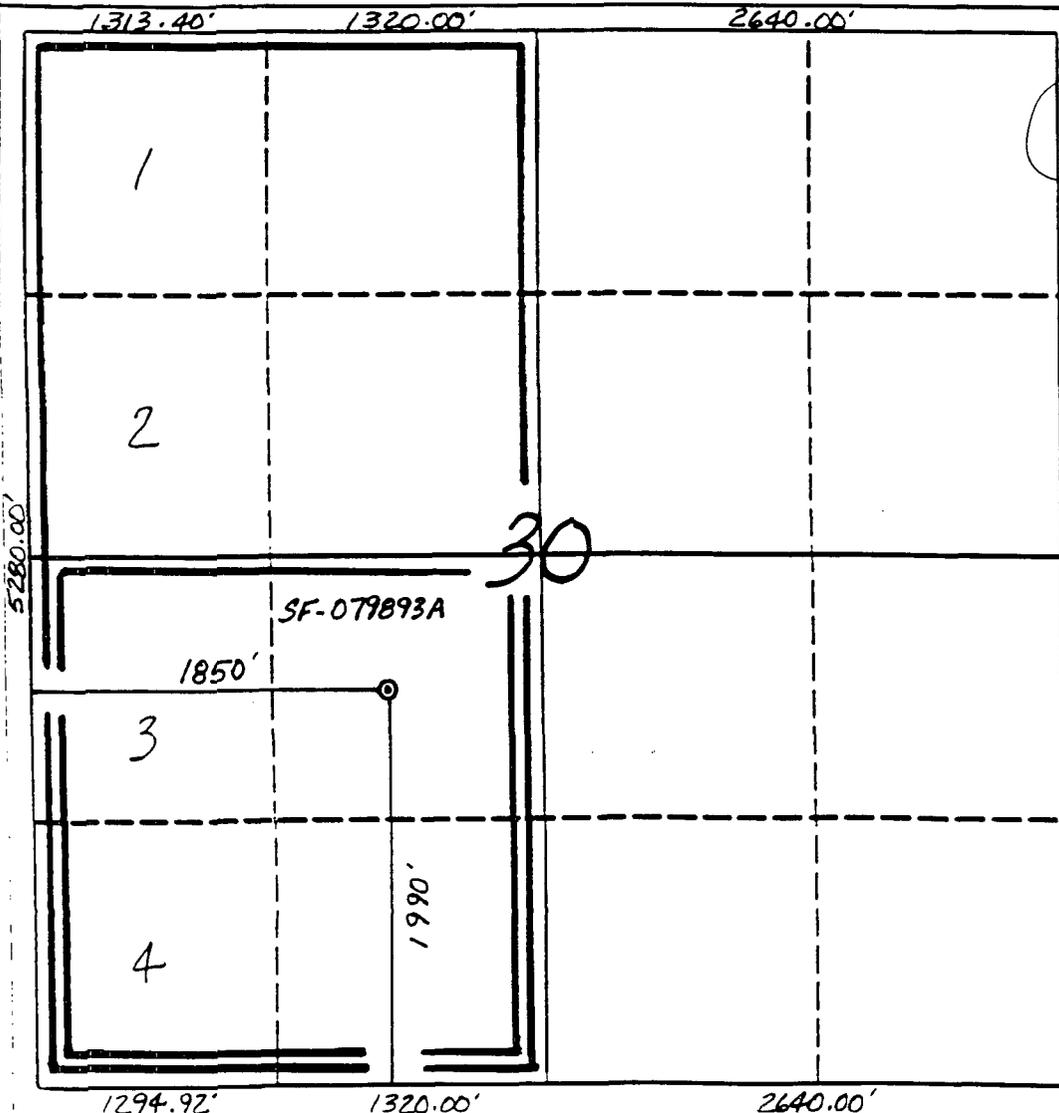
DISTRICT III
 1000 Rio Arriba Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Meridian Oil Inc.		Lease San Juan 29-4 Unit		Well No. 200
U.S. Lease K	Section 30	Township 29 North	Range 4 West	County NM/M Rio Arriba
Actual Footage Location of Well: 1990 feet from the South line and 1850 feet from the West line				
Ground level Elev. 7334'	Producing Formation Fruitland Coal/Pic. Cliffs	Pool Basin/Gobernador	Dedicated Acreage: 318.1/158.76 Acres	

- Outline the acreage dedicated to the subject well by correct pencil or inkline marks on the plat below.
 - If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
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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 Rep

Position
 Meridian Oil Inc.

Company
 6-1-93

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.

Date Surveyed
 6-21-93

Name
 C. EDWARDS

Signature
 Professional Surveyor

3357

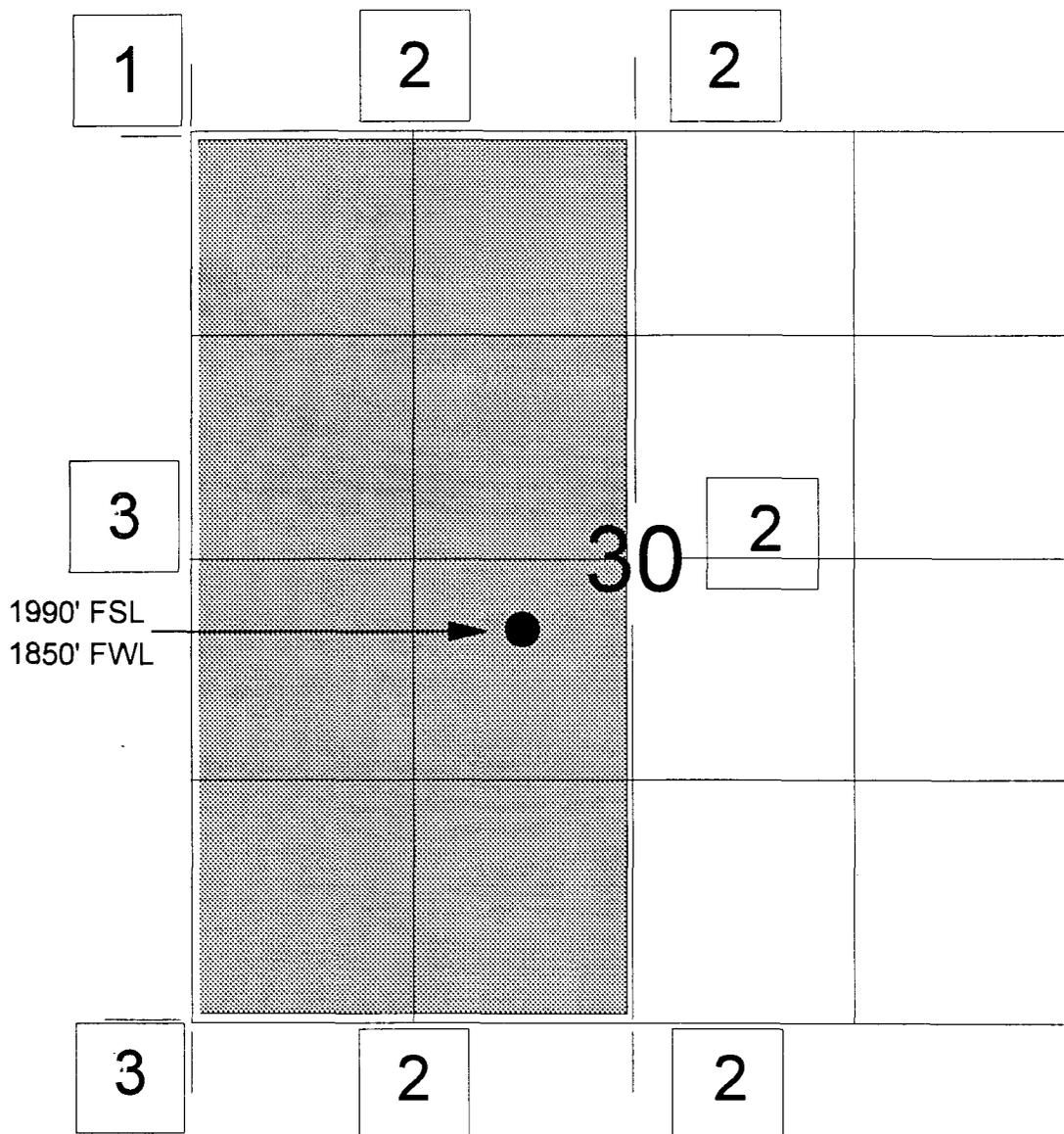
Professional Surveyor

Cartilage No.

6857

MERIDIAN OIL INC.

OFFSET OPERATOR/OWNER PLAT
Fruitland Coal\Pictured Cliffs Commingle
San Juan 29-4 Unit #200
NE SW Section 30, T29N, R4W
Rio Arriba County, New Mexico



- 1) Schalk Development Company, P.O. Box 25825, Albuquerque, New Mexico 87125-FR
Only
- 2) Meridian Oil Inc., P.O. Box 4289, Farmington, New Mexico 87499-4289-(PC & FR)
- 3) Phillips Petroleum Company, San Juan 29-5 Unit Operator, 5525 Hwy 64, NBU 3004,
Farmington, New Mexico 87401-(PC & FR)

MERIDIAN OIL

Re: Meridian Oil Inc. San Juan 29-4 Unit #200
1990'FSL, 1850'FWL Section 30, T-29-N, R-04-W
San Juan County, New Mexico

I hereby certify that the following offset operators/owners have been mailed notification of our application for non-standard location to drill the referenced well.

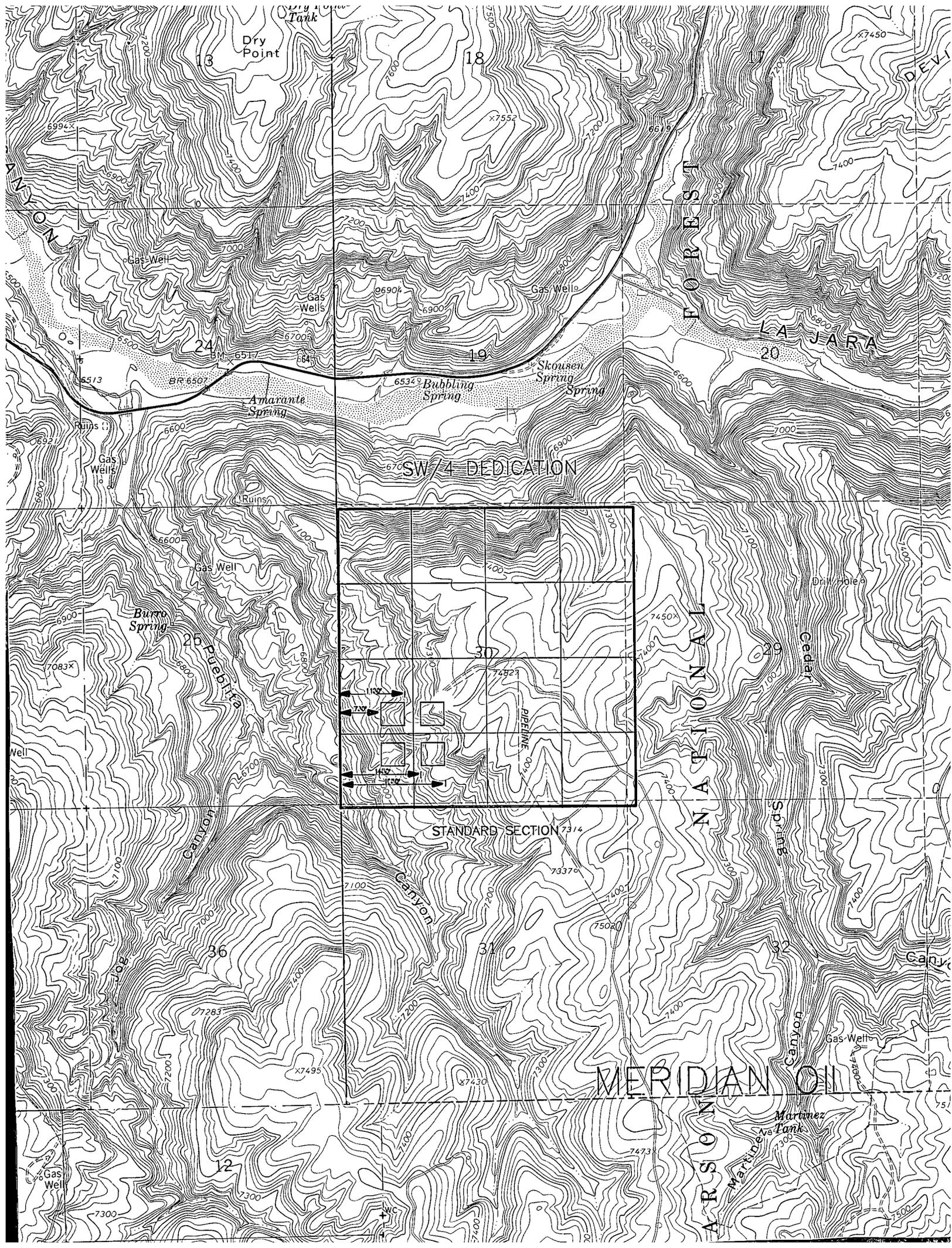
Schalk Development Co
PO Box 25825
Albuquerque, NM 87125

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



Peggy A. Bradfield
San Juan County
State of New Mexico

My commission expires August 17, 1996



Dry Point Tank

13

18

FORREST

LA JARA

DEVIL

Gas Well

Gas Wells

Gas Wells

24

19

20

Amarante Spring

Bubbling Spring

Skousen Spring

SW/4 DEDICATION

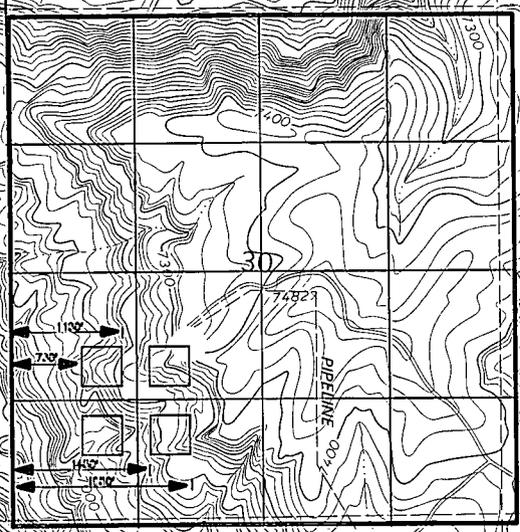
Burro Spring

Gas Well

30

NATIONAL

Cedar



STANDARD SECTION 7314

Pueblo Canyon

Canyon

Springs

36

31

MERIDIAN OIL

ARSONIAN

Martinez No. Tank

12

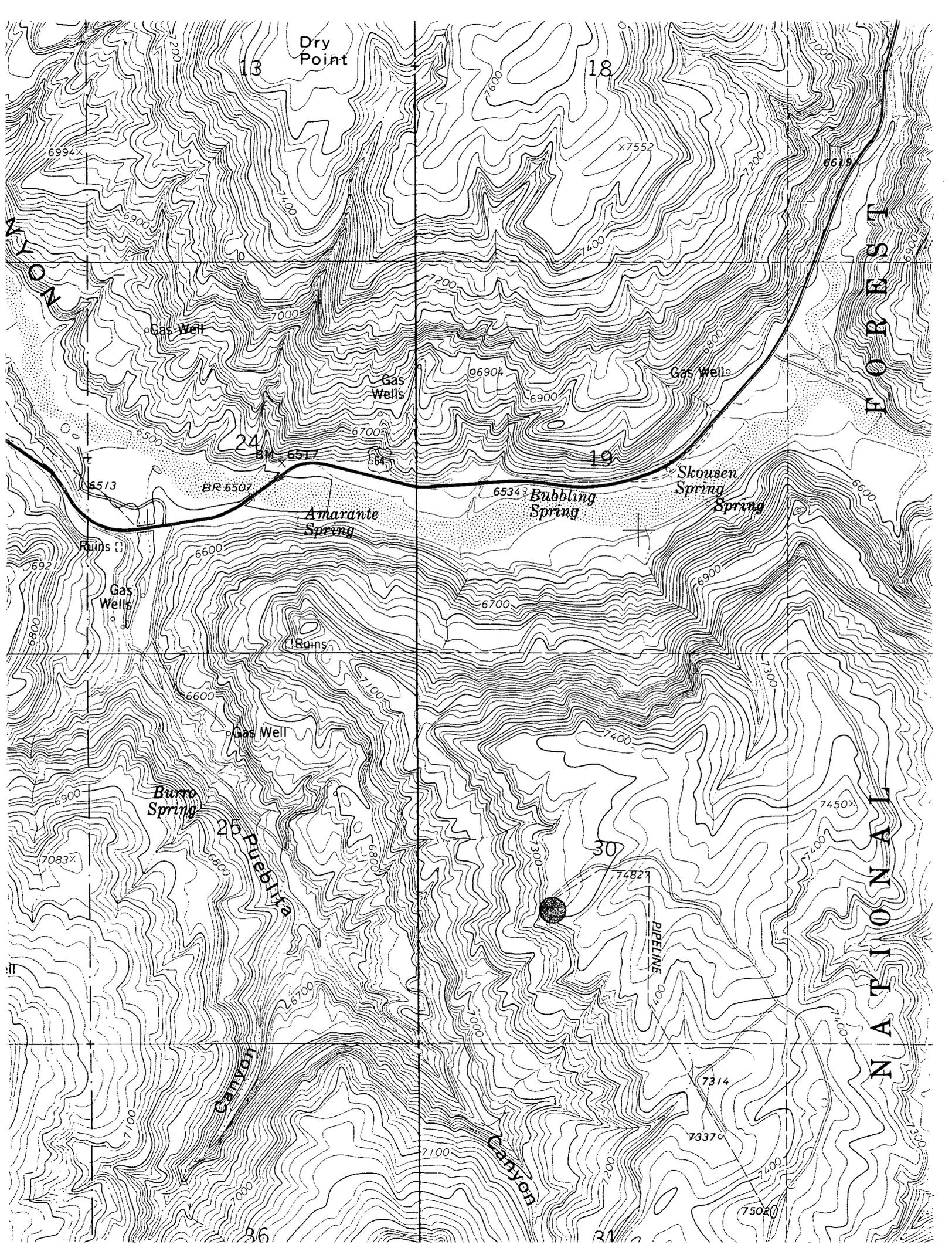
Martinez Canyon

Gas Well

Gas Well

W.C.

Can



MERIDIAN OIL

OIL CONSERVATION DIVISION
RECEIVED

JUN 17 11 AM 8 56

June 17, 1993

Sent Federal Express

Mr. William LeMay
New Mexico Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: Meridian Oil Inc. San Juan 29-4 Unit #200
1990'FSL, 1850'FWL Section 30, T-29-N, R-4-W
Rio Arriba County, New Mexico

Dear Mr. LeMay:

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This well is planned as a Basin Fruitland Coal/Gobernador Pictured Cliffs commingle and application will be made to the New Mexico Oil Conservation Division for the commingling.

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3. Offset operators/owners plat and affidavit of notification.
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Sincerely,


Peggy Bradfield
Regulatory/Compliance Representative

encs.

Phillips Petroleum **WAIVER** hereby waives objection to Meridian Oil Inc.'s application for a non-standard location and non-standard proration unit for their San Juan 29-4 Unit #200 as proposed.
By: Robert S. Fisher Date: 6/28/93

xc: Schalk Development Co., PO Box 25825, Albuquerque, NM 87125
Phillips Petroleum, 5525 Highway 64, NBU 3004, Farmington, NM 87401

ARCO Oil and Gas Company 

Western District
600 N. Marienfeld
Midland, Texas 79701
Post Office Box 1610
Midland, Texas 79702
Telephone 915 688 5200

OIL CONSERVATION DIVISION
RECEIVED

'93 JUL 12 AM 8 54

July 8, 1993

Mr. William J. LeMay
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

NSC-3281(30)

RE: **Additional Information and Request for Approval**
6/14/93 Application for Unorthodox Eumont Gas Well Location and
Simultaneous Dedication
State 176 #5 and State 176 #7
N/2 NW/4, SE/4 NW/4, and W/2 E/2 of
Section 19, T21S, R36E, Lea County, NM
Eumont (Yates/Seven Rivers/Queen) Pool

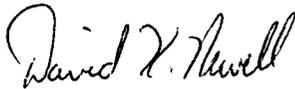
Dear Mr. LeMay:

ARCO Oil and Gas Company respectfully requested, by application to your office on 6/14/93, administrative approval for an unorthodox Eumont gas well location for the State 176 #5 and State 176 #7 wells located 990' FNL, 330' FWL and 1650' FNL, 1650' FWL, respectively, in Section 19, T21S, R36E in Lea County, New Mexico. At the same time, ARCO requested simultaneous dedication of the Eumont gas production from the State 176 #3, #4, and #6 with the Eumont gas production from the State 176 #5 and #7.

ARCO Oil and Gas Company notified the offset operators of that application by sending a copy of the application package, along with Waiver to Objection forms, by certified mail. Attached with this follow-up letter are copies of the certified mail receipts sent to all offset operators, showing that they have all received a copy of this application and have had more than 21 days to respond to either ARCO or the NMOCD. Also attached are copies of signed waiver forms from 2 offset operators, indicating that they have no objection to the proposed work. Since a signed waiver has been received from 2 offset operators, and since all offset operators have received notice of ARCO's application by certified mail and have had sufficient time to respond to the application, and no offset operators have objected to this application, ARCO respectfully requests that the NMOCD grant prompt administrative approval of this request.

If you need further information, please call me at (915) 688-5446.

Sincerely,

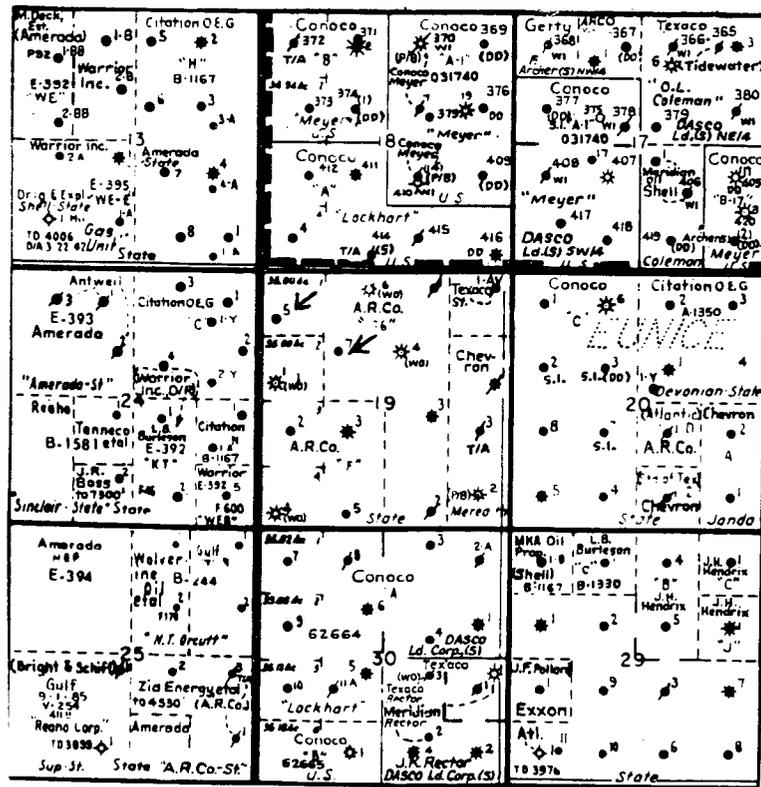


David K. Newell
Senior Operations/Analytical Engineer

Attachments: Certified Mail Receipts Waiver to Objection Forms
 Offset Operator List 6/14/93 Application

ARCO OIL AND GAS COMPANY
Application for an
Unorthodox Eumont Gas Well Location
State 176 #5 and State 176 #7

Simultaneous Dedication of Eumont Gas Production
State 176 #3, #4, and #6 (existing)
State 176 #5 and #7 (new)
Eumont Gas Pool
Section 19, T-21S, R-36E
Lea County, New Mexico



OFFSET OPERATORS

Chevron USA, Inc.
 Citation Oil and Gas Corporation
 Conoco Inc.

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3 and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt Fee will provide you the signature of the person delivered to and the date of delivery.

I also wish to receive the following services (for an extra fee):

1. Addressee's Address
 2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

CONOCO INC.
 ATTN: PAUL BAKER
 10 DESTA DRIVE
 MIDLAND, TEXAS 79705

4a. Article Number

P 322 150 394

4b. Service Type

- Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

7. Date of Delivery

6-17-93

5. Signature (Addressee)

6. Signature (Agent)



8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, November 1990 * U.S. GPO: 1991-287-060

DOMESTIC RETURN RECEIPT**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3 and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt Fee will provide you the signature of the person delivered to and the date of delivery.

I also wish to receive the following services (for an extra fee):

1. Addressee's Address
 2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Chevron USA, Inc.
 Attn: A. W. Bohling
 P. O. Box 1150
 Midland, Texas 79702

4a. Article Number

P 322 150 393

4b. Service Type

- Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

7. Date of Delivery

JUN 15 1993

5. Signature (Addressee)

6. Signature (Agent)



8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, November 1990 * U.S. GPO: 1991-287-060

DOMESTIC RETURN RECEIPT**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3 and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
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- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt Fee will provide you the signature of the person delivered to and the date of delivery.

I also wish to receive the following services (for an extra fee):

1. Addressee's Address
 2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Citation Oil & Gas Corp.
 Attn: Steve Robinson
 8223 Willow Place South, Suite 250
 Houston, Texas 77070-5623

4a. Article Number

P 322 150 392

4b. Service Type

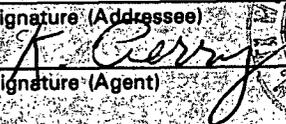
- Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

7. Date of Delivery

6-17-93

5. Signature (Addressee)

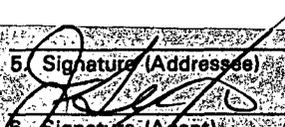
6. Signature (Agent)

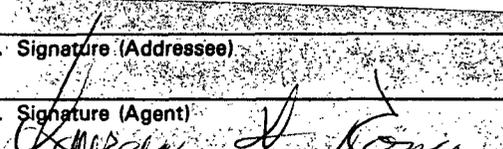


8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, November 1990 * U.S. GPO: 1991-287-060

DOMESTIC RETURN RECEIPT

SENDER: <ul style="list-style-type: none"> • Complete items 1 and/or 2 for additional services. • Complete items 3, and 4a & b. • Print your name and address on the reverse of this form so that we can return this card to you. • Attach this form to the front of the mailpiece, or on the back if space does not permit. • Write "Return Receipt Requested" on the mailpiece below the article number. • The Return Receipt Fee will provide you the signature of the person delivered to and the date of delivery. 		I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.	
3. Article Addressed to: Mr. J. T. Sexton New Mexico Oil Conservation Div. P. O. Box 1980 Hobbs, New Mexico 88240		4a. Article Number P 322 150 395	
5. Signature (Addressee) 		4b. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise	
6. Signature (Agent)		7. Date of Delivery 6-15-93	
		8. Addressee's Address (Only if requested and fee is paid)	
PS Form 3811, November 1990 * U.S. GPO: 1991-287-066 DOMESTIC RETURN RECEIPT			

SENDER: <ul style="list-style-type: none"> • Complete items 1 and/or 2 for additional services. • Complete items 3, and 4a & b. • Print your name and address on the reverse of this form so that we can return this card to you. • Attach this form to the front of the mailpiece, or on the back if space does not permit. • Write "Return Receipt Requested" on the mailpiece below the article number. • The Return Receipt Fee will provide you the signature of the person delivered to and the date of delivery. 		I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.	
3. Article Addressed to: MR. WILLIAM J. LeMAY NEW MEXICO OIL CON. DIV. P. O. BOX 2088 SANTA FE, NEW MEXICO 87501		4a. Article Number P 322 150 391	
5. Signature (Addressee) 		4b. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise	
6. Signature (Agent)		7. Date of Delivery	
		8. Addressee's Address (Only if requested and fee is paid)	
PS Form 3811, November 1990 * U.S. GPO: 1991-287-066 DOMESTIC			

WAIVER TO OBJECTION

ARCO OIL AND GAS COMPANY

Application for an
Unorthodox Eumont Gas Well Location

State 176 #5, located 990' FNL and 330' FWL, Section 19-21S-36-E
and
State 176 #7, located 1,650' FNL and 1,650' FWL, Section 19-21S-36-E

AND

Simultaneous Dedication of Eumont Gas Production

State 176 #3, #4, and #6 (Existing)

State 176 #5 and #7 (New)

Eumont Gas Pool

Section 19, T21S, R36E

Lea County, New Mexico

I/We do hereby waive any objection to ARCO Oil and Gas Company's request for NMOCD Administrative Approval of an unorthodox well location for the State 176 #5 and State 176 #7, and simultaneous dedication of Eumont Gas Production from the State 176, #3, #4, #5, #6 and #7 to an existing 275-acre proration unit.

Signed: J. E. Godbold

Title: Engineering Supervisor, N. Mexico Area

Company: Chevron U.S.A. Production Co.

Date: 6/24/93

RECEIVED
JUL 01 1993

JOINT INTEREST
OPERATIONS

RECEIVED
JUN 28 1993
JOINT INTEREST ACCTG.

Offset Operators:

Please indicate your approval for our request as detailed in the attached package by signing the waiver form below. Please return the signed waiver in the enclosed self-addressed envelope.

Thank you for your cooperation in this matter.

WAIVER TO OBJECTION**ARCO OIL AND GAS COMPANY**

**Application for an
Unorthodox Eumont Gas Well Location
State 176 #5 and State 176 #7
and**

**Simultaneous Dedication of Eumont Gas Production
State 176 #3, #4, and #6 (existing)
State 176 #5 and #7 (new)
Eumont Gas Pool
Section 19, T21S, R36E
Lea County, New Mexico**

I/We do hereby waive any objection to ARCO Oil and Gas Company's request for NMOCD Administrative Approval of an unorthodox well location for the State 176 #5 and State 176 #7, and simultaneous dedication of Eumont gas production from the State 176 #3, #4, #5, #6 and #7 to an existing 275-acre proration unit.

Signed: Steve K. Ammer
Title: V.P. - Geol. & Reservoir Engr.
Company: Citation Oil & Gas Corp
Date: 7/2/93

ARCO Oil and Gas Company
Western District
Post Office Box 1610
Midland, TX 79702
Telephone (915) 688-5200



June 14, 1993

Mr. William J. LeMay
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Mr. J. T. Sexton
New Mexico Oil Conservation Division
P. O. Box 1980
Hobbs, New Mexico 88240

RE: R-5323
Application for Unorthodox Eumont Gas Well Location & Simultaneous Dedication
State 176 #5 and State 176 #7
N/2 NW/4, SE/4 NW//4, and W/2 E/2 of
Section 19, T-21S, R-36E, Lea County, NM
Eumont (Yates/Seven Rivers/Queen) Gas Pool

Dear Mr. LeMay / Mr. Sexton:

ARCO Oil and Gas Company respectfully requests administrative approval for an unorthodox Eumont gas well location for the State 176 #5 and State 176 #7, located 990' FNL, 330' FWL and 1650' FNL, 1650' FWL, respectively, in Section 19, T-21S, R-36E, Lea County, New Mexico. The State 176 #5 was a Eumont oil well which ARCO worked over earlier this year and its GOR has changed to a gas well. The State 176 #7 is a Eumont oil well which ARCO is preparing to workover, and expects its GOR to also change to a gas well. At the same time, ARCO requests simultaneous dedication of the Eumont gas production from the State 176 #3, #4, and #6 with the Eumont gas production from the State 176 #5 and State 176 #7 wells. The State 176 #3, #4, and #6 are Eumont gas wells currently dedicated to an existing 275-acre proration unit (R-5323) located in Section 19, T-21S, R-36E.

Attached are C-102 forms identifying the configuration of the subject 275-acre Eumont gas proration unit. Also attached is a list of offset operators for this unit, and a land plat map of the surrounding area.

ARCO Oil and Gas Company believes approval of this request will be in the interest of conservation, will protect correlative rights, and will allow for a more complete recovery of Eumont gas reserves from the subject acreage.

ARCO Oil and Gas Company is notifying the offset operators of this application by sending a copy of this application package, along with waiver to objection forms, by certified mail. If you need further information, please call me at (915) 688-5446.

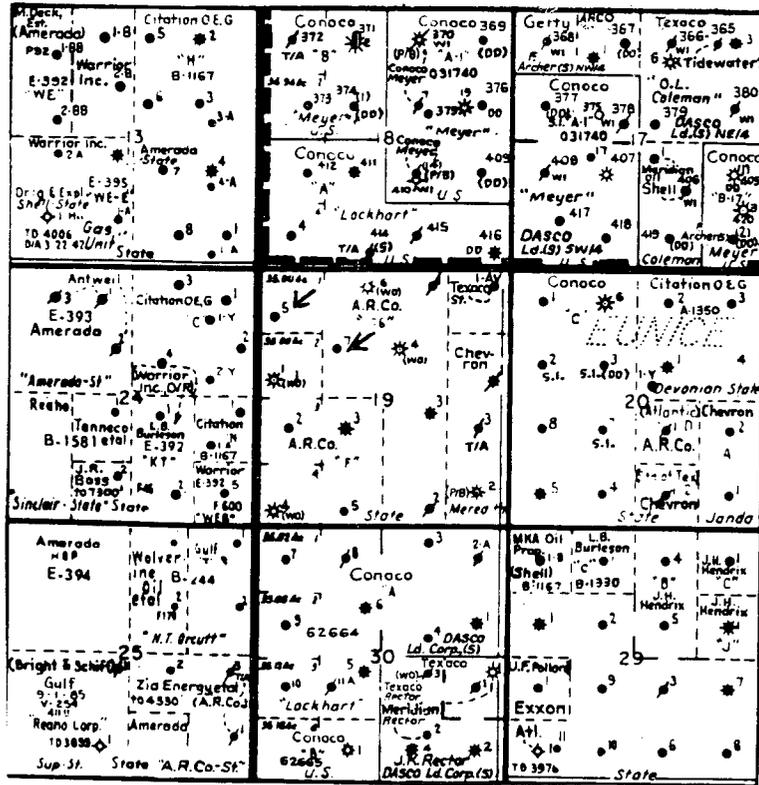
Sincerely,

A handwritten signature in black ink that reads "David K. Newell". The signature is written in a cursive style.

David K. Newell
Sr. Operations/Analytical Engineer
DKN:lrh
cc: J. Cogburn - Hobbs
Attachments

ARCO OIL AND GAS COMPANY
Application for an
Unorthodox Eumont Gas Well Location
State 176 #5 and State 176 #7

Simultaneous Dedication of Eumont Gas Production
State 176 #3, #4, and #6 (existing)
State 176 #5 and #7 (new)
Eumont Gas Pool
Section 19, T-21S, R-36E
Lea County, New Mexico



OFFSET OPERATORS

Chevron USA, Inc.
 Citation Oil and Gas Corporation
 Conoco Inc.

Offset Operators:

Please indicate your approval for our request as detailed in the attached package by signing the waiver form below. Please return the signed waiver in the enclosed self-addressed envelope.

Thank you for your cooperation in this matter.

WAIVER TO OBJECTION

ARCO OIL AND GAS COMPANY

**Application for an
Unorthodox Eumont Gas Well Location
State 176 #5 and State 176 #7**

and

**Simultaneous Dedication of Eumont Gas Production
State 176 #3, #4, and #6 (existing)
State 176 #5 and #7 (new)
Eumont Gas Pool
Section 19, T21S, R36E
Lea County, New Mexico**

I/We do hereby waive any objection to ARCO Oil and Gas Company's request for NMOCD Administrative Approval of an unorthodox well location for the State 176 #5 and State 176 #7, and simultaneous dedication of Eumont gas production from the State 176 #3, #4, #5, #6 and #7 to an existing 275-acre proration unit.

Signed: _____
Title: _____
Company: _____
Date: _____

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

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-102
 Revised 1-1-89

OIL CONSERVATION DIVISION

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

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

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

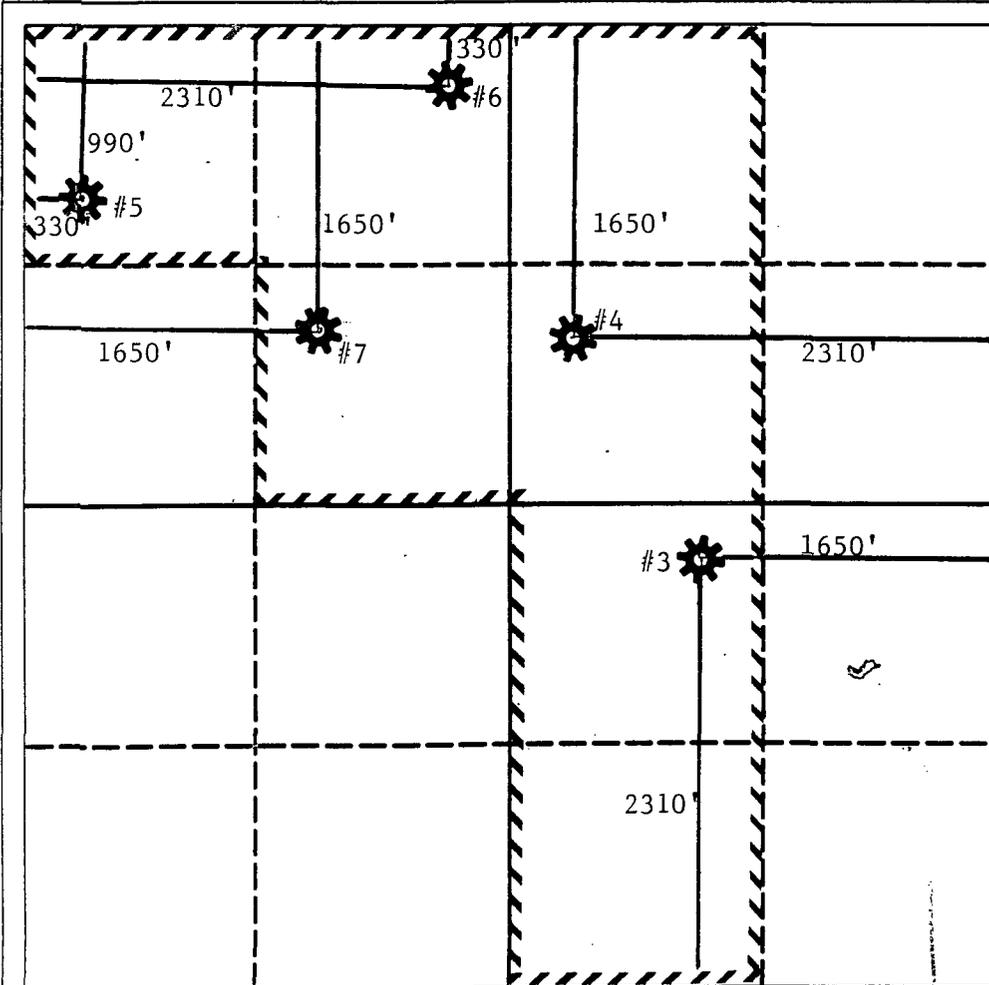
Operator ARCO OIL AND GAS COMPANY			Lease STATE 176		Well No. #3
Unit Letter J	Section 19	Township 21S	Range 36E	County NMPM LEA	
Actual Footage Location of Well: 2310 feet from the SOUTH line and 1650 feet from the EAST line					
Ground level Elev. 3597'	Producing Formation YATES/7-RIVERS/QUEEN		Pool EILMONT	Dedicated Acreage: 275 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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 _____

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.



OPERATOR CERTIFICATION

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

Signature
Evelyn E. Gilson
 Printed Name
 EVELYN E. GILSON
 Position
 ENGINEERING TECHNICIAN
 Company
 ARCO OIL AND GAS COMPANY
 Date
 JUNE 14, 1993

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.

Date Surveyed _____
 Signature & Seal of Professional Surveyor _____
 Certificate No. _____



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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

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

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

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

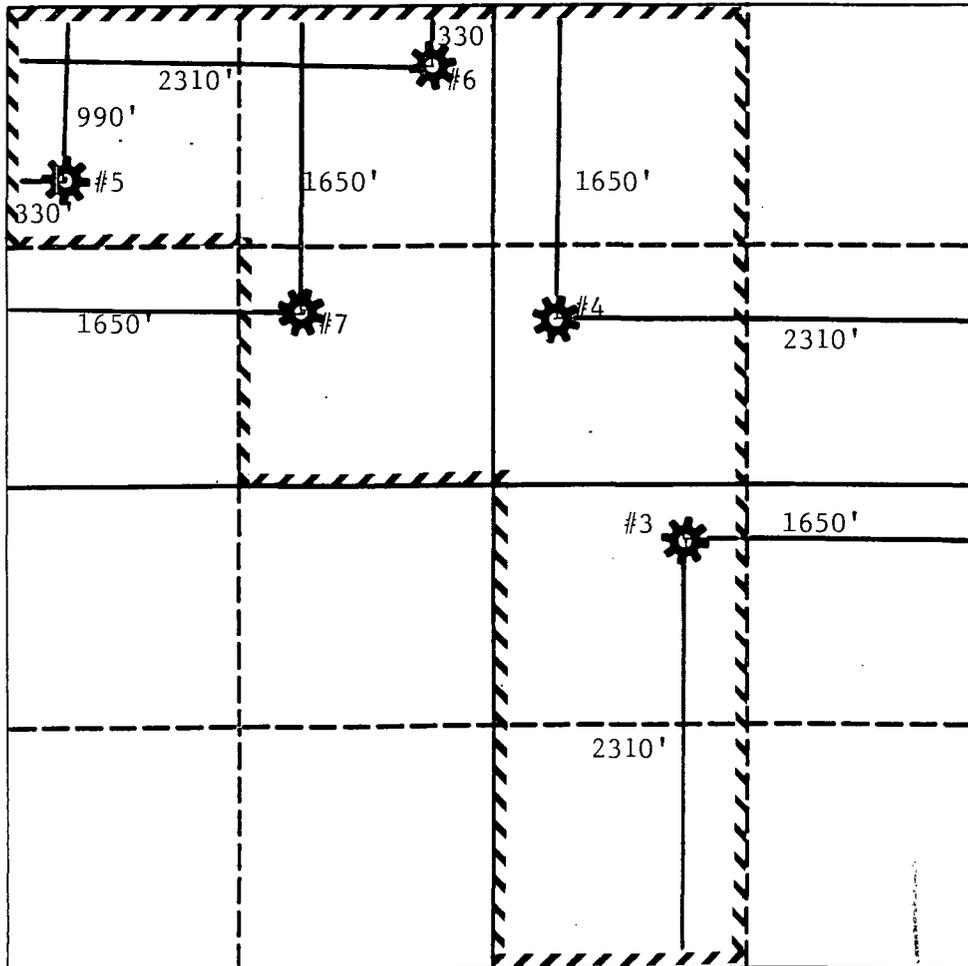
Operator ARCO OIL AND GAS COMPANY			Lease STATE 176		Well No. #4
Unit Letter G	Section 19	Township 21S	Range 36E	County NMPM	LEA
Actual Footage Location of Well:					
1650 feet from the NORTH line and		2310 feet from the WEST line			
Ground level Elev. 3645'	Producing Formation YATES/7-RIVERS/QUEEN		Pool EUMONT	Dedicated Acreage: 275 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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 _____

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.



OPERATOR CERTIFICATION

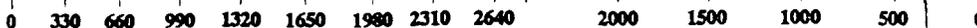
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature
Evelyn E. Gilson
Printed Name
EVELYN E. GILSON
Position
ENGINEERING TECHNICIAN
Company
ARCO OIL AND GAS COMPANY
Date
JUNE 14, 1993

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.

Date Surveyed _____
Signature & Seal of Professional Surveyor _____
Certificate No. _____



Submit to Appropriate
District Office
State Lease - 4 copies
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State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

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

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

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

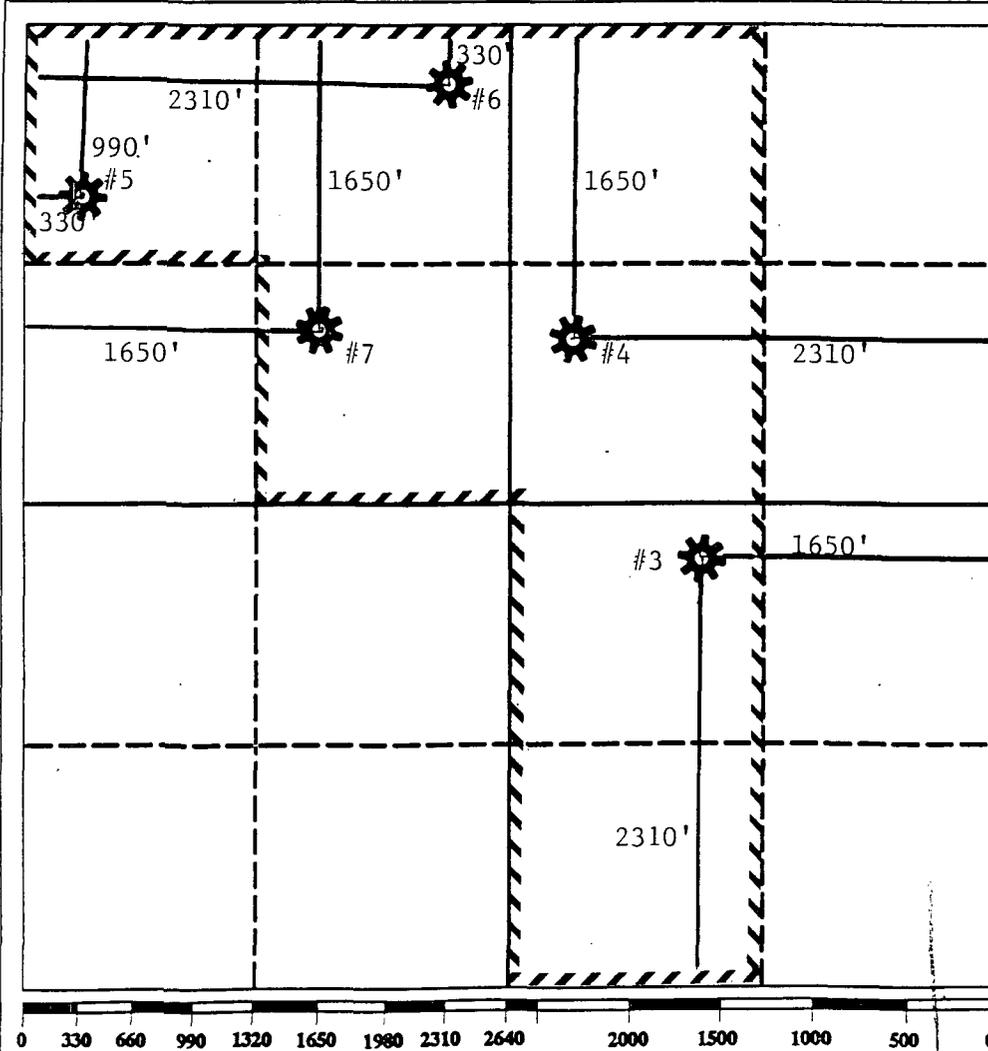
Operator ARCO OIL AND GAS COMPANY			Lease STATE 176		Well No. #5
Unit Letter D	Section 19	Township 21S	Range 36E	County NMPM LEA	
Actual Footage Location of Well: 990 feet from the NORTH line and 330 feet from the WEST line					
Ground level Elev. 3629'	Producing Formation YATES/7-RIVERS/QUEEN		Pool EUMONT	Dedicated Acreage: 275 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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 _____

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.



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

Signature
Evelyn E. Gilson
Printed Name
EVELYN E. GILSON
Position
ENGINEERING TECHNICIAN
Company
ARCO OIL AND GAS COMPANY
Date
JUNE 14, 1993

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.

Date Surveyed _____

Signature & Seal of Professional Surveyor _____

Certificate No. _____

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

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Santa Fe, New Mexico 87504-2088

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P.O. Box 1980, Hobbs, NM 88240

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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

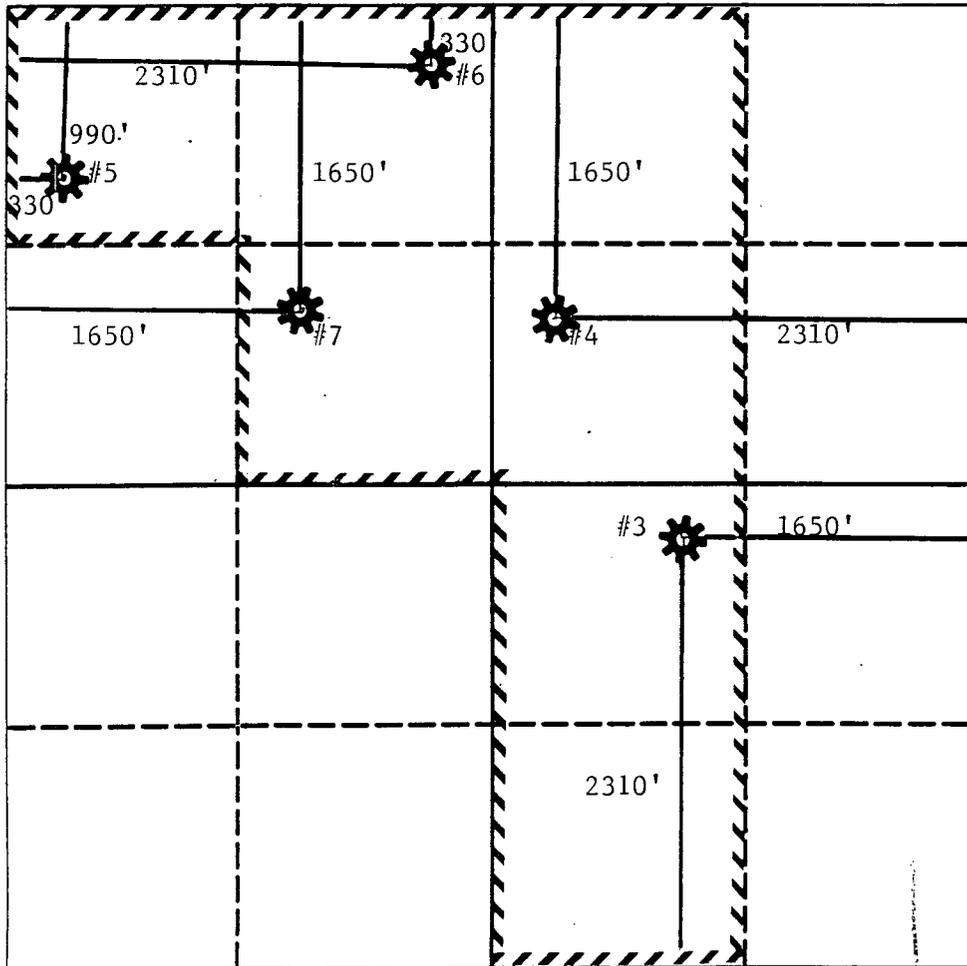
Operator ARCO OIL AND GAS COMPANY			Lease STATE 176		Well No. #6
Unit Letter C	Section 19	Township 21S	Range 36E	County NMPM LEA	
Actual Footage Location of Well: 330 feet from the NORTH line and 2310 feet from the WEST line					
Ground level Elev. 3638'	Producing Formation YATES/7-RIVERS/QUEEN		Pool EUMONT	Dedicated Acreage: 275 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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.?

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If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

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OPERATOR CERTIFICATION

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

Signature
Evelyn E. Gilson
Printed Name)

EVELYN E. GILSON

Position
ENGINEERING TECHNICIAN
Company
ARCO OIL AND GAS COMPANY

Date
JUNE 14, 1993

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.

Date Surveyed

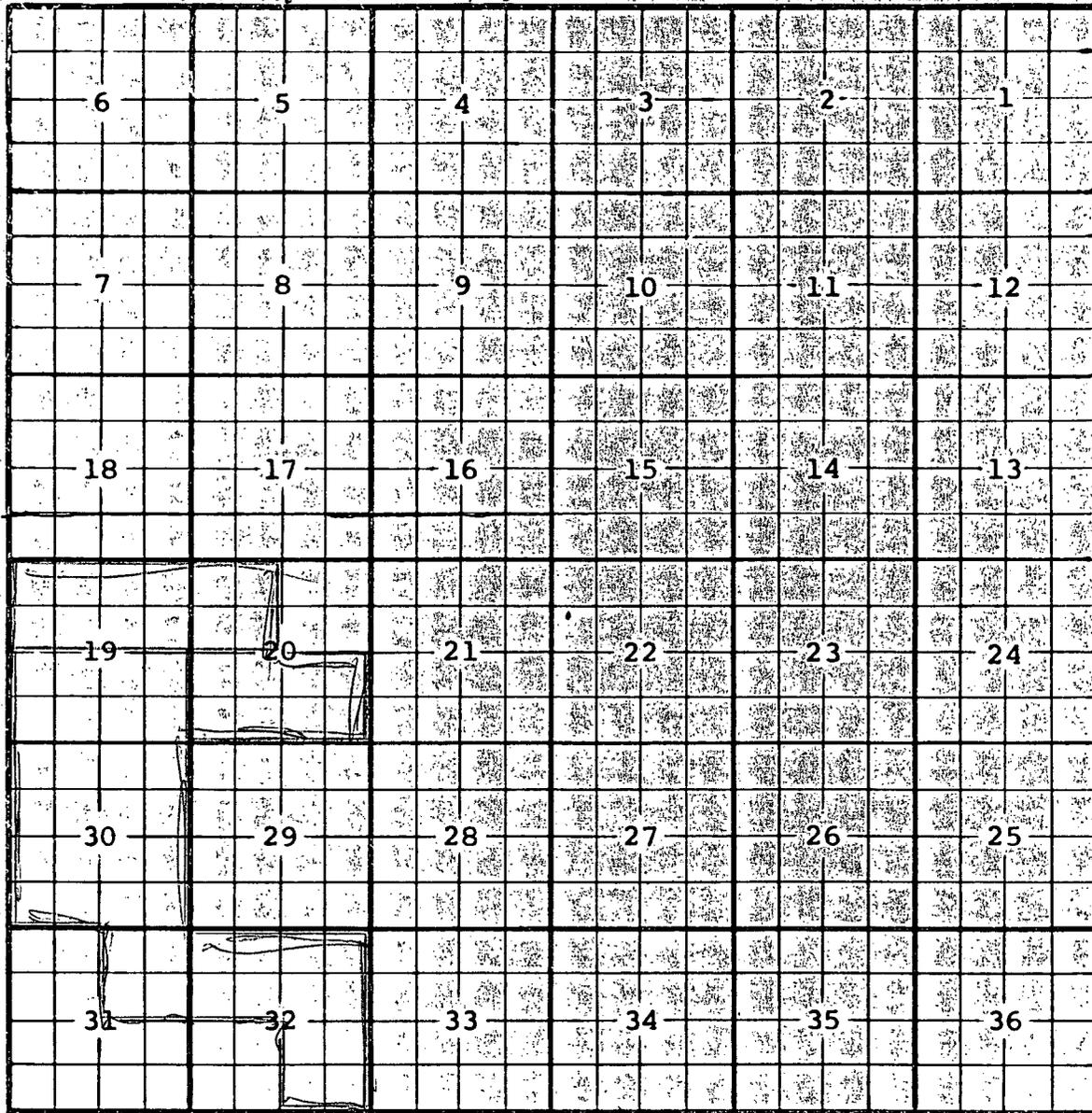
Signature & Seal of
Professional Surveyor

Certificate No.

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

COUNTY Rio Arriba POOL Gobernador - Pictured Cliffs

TOWNSHIP 29 North RANGE 4 West NMPM



Ext: $\frac{1}{2}$ Sec 19, $\frac{NW}{4}$ Sec 20 (R-4963, 3-1-75)

Ext: $\frac{S}{2}$ Sec 19, All Sec 30, $\frac{NE}{4}$ Sec 31, $\frac{N}{2}$ & $\frac{SE}{4}$ Sec 32 (R-5339, 2-1-77)

Ext: $\frac{S}{2}$ Sec. 20 (R-6056, 8-1-79)