

MERIDIAN OIL

CONSERVATION DIVISION
RECEIVED

JUL 8 1994 8 50

July 6, 1994

Sent Federal Express

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

Re: Meridian Oil Inc. Huerfano Unit #217R
1395'FNL, 1460'FEL, Section 29, T-27-N, R10-W - San Juan County, New Mexico
API # 30-045-29089

Dear Mr. LeMay:

Meridian Oil Inc. is applying for administrative approval of a non-standard location for the above location in both the Basin Dakota and Angels Peak Gallup formations. This application for the referenced location is due to terrain as shown on the topographic map and the presence of endangered plants. This location is on existing disturbance.

This well is planned as a Basin Dakota/Angels Peak Gallup well, and administrative order DHC-1013 has been received to commingle this well.

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
4. 7.5 minute topographic map showing the orthodox windows for the north half dedication for both the Basin Dakota and Angels Peak Gallup; and enlargement of the map to define topographic features.

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 for their Huerfano Unit #217R as proposed above.

By: _____ Date: _____

xc: (see attached)

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-080810	
1b. Type of Well GAS	6. If Indian, All. or Tribe	
2. Operator MERIDIAN OIL		7. Unit Agreement Name Huerfano Unit
3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700		8. Farm or Lease Name Huerfano Unit
4. Location of Well 1395' FNL, 1460' FEL Latitude 36° 33' 00", Longitude 107° 54' 53"		9. Well Number 217R
10. Field, Pool, Wildcat Angels Peak Gallup/ Basin Dakota		11. Sec., Twn, Rge, Mer. Sec 29, T-27-N, R-10-W NMPM
14. Distance in Miles from Nearest Town 3 miles to Hilltop Store	12. County San Juan	13. State NM
15. Distance from Proposed Location to Nearest Property or Lease Line 1395'		
16. Acres in Lease	17. Acres Assigned to Well 320 N/2	
18. Distance from Proposed Location to Nearest Well, Drlg, Compl, or Applied for on this Lease 3000'		
19. Proposed Depth 6495' Dakota - TVD 5615' Gallup - TVD; 7287' MD		20. Rotary or Cable Tools Rotary
21. Elevations (DF, FT, GR, Etc.) 6014' GR		22. Approx. Date Work will Start 1st quarter 1994
23. Proposed Casing and Cementing Program See Operations Plan attached		
24. Authorized by:  Regional Drilling Engineer		Date 1-31-94

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

Archaeological Report submitted by Arboles Contract Archaeology Technical Report #362 dated 11-08-93
Threatened and Endangered Species Report to be submitted
NOTE: This format is issued in lieu of U.S. BLM Form 3160-3

Office to Adjudicate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form O-102
Revision 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

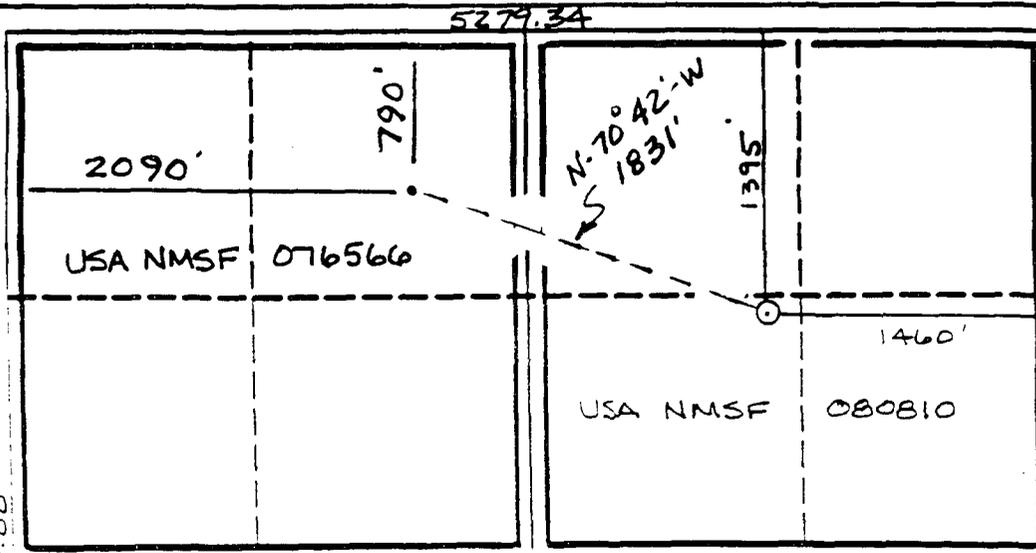
DISTRICT III
1000 Rio Arriba Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator	Meridian Oil Inc.		Lease	Huerfano Unit		Well No.	217R	
U&L Letter	Section	Township	Range	County				
G	29	North	10 West	San Juan				
Account Footage Location of Well:								
1395 feet from the North line and			1460 feet from the East line					
Ground level Elev.	Producing Formation		Pool		Dedicated Acreage:			
6014'	Gallup/Dakota		Angel Peak/Basin		320/320 Acres			

- Outline the acreage dedicated to the subject well by colored pencil or ink 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 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, unitization, force-pooling, or otherwise) or until a non-consolidated unit, encompassing 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 Representative

Position
Meridian Oil Inc.

Company

Date
2-9-94

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes or 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
10-2-83

Neil C. Edwards
Signature

Professional Surveyor



License No.

Standard
640 acre
Section

5280.00

6857

OPERATIONS PLAN

Well Name: Huerfano Unit #217R
Location: 1395'FNL, 1460'FEL Section 29, T-27-N, R-10-W
 San Juan County, New Mexico
 Latitude 36° 33' 00", Longitude 107° 54' 53"
Field: Angel Peak Gallup/Basin Dakota
Formation: Tocito/Dakota
Elevation: 6014'GL

Project Description: The Huerfano Unit #217R is planned to be drilled and completed in two phases. The first phase will be to drill and complete the Dakota formation and set a retrievable bridge plug. Once the Dakota formation is completed it is planned to return to the well with a drilling rig and set an oriented retrievable whipstock and sidetrack the existing 7" casing. A 1500' lateral is planned in the Tocito interval. It is intended to be completed naturally with a plugged and perforated liner which will be chemically cut at the kick-off point. The retrievable whipstock and bridge plug will be pulled and dual strings of tubing will be run. The well is planned to be commingled at the surface.

<u>Formation Tops:</u>	<u>Top</u>	<u>Bottom</u>	<u>Contents</u>
Surface	Nacimiento	720'	
Ojo Alamo	720'	1728'	aquifer
Pictured Cliffs	1728'	3322'	gas
Cliff House	3322'	4254'	aquifer
Point Lookout	4254'	5243'	
Gallup	5243'	5594'	gas & oil
Tocito	5594'	5744'	gas & oil
Juana Lopez	5744'	6154'	gas & oil
Greenhorn	6154'	6180'	
Graneros	6180'	6207'	gas & oil
Dakota	6207'		gas & oil
Total Depth	6495'	Dakota	
Kick-off Point	5263'	Tocito	
Total Depth (TVD)	5615'	Tocito	
Total Depth (MD)	7287'	Tocito	

Logging Program:

Mud Logs/Coring/DST -
 Mud logs - 1300-2000', 5000-6495' (DK), 5000-7287' (Tocito).
 Coring - none
 DST - none
 Electric logs - IEL/SP/GR; Density/Neut/GR; Microlog-GR (Dakota Only)

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	
200-6495'	LSND	8.4-9.1	30-60	no control	Dakota
5263-7287'	Air/mist	NA	NA	NA	Tocito

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

Casing Program:

Hole Size	Depth Interval	Csg. Size	Wt.	Grade
12 1/4"	0' - 200'	9 5/8"	36.0#	K-55
8 3/4"	0' - 5400'	7"	23.0#	N-80 Dakota
8 3/4" X 7 7/8"	5400'	7" X 5 1/2" Swage		
7 7/8"	5400' - 6495'	5 1/2"	17.0#	N-80 Dakota
6 1/4"	5263' - 7287' MD	2 7/8"	6.5#	J-55 Tocito

Plugged and Perforated

Tubing Program:

0' - 6495'	2 3/8"	4.7#	J-55 EUE	Dakota
0' - 5200'	1 1/4"	2.4#	J-55 EUE	Tocito

BOP Specifications, Wellhead and Tests:**Surface to TD -**

11" 3000 psi minimum double gate BOP stack (Reference Figure #1). After nipple-up prior to drilling out surface casing, rams and casing will be tested to 600 psi for 30 minutes.

2" nominal, 3000 psi minimum choke manifold (Reference Figure #3).

Completion Operations -

6" 3000 psi double gate BOP stack (Reference Figure #2). After nipple-up prior to completion, pipe rams and casing top will be tested to 3000 psi for 15 minutes.

Surface to Total Depth -

2" nominal, 3000 psi minimum choke manifold (Reference Figure #3).

Wellhead -

9 5/8" x 7" x (2 3/8" + 1 1/4") x 3000 psi tree assembly.

General -

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

Cementing:

9 5/8" surface casing -

Cement to surface w/160 sx Class "B" cement w/3% calcium chloride and 1/4#/sx cellophane flakes (188 cu.ft. of slurry, 200% excess to circulate to surface.) WOC 12 hours prior to drilling out surface casing. Test casing to 600 psi for 30 minutes.

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

Production Casing - 5 1/2" X 7" Dakota

First Stage: Cement to circulate to stage tool @ 4350'. Lead w/326 sx 65/35 Class "B" Pozmix w/6% gel, 2% calcium chloride, and 1/4#/sx cellophane flakes. Tail w/100 sx Class "B" cement w/2% calcium chloride. WOC 4 hours prior to pumping second stage. (Slurry volume: 695 cu.ft. Excess slurry 100%.)

Second Stage: Cement to circulate to stage tool @ 1400'. Lead w/468 sx 65/35 Class "B" Pozmix w/6% gel, 2% calcium chloride, and 1/4#/sx cellophane flakes. Tail w/50 sx Class "B" cement w/2% calcium chloride. WOC a minimum of 18 hours prior to cleanout. (Slurry volume: 887 cu.ft. Excess slurry: 100%.)

Third Stage: Cement to circulate to surface. Cement w/205 sx 65/35 Class "B" Pozmix w/6% gel, 2% calcium chloride, and 1/4#/sx cellophane flakes. Tail w/50 sx Class "B" cement w/2% calcium chloride. WOC a minimum of 18 hours prior to cleanout. (Slurry volume: 421 cu.ft. Excess slurry: 100%.)

Float shoe on bottom. Three centralizers run every other joint above shoe. Thirty (30) centralizers - one every 4th joint to the base of the Ojo Alamo @ 1728'. Two turbolizing type centralizers - one below and one into the base of the Ojo Alamo @ 1728'. Standard centralizers thereafter every fourth joint up to the base of the surface pipe.

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

Production Casing - 2 7/8" Tocito

The 2 7/8" plugged and perforated production casing for the Tocito interval will be uncemented and chemically cut at KOP (5263').

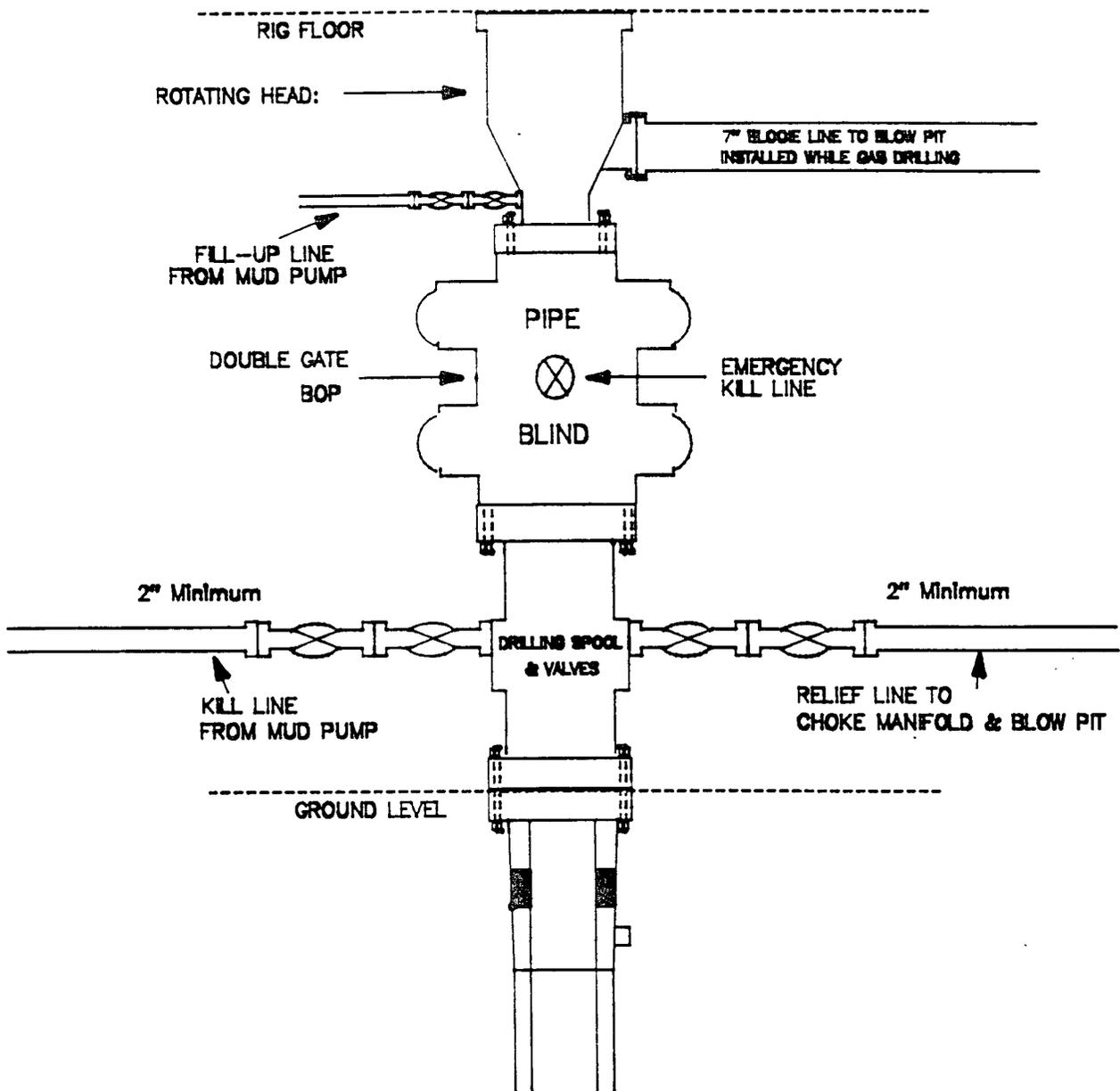
Additional Information:

- The Gallup and Dakota formations will be completed with dual tubing strings of 2 3/8" and 1 1/4" and surface commingled.
- No abnormal temperatures or hazards are anticipated.
- Sufficient LCM will be added to the mud system to maintain well control, if lost circulation is encountered below the top of the Pictured Cliffs.
- The North half of Section 29 is dedicated to this well.
- This gas is dedicated.
- New casing will be utilized.
- Pipe movement (either rotation or reciprocation) will be done if hole conditions permit.

MERIDIAN OIL INC.

BOP Configuration

2M psi SYSTEM



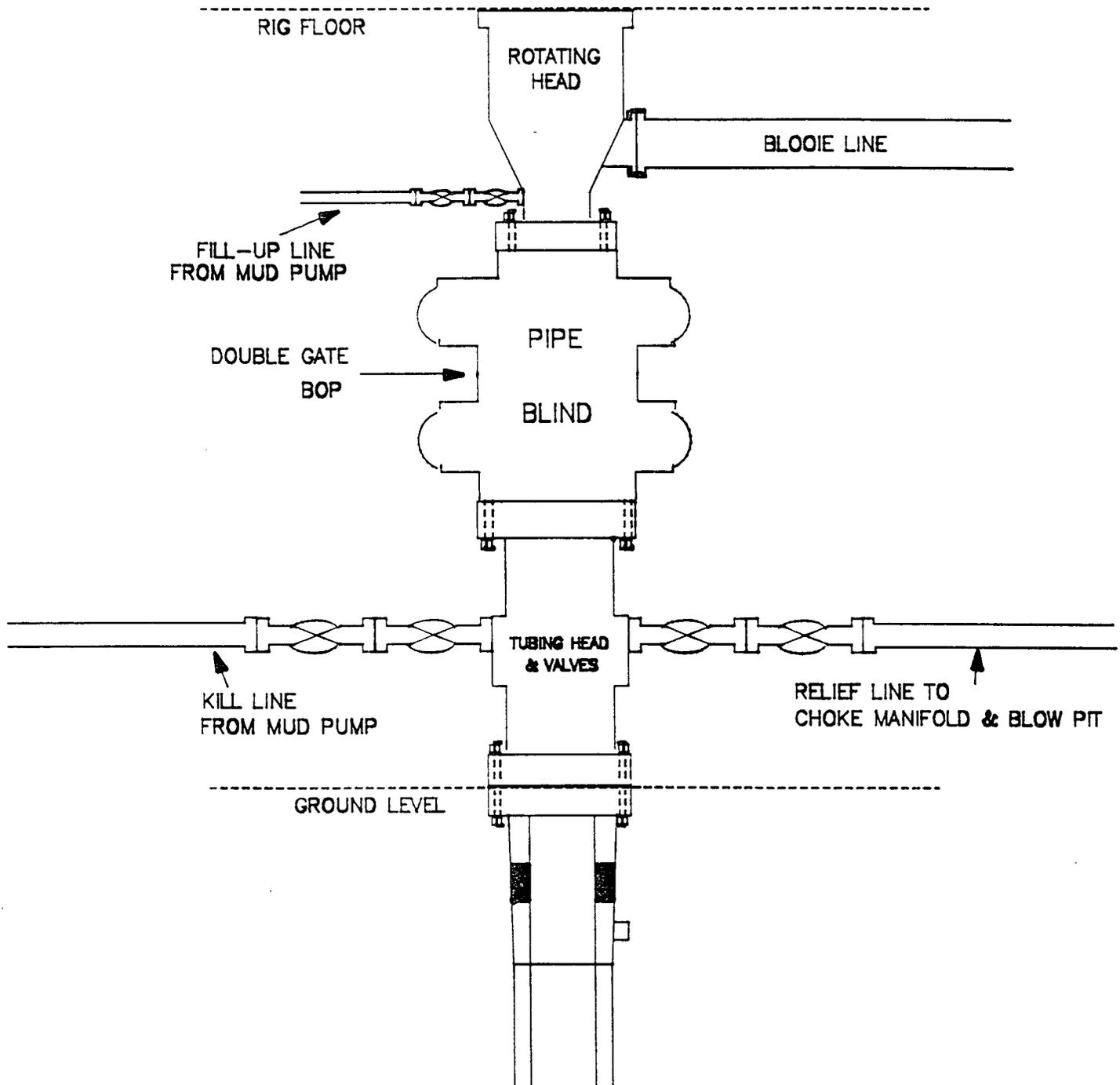
11" Bore, 2000psi minimum working pressure double gate BOP to be equipped with blind and pipe rams. A Schaffer Type 50 or equivalent rotating head to be installed on the top of the BOP. All equipment is 2000psi working pressure/or greater.

Figure #1

MERIDIAN OIL INC.

BOP Configuration

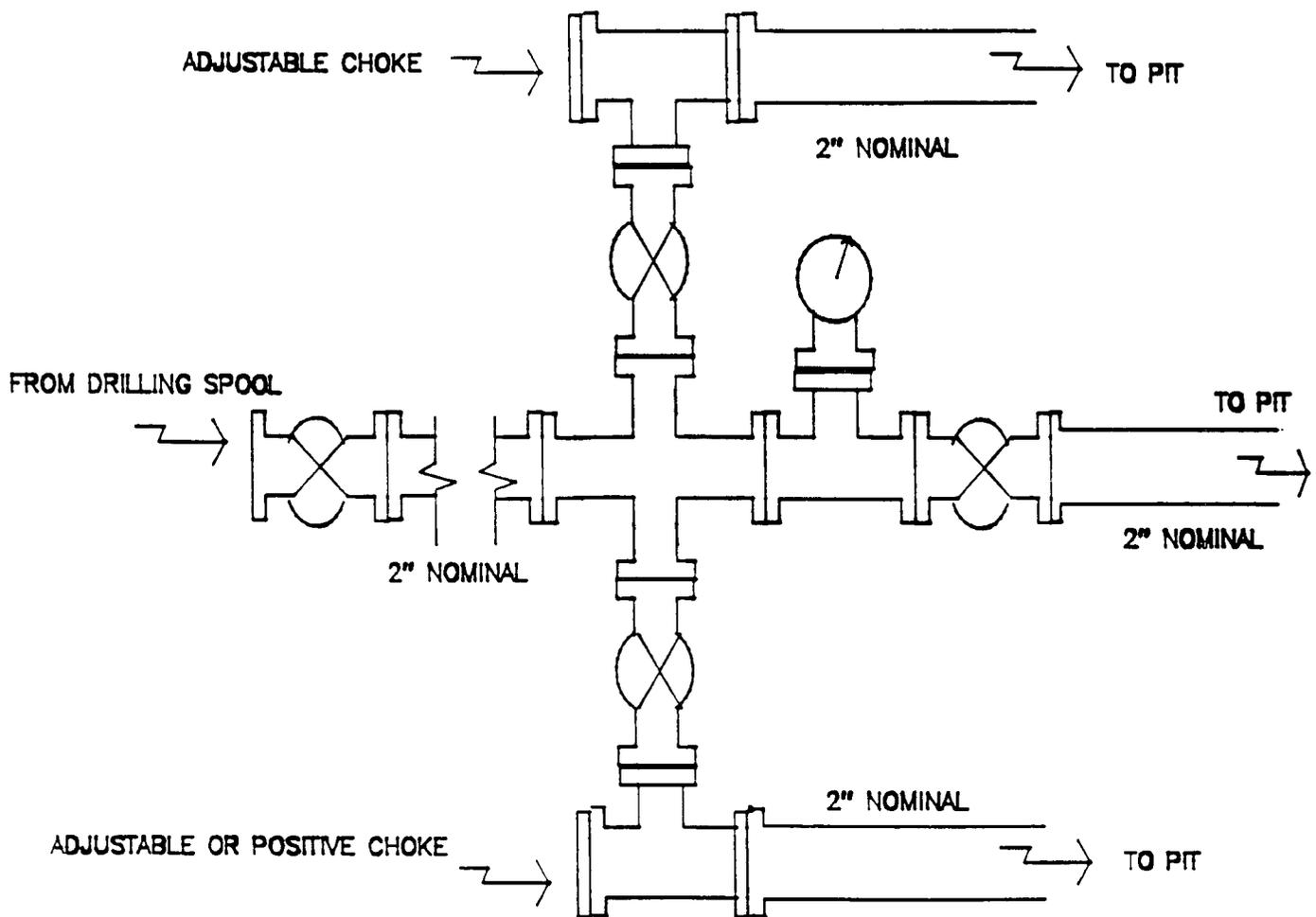
2M psi SYSTEM



Minimum BOP installation for Completion operations. 7 1/16" Bore (6" Nominal), 3000psi minimum working pressure double gate BOP to be equipped with blind and pipe rams.

Figure #2

MERIDIAN OIL INC.
Choke Manifold Configuration
2M psi SYSTEM



Minimum choke manifold installation from surface to Total Depth.
2" minimum, 2000psi working pressure equipment with two chokes.

Figure #3

MERIDIAN OIL
Huerfano Unit #217R
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 Rowley #7 bradenhead located in SW/4 Section 7, T-27-N, R-10-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.

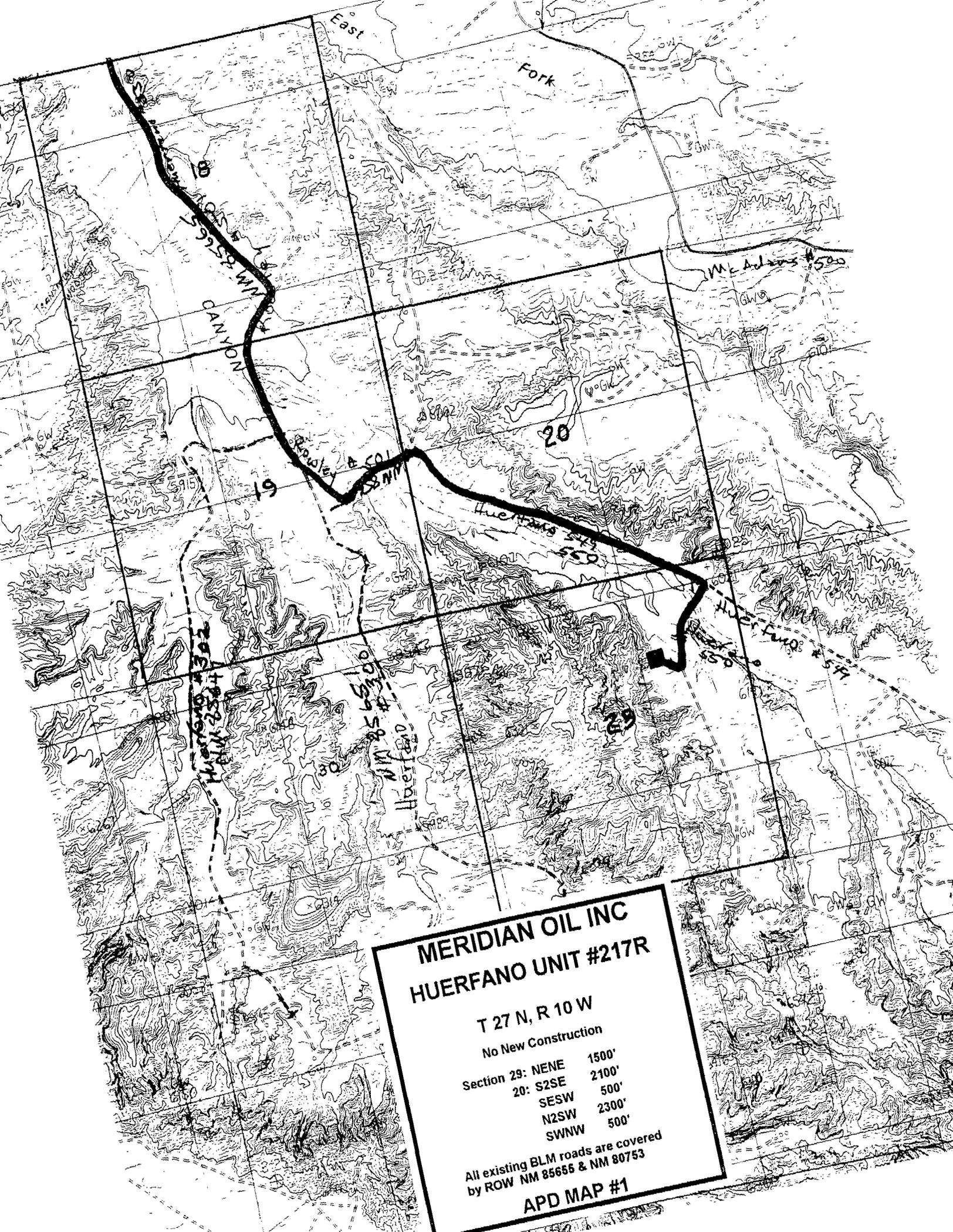
10. Plans for Restoration of the Surface - After completion of the proposed project, the location will be cleaned and leveled. The location will be left in such a condition that will enable reseeding operations to be carried out. Seed mixture as designated by the responsible government agency will be 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 - Bureau of Land Management,
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

1/31/94
Date

JWC:pb



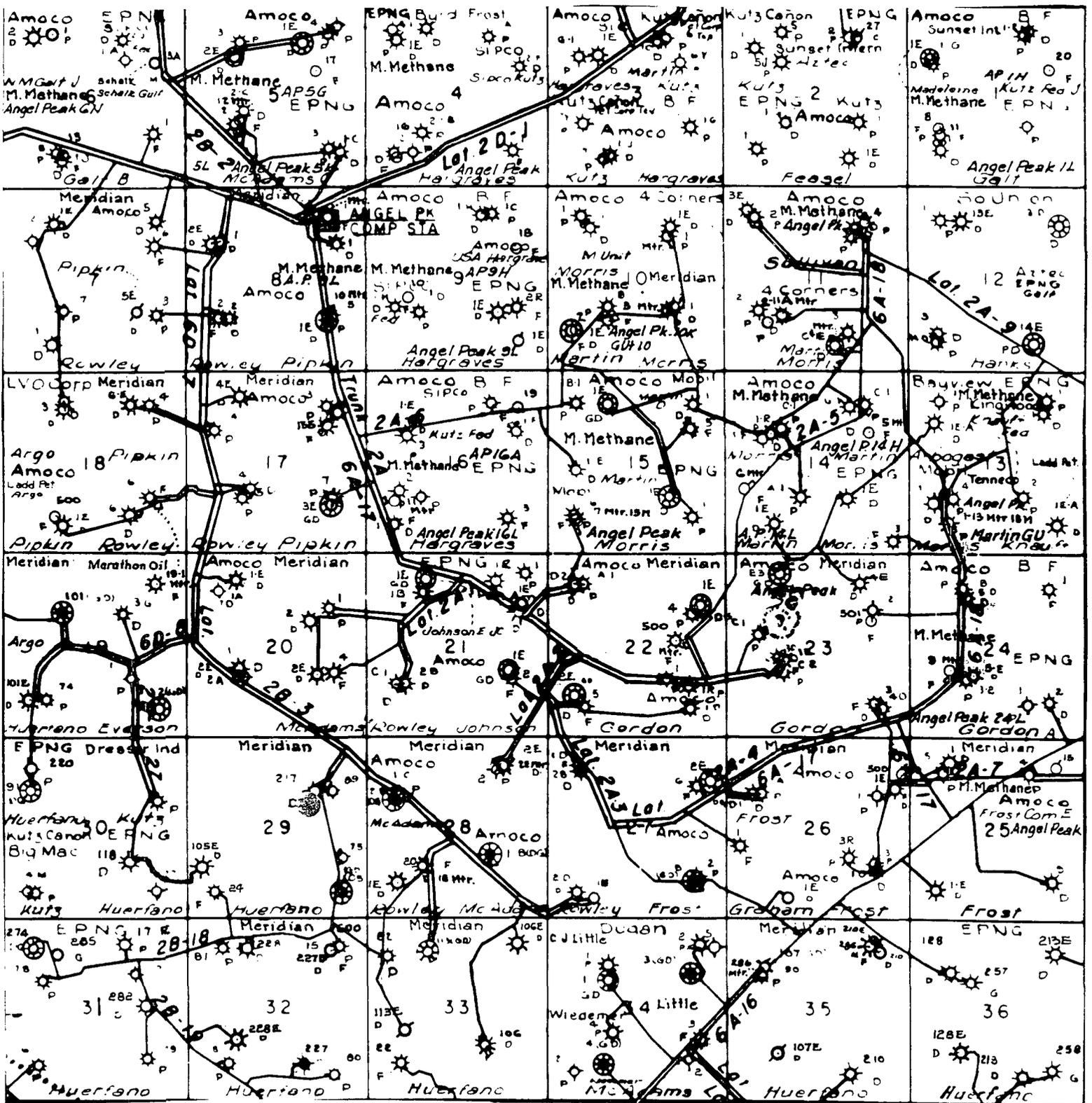
**MERIDIAN OIL INC
HUERFANO UNIT #217R**

T 27 N, R 10 W
No New Construction

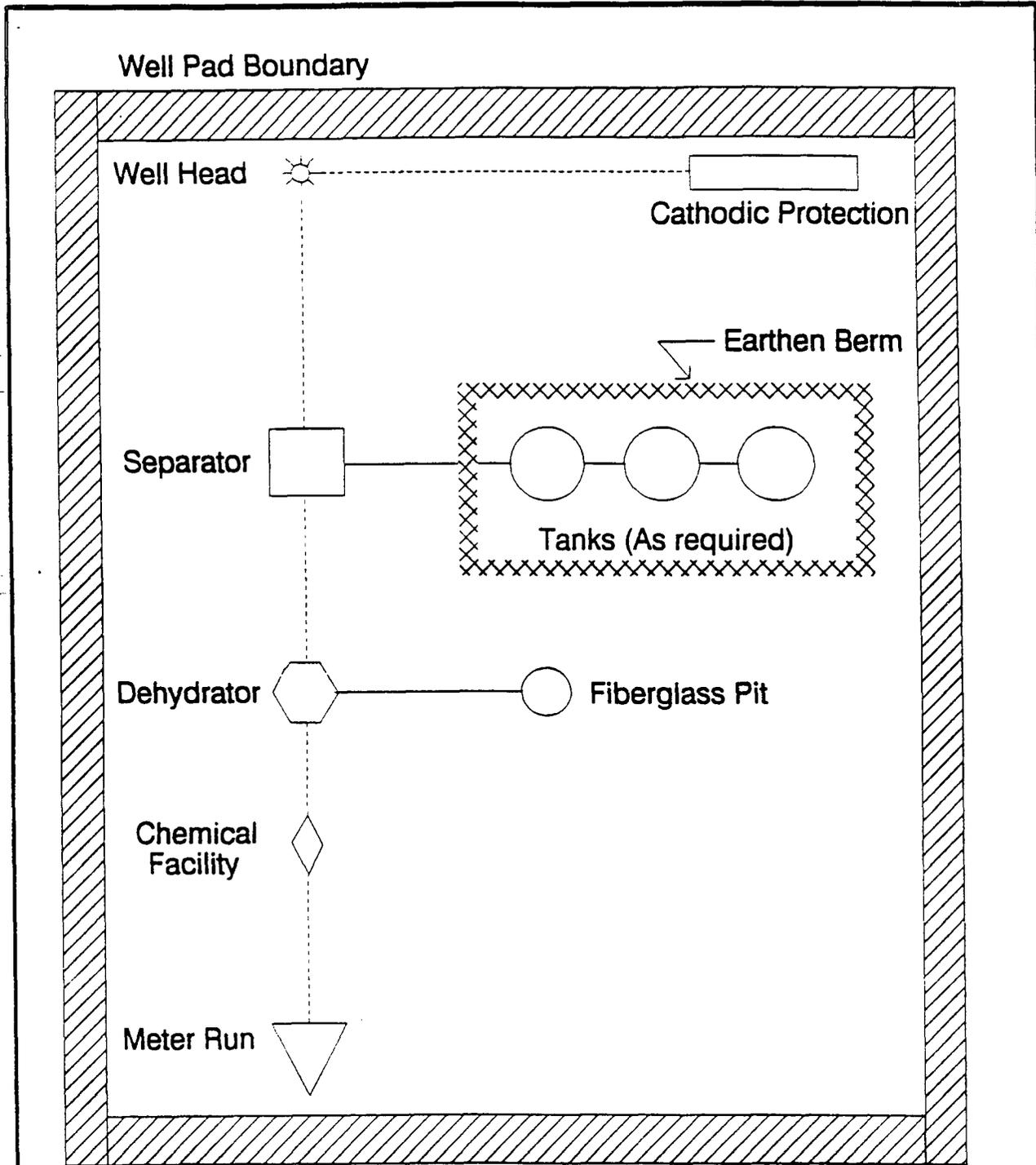
Section 29: NENE	1500'
20: S2SE	2100'
SESW	500'
N2SW	2300'
SWNW	500'

All existing BLM roads are covered
by ROW NM 85655 & NM 80753

APD MAP #1



MERIDIAN OIL INC.
 Pipeline Map
 T-27-N, R-10-W
 San Juan County, New Mexico
 Huerfano Unit #217R
 Map #1A



PLAT #1

MERIDIAN OIL
 ANTICIPATED
 PRODUCTION FACILITIES
 FOR A
 DAKOTA WELL

MERIDIAN OIL

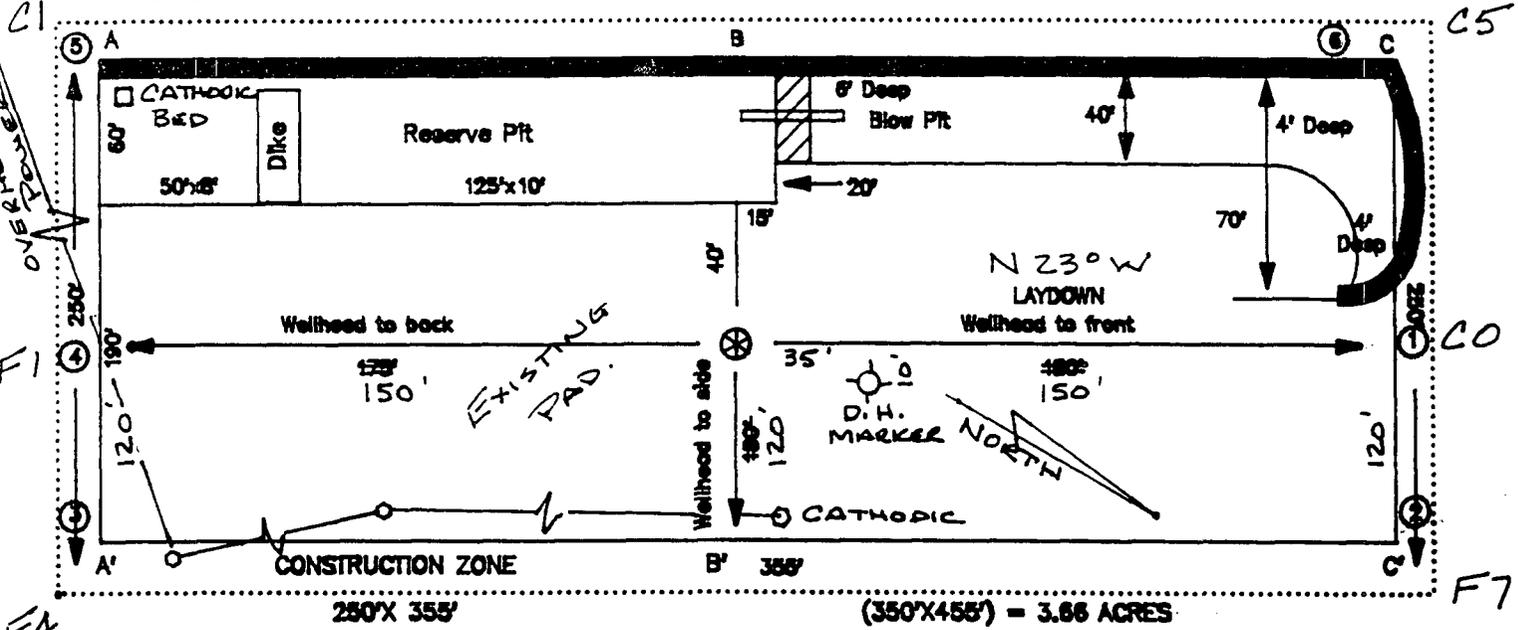
PLAT #2

FC HIGH POTENTIAL

ALL MV

ALL DK

NAME:	MOI HUERFANO UNIT #217R		
FOOTAGE:	1395 FNL	1460 FEL	
SEC:	29	TWN 27	N.R. 10 W NMPM
CO:	SAN JUAN	ST:	N.M.
ELEVATION:	6014	DATE:	10/2/93



FA Reserve Pit Dike : to be 8' above Deep side; (overflow - 3' wide and 1' above shallow side.)
 Blow Pit : overflow pipe halfway between top and bottom and extend over plastic liner and into blow pit.

A-A'

C/L

6024						
6014	[Cross-section diagram showing a trapezoidal structure]					
6004						

B-B'

C/L

6024						
6014	[Cross-section diagram showing a trapezoidal structure]					
6004						

C-C'

C/L

6024						
6014	[Cross-section diagram showing a trapezoidal structure]					
6004						

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-88

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 00, Artesa, NM 88210

DISTRICT III
1000 Rio Grande S.E., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT
All Distances must be from the outer boundaries of the section

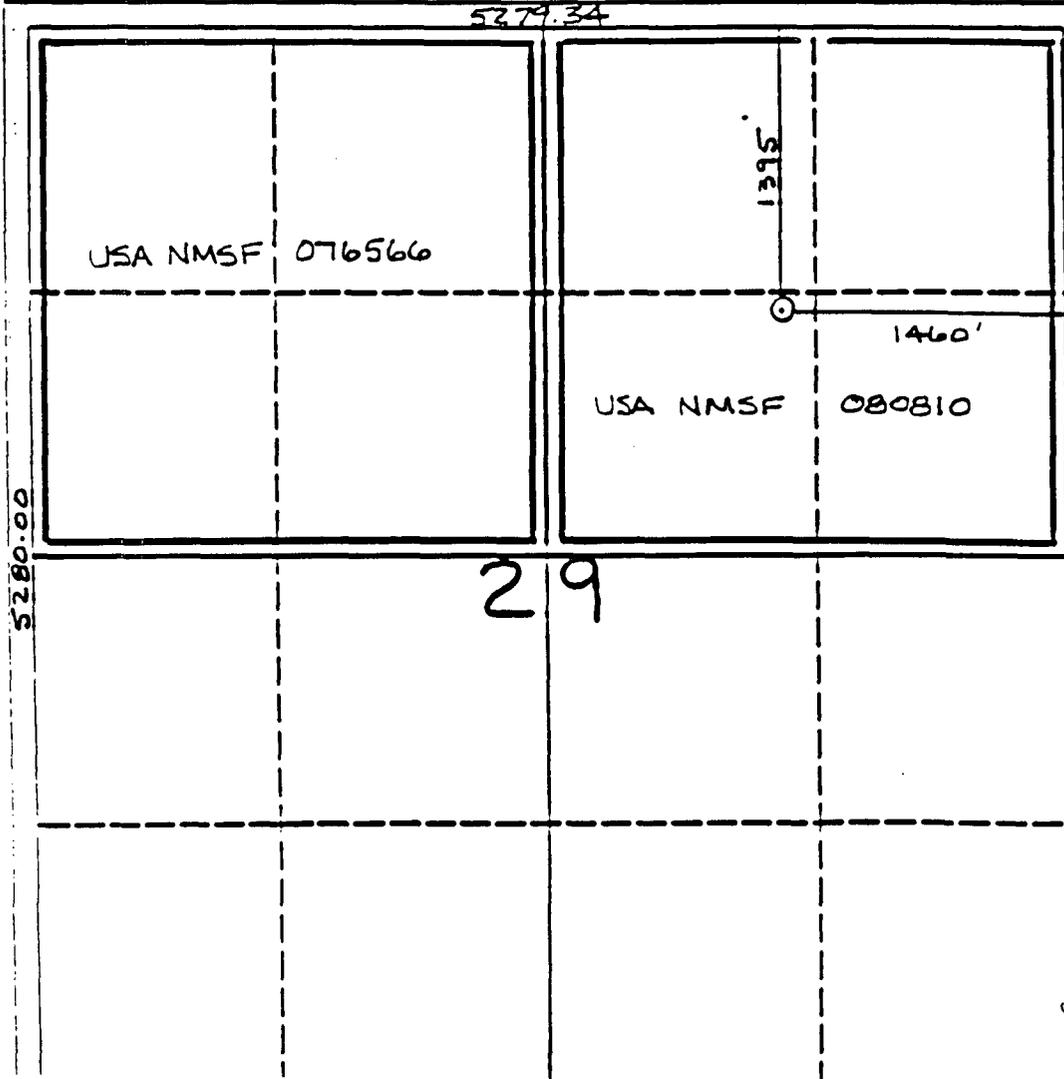
Operator Meridian Oil Inc.		Lease Huerfano Unit		Well No. 217R
Unit Letter G	Section 29	Township 27 North	Range 10 West	County San Juan
Section Footings Location of Well: 1395 feet from the North line and 1460 feet from the East line				
Ground Level Elev. 6014'	Processing Formation Gallup/Dakota	Foot Angel Peak/Basin	Dedication Acreage: 320/320 Acres	

- Outline the acreage dedicated to the subject well by correct points or section corners on this 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 _____ 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 allowance will be accepted to the well until all interests have been consolidated (by communitization, unitization, force-pooling, or otherwise) or until a non-consolidated unit, encompassing 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: Peggy Bradfield
 Position: Regulatory Representative
 Company: Meridian Oil Inc.
 Date: _____

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes, 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: 10-2-93
 Signature: C. EDWARDS
 Position: Professional Surveyor
 License No. 9857

MERIDIAN OIL INC

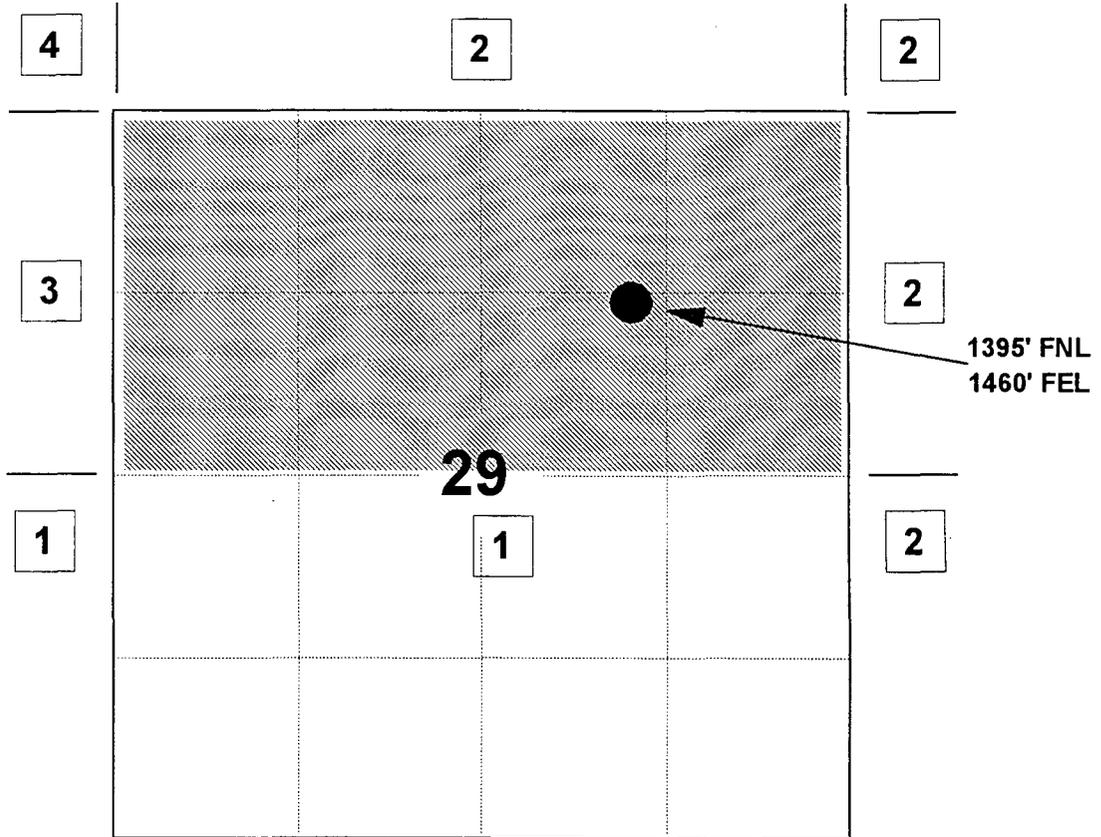
HUERFANO UNIT #217R

OFFSET OPERATOR \ OWNER PLAT

Gallup / Dakota Commingle Well

Unorthodox Gallup \ Dakota Well Location

Township 27 North, Range 10 West



1) Meridian Oil Inc

2) Amoco Production Company

PO Box 800, Denver, CO 80201 &

Conoco, Inc.

10 Desta Dr, Suite 100W, Midland, TX 79705-4500

3) B.B.L. Ltd.

PO Box 911, Brecenridge, TX 76024

4) Meridian Oil Inc &

Marathon Oil Company

PO Box 552, Midland, TX 79702

MERIDIAN OIL INC

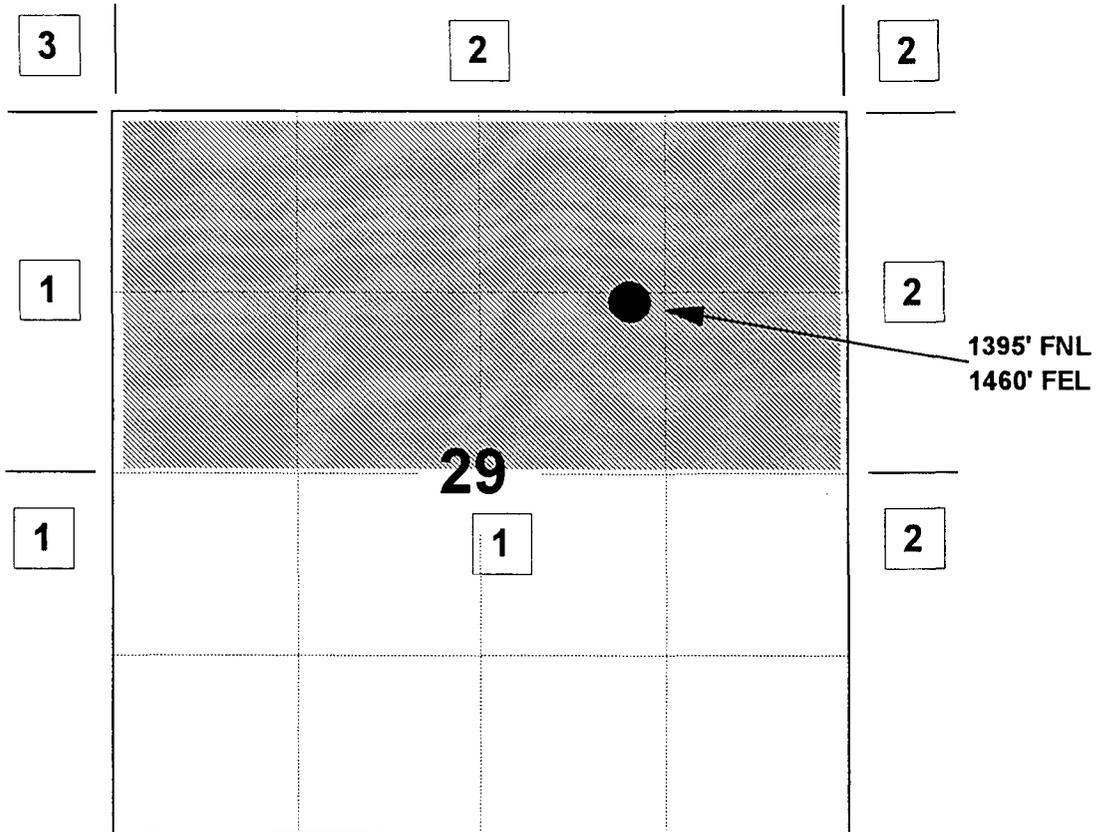
HUERFANO UNIT #217R

OFFSET OPERATOR \ OWNER PLAT

Gallup / Dakota Commingle Well

Unorthodox Gallup \ Dakota Well Location

Township 27 North, Range 10 West



1) Meridian Oil Inc

2) Amoco Production Company

PO Box 800, Denver, CO 80201 &

3) Meridian Oil Inc &

Marathon Oil Company

PO Box 552, Midland, TX 79702

Re: Meridian Oil Inc. Huerfano Unit #217R
1395'FNL, 1460'FEL, Section 29, T-27-N, R10-W - San Juan County, New Mexico
API # 30-045-29089

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.

Gallup Formation

Amoco Production
PO Box 800
Denver, CO 80201

Conoco, Inc.
10 Desta Drive, Suite 100W
Midland, TX 79705-4500

BBL Ltd
PO Box 911
Breckenridge, TX 76024

Marathon Oil
PO Box 552
Midland, TX 79702

Dakota Formation

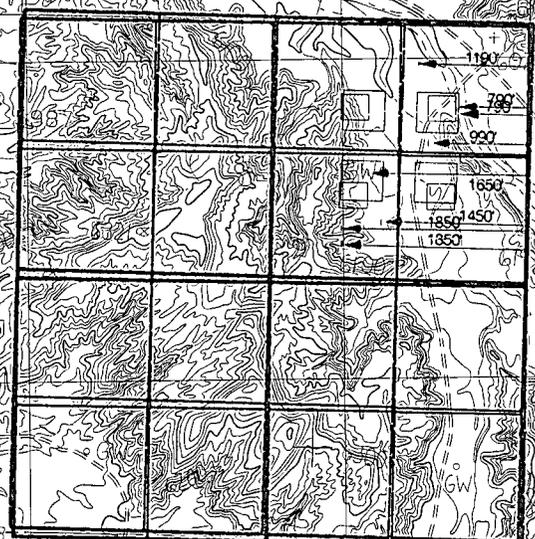
Amoco Production
PO Box 800
Denver, CO 80201

Marathon Oil
PO Box 552
Midland, TX 79702


Reggy A. Bradfield
San Juan County, State of New Mexico
My commission expires August 17, 1996

SAND CANYON

N2 DEDICATION

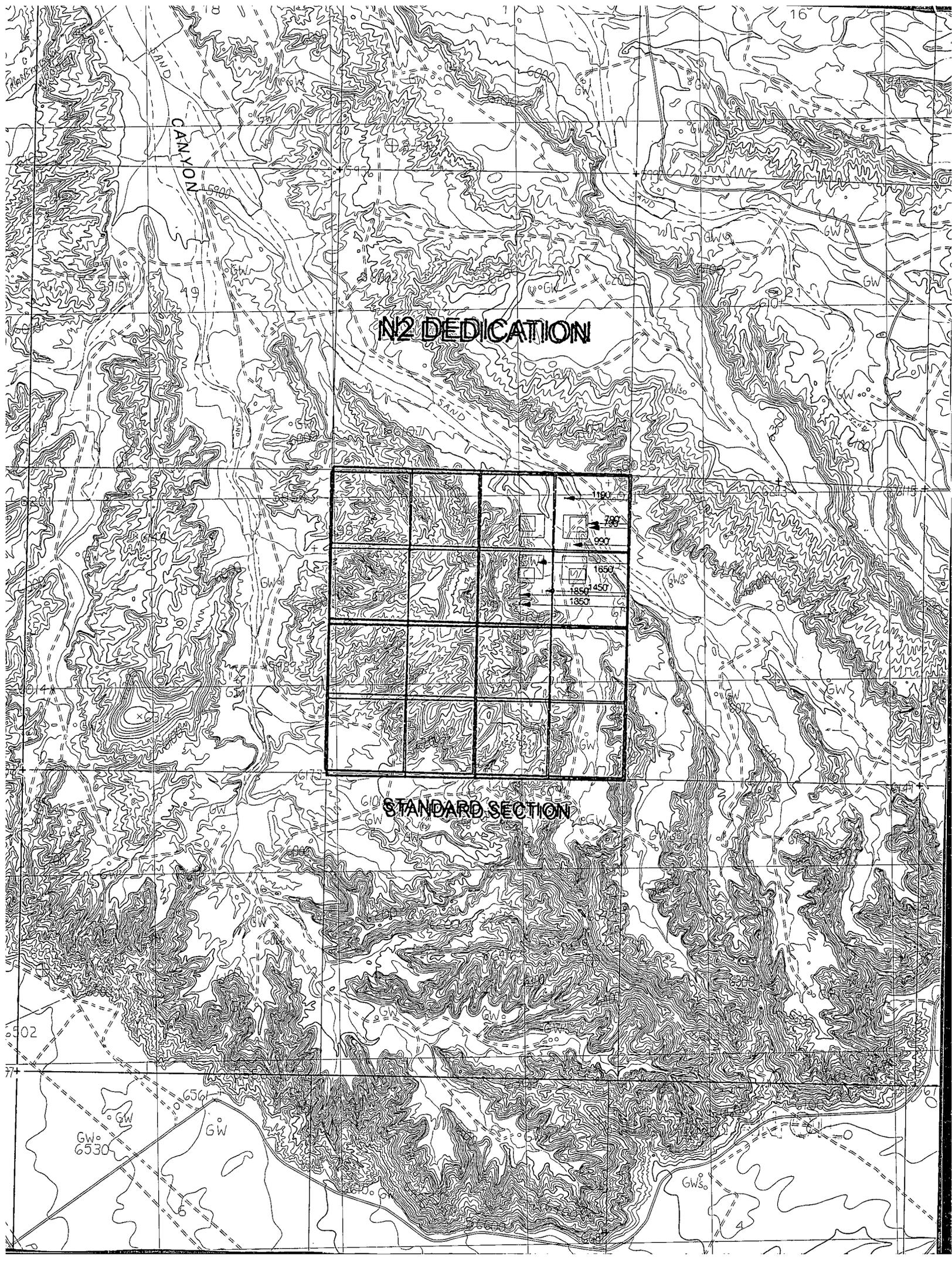


STANDARD SECTION

GW 6530

GW

GW 6530



County San Juan Pool Angels Peak - Gallup Associated

TOWNSHIP 27 North RANGE 10 West NEW MEXICO PRINCIPAL MERIDIAN

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

Description: $\frac{SW}{4}$ Sec. 26; $\frac{1}{2}$ Sec. 27; $\frac{SE}{4}$ Sec. 28; $\frac{E}{2}$ Sec. 33;

All Sec. 34; $\frac{W}{2}$ Sec. 35 (R-1167, 5-1-58)

Reclassified as an Oil Pool (R-1357, 4-1-59)

Ext: $\frac{SW}{4}$ Sec. 28; $\frac{1}{2}$ Sec. 29; All Sec. 32; $\frac{W}{2}$ Sec. 33 (R-1373, 5-1-59)

- $\frac{1}{2}$ $\frac{NW}{4}$ Sec. 28 (R-1489, 10-1-59) - $\frac{SE}{4}$ Sec. 19; $\frac{NW}{4}$ Sec. 29; $\frac{NE}{4}$ Sec. 30 (R-1653, 5-1-60)

- $\frac{W}{2}$ Sec. 19 (R-1443, 5-1-61) - $\frac{NE}{4}$ Sec. 19 (R-2102, 11-1-61)

Ext: All Sec 36 (R-5339, 2-1-77)

Ext: All Sec. 22, $\frac{N}{2}$ Sec. 27 (R-2046, 8-6-82)

Ext: $\frac{NE}{4}$ and $\frac{N}{2}$ $\frac{NW}{4}$ Sec. 28 (R-8273, 8-6-86)

Ext: $\frac{SE}{4}$ Sec. 30, $\frac{E}{2}$ Sec. 31 (R-9667, 5-6-92) Ext: $\frac{W}{2}$ Sec. 30, $\frac{W}{2}$ Sec. 31 (R-9801, 12-16-92)

MERIDIAN OIL

July 6, 1994

Sent Federal Express

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

Re: Meridian Oil Inc. Huerfano Unit #217R
1395'FNL, 1460'FEL, Section 29, T-27-N, R10-W - San Juan County, New Mexico
API # 30-045-29089

Dear Mr. LeMay:

Meridian Oil Inc. is applying for administrative approval of a non-standard location for the above location in both the Basin Dakota and Angels Peak Gallup formations. This application for the referenced location is due to terrain as shown on the topographic map and the presence of endangered plants. This location is on existing disturbance.

This well is planned as a Basin Dakota/Angels Peak Gallup well, and administrative order DHC-1013 has been received to commingle this well.

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
4. 7.5 minute topographic map showing the orthodox windows for the north half dedication for both the Basin Dakota and Angels Peak Gallup; and enlargement of the map to define topographic features.

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.

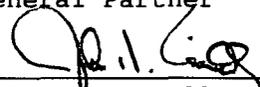
WAIVER

The undersigned hereby waives objection to Meridian Oil Inc.'s application for a non-standard location for their Huerfano Unit #217R as proposed above.

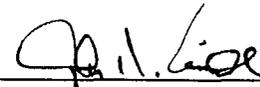
By: _____ Date: July 25, 1994

B.B.L., LTD.

By: BRECK OPERATING CORP.,
General Partner

By: 
John H. Connally, President

STATES, INC.

By: 
John H. Connally, President

BOC
APPROVED
AS TO FORM

AS TO CONTENT
AS TO INTEREST
ADMINISTRATION



MERIDIAN OIL

OIL CONSERVATION DIVISION
RECEIVED

JUL 29 AM 8 50

RECEIVED
JUL 11 1994

July 6, 1994

Sent Federal Express

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

NSL-3420

Re: Meridian Oil Inc. Huerfano Unit #217R
1395'FNL, 1460'FEL, Section 29, T-27-N, R10-W, San-Juan County, New Mexico
API # 30-045-29089

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Sincerely,

Peggy Bradfield
Regulatory/Compliance Representative
encs.

WAIVER

Conoco Inc hereby waives objection to Meridian Oil Inc.'s application for a non-standard location for their Huerfano Unit #217R as proposed above.

By: *Peggy Bradfield* Date: 7/30/94

xc: (see attached)

Mike Stogner

From: Ernie Busch
To: Mike Stogner
Subject: MERIDIAN OIL INC (NSL)
Date: Tue, Jul 12, 1994 1:46PM

WELL NAME: HUERFANO UNIT #217R
LOCATION: G-29-27N-10W
FOOTAGE: 1395' FNL; 1460' FEL
RECOMMEND: APPROVAL

NSL-3420