

MERIDIAN OIL

OIL CONSERVATION DIVISION
RECEIVED

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August 15, 1995

Sent Federal Express

Mr. William LeMay
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

*Und. South Blanco
P.C.*

Re: San Juan 29-7 Unit #151
2005'FNL, 1030'FEL, Section 35, T-29-N, R-7-W - Rio Arriba County, New Mexico
API # 30-039-(not assigned)

Dear Mr. LeMay:

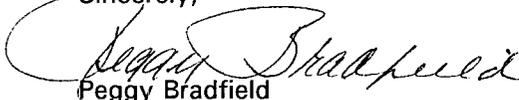
Meridian Oil Inc. is applying for administrative approval of a non-standard location for the above location in the Pictured Cliffs formation. This application for the referenced location is due to terrain as shown on the topographic map and the presence of archaeology.

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 northeast quarter for the Pictured Cliffs, 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 \$150,000.

Meridian Oil is the offset operator in the San Juan 29-7 Unit.

Sincerely,


Peggy Bradfield
Regulatory/Compliance Representative
encs.

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-078425 Unit Reporting Number	
1b. Type of Well GAS	6. If Indian, All. or Tribe	
2. Operator MERIDIAN OIL	7. Unit Agreement Name San Juan 29-7 Unit	
3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700	8. Farm or Lease Name San Juan 29-7 Unit 9. Well Number 151	
4. Location of Well 2005' FNL, 1030' FEL Latitude 36° 41' 05", Longitude 107° 32' 03"	10. Field, Pool, Wildcat Blanco Pic.Cliffs 11. Sec., Twn, Rge, Mer. (NMPM) Sec 35, T-29-N, R-7-W API # 30-039-	
14. Distance in Miles from Nearest Town 6 miles to Navajo City	12. County Rio Arriba	13. State NM
15. Distance from Proposed Location to Nearest Property or Lease Line 1030'	17. Acres Assigned to Well 160 NE/4	
16. Acres in Lease	17. Acres Assigned to Well 160 NE/4	
18. Distance from Proposed Location to Nearest Well, Drlg, Compl, or Applied for on this Lease 115'	20. Rotary or Cable Tools Rotary	
19. Proposed Depth 3770'	22. Approx. Date Work will Start 3rd quarter 1995	
21. Elevations (DF, FT, GR, Etc.) 6816' GR	22. Approx. Date Work will Start 3rd quarter 1995	
23. Proposed Casing and Cementing Program See Operations Plan attached		
24. Authorized by:  Regional Drilling Engineer	Date <u>6-3-95</u>	

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

Archaeological Report submitted by Arboles Contract Archaeology Tech. Report #355 dated 10-28-93
Threatened and Endangered Species Report submitted by Ecosystem dated 03-29-94
NOTE: This format is issued in lieu of U.S. BLM Form 3160-3

Schemes to Administrators
 District Offices
 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, Artesa, NM 88210

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

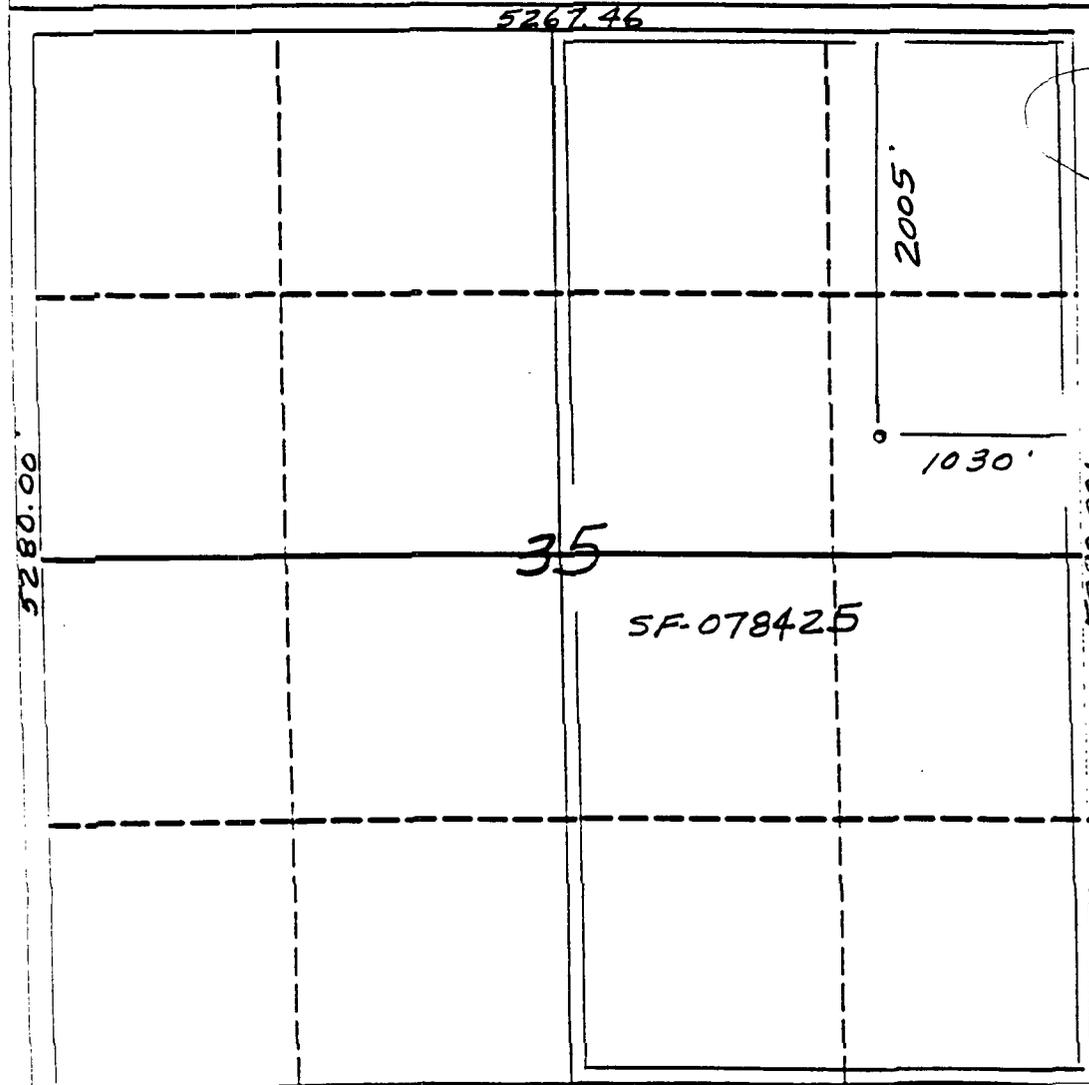
WELL LOCATION AND ACREAGE DEDICATION PLAT
 All Distances must be from the outer boundaries of the section

Operator Meridian Oil Inc.		Lease San Juan 29-7 Unit		Well No. 151
Unit Lease H	Section 35	Township 29 North	Range 7 West	County Rio Arriba

Actual Footage Location of Well:
 2005 feet from the North line and 1030 feet from the East line

Ground level Elev. 6816'	Producing Formation Pictured Cliffs	Pool Blanco	Dedicated Acreage: 160 Acres
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- Outline the acreage dedicated to the subject well by colored 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).
- 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 well be assigned to the well until all interests have been consolidated (by communitization, unitization, force-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.

Peggy Bradford
 Signature

Peggy Bradford
 Printed Name

Regulatory Representative
 Position

Meridian Oil Inc.
 Company

10-29-93
 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.

9-17-93
 Date

NEEDLE C. EDWARDS
 Signature

Needle C. Edwards
 Professional Surveyor

9857
 State of New Mexico

OPERATIONS PLAN

Well Name: San Juan 29-7 Unit #151
Location: 2005'FNL, 1030'FEL Section 35, T-29-N, R-07-W
 Rio Arriba County, New Mexico
 Latitude 36° 41' 05", Longitude 107° 32' 03"
Formation: Blanco Pictured Cliffs
Elevation: 6816'GL

Formation:	Top	Bottom	Contents
Surface	San Jose	2700'	
Ojo Alamo	2700'	2845'	aquifer
Kirtland	2845'	3385'	
Fruitland	3385'	3620'	
Fruitland Coal Top	3388'	3618'	gas
Pictured Cliffs	3620'	3762'	gas
Lewis	3762'	3770'	
Total Depth	3770'		

Logging Program: Mud logs from 2700' 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
200-3770'	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 - 3770'	4 1/2"	10.5#	K-55

Tubing Program:

0 - 3770'	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 @ 2845'. Two turbolizing type centralizers - one below and one into the base of the Ojo Alamo @ 2845'. 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" 2000 psi xmas tree assembly.

San Juan 29-7 Unit #151

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/45 sx Class "B" 65/35 Poz w/6% gel, 2% calcium chloride, 6.25# gilsonite/sx and 1/4# flocele/sx (80 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 @ 3335'.

Second stage - lead w/718 sx of Class "B" 65/35 Poz w/6% gel, 2% calcium chloride, 6.25# gilsonite/sx and 1/4# flocele/sx (1271 cu.ft.). Tail w/50 sx Class "B" w/2% calcium chloride (59 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.

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 psi/30 min.

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

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

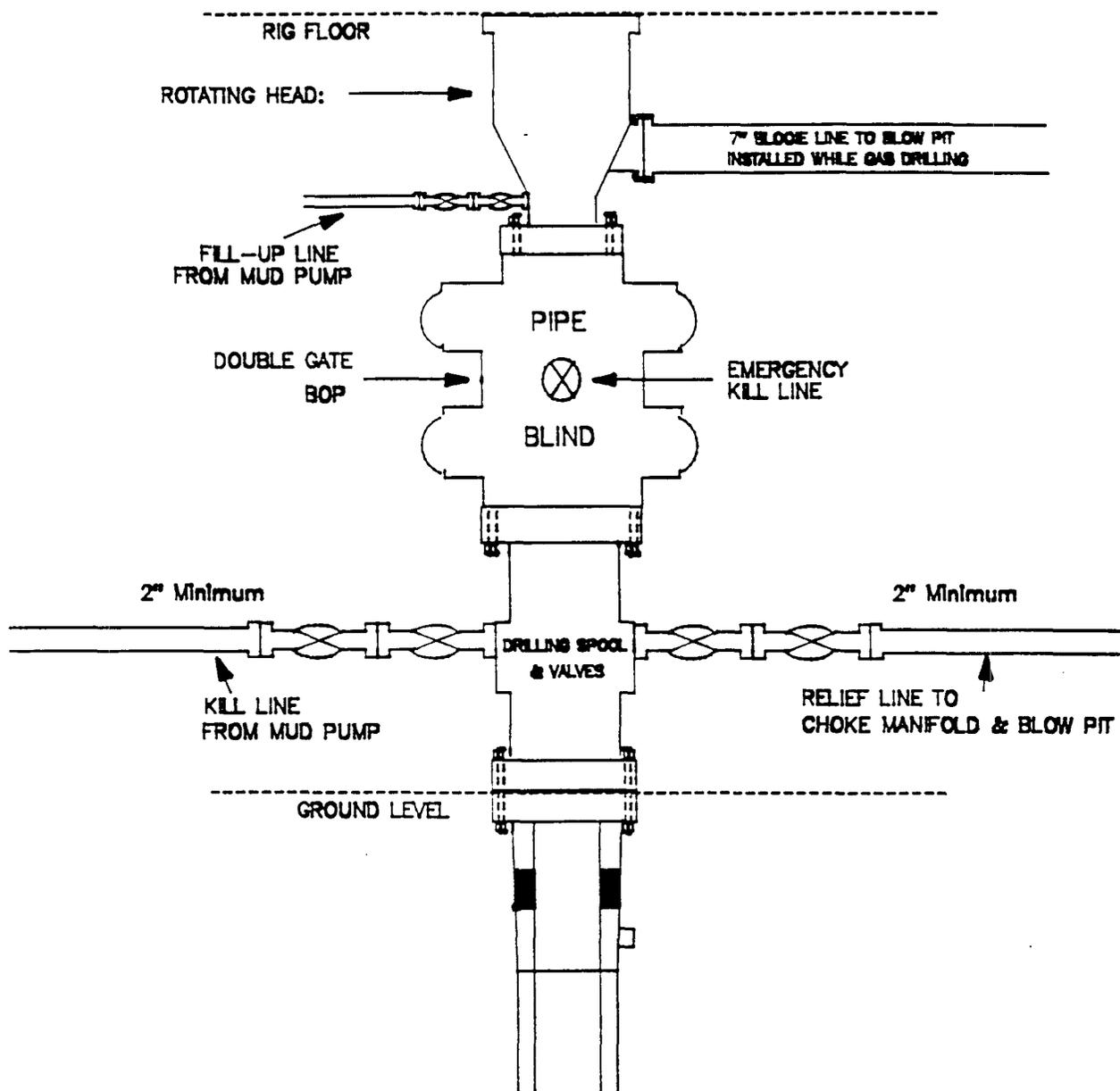
Pipe rams will be actuated to least once each day and blind rams actuated once each trip to test proper functioning. An upper kelly cock valve with handle and drill string safety valves to fit each drill string will be maintained and available on the rig floor.

Additional information:

- * The Pictured Cliffs formation will be completed.
- * Anticipated pore pressure for the Fruitland is 1150 psi and for the Pictured Cliffs is 1150 psi.
- * This gas is dedicated.
- * The northeast quarter of Section 35 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.

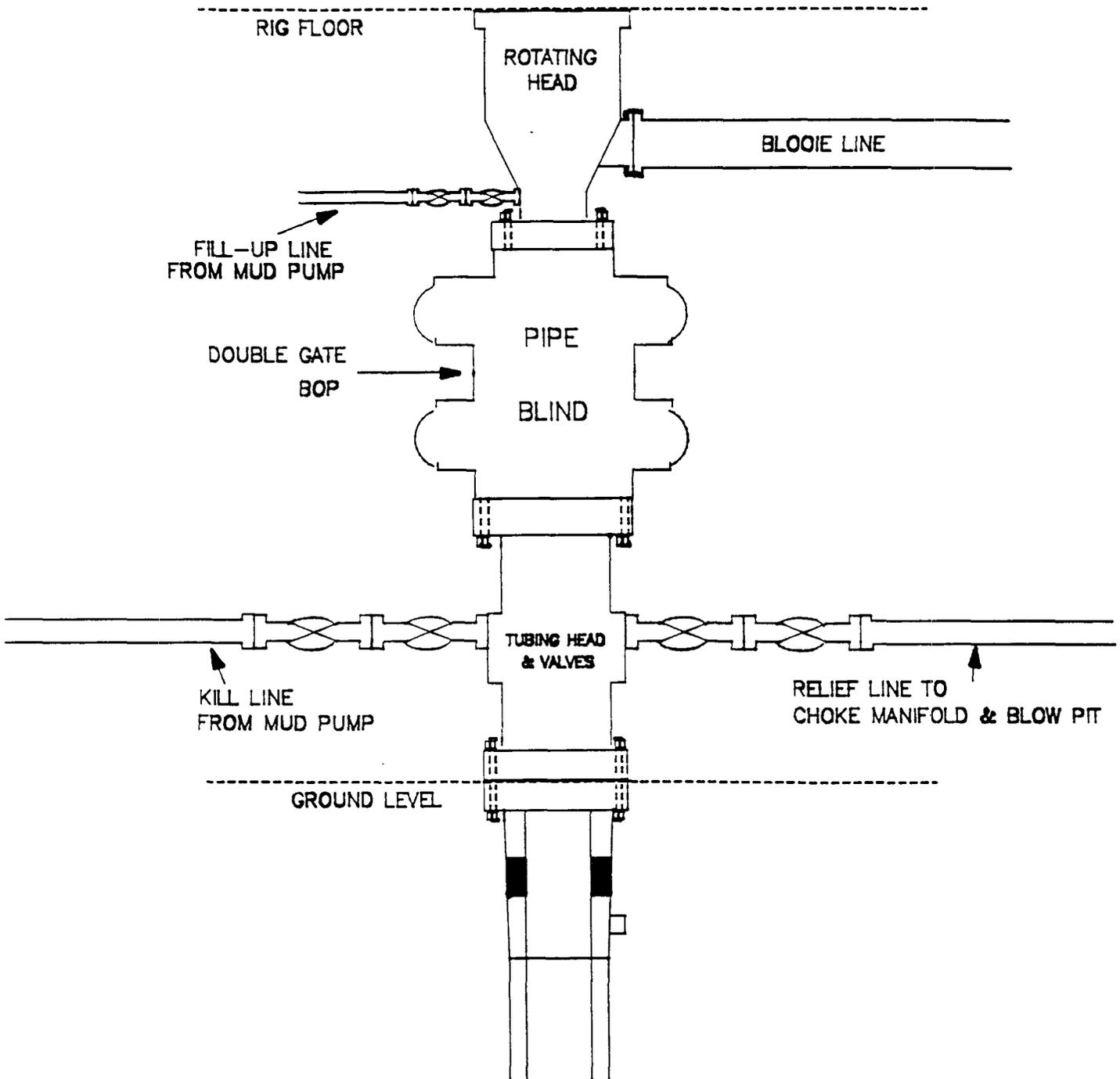
BOP Configuration 2M psi SYSTEM



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

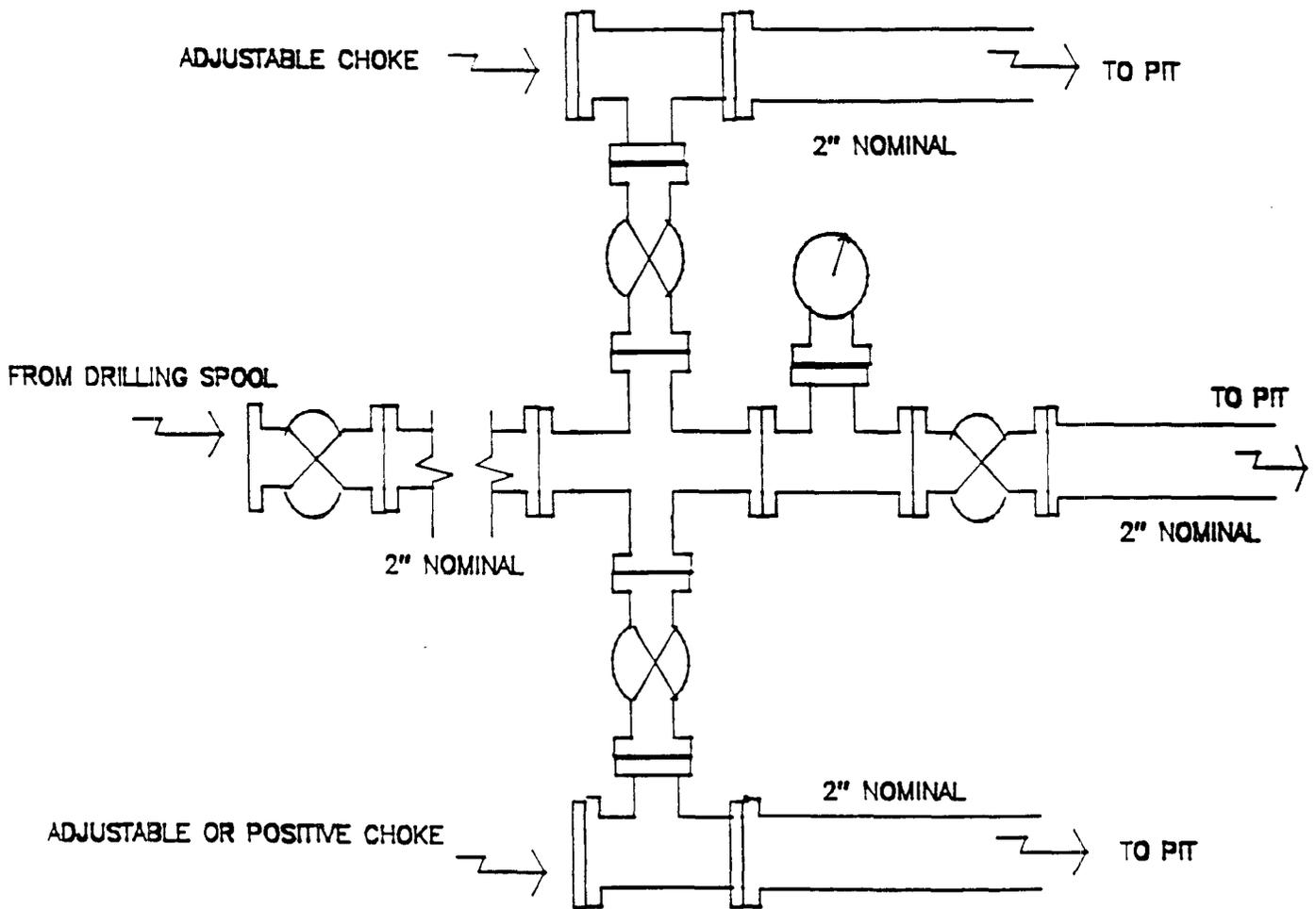
MERIDIAN OIL INC.
BOP Configuration
2M psi SYSTEM



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
San Juan 29-7 Unit #151
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 Ridge Road Water Well #1 located NE Section 28, T-29-N, R-7-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

11-3-93
Date

JWC:pb

CANYON

MERIDIAN OIL INC SAN JUAN 29-7 UNIT #151

T 29 N, R 7 W

No New Construction

T29N, R7W		T28N, R7W	
Section 35: SENE	1000'	Section 12: NWSE	1400'
SWNE	200'	E2SE	1800'
SESW	1900'	S2SW	1700'
N2SW	2700'	NWSW	1200'
34: N2SE	2500'	13: N2NE	1900'
W2NE	3800'	SWNE	700'
NENE	1500'	S2NW	4100'
		N2NW	2000'
		14: SENE	1500'
		11: NESE	1600'

APD MAP #1

FEE
LANDS

27

San Rafael
Spring

26

NEW BLM
ROW

34

35

36

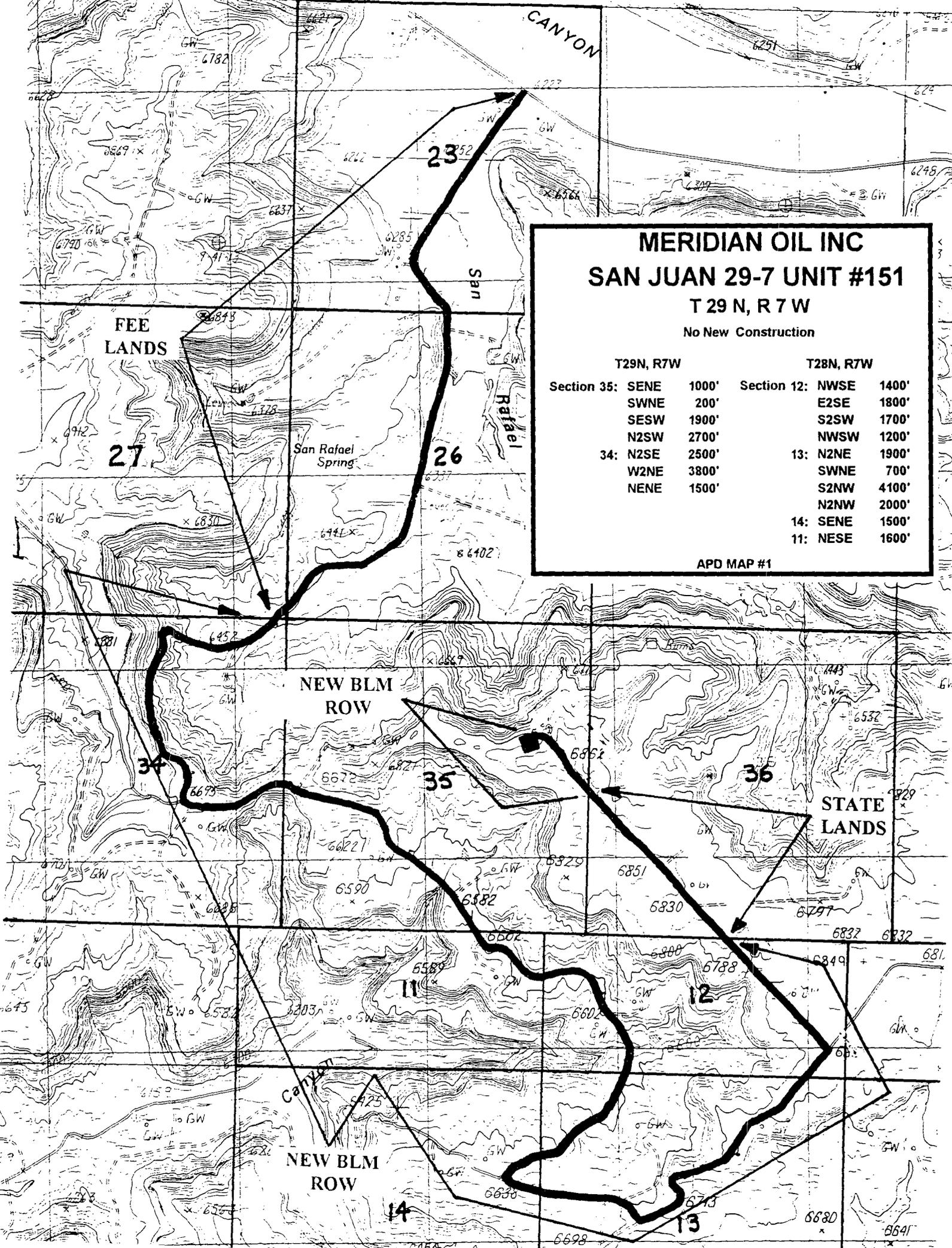
STATE
LANDS

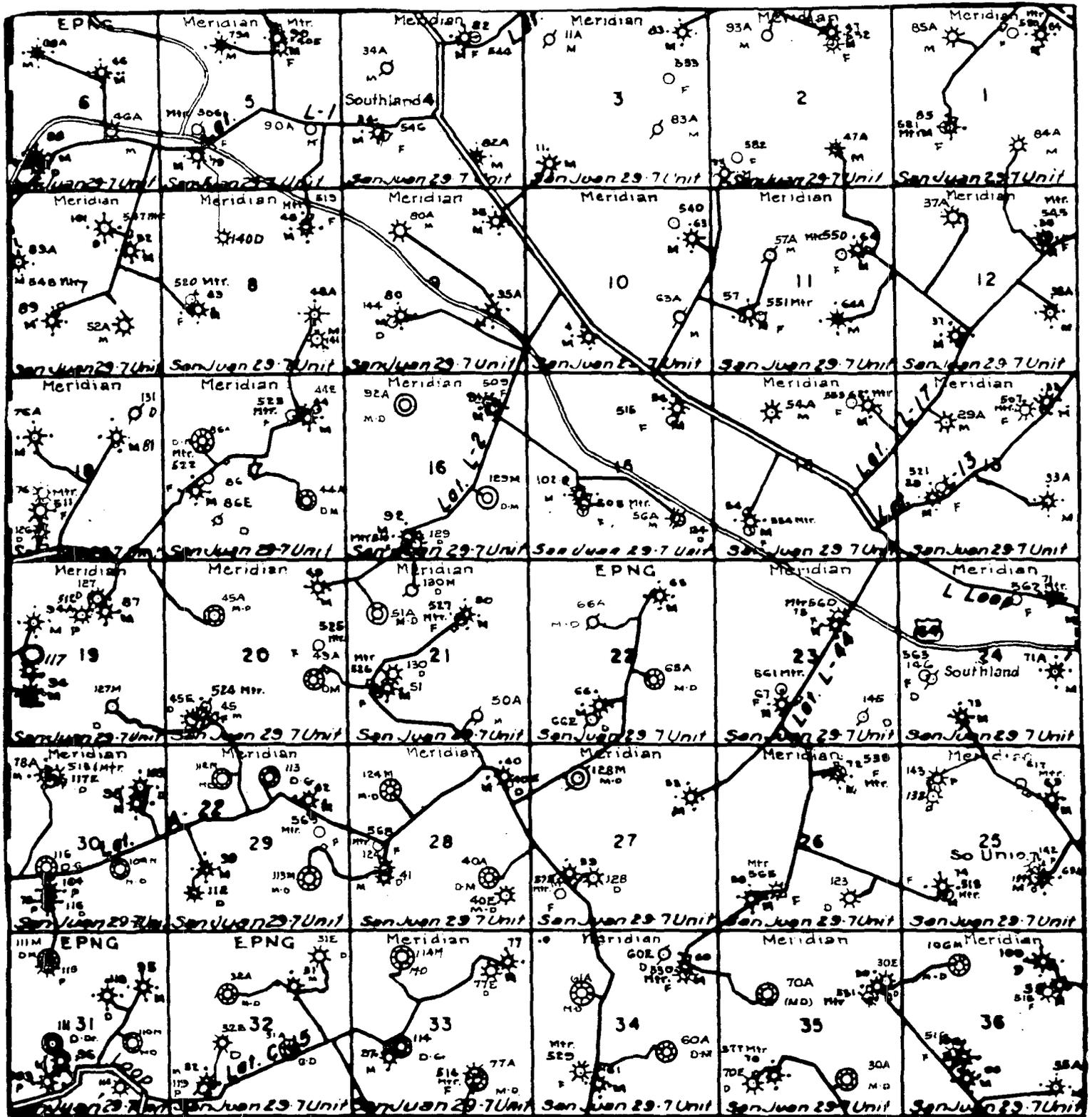
CANYON
NEW BLM
ROW

14

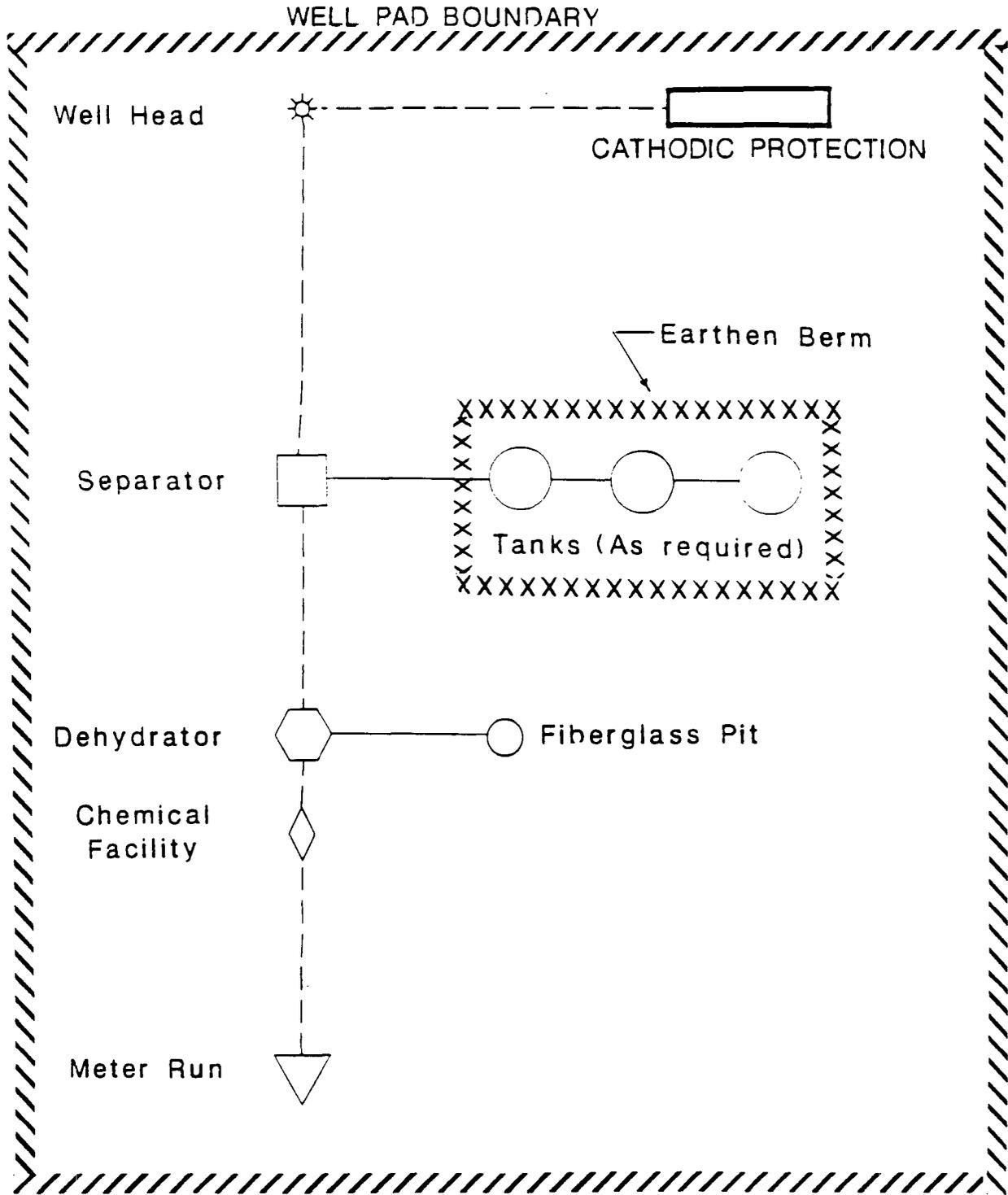
12

13





MERIDIAN OIL INC.
 Pipeline Map
 T-29-N, R-07-W
 San Juan County, New Mexico
 San Juan 29-7 Unit #151
 Map #1A



MERIDIAN OIL

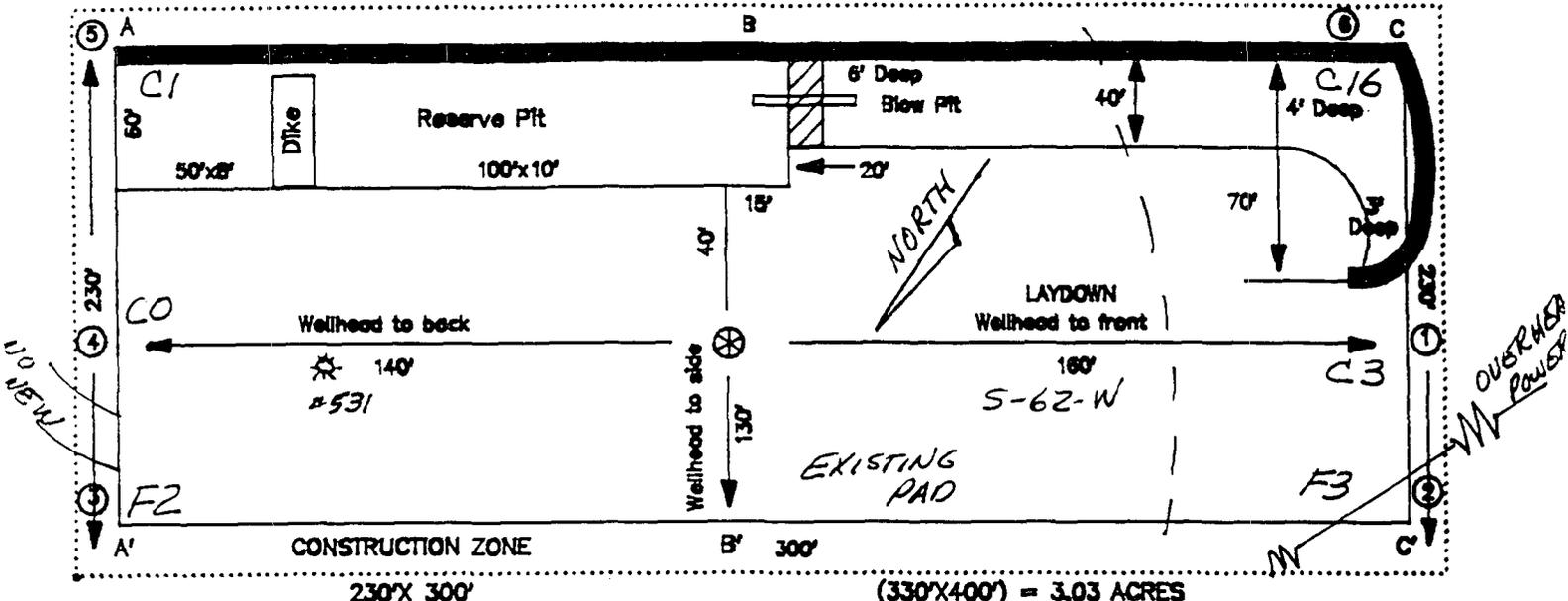
ANTICIPATED
 PRODUCTION FACILITIES
 FOR A
 PICTURED CLIFFS WELL

MERIDIAN OIL

PLAT #1

PC/FC LOW POTENTIAL

NAME: M.O. SAN JUAN 29-7 UNIT #151
 FOOTAGE: 2005 FNL 1030 FEL
 SEC 35 TWN 29 N.R. 7 W NMPM
 CO: Rio Arriba ST: N.M.
 ELEVATION: 6816 DATE: 9/17/93

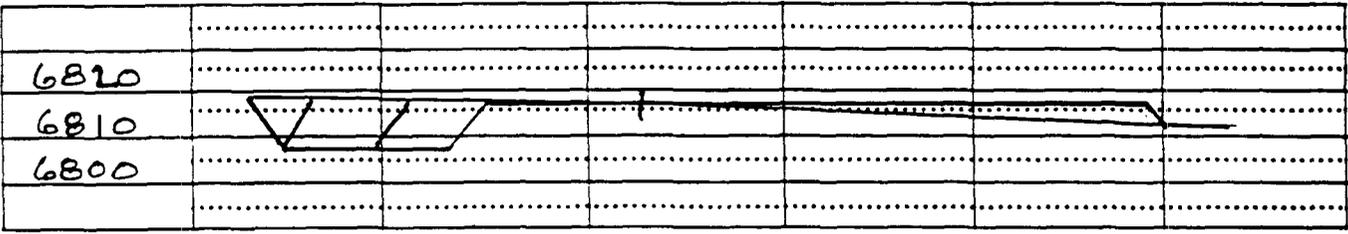


Reserve Pft Dike : to be 5' above Deep side; { overflow - 3' wide and 1' above shallow side. }

Blow Pft : overflow pipe halfway between top and bottom and extend over plastic liner and into blow pit.

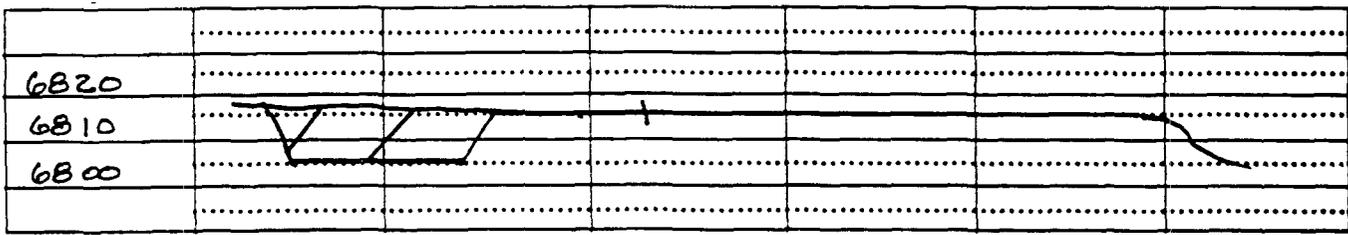
A-A'

C/L



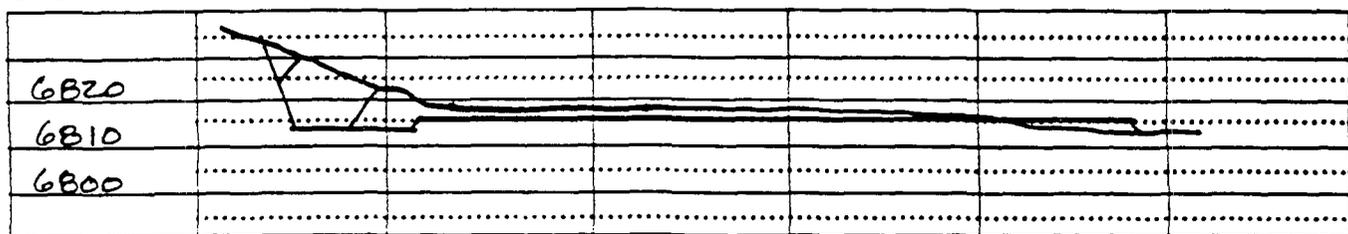
B-B'

C/L



C-C'

C/L



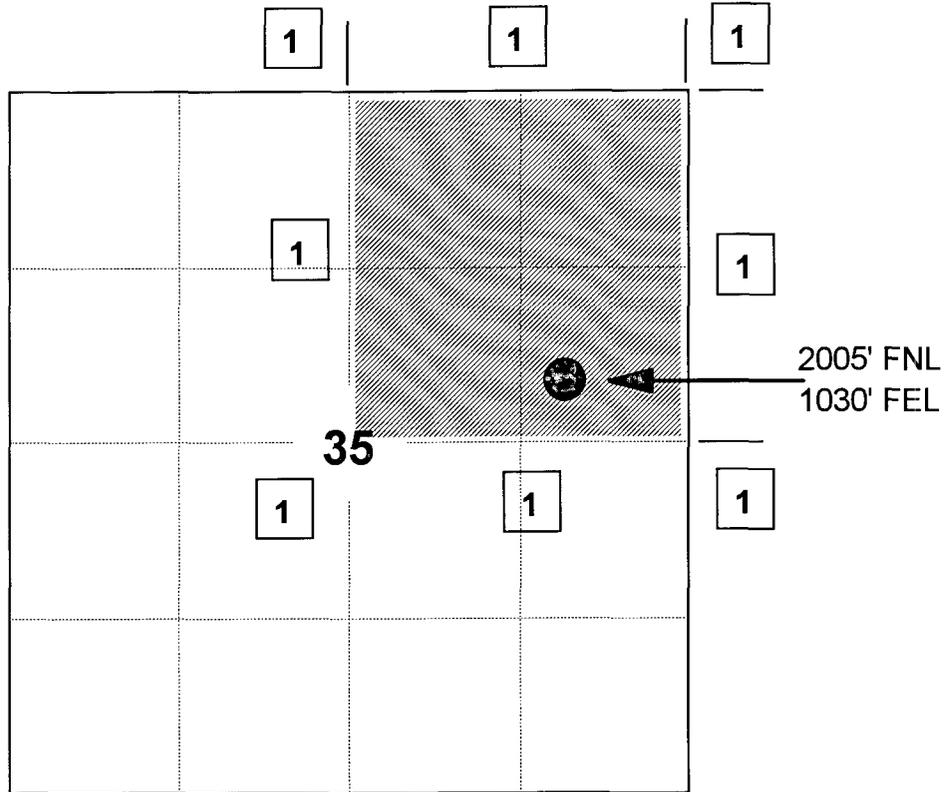
MERIDIAN OIL INC

SAN JUAN 29-7 UNIT #151

OFFSET OPERATOR PLAT

Unorthodox Pictured Cliffs Location

Township 29 North, Range 7 West



1) Meridian Oil Inc

Pictured Cliffs Formation

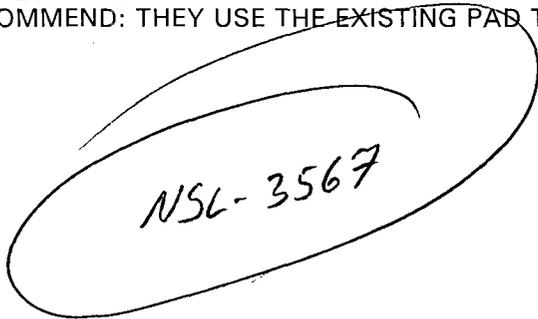


Mike Stogner

From: Ernie Busch
To: Mike Stogner
Subject: MERIDIAN OIL INC.
Date: Tuesday, September 05, 1995 7:08AM
Priority: High

SAN JUAN 29-7 UNIT #151
2005' FNL; 1030' FEL
H-35-29N-07W

RECOMMEND: THEY USE THE EXISTING PAD THEY HAVE IN THE WINDOW. DO NOT APPROVE!



NSL-3567

Sec : 35 Twp : 29N Rng : 07W Section Type : NORMAL

D 40.00 Federal owned U	C 40.00 Federal owned U	B 40.00 Federal owned U	A 40.00 Federal owned U
E 40.00 Federal owned U	F 40.00 Federal owned U A	G 40.00 Federal owned U	H 40.00 Federal owned U A A A

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