

January 3, 1996

Sent Federal Express

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

Re: Payne #2E  
1845'FSL, 1895'FWL Section 21, T-32-N, R-10-W - San Juan County, New Mexico  
API # 30-045-(not yet assigned)

Dear Mr. LeMay:

Meridian Oil Inc. is applying for administrative approval of a non-standard location for the above location in the Basin Dakota formation. This application for the referenced location is due to terrain as shown on the topographic map, the presence of extensive archaeology and the presence of pipelines, and at the request of the Bureau of Land Management.

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, 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,

A handwritten signature in cursive script that reads "Peggy Bradfield".

Peggy Bradfield  
Regulatory/Compliance Representative  
encs.

**WAIVER**

\_\_\_\_\_ hereby waives objection to Meridian Oil's application for a non-standard location for their Payne #2E as proposed above.

By: \_\_\_\_\_ Date: \_\_\_\_\_

xc: see attached list

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

|                                                                                                                                      |                                                                                                                        |                 |
|--------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|-----------------|
| 1a. Type of Work<br>DRILL                                                                                                            | 5. Lease Number<br>SF-080517<br>Unit Reporting Number                                                                  |                 |
| 1b. Type of Well<br>GAS                                                                                                              | 6. If Indian, All. or Tribe                                                                                            |                 |
| 2. Operator<br>MERIDIAN OIL                                                                                                          | 7. Unit Agreement Name                                                                                                 |                 |
| 3. Address & Phone No. of Operator<br>PO Box 4289, Farmington, NM 87499<br><br>(505) 326-9700                                        | 8. Farm or Lease Name<br>Payne<br>9. Well Number<br>2E                                                                 |                 |
| 4. Location of Well<br>1845' FSL, 1895' FWL<br><br>Latitude 36° 58.1, Longitude 107° 53.3                                            | 10. Field, Pool, Wildcat<br>Basin Dakota<br>11. Sec., Twn, Rge, Mer. (NMPM)<br>Sec 21, T-32-N, R-10-W<br>API # 30-045- |                 |
| 14. Distance in Miles from Nearest Town<br>3 miles to Cedar Hill                                                                     | 12. County<br>San Juan                                                                                                 | 13. State<br>NM |
| 15. Distance from Proposed Location to Nearest Property or Lease Line<br>1845'                                                       | 17. Acres Assigned to Well<br>315.56                                                                                   |                 |
| 16. Acres in Lease                                                                                                                   | 18. Distance from Proposed Location to Nearest Well, Drlg, Compl, or Applied for on this Lease<br>500'                 |                 |
| 19. Proposed Depth<br>7880                                                                                                           | 20. Rotary or Cable Tools<br>Rotary                                                                                    |                 |
| 21. Elevations (DF, FT, GR, Etc.)<br>6265' GR                                                                                        | 22. Approx. Date Work will Start<br>1st quarter 1996                                                                   |                 |
| 23. Proposed Casing and Cementing Program<br>See Operations Plan attached                                                            |                                                                                                                        |                 |
| 24. Authorized by: <br>Regional Drilling Engineer | 12/1/95<br>Date                                                                                                        |                 |

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

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

District I  
 PO Box 1988, Hobbs, NM 88241-1988  
 District II  
 PO Drawer DD, Artesia, NM 88211-0719  
 District III  
 1000 Rio Bravo Rd., Aztec, NM 87410  
 District IV  
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
 Energy, Minerals & Natural Resources Department

Form C-102  
 Revised February 21, 1994  
 Instructions on back  
 Submit to Appropriate District Office  
 State Lease - 4 Copies  
 Fee Lease - 3 Copies

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

|                         |  |                                      |  |                             |                      |
|-------------------------|--|--------------------------------------|--|-----------------------------|----------------------|
| 1 APT Number<br>30-045- |  | 2 Pool Code<br>71599                 |  | 3 Pool Name<br>Basin Dakota |                      |
| 4 Property Code<br>7379 |  | 5 Property Name<br>Payne             |  |                             | 6 Well Number<br>2E  |
| 7 OGRID No.<br>14538    |  | 8 Operator Name<br>MERIDIAN OIL INC. |  |                             | 9 Elevation<br>6265' |

10 Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| K             | 21      | 32N      | 10W   |         | 1845          | South            | 1895          | West           | S.J.   |

11 Bottom Hole Location If Different From Surface

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

|                                |                    |                       |              |
|--------------------------------|--------------------|-----------------------|--------------|
| 12 Dedicated Acres<br>W/315.56 | 13 Joint or Infill | 14 Consolidation Code | 15 Order No. |
|--------------------------------|--------------------|-----------------------|--------------|

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

|           |                                                                                                                                                                                                                                                                                                                                                                                           |
|-----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>16</p> | <p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><i>Peggy Bradford</i><br/>       Signature<br/>       Peggy Bradford<br/>       Printed Name<br/>       Regulatory Administrator<br/>       Title<br/>       11-1-95<br/>       Date</p>                                    |
|           | <p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>9-19-95<br/>       Date of Survey<br/>       Signature and Seal of Professional Surveyor<br/> <br/>       Certificate Number</p> |
|           |                                                                                                                                                                                                                                                                                                                                                                                           |
|           |                                                                                                                                                                                                                                                                                                                                                                                           |

OPERATIONS PLAN

Well Name: Payne #2E  
Location: 1845' FSL, 1895' FWL Section 21, T-32-N, R-10-W  
 San Juan County, NM  
 Latitude 36° 58.1, Longitude 107° 53.3  
Formation: Basin Dakota  
Elevation: 6265' GL

| <u>Formation Tops:</u> | <u>Top</u>   | <u>Bottom</u> | <u>Contents</u>    |
|------------------------|--------------|---------------|--------------------|
| Surface                | San Jose     | 1347'         |                    |
| Ojo Alamo              | 1347'        | 1382'         | aquifer            |
| Kirtland               | 1382'        | 2626'         |                    |
| Fruitland              | 2626'        | 3079'         | gas                |
| Pictured Cliffs        | 3079'        | 3311'         | gas                |
| Lewis                  | 3311'        | 3772'         |                    |
| <b>Intermediate TD</b> | <b>3511'</b> |               |                    |
| Huerfanito Bentonite   | 3772'        | 3812'         | gas                |
| Navajo City            | 3812'        | 4234'         | gas                |
| Otero                  | 4234'        | 4932'         | gas                |
| Massive Cliff House    | 4932'        | 5003'         | gas                |
| Menefee                | 5003'        | 5352'         | gas                |
| Point Lookout          | 5352'        | 5702'         | gas & hydrocarbons |
| Mancos                 | 5702'        | 6557'         | gas                |
| <b>Intermediate TD</b> | <b>5902'</b> |               |                    |
| Gallup                 | 6557'        | 7417'         | gas                |
| Greenhorn              | 7417'        | 7482'         |                    |
| Graneros               | 7482'        | 7614'         |                    |
| Dakota                 | 7614'        | 7822'         | gas                |
| Morrison               | 7822'        |               | hydrocarbons       |
| <b>Total Depth</b>     | <b>7880'</b> |               |                    |

Logging Program:

Openhole Wireline Logging -  
 DIL/LDT/CNL/Temp/NGT/GR/CAL/FMS  
 Mud logs from 3511' 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        |
| 200-3511'       | LSND        | 8.4-9.1       | 30-60       | no control        |
| 3511-5902'      | Gas         | n/a           | n/a         | n/a               |
| 5902-7880'      | Gas/LSND    | 8.7-9.0       | 40-50       | 10-15 cc/30 min   |

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

Casing Program:

| <u>Hole Size</u> | <u>Depth Interval</u> | <u>Csg. Size</u> | <u>Wt.</u> | <u>Grade</u> |
|------------------|-----------------------|------------------|------------|--------------|
| 17 1/2"          | 0' - 200'             | 13 3/8"          | 48.0#      | H-40         |
| 12 1/4"          | 200' - 3511'          | 9 5/8"           | 36.0#      | K-55         |
| 8 3/4"           | 3361' - 5902'         | 7"               | 23.0#      | K-55         |
| 6 1/4"           | 5752' - 7880'         | 4 1/2"           | 11.6#      | N-80         |

Tubing Program:

0' - 7880'      2 3/8"      tubing

BOP Specifications, Wellhead and Tests:

**Surface to Intermediate TD -**

13 5/8" 2000 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.

**Intermediate TD to Total Depth -**

11" 2000 psi minimum double gate BOP stack (Reference Figure #1). After nipple-up prior to drilling out intermediate casing, rams and casing will be tested to 1500 psi for 30 minutes.

**Surface to Total Depth -**

2" nominal, 2000 psi minimum choke manifold (Reference Figure #3).

**DST's and Coring -** No DSTs. No cores.

**Completion Operations -**

6" 2000 psi double gate BOP stack (Reference Figure #2). After nipple-up prior to completion, pipe rams, casing and liner top will be tested to 2000 psi for 15 minutes.

**Wellhead -**

13 3/8" x 9 5/8" x 7" x 2 3/8" 2000 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.
- BOP pit level drill will be conducted weekly for each drilling crew.
- All BOP tests and drills will be recorded in daily drilling reports.
- Blind and pipe rams will be equipped with extension hand wheels.

Cementing:

13 3/8" surface casing - cement with 353 sx Class "B" cement with 1/4# flocele/sx and 3% calcium chloride (417 cu.ft. of slurry, 200% excess to circulate to surface). WOC 12 hrs. 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.

9 5/8" casing -

First stage - lead w/264 sx of 65/35 Class "B" poz w/6% gel, 2% calcium chloride, 5# gilsonite/sx and 1/4# flocele/sx. Tail w/100 sx Class "B" w/2% calcium chloride (586 cu.ft. of slurry, 100% excess to circulate to stage tool @ 2576'.)

Second stage - Lead w/845 sx 65/35 Class "B" poz w/6% gel, 2% calcium chloride, 5# gilsonite/sx and 1/4# flocele/sx. Tail w/100 sx Class "B" w/2% calcium chloride (1614 cu.ft. of slurry, 100% excess to circulate to surface.) WOC minimum of 12 hours before drilling out intermediate casing. If cement does not circulate to surface, a temperature log will be run after 8 hours to determine TOC. Test casing to 1500 psi for 30 minutes.

Cement nose guide shoe on bottom with float collar spaced on top of shoe joint. Seven bowspring centralizers spaced every other joint off bottom, with three spaced every fourth joint to the base of the Ojo Alamo at 1382'. Two turbolating centralizers at the base of the Ojo Alamo at 1382'. Bowspring centralizers spaced every fourth joint from the base of the Ojo Alamo to the base of the surface casing.

7" intermediate liner -

Cement to circulate liner top. Lead w/365 sx of 65/35 Class "B" poz w/6% gel, 2% calcium chloride, 5# gilsonite/sx and 1/4# flocele/sx. Tail w/100 sx Class "B" w/2% calcium chloride (764 cu.ft. of slurry, 100% excess to circulate liner top at 3361'.) WOC minimum of 12 hours before drilling out intermediate liner. If cement does not circulate to surface, a cement bond log will be run during completion. Test casing to 1500 psi for 30 minutes.

Double float shoe on bottom. No bowspring centralizers will be run for gas hole.

4 1/2" Production Liner -

Cement to circulate liner top. Lead with 180 sx 65/35 Class "B" poz w/6% gel, 2% calcium chloride, 5# gilsonite/sx and 1/4# flocele/sx. Tail with 100 sx Class "B" w/2% calcium chloride (437 cu.ft., 100% excess to circulate liner top). WOC a minimum of 18 hrs prior to completing.

Double float shoe on bottom. Bowspring centralizers spaced every other joint off bottom to top of liner. The liner hanger will have a rubber packoff.

- 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.

Special Drilling Operations (Gas/Mist Drilling):

The following equipment will be operational while gas/mist drilling:

- An anchored blooie line will be utilized to discharge all cuttings and circulating medium to the blow pit a minimum of 100' from the wellhead.
- The blooie line will be equipped with an automatic igniter or pilot light.
- Compressors will be located a minimum of 100' from the wellhead in the opposite direction from the blooie line.
- Engines will have spark arresters or water cooled exhaust.
- Deduster equipment will be utilized.
- The rotating head will be properly lubricated and maintained.
- A float valve will be utilized above the bit.
- Mud circulating equipment, water, and mud materials will be sufficient to maintain control of the well.

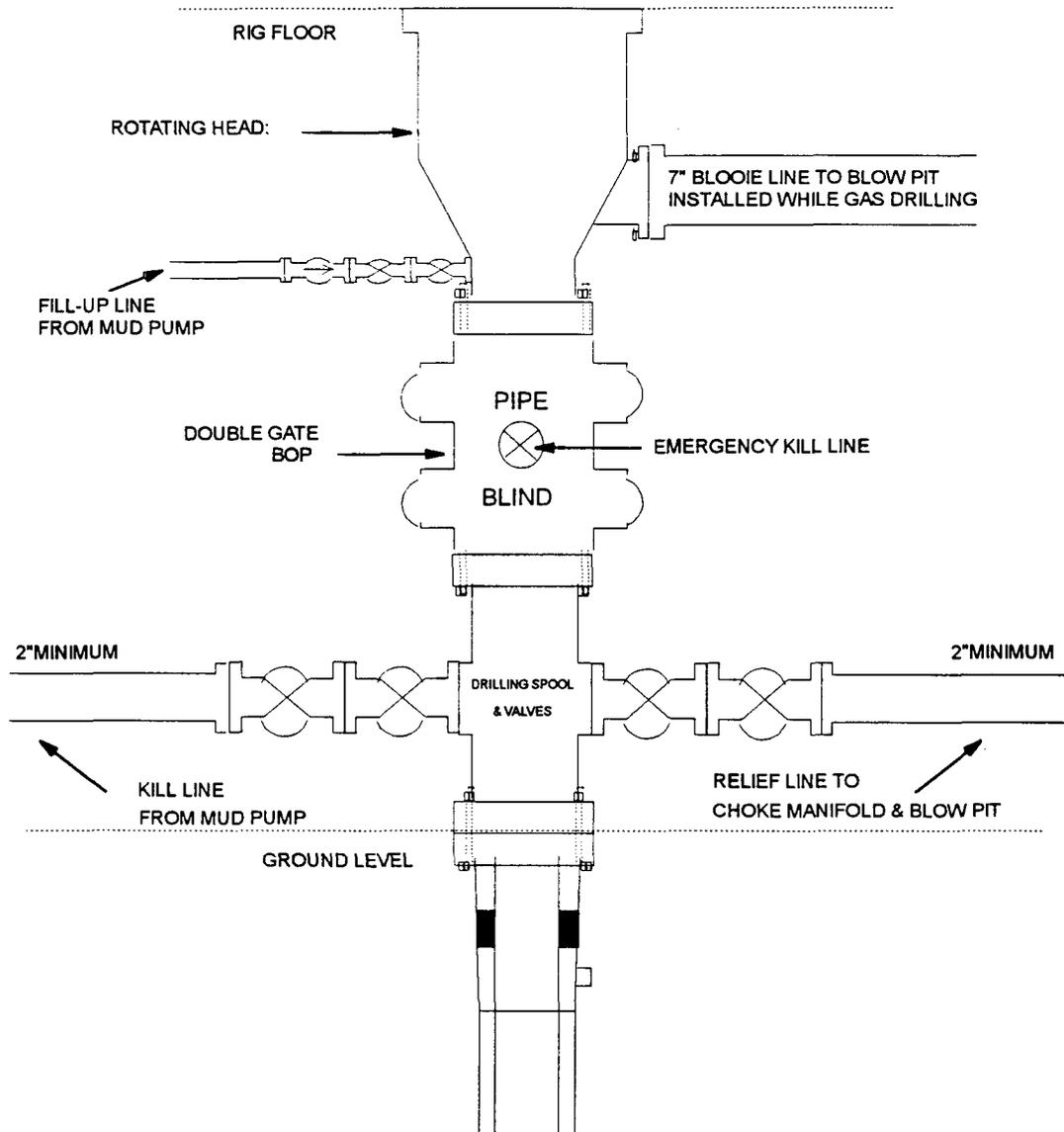
Additional Information:

- The Dakota formation will be completed.
- No abnormal temperatures or hazards are anticipated.
- Anticipated pore pressures are as follows:

|                 |          |
|-----------------|----------|
| Fruitland Coal  | 1000 psi |
| Pictured Cliffs | 900 psi  |
| Mesa Verde      | 700 psi  |
| Dakota          | 2000 psi |
- 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 west half of Section 11 is dedicated to the Dakota in this well.
- This gas is dedicated.

# MERIDIAN OIL INC

## BOP Configuration 2M psi System

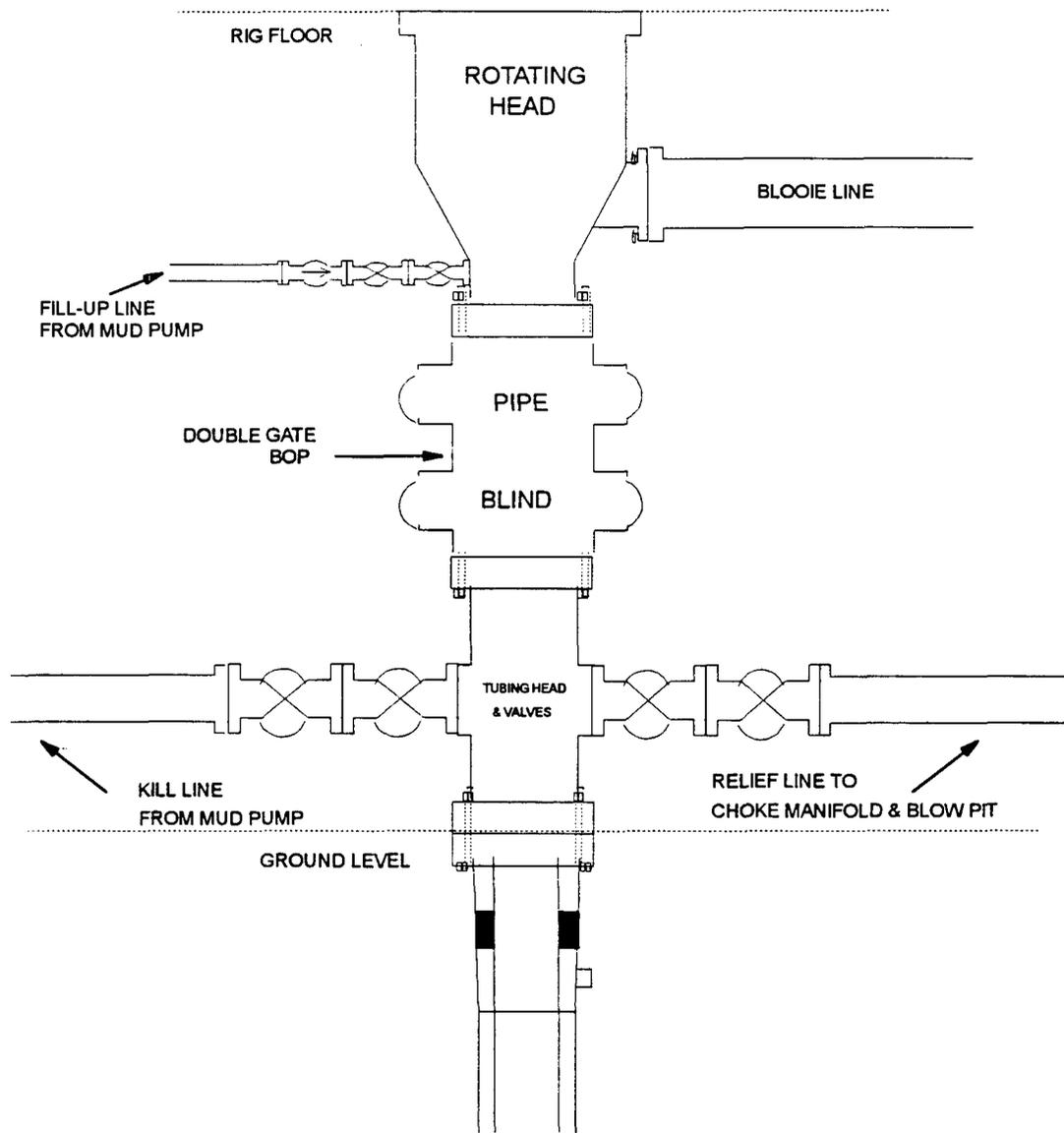


13 5/8" and 11" Bore, 2000psi minimum working pressure double gate BOP to be equipped with blind and pipe rams. A Schaffer Type 50 or equivalent rotating head to be installed on the top of the BOP. All equipment is 2000psi working pressure/ or greater.

**FIGURE #1**

# MERIDIAN OIL INC

## BOP Configuration 2M psi System

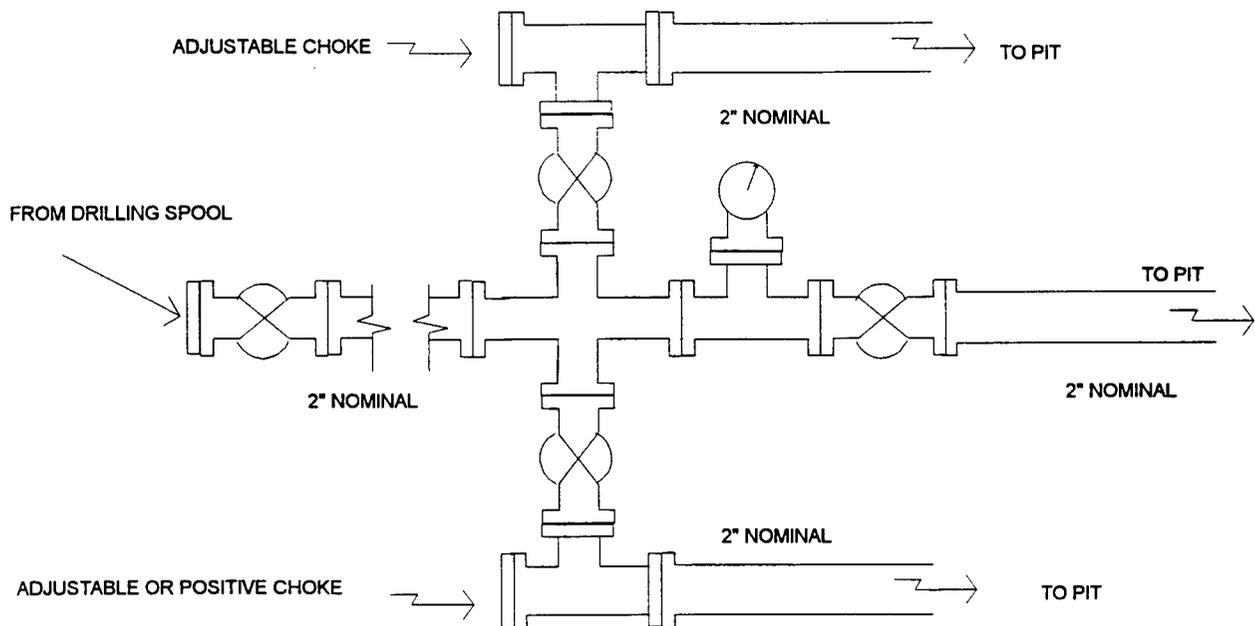


Minimum BOP installation for Completion operations. 7 1/16" Bore (6" Nominal), 3000 psi minimum working pressure double gate BOP to be equipped with blind and pipe rams.

**FIGURE #2**

# MERIDIAN OIL INC.

## Choke Manifold Configuration 2M System



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

**Figure #3**

**MERIDIAN OIL**  
Payne #2E  
Multi-Point Surface Use Plan

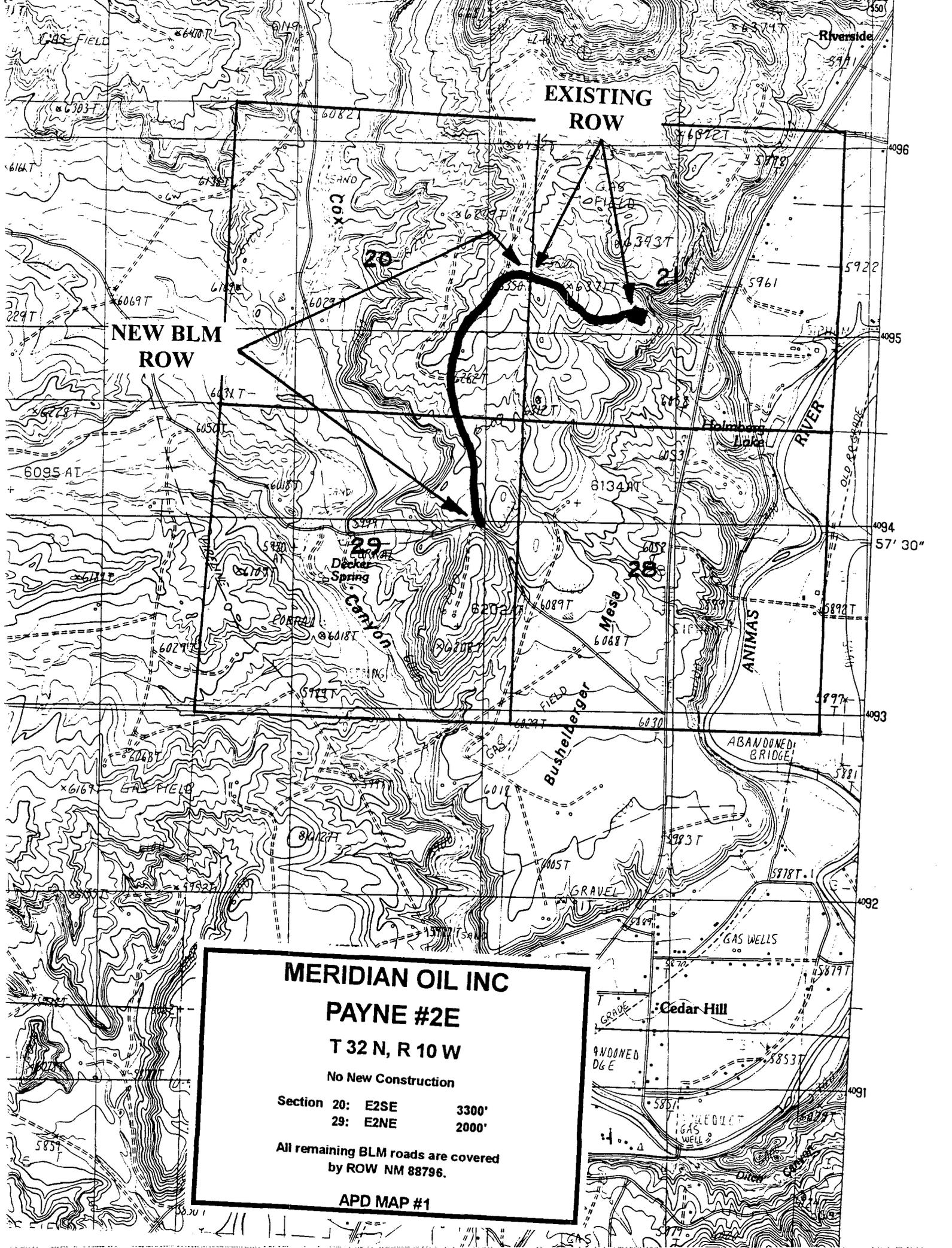
1. Existing Roads - Refer to Map No. 1. Existing roads used to access the proposed location will be properly maintained for the duration of the project. Bureau of Land Management right-of-way has been applied for as shown on Map No. 1.
2. Planned Access Road - Refer to Map No. 1. None required.
3. Location 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 Decker Springs Water Hole located in NW/4 Sec. 29, T-32-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. Reserve pits will be lined as needed with either 12 mil bio-degradable plastic liner or a bentonite 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

12/1/95  
Date

JWC:pb



**EXISTING  
ROW**

**NEW BLM  
ROW**

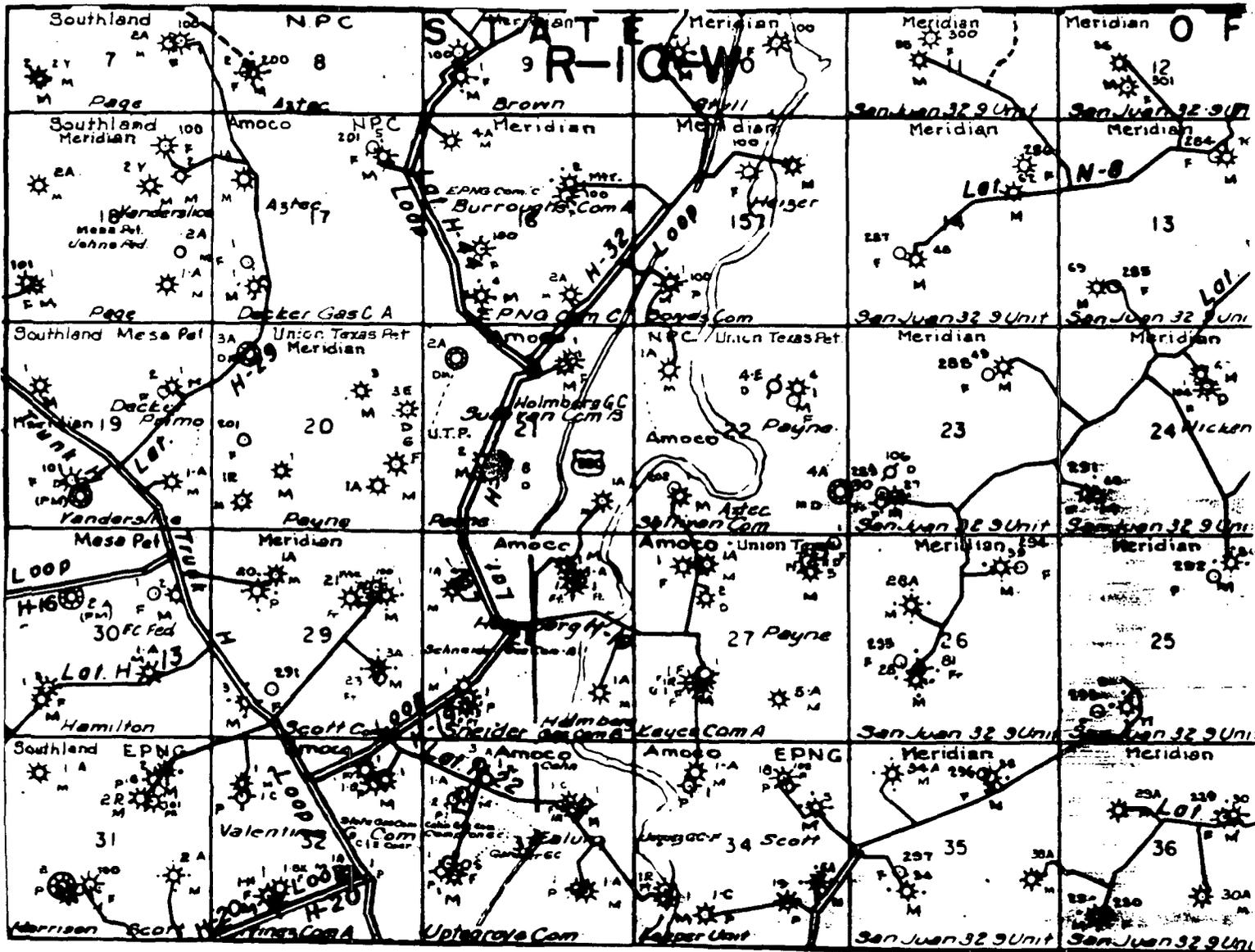
**MERIDIAN OIL INC  
PAYNE #2E  
T 32 N, R 10 W**

**No New Construction**

**Section 20: E2SE 3300'  
29: E2NE 2000'**

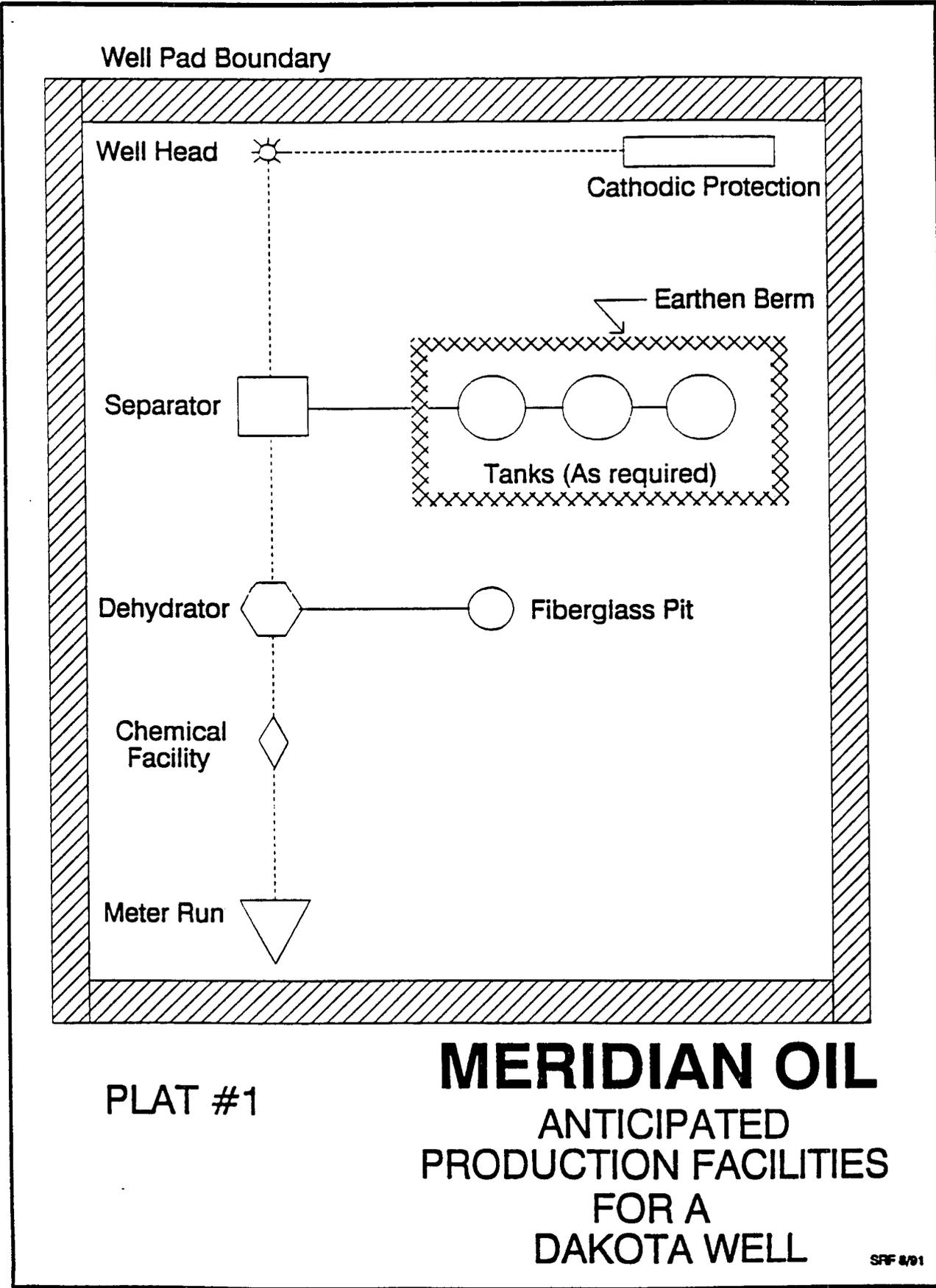
**All remaining BLM roads are covered  
by ROW NM 88796.**

**APD MAP #1**



MERIDIAN OIL INC.  
 Pipeline Map  
 T-32-N, R-10-W  
 San Juan County, New Mexico

MAP #1A  
 PAYNE #2A



PLAT #1

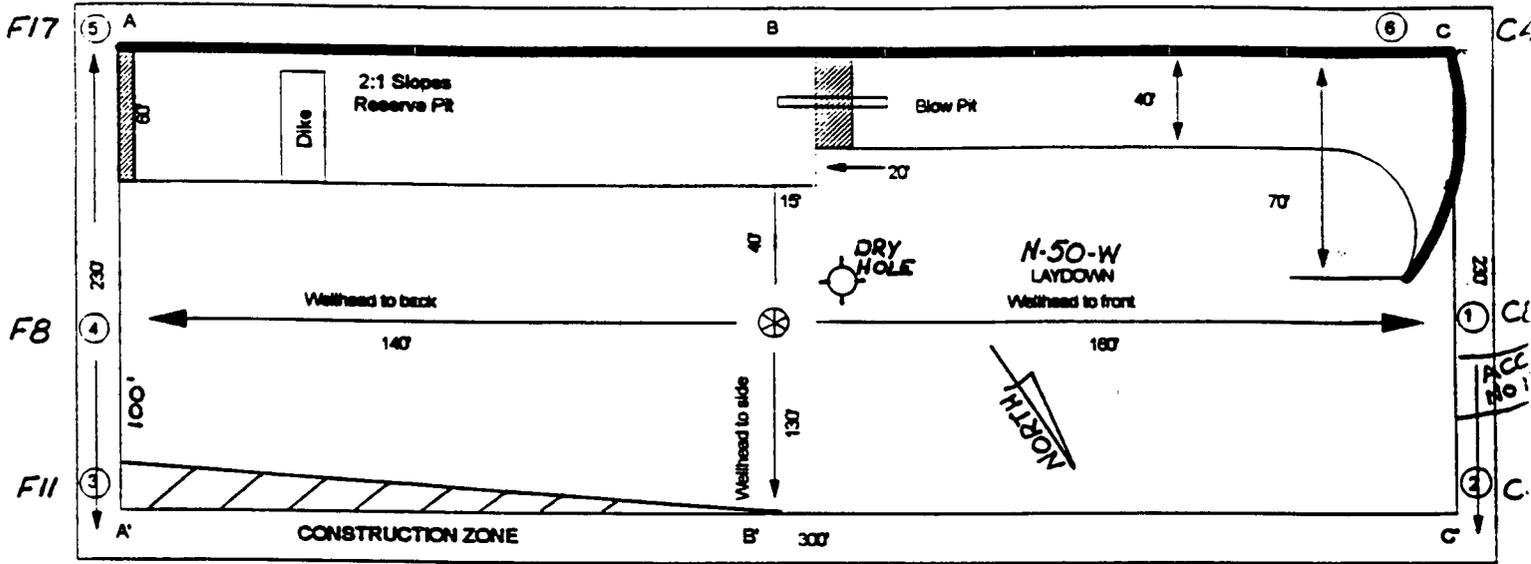
**MERIDIAN OIL**  
ANTICIPATED  
PRODUCTION FACILITIES  
FOR A  
DAKOTA WELL

# MERIDIAN OIL

PLAT #1

PC/FC LOW POTENTIAL

NAME: PAYNE #2E  
 FOOTAGE: 1845' ESL 1895' FWL  
 SEC 21 TWN 32 N.R. 10 W NMPM  
 CO: SAN JUAN ST: NEW MEXICO  
 ELEVATION: 6265' DATE: 9-17-95

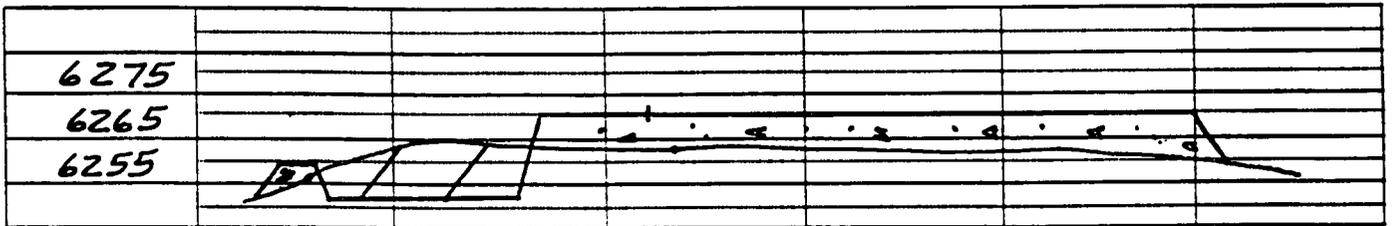


Reserve Pit Dike : to be 6' above Deep side; ( overflow - 3' wide and 1' above shallow side.)

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

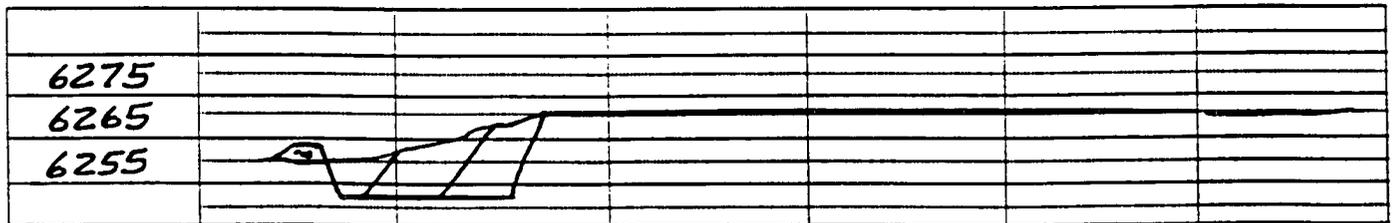
A-A'

C/L



B-B'

C/L



C-C'

C/L



Note: Contractor should call One-Call for location of any marked or unmarked buried pipelines or cables on well pad and/or access road at least 2 working days prior to construction.

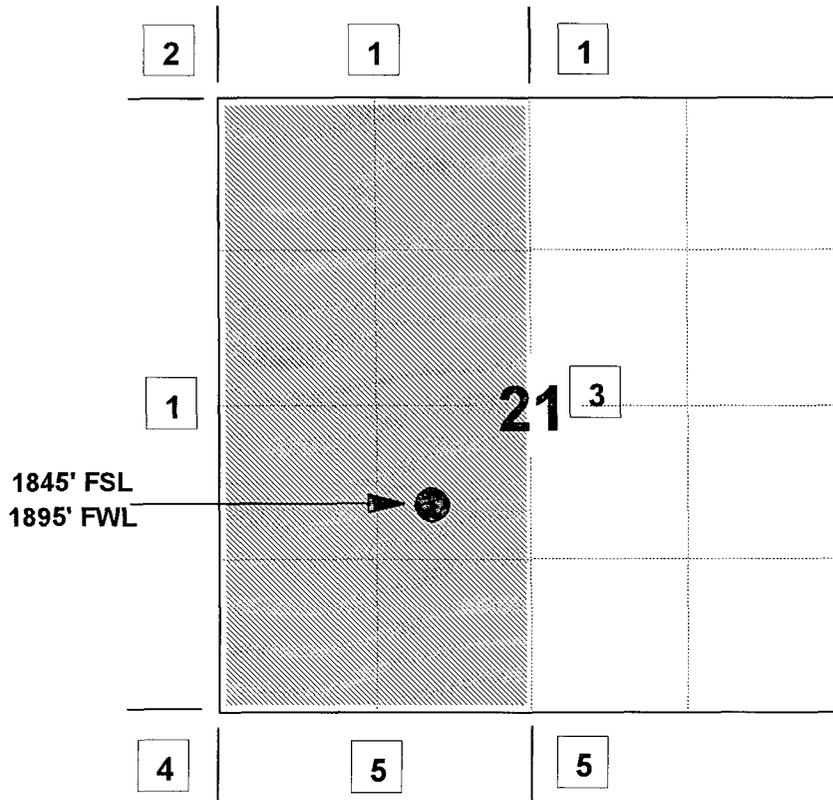
# MERIDIAN OIL INC

## PAYNE #2E

### OFFSET OPERATOR \ OWNER PLAT

### Unorthodox Dakota Well Location

Township 32 North, Range 10 West



1) Meridian Oil Inc

2) Phillips Petroleum Co 5525 Hwy. 64, NBU 3004, Farmington, NM 87401

3) Amoco Production Company PO Box 800, Denver, CO 80201

4) Meridian Oil Inc & Amoco Production Co

5) Meridian Oil Inc, Amoco Production Co &

Total Minatome Corp P.O. Box 4326 Houston, TX 77210-4326

Robert Umbach Post Office Box 5310, Farmington, NM 87499

George W. Umbach P. O. Box 95247, Las Vegas, NV 89193-5247

Lowell White Family Trust c/o Sunwest Bank of Albuquerque  
P.O. Box 25500 Albuquerque, NM 87125-0500

Mary Emily Voller " "

T. G. Cornish " "

Estate of G. W. Hannett " "

Patricia Hueter " "

Walter A. Steele " "

A. T. Hannett II " "

Re: Payne #2E  
1845'FSL, 1895'FWL Section 21, T-32-N, R-10-W - San Juan County, New Mexico  
API # 30-045-(not yet assigned)

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.

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

Amoco Production  
PO Box 800  
Denver, Colorado 80201

Total Minatome Corp  
PO Box 4326  
Houston, TX 77210-4326

Robert Umbach  
PO Box 5310  
Farmington, NM 87499

George W. Umbach  
PO Box 95247  
Las Vegas, NV 89193-5247

Lowell White Family Trust  
c/o Sunwest Bank of Albuquerque  
PO Box 25500  
Albuquerque, NM 87125-0500

Mary Emily Voller  
c/o Sunwest Bank of Albuquerque  
PO Box 25500  
Albuquerque, NM 87125-0500

T. G. Cornish  
c/o Sunwest Bank of Albuquerque  
PO Box 25500  
Albuquerque, NM 87125-0500

Estate of G. W. Hannett  
c/o Sunwest Bank of Albuquerque  
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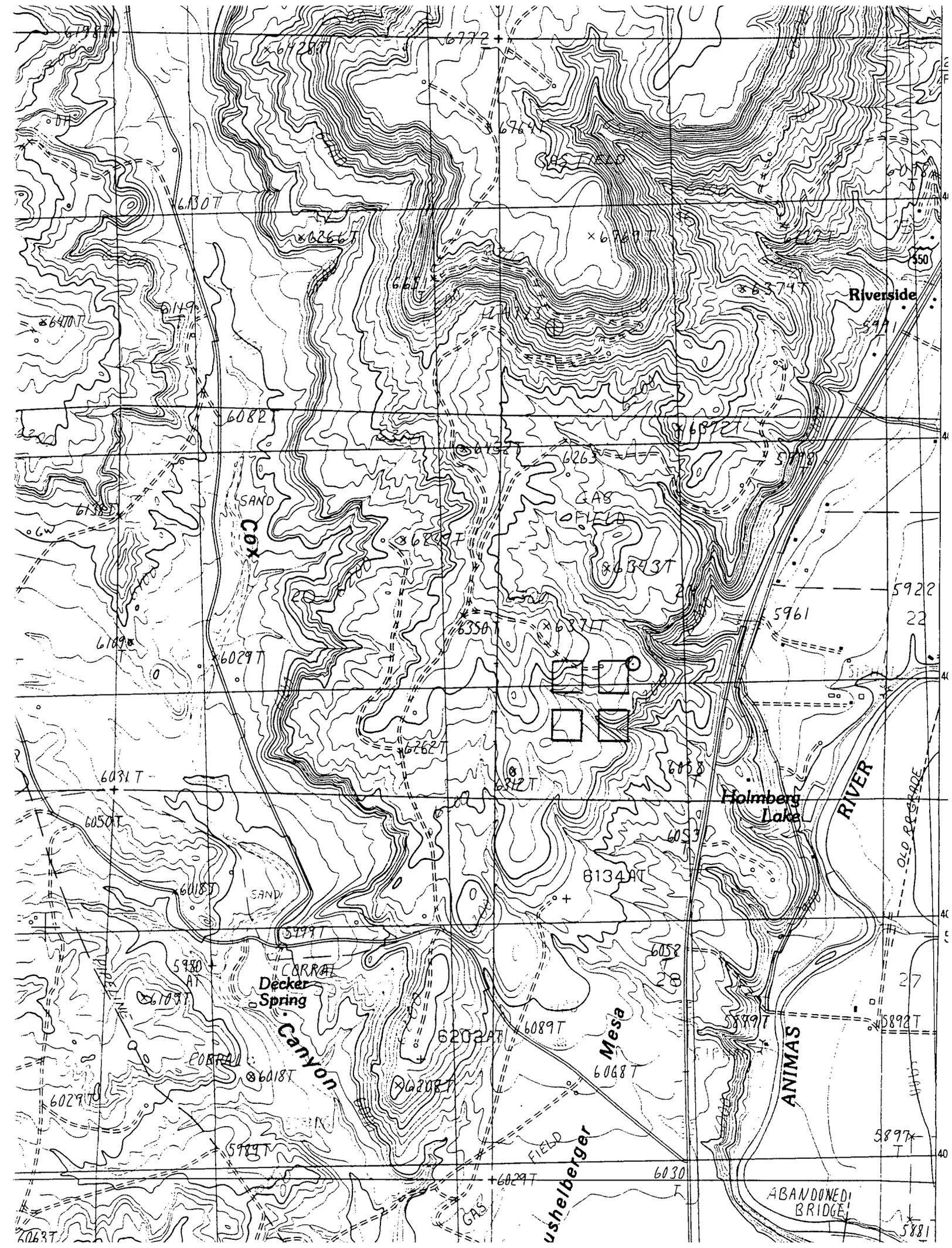
Patricia Hueter  
c/o Sunwest Bank of Albuquerque  
PO Box 25500  
Albuquerque, NM 87125-0500

Walter A. Steele  
c/o Sunwest Bank of Albuquerque  
PO Box 25500  
Albuquerque, NM 87125-0500

A. T. Hannett II  
c/o Sunwest Bank of Albuquerque  
PO Box 25500  
Albuquerque, NM 87125-0500



Peggy A. Bradfield  
Regulatory/Compliance Representative



Riverside

SAND  
Cox

GAS  
FIELD

Holmberg  
Lake

CORRAL  
Decker  
Spring

CORRAL  
Canyon

Mesa

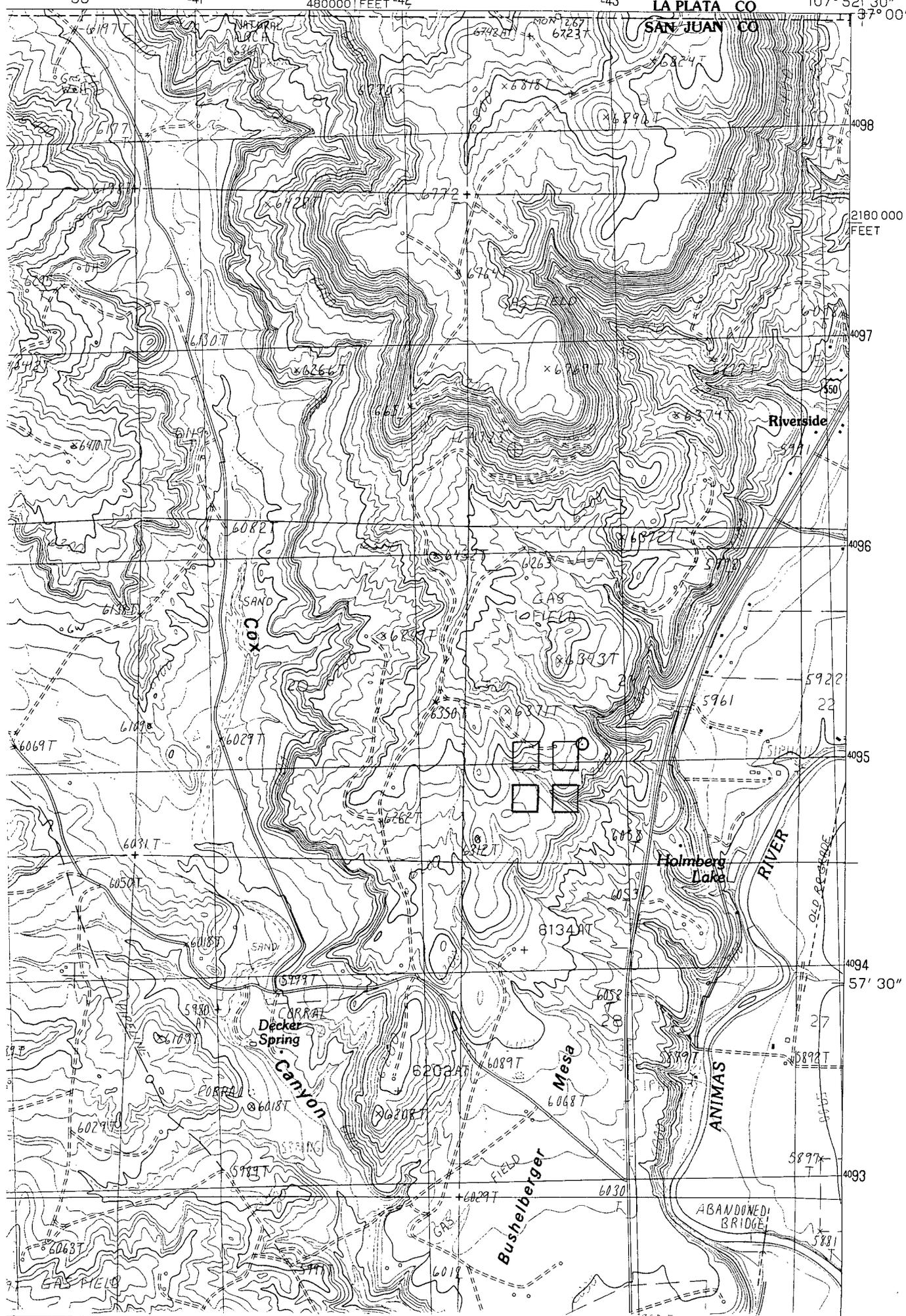
ANIMAS  
RIVER

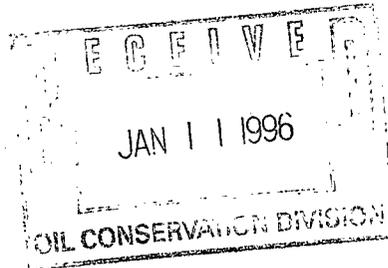
ushelberger

ABANDONED  
BRIDGE

CEDAR HILL QUADRANGLE  
NEW MEXICO-COLORADO  
7.5 MINUTE SERIES (TOPOGRAPHIC)

55' 241 480000 FEET 242 243 LA PLATA CO 107° 52' 30" 37° 00' SAN JUAN CO





*Mike Stogner*

January 3, 1996

Sent Federal Express

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



OIL CON. DIV.  
DIST. 3

Re: Payne #2E  
1845'FSL, 1895'FWL Section 21, T-32-N, R-10-W - San Juan County, New Mexico  
API # 30-045-(not yet assigned)

Dear Mr. LeMay:

Meridian Oil Inc. is applying for administrative approval of a non-standard location for the above location in the Basin Dakota formation. This application for the referenced location is due to terrain as shown on the topographic map, the presence of extensive archaeology and the presence of pipelines, and at the request of the Bureau of Land Management.

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, 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*  
Peggy Bradfield  
Regulatory/Compliance Representative  
encs.

**WAIVER**

PHILLIPS PETROLEUM Co. hereby waives objection to Meridian Oil's application for a non-standard location for their Payne #2E as proposed above.

By: *Fred H. Neal* Date: *1/8/96*

xc: see attached list

OGSECT
PAGE NO. 1
**NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT**

Sec : 21 Twp : 32N Rng : 10W Section Type : NORMAL

|                        |               |                            |            |
|------------------------|---------------|----------------------------|------------|
| 3<br>39.36             | 2<br>39.34    | 1<br>39.64                 | A<br>40.00 |
| Federal owned<br><br>A | Federal owned | Federal owned<br><br>A A A | Fee owned  |
| 4<br>39.33             | 5<br>39.31    | G<br>40.00                 | H<br>40.00 |
| Federal owned          | Federal owned | Federal owned              | Fee owned  |

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

78.69  
       1 1  
       78.65  
       78.69  
       -----  
       157.34

NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
INQUIRE LAND BY SECTION  
PAGE NO: 2

Sec : 21 Twp : 32N Rng : 10W Section Type : NORMAL

|                                          |                                            |                             |                                      |
|------------------------------------------|--------------------------------------------|-----------------------------|--------------------------------------|
| 7<br>39.47<br><br>Federal owned<br><br>A | 6<br>39.72<br><br>Federal owned<br><br>A A | J<br>40.00<br><br>Fee owned | I<br>40.00<br><br>Fee owned          |
| 8<br>39.39<br><br>Federal owned          | 9<br>39.64<br><br>Federal owned            | O<br>40.00<br><br>Fee owned | P<br>40.00<br><br>Fee owned<br><br>A |

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

78.86

$$\begin{array}{r} 79.36 \\ 78.86 \\ \hline 158.22 \\ 157.34 \\ \hline 315.56 \end{array}$$

NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

API Well No : 30 45 23910 Eff Date : 10-01-1980 WC Status : A
Pool Idn : 71599 BASIN DAKOTA (PRORATED GAS)
OGRID Idn : 14538 MERIDIAN OIL INC
Prop Idn : 7379 PAYNE

Well No : 002A
GL Elevation: 99999

U/L Sec Township Range North/South East/West Prop/Act (P/A)

B.H. Locn : 3 21 32N 10W FTG 999 F S FTG 999 F E P

Lot Identifier:

Dedicated Acre: 315.56

Lease Type : F

Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

M0025: Enter PF keys to scroll

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

NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

API Well No : 30 45 23910 Eff Date : 10-01-1980 WC Status : S
Pool Idn : 72319 BLANCO-MESAVERDE (G)
OGRID Idn : 14538 MERIDIAN OIL INC
Prop Idn : 7379 PAYNE

Well No : 002A
GL Elevation: 99999

U/L Sec Township Range North/South East/West Prop/Act (P/A)
B.H. Locn : 3 21 32N 10W FTG 999 F S FTG 999 F E P

Lot Identifier:
Dedicated Acre: 315.56

Lease Type : F
Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

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