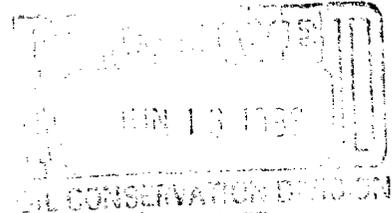


MERIDIAN OIL

June 6, 1988

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



Dear Mr. LeMay;

This is a request for a salt water disposal well located in the Morrison/Entrada formation.

It is intended to locate the Meridian Oil Inc.'s Pump Canyon SWD #1 at 1725' from the South line and 1850' from the East line of Section 7, T30N-R8W, San Juan County, New Mexico.

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

Attached is the C-108, with accompanying support data for this proposal.

Sincerely Yours,

Richard E. Fraley
Regional Production Engineer

WSS/lm
Encl.

WAIVER

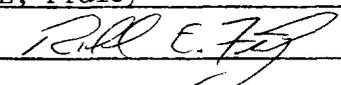
_____ hereby waives objection to Meridian Oil Inc.'s Pump Canyon SWD #1 as proposed above.

BY: _____

Date _____

c: Conoco Inc.
Unicon Producing Co.
Tenneco Oil Co.

APPLICATION FOR AUTHORIZATION TO INJECT

- I. Purpose: Secondary Recovery Pressure Maintenance Disposal Storage
Application qualifies for administrative approval? yes no
- II. Operator: Meridian Oil Inc.
Address: P.O. Box 4289, Farmington, NM 87499
Contact party: R.E. Fraley Phone: (505) 326-9712
- III. Well data: Complete the data required on the reverse side of this form for each well proposed for injection. Additional sheets may be attached if necessary. attached
- IV. Is this an expansion of an existing project? yes no
If yes, give the Division order number authorizing the project _____.
- V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review. attached
- * VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.
- VII. Attach data on the proposed operation, including: attached
1. Proposed average and maximum daily rate and volume of fluids to be injected;
 2. Whether the system is open or closed;
 3. Proposed average and maximum injection pressure;
 4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and
 5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).
- *VIII. Attach appropriate geological data on the injection zone including appropriate lithologic detail, geological name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such source known to be immediately underlying the injection interval. attached
- IX. Describe the proposed stimulation program, if any.
- * X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division they need not be resubmitted.) Currently not available
- * XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
No fresh water wells within a one-mile radius of proposed water disposal well.
- XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground source of drinking water.
Attached
- XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form. Attached
- XIV. Certification
- I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.
- Name: R.E. Fraley Title Regional Prod. Engineer
Signature:  Date: June 7, 1988
- * If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be duplicated and resubmitted. Please show the date and circumstance of the earlier submittal.

III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

- (1) Lease name; Well No.; location by Section, Township, and Range; and footage location within the section.
- (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
- (3) A description of the tubing to be used including its size, lining material, and setting depth.
- (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

- (1) The name of the injection formation and, if applicable, the field or pool name.
- (2) The injection interval and whether it is perforated or open-hole.
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
- (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
- (5) Give the depth to and name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) the intended purpose of the injection well; with the exact location of single wells or the section, township, and range location of multiple wells;
- (3) the formation name and depth with expected maximum injection rates and pressures; and
- (4) a notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, P. O. Box 2088, Santa Fe, New Mexico 87501 within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

C-108 Attachments

Pump Canyon SWD #1

III. General Well Data:

- A. (1) Lease Name - Pump Canyon SWD
 Well Number - 1
 Location - Footage, 1725' FSL, 1850' FEL
 Section 7, T30N-R8W
 San Juan County, New Mexico

- (2) See Attached Diagram.

<u>Csg.</u>	<u>Hole Size</u>	<u>Csg. Size</u>	<u>Depth Set</u>	<u>Cmt. Vol.</u>	<u>Proposed Top Cement</u>
Surface	26"	20", 133# K-55	500'	1275 sx	Surface
Inter	17 1/2"	13 3/8" 61&68# K-55	3075'	2050 sx	1st stage st-1500'
					2nd stage st-Surface
Drlg Liner	12 1/4"	9 5/8" 40# N-80	5540'	960 sx	st-liner top = 2925'
Inj. strg.	8 3/4"	7" 23# N-80	8535'	400 sx	5390'

- (3) Injection Tubing:

Tubing size - 4 1/2" OD, 10.5#, K-55, non-coated. Setting depth - 7440', top perforation at 7490', which is 100' below the bottom of the Dakota zone.

- (4) Isolation Packer:
 Packer - Size 7"
 Type Otis
 Model WD
 Seal Assembly - Type Otis
 Model J-slot

B. Well Data:

- (1) Injection formation Name: Morrison and Entrada
 (2) Injection interval
 Morrison Perforated
 Entrada Perforated
 (3) The original purpose for drilling this well is to dispose of produced water.
 (4) There are to be no additional perforated intervals in the proposed well.
 (5) There are no lower producing zones in this area. The next higher producing zone is the Dakota at 7139' to 7390'.

VI. There are no wells penetrating the proposed depth interval within the two-mile area of review.

VII. Proposed Injection Operations:

1. The average injection rate is estimated at 3500 bbls/day. The estimated maximum is 20,000 bbls/day.
2. The injection system will be closed.
3. The surface injection system will have an estimated maximum pressure of 1700 psig.
4. The source water will be from Fruitland Coal formation.
5. Injection is for disposal purposes into a zone with no known oil and gas production within several miles. Chemical analysis and compatibility with injected water will be supplied when the data becomes available.

VIII. The proposed injection zones are the Morrison and Entrada, both zones are sandstone. The Morrison interval is estimated at 7390' to 8211' from GL (5982') having a thickness of 821'. The Entrada interval is estimated at 8286' to 8486' from GL having a thickness of 200'.

The only overlaying freshwater aquifer is the Ojo Alamo, having an estimated depth of 1450' from GL. There is no known fresh water below the injection zone.

IX. The proposed stimulation program will consist of sand water fracturing of each interval using 1000 lbs of 20/40 sand per net foot of formation interval. Proppant concentrations will be from 1/2 to 2 lbs/gallon. The fracturing fluid will be a 40 lb/gallon linear gel.

X. No logs are test data are available at present.

XI. Any fresh water wells in the area will have water analysis performed in the near future.

XII. An examination of geologic and engineering data indicates no evidence of open faults or other hydrologic connection between the disposal zone and any source of drinking water. This conclusion is based on proof of isolation between upper gas and oil bearing zones within the study area.

C-108 Attachments
Pump Canyon SWD #1
P. 3

X. Proof of Notice:

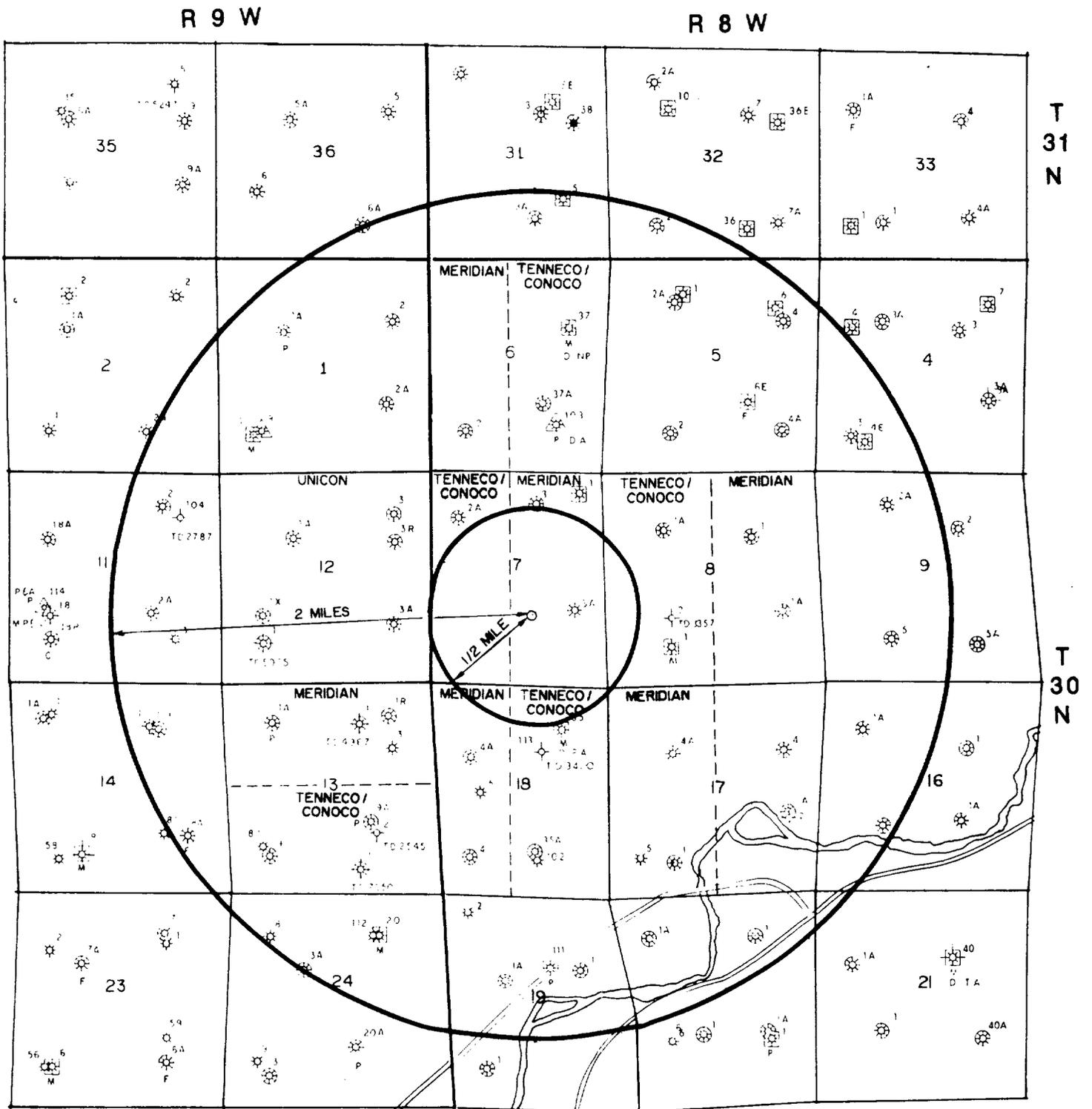
A copy of the application and support material has been sent by certified mail to the following:

Tenneco Oil Company
Rocky Mtn. Division
P.O. Box 3249
Englewood, Colorado 80155
Attn: Louis D. Jones
(303) 740-4800

Conoco, Inc.
P.O. Box 460
Hobbs, New Mexico 88240

Unicon Producing Company
Attn: Joint Interest Property - 26th Floor
P.O. Box 2120
Houston, Texas 77252-2120

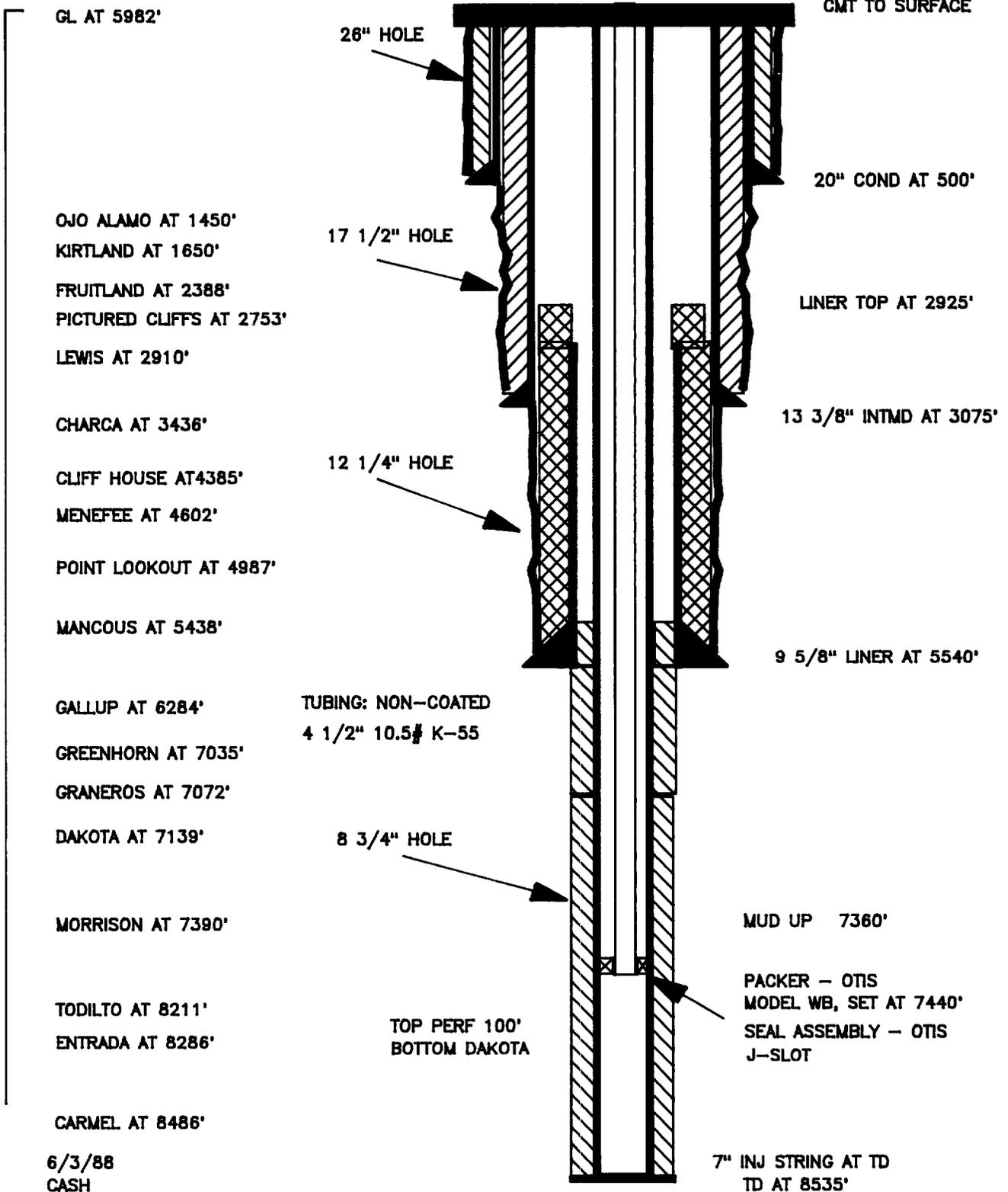
Bureau of Land Management
1235 La Plata Hwy.
Farmington, New Mexico 87401



MERIDIAN OIL INC.
 Pump Canyon SWD #1
 NW SE 7-30N-8W
 San Juan County, New Mexico

PUMP CANYON SWD #1

WELLBORE DIAGRAM ENTRADA/MORRISON



NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-103
 Super Series C.
 Effective 1-1-8

All distances must be from the outer boundaries of the Section.

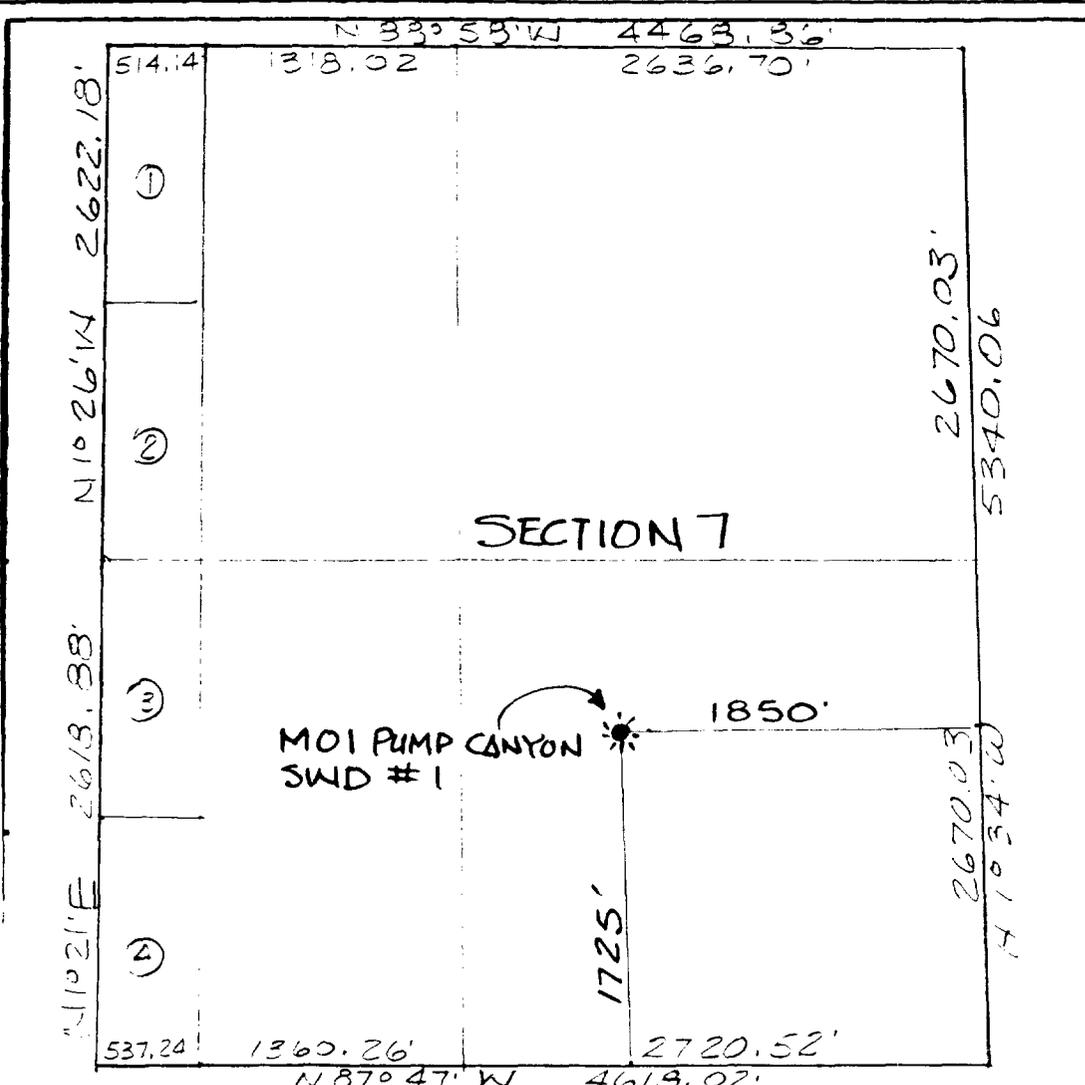
Operator MERIDIAN OIL INC.		Lease PUMP CANYON SWD (SF-078596)		Well No. 1
Unit Letter J	Section 7	Township 30 NORTH	Range 8 WEST	County SAN JUAN
Actual Postage Location of Well 1725 feet from the SOUTH line and 1850 feet from the EAST line				
Ground Level Elev. 5972	Producing Formation Morrison/Entrada		Pool Wildcat	Dedicated Acreage Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests 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 interests, has been approved by the Commission.



CERTIFICATION

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

Name
Drilling Clerk

Position
Meridian Oil Inc.

Company

Date

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.

MAY 20, 1988

Date Surveyed
 Registered Professional Engineer
 and/or Land Surveyor

NEALE C. EDWARDS

Certificate No.
6857

MERIDIAN OIL

June 6, 1988

Farmington Daily Times
P.O. Box 450
Farmington, New Mexico 87401

RE: Legal Notice

Dear Sir/Madam;

Enclosed please find a Legal Notice for publication one time. Please send two proofs of publication with our statement.

Thank you.

Very Truly Yours,



Richard E. Fraley
Regional Production Engineer

WSS/lm
Encl.

c: T.H. Owens (Meridian)
D.C. Walker (Meridian)
David Catanach (OCD)

LEGAL NOTICE

Public Notice is hereby given that Meridian Oil Inc., P.O. Box 4289, Farmington, New Mexico has applied for administrative approval to drill its Pump Canyon Salt Water Disposal Well No. 1, at a location 1725 feet FSL and 1850 feet FEL of Section 7, T30N-R8W, San Juan County, New Mexico, as a produced water disposal well. The operator intends to inject formation water produced from the Fruitland Coal formation into the Morrison and Entrada formations at a depth of approximately 7390 to 8211 feet and 8286 to 8486 feet at a maximum rate of 20,000 bbls/day with a maximum injection surface pressure 1700 psi. Interested parties must file objections or request for hearing with the Oil Conservation Division, P.O. Box 2008, Santa Fe, New Mexico 87504, within fifteen days of the date of publication.

P 058 365 427

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

Sent to Kennebec Oil Co.	
Street and No. P.O. Box 3249	
P.O., State and ZIP Code Englewood, CO	
Postage 20.155	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to whom and Date Delivered	
Return receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date Pump Canyon SWD #1	

CERTIFIED

P 058 365 427

MAIL

P 058 365 428

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

Sent to Candoco, Inc.	
Street and No. P.O. Box 460	
P.O., State and ZIP Code Hobbs, N.M.	
Postage 22.240	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to whom and Date Delivered	
Return receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date Pump Canyon SWD #1	

CERTIFIED

P 058 365 428

MAIL

P 058 365 429

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

Sent to Farmington Daily Times	
Street and No. P.O. Box 450	
P.O., State and ZIP Code Farmington, NM 87401	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to whom and Date Delivered	
Return receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date Pump Canyon SWD #1	

CERTIFIED

P 058 365 429

MAIL

P 058 365 426

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

Sent to Unicon Prod. Co.	
Street and No. P.O. Box 2120	
P.O., State and ZIP Code Houston, TX 77252-2120	
Postage 3.11 Proprietary 2000 Head	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to whom and Date Delivered	
Return receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date Pump Canyon SWD #1	

CERTIFIED

P 058 365 426

MAIL

AFFIDAVIT OF PUBLICATION

RECEIVED
No. 21962
JUL 1 1988

Copy of Publication

STATE OF NEW MEXICO,
County of San Juan:

Betty Shipp being duly

sworn, says: That he is the National Ad Manager of

THE FARMINGTON DAILY TIMES, a daily newspaper of general circulation published in English at Farmington, said county and state, and that the

hereto attached Legal Notice

was published in a regular and entire issue of the said FARMINGTON DAILY TIMES, a daily newspaper duly qualified for the purpose within the meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico for one consecutive (days) / (weeks) on the same day as

follows:

First Publication Saturday June 18, 1988

Second Publication _____

Third Publication _____

Fourth Publication _____

and that payment therefor in the amount of \$ 8.52 has been made.

Betty Shipp

Subscribed and sworn to before me this 21st day of June, 1988.

J. Skilton
NOTARY PUBLIC, SAN JUAN COUNTY, NEW MEXICO

My Commission expires: June 23, 1990

NOTICE

Public Notice is hereby given that Meridian Oil Inc., PO Box 4289, Farmington, New Mexico has applied for administrative approval to drill its Pump Canyon Salt Water Disposal Well No. 1, at a location 1725 feet FSL and 1850 feet FEL of Section 7, T30N-R8W, San Juan County, New Mexico as a produced water disposal well. The operator intends to inject formation water produced from the Fruitland Coal formation into the Morrison and Entrada formations at a depth of approximately 7390 to 8211 feet and 8286 to 8486 feet at a maximum rate of 20,000 bbls/day with a maximum surface pressure 1700 psi.

Interested parties must file objections or request for hearing with the Oil Conservation Division, PO Box 2008, Santa Fe, New Mexico 87504, within fifteen days of the date of publication.

Legal No. 21962 published in the Farmington Daily Times, Farmington, New Mexico on Saturday, June 18, 1988.