



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

August 30, 1993

Meridian Oil, Inc.
P.O. Box 4289
Farmington, NM 87499-4289

Attention: Peggy Bradfield

RECEIVED
SEP - 1 1993
OIL CON. DIV.
DIST. 3

Administrative Order NSL-3301

Dear Ms. Bradfield:

Reference is made to your application dated August 3, 1993 for an unorthodox gas well location in both the Blanco Mesaverde and Tapacitos Pictured Cliffs Pools for your proposed Jicarilla 98 Well No. 11A to be drilled 1850 feet from the North and West lines (Unit F) of Section 18, Township 26 North, Range 3 West, NMPM, as projected into the unsurveyed Jicarilla Apache Indian Reservation, Rio Arriba County, New Mexico.

It is our understanding that production from both the Mesaverde and Pictured Cliffs intervals are to be downhole commingled.

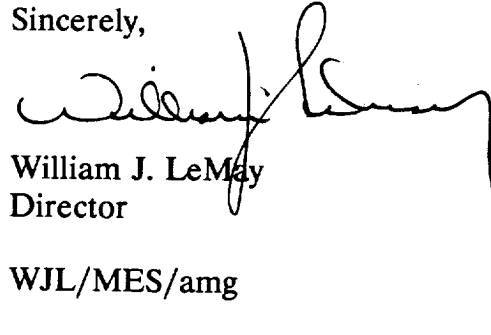
By the authority granted me under the provisions of Rule 2(c) of the General Rules and Regulations for the Prorated Gas Pools of New Mexico, the Special Rules and Regulations for the Tapacitos Pictured Cliffs Pool and the Special Rules and Regulations for the Blanco Mesaverde Pool, as promulgated by Division Order No. R-8170, as amended, the above-described unorthodox gas well location is hereby approved.

Acreage dedication for the Tapacitos Pictured Cliffs Pool and the Blanco Mesaverde Pool is 160 acres and 320 acres, respectively. Said Special Rules also contain provision whereby the District Supervisor of the Aztec District Office of the Division has the authority to approve Meridian's proposed spacing units for both zones, the NW/4 equivalent for the Pictured Cliffs and the N/2 equivalent for the Mesaverde, due to the unorthodox size and shape of said Section 6. This is caused, in part, by a variation in the legal sub-division of the United States Public Land Surveys (Rule 2(a)4).

Administrative Order NSL-3301
Meridian Oil, Inc.
August 30, 1993
Page 2

Also, Meridian Oil, Inc. shall comply with all provisions of Division General Rule 303.C pertaining to the downhole commingling of the gas from both zones.

Sincerely,

A handwritten signature in black ink, appearing to read 'William J. LeMay', with a long, sweeping horizontal line extending to the right.

William J. LeMay
Director

WJL/MES/amg

cc: Oil Conservation Division - Aztec
US Bureau of Land Management - Farmington



STATE OF NEW MEXICO
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

Date: 8-10-93

Attn: Mike Stogner

Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504-2088

RE: Proposed MC _____
Proposed NSL X _____
Proposed WFX _____
Proposed NSP _____

Proposed DHC _____
Proposed SWD _____
Proposed PMX _____
Proposed DD _____

Gentlemen:

I have examined the application received on 8-5-93
for the Meridian Oil Inc. Jicarilla 98 #11A
OPERATOR LEASE & WELL NO.

F-18-26N-03W and my recommendations are as follows:
UL-S-T-R

Approve

Yours truly,

Ernie Basile

MERIDIAN OIL

August 3, 1993

Sent Federal Express

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

RECEIVED
AUG - 5 1993
OIL CON. DIV.
DIST. 3

Re: Meridian Oil Inc. Jicarilla 98 #11A
1850'FNL, 1840'FWL Section 18, T-26-N, R-3-W
Rio Arriba County, New Mexico

Dear Mr. LeMay:

Meridian Oil Inc. is applying for administrative approval of a non-standard location for the above location in both the Mesa Verde and Pictured Cliffs formations. This application for the referenced location is due to terrain as shown on the topographic map, Section 18 being a short section east/west, and at the request of the Jicarilla Apache Tribe.

This well is planned as a Mesa Verde/Pictured Cliffs commingle and application is being made to the New Mexico Oil Conservation Division for the commingling.

The following attachments are for your review:

1. Application for Permit to Drill.
2. Completed C-102 at referenced location.
3. Offset operators/owners plat and affidavit of notification..
4. 7.5 minute topographic map showing the orthodox windows for the north half dedication for the Mesa Verde and northwest quarter dedication 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 \$200,000.

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

Sincerely,



Peggy Bradfield
Regulatory/Compliance Representative
encs.

WAIVER

_____ hereby waives objection to Meridian Oil Inc.'s application for a non-standard location for their Jicarilla 98 #11A as proposed above.

By: _____ Date: _____

xc: Consolidated Oil & Gas Corp.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work DRILL	RECEIVED AUG - 5 1993	5. Lease Number Jicarilla Contract 98
1b. Type of Well GAS		6. If Indian, All. or Tribe Jicarilla Apache
2. Operator MERIDIAN OIL	OIL CON. DIV.	7. Unit Agreement Name
	DIST. 3	
3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700		8. Farm or Lease Name Jicarilla 98
		9. Well Number 11A
4. Location of Well 1850' FNL, 1840' FWL Latitude 36° 29' 19", Longitude 107° 11' 15"		10. Field, Pool, Wildcat Tapacitos Pic Cliffs/ Blanco Mesa Verde
		11. Sec., Twn, Rge, Mer. Sec 18, T-26-N, R-3-W NMPM
14. Distance in Miles from Nearest Town 35 miles to Dulce, NM	12. County Rio Arriba	13. State NM
15. Distance from Proposed Location to Nearest Property or Lease Line 1840'		
16. Acres in Lease	17. Acres Assigned to Well 160 (NW/4) & 320 (N/2)	
18. Distance from Proposed Location to Nearest Well, Drlg, Compl, or 800'	Applied for on this Lease	
19. Proposed Depth 6310'	20. Rotary or Cable Tools Rotary	
21. Elevations (DF, FT, GR, Etc.) 6930' GR	22. Approx. Date Work will Start 3rd quarter 1993	
23. Proposed Casing and Cementing Program See Operations Plan attached		
24. Authorized by: <u>Donald C. [Signature]</u> Regional Drilling Engineer	<u>7/29/93</u> Date	

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

Submit to Adjudicator
District Office
State Lands - 4 copies
Fee Lands - 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 1
P.O. Box 1980, Hobbs, NM 88240

DISTRICT 2
P.O. Drawer 00, Artesia, NM 88210

DISTRICT 3
1000 Rio Arriba St., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator		Lands		Well No.	
Meridian Oil Inc.		Jicarilla 98		11A	
U.S. Layer	Section	Township	Range	County	
F	18	26 North	3 West	Rio Arriba	
Adverse Foreign Location of Well:					
1850'		North		1840' West	
feet from the		line and		feet from the	
Casino Elev.	Foot	Foot		Deedbook Acres	
6930'	Pictured Cliffs/Mesa Verde	Tapacitos/Blanco		160/320 Acres	

1. Outline the acreage dedicated to the subject well by correct points or section corners 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 names of all owners been examined by communication.

unwritten, force-pooling, etc.?

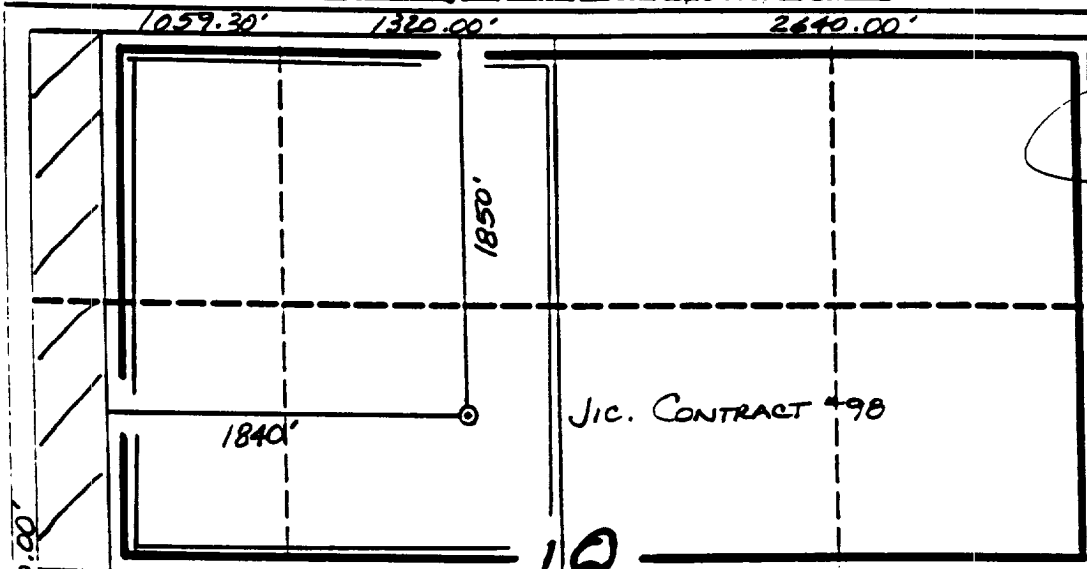
☐ Yes

☐ No

If answer is "yes" type of communication

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

No allowance will be assigned to the well until all interests have been examined (by communication, unwritten, force-pooling, or otherwise) or until a non-content suit, concerning 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 Bradfield
Signature

Peggy Bradfield

Printed Name

Regulatory Representative

Position

Meridian Oil Inc.

Company

7-28-93

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. 6-22-93

Date Surveyed C. EDW

Nedde G. Edwards

Professional Surveyor

(9857)

July 29, 1993

OPERATIONS PLAN

Well Name: Jicarilla 98 #11A
Location: 1850'FNL, 1840'FWL Section 18, T-26-N, R-3-W
 Rio Arriba County, New Mexico
 Latitude 36° 29' 19", Longitude 107° 11' 15"
Formation: Tapacitos Pictured Cliffs/Blanco Mesa Verde
Elevation: 6930'GL

<u>Formation Tops:</u>	<u>Top</u>	<u>Bottom</u>	<u>Contents</u>
Surface	San Jose	3150'	
Ojo Alamo	3150'	3330'	aquifer
Kirtland	3330'	3440'	
Fruitland	3440'	3620'	gas
Pictured Cliffs	3620'	3805'	gas
Lewis	3805'	4565'	
Chacra	4565'	5300'	gas
Mesa Verde	5300'	5400'	gas
Menefee	5400'	5760'	gas
Point Lookout	5760'	6310'	gas
Total Depth	6310'		

Logging Program:

Mud Logs/Coring/DST -
 Mud logs - 3400' to Total Depth
 Coring - none
 DST - none

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
200-6310'	LSND	8.4-9.1	30-60	no control

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>
12 1/4"	0' - 200'	8 5/8"	24.0#	K-55
7 7/8"	0' - 6310'	4 1/2"	10.5#	K-55

Tubing Program:

0' - 6310'	2 3/8"	4.7#	J-55 EUE
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BOP Specifications, Wellhead and Tests:

Surface to TD -

11" 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.

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

Wellhead -

8 5/8" x 4 1/2" x 2 3/8" 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:

8 5/8" surface casing -

Cement to surface w/140 sx Class "B" cement w/3% calcium chloride and 1/4#/sx cellophane flakes (165 cu.ft. of slurry, 100% 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 - 4 1/2"

First Stage: Cement to circulate to stage tool @ 3905'. Lead w/553 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: 1097 cu.ft. Excess slurry 100%.)

Second Stage: Cement to circulate to surface. Lead w/940 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 a minimum of 18 hours prior to cleanout. (Slurry volume: 1781 cu.ft. Excess slurry: 100%.)

Float shoe on bottom. Three centralizers run every other joint above shoe. Two turbolizing type centralizers - one below and one into the base of the Ojo Alamo @ 3330'. 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.

Additional Information:

- Pictured Cliffs and Mesa Verde formations will be completed and commingled per New Mexico Oil Conservation Division Order.
- 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 18 is dedicated to the Mesa Verde and the Northwest quarter is dedicated to the Pictured Cliffs.
- This gas is dedicated.
- New casing will be utilized.
- Pipe movement (either rotation or reciprocation) will be done if hole conditions permit.

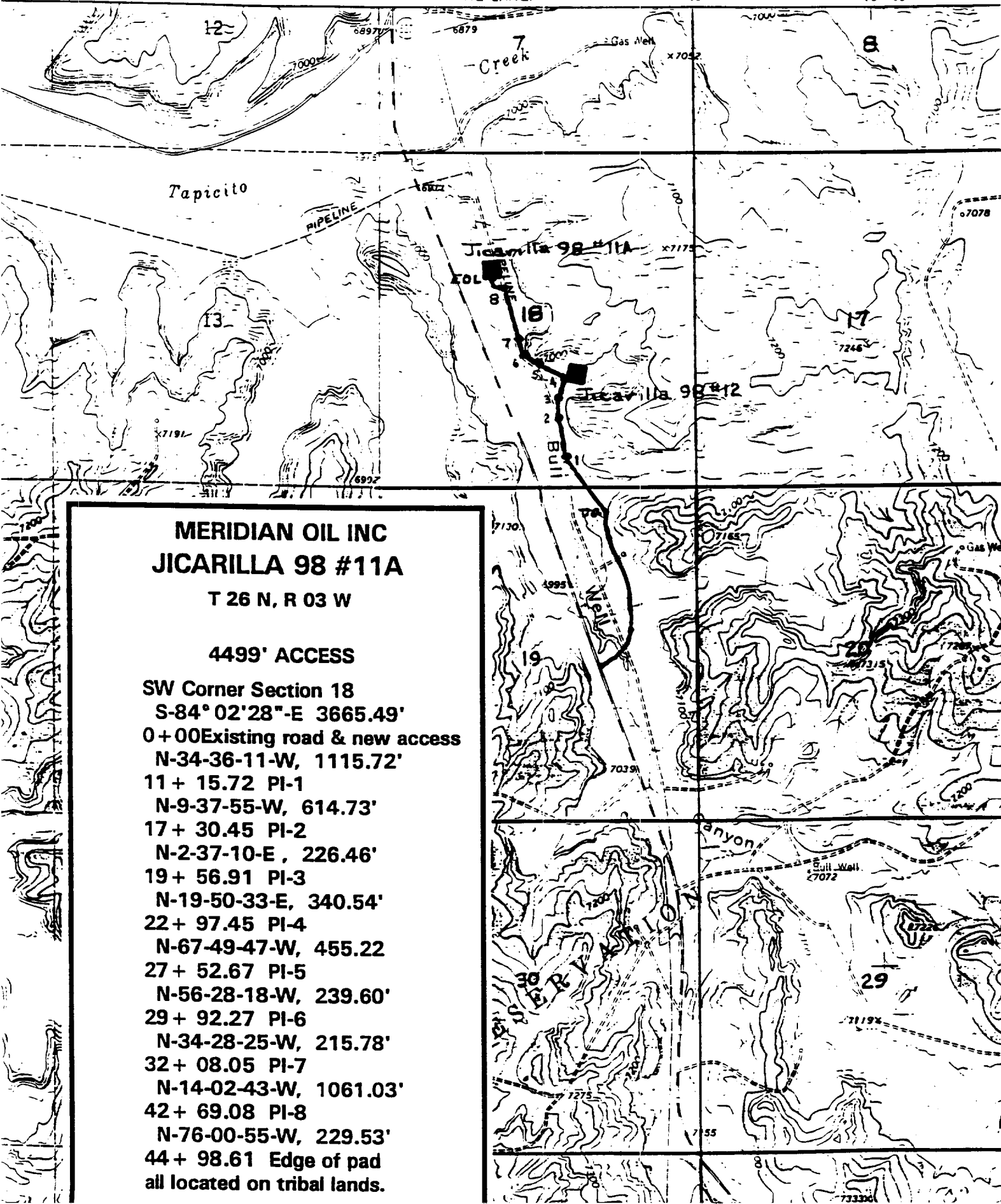
MERIDIAN OIL

Jicarilla 98 #11A

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. The required new access road is shown on Map No. 1. The gradient, shoulder, crowning and other design elements will meet or exceed those specified by the responsible government agency. The new access road surface will not exceed twenty feet (20') in width. No additional turnarounds or turnouts will be required. Upon completion of the project, the access road will be adequately drained to control soil erosion. Approximately 4499' of access road will be constructed. Pipelines are indicated on Map No. 1A.
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 Bull Pasture Well located SW Section 17, T-26-N, R-4-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.

106



T 26 N, R 03 W

4499' ACCESS

SW Corner Section 18
S-84° 02'28"-E 3665.49'
0+00 Existing road & new access
N-34-36-11-W, 1115.72'
11+ 15.72 PI-1
N-9-37-55-W, 614.73'
17+ 30.45 PI-2
N-2-37-10-E, 226.46'
19+ 56.91 PI-3
N-19-50-33-E, 340.54'
22+ 97.45 PI-4
N-67-49-47-W, 455.22
27+ 52.67 PI-5
N-56-28-18-W, 239.60'
29+ 92.27 PI-6
N-34-28-25-W, 215.78'
32+ 08.05 PI-7
N-14-02-43-W, 1061.03'
42+ 69.08 PI-8
N-76-00-55-W, 229.53'
44+ 98.61 Edge of pad
all located on tribal lands.

Scheme to Accompany
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-182
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 00, Arama, NM 88210

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section.

Operator Meridian Oil Inc.		Lease Jicarilla 98		Well No. 11A	
U.S. Letter F	Section 18	Township 26 North	Range 3 West	County Rio Arriba	
Acres Forgive Location of Well:					
1850'		North		1840'	
feet from the		line and		feet from the	
Ground level.		Producing Formation		Foot	
6930'		Pictured Cliffs/Mesa Verde		Tapacitos/Blanco	
				Distance Acreage 160/320 Acres	

1. Outline the acreage contained in the subject well by enclosing points or letters within 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 names of all owners been considered by communication.

unanimous, force-pooling, etc.?

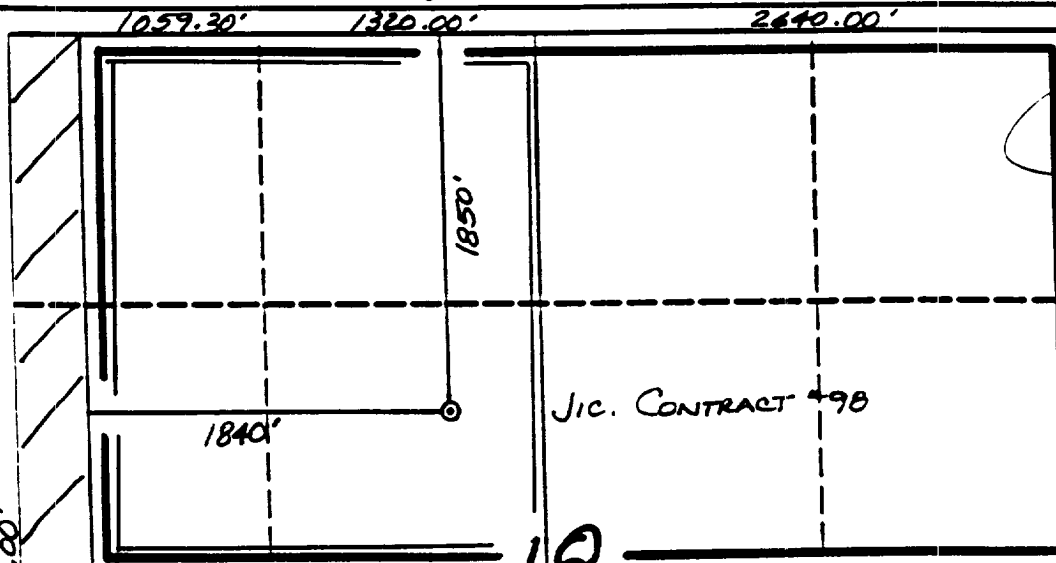
☐ Yes

☐ No

If answer is "yes" type of consideration

If answer is "no" list the owners and what consideration would have actually been considered. (Use reverse side of this form if necessary).

No alterations will be accepted to the well until all owners have been considered (by communication, unification, force-pooling, or otherwise) or until a non-standard 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

7-28-93

Date

SURVEYOR CERTIFICATION

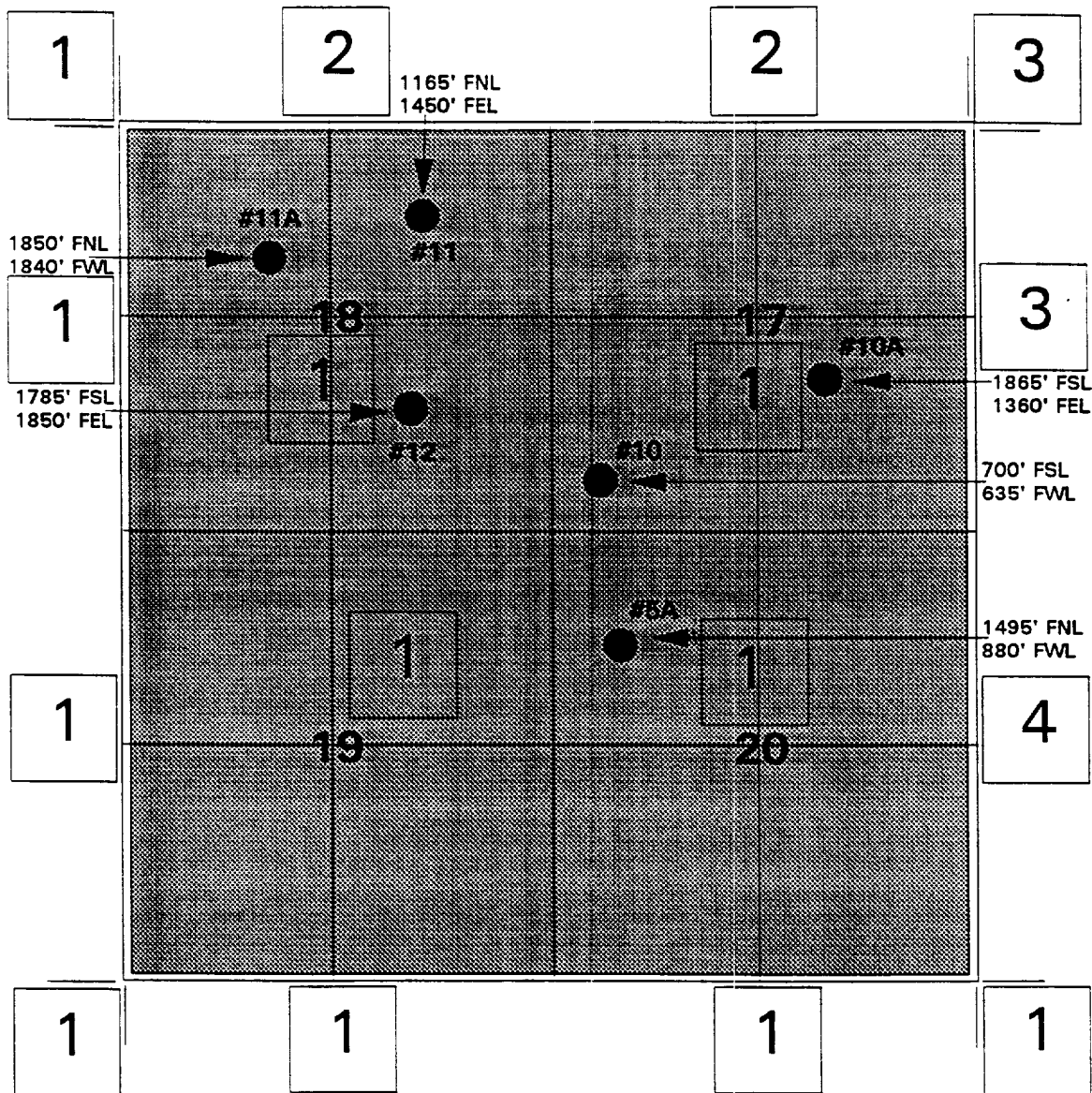
I hereby certify that the well location shown on this plat was plotted from field notes, actual surveys made by me or under supervision, and that the same is true and correct to the best of my knowledge and belief. 6-22-93

C. EDWARDS
Name
Needle, W. Edwards
Signature of State
Professional Surveyor

9357

MERIDIAN OIL INC.

OFFSET OPERATOR/OWNER PLAT
Pictured Cliffs/Mesaverde Commingle
Township 26 North, Range 3 West
Rio Arriba County, New Mexico



See Attached List

**Pictured Cliffs/Mesaverde Commingle
Township 26 North, Range 3 West
Offset Operators**

1. **Meridian Oil Inc.
P.O. Box 4289
Farmington, NM 87499-4289**
2. **Consolidated Oil & Gas Corp.
419 17th Street, Suite 400
Denver, CO 80202-4410**
3. **Jerome P. McHugh
650 S. Cherry Street, Suite 1225
Denver, CO 80222**
4. **Jerome P. McHugh
650 S. Cherry Street, Suite 1225
Denver, CO 80222**

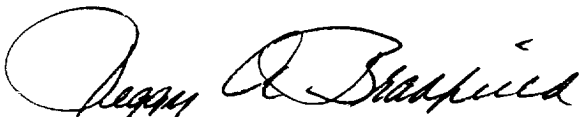
**Dugan Production Corp.
P.O. Box 420
Farmington, NM 87499-0402**

MERIDIAN OIL

Re: Meridian Oil Inc. Jicarilla 98 #11A
1850'FNL, 1840'FWL Section 18, T-26-N, R-3-W
Rio Arriba County, New Mexico

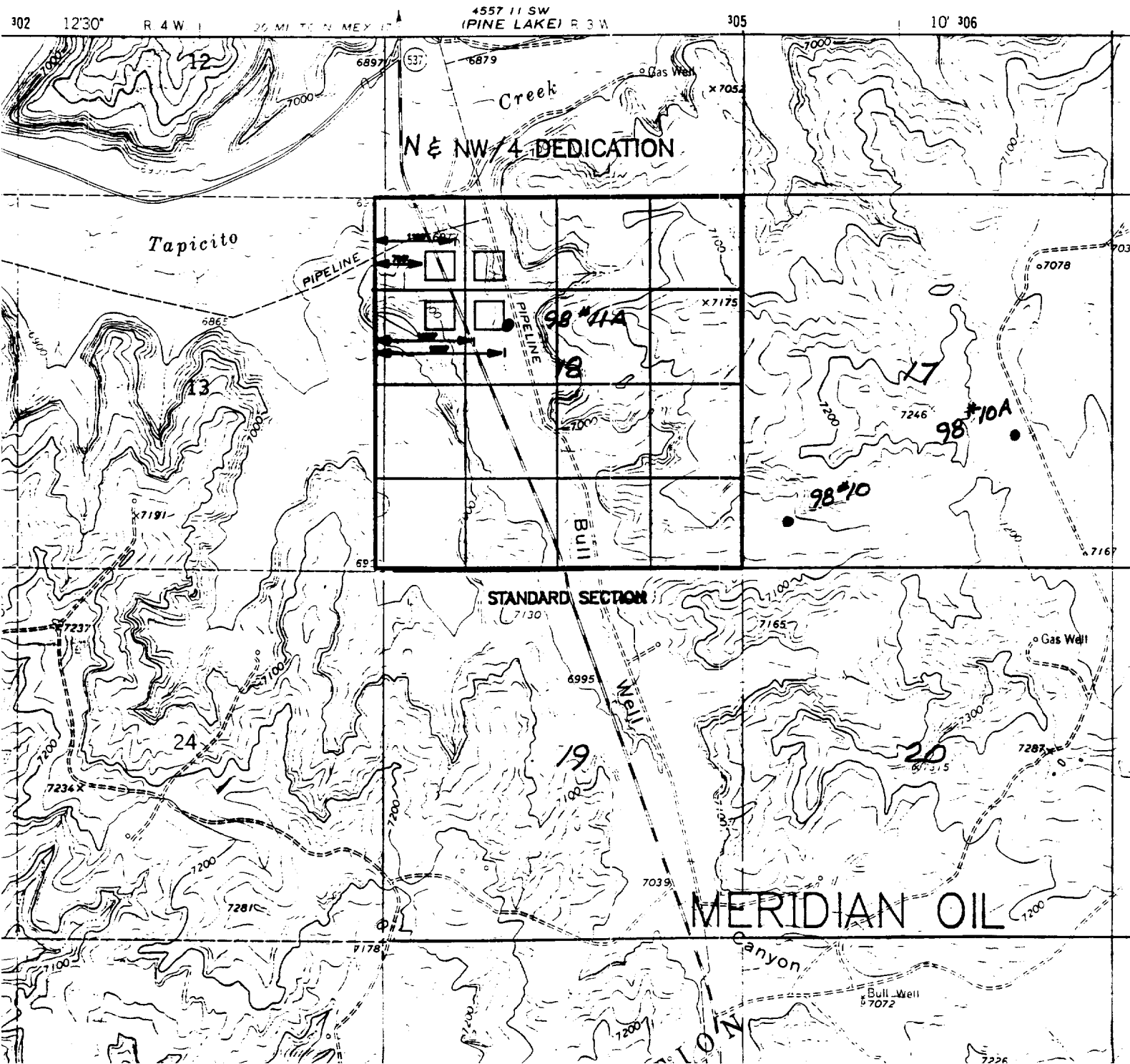
I hereby certify that the following offset operators/owners have been mailed notification of our application for non-standard location to drill the referenced well.

Consolidated Oil & Gas Corp.
419 17th Street, Suite 400
Denver, CO 80202-4410

A handwritten signature in cursive script, appearing to read "Peggy A. Bradfield".

Peggy A. Bradfield
San Juan County
State of New Mexico

My commission expires August 17, 1996



4557 11 SW
(PINE LAKE) R. 3 W.

305

10' 306

307

