

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK *30-039-24949*

1a. Type of Work DRILL		5. Lease Number SF-078894	
1b. Type of Well GAS		6. If Indian, Name of Tribe or Allottee	
2. Operator Meridian Oil Co Inc 14538 Evergreen Operating Corporation		7. Unit Agreement Name ROSA UNIT	
3. Address & Phone No. of Operator P.O. Box 9289 SA. R. KENDRICK Farmington NM BOX 516, AZTEC, NM 87410 87499 (505) 331-2555		8. Farm or Lease Name ROSA UNIT 7440	
4. Location of Well (Unit A) 1155' FNL 790' FEL		9. Well Number 309	
14. Distance in Miles from Nearest Town 14 MILES WEST OF DULCE, NM		10. Field, Pool, or Wildcat 71629 BASIN-FRUITLAND COAL GAS POOL	11. Section, Township, & Range, Meridian, or Block A- 26-31N-4W
15. Distance from Proposed Location To Nearest Property Line or Lease Line. 790'		12. County RIO ARRIBA	13. State NEW MEXICO
16. Acres in Lease 2284.16 Acres		17. Acres Assigned to Well E-320 Acres	
18. Distance From Proposed Location To Nearest Well Dr, Compl., Or Applied For On Lease. 10,365'		19. Proposed Depth 4015' 3852	20. Rotary or Cable Tools ROTARY DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS"
21. Elevations (DF, RT, GR, Etc.) 7039 7038' GR		22. Approximate Date Work Will Start. AS soon as possible	
23. Proposed Casing and Cementing Program:			
Exhibits attached as follows:			
"A" Location and Elevation Plat		"F" Location Profile	
"B" Vicinity Map - Access Roads		"G" Drill Rig Layout	
"C" Ten-Point Compliance Program		"H" Completion Rig Layout	
"D" Multi-Point Requirements for APD		"I" Production Facility Schematic	
"E" Blowout Preventer Schematic			
24. Signed <i>AR Kendrick</i> Title _____		Agent _____ Date June 27, 1990	

Permit No. _____ Approval Date _____

Approved By _____ Title _____ Date **SEP 27 1990**

NOTE: THIS FORMAT IS ISSUED IN LIEU OF U.S. BLM FORM 3160-7 AREA MANAGER

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

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, Aramis, NM 88210

DISTRICT III
1000 Rio Brazos 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 Rosa Unit (SF-078894)		Well No. 309
Unit Letter A	Section 26	Township 31 North	Range 4 West	County NMNM Rio Arriba	
Actual Footage Location of Well: 1155 feet from the North line and 790 feet from the East line					
Ground level Elev. 7039'	Producing Formation Fruitland Coal		Pool Basin	Dedicated Acreage: 320 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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 interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
☒ Yes ☐ No If answer is "yes" type of consolidation unitization
If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-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.

Signature
Peggy Bradfield

Printed Name
Peggy Bradfield
Regulatory Affairs

Position
Meridian Oil Inc.

Company
9-7-90

Date

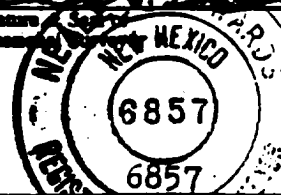
SURVEYOR CERTIFICATION

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.

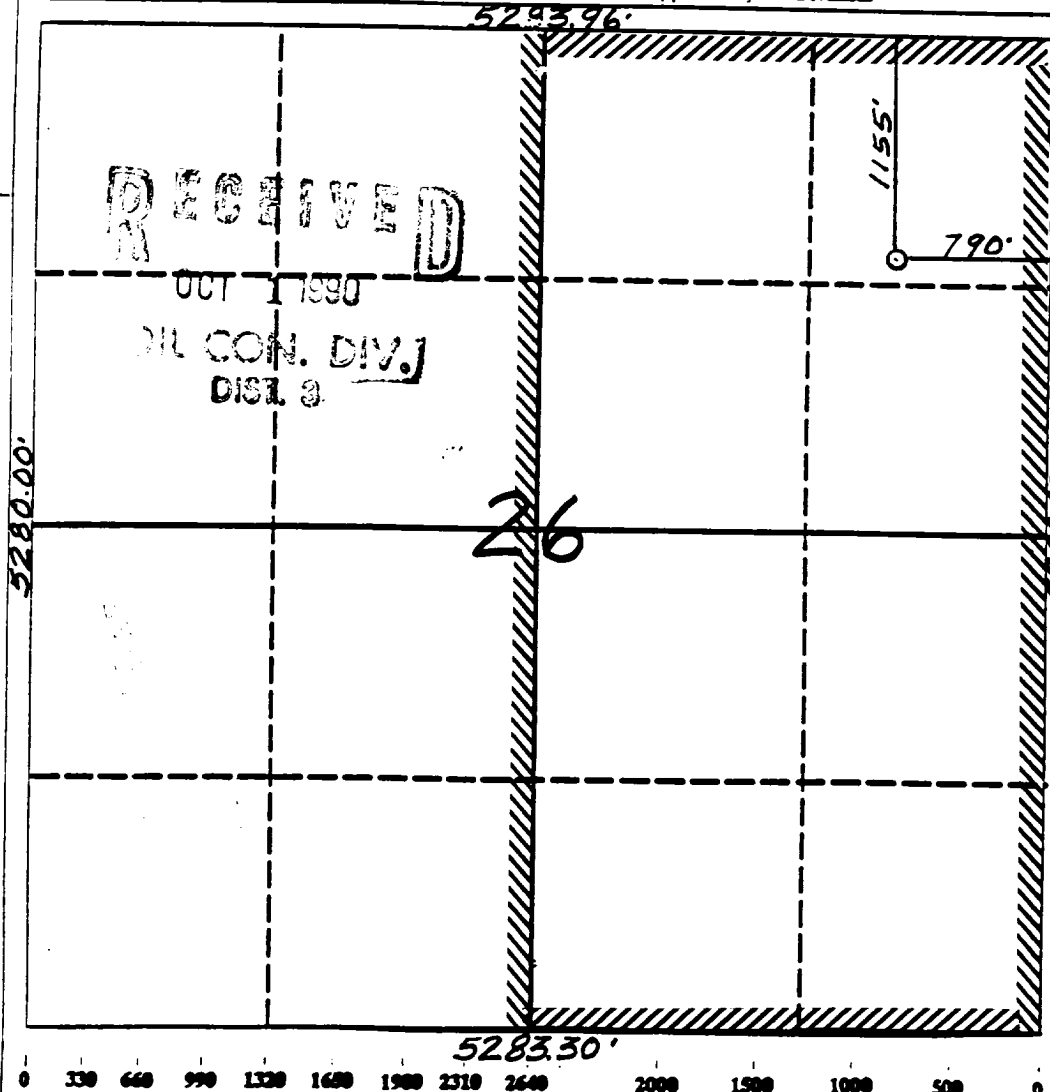
7-7-90

Date Surveyed

Signature
Neale C. Edwards
Professional Surveyor



Certificate No.
Neale C. Edwards



Well Name: 309 ROSA UNIT
 Sec. 26 T31N R04W
 BASIN FRUITLAND COAL

1155'FNL 790'FEL
 RIO ARRIBA NEW MEXICO
 Elevation 7039'GL

Formation tops: Surface- SAN JOSE

Ojo Alamo-	3280		
Kirtland-	3395		
Fruitland-	3695		
Fruitland Coal Top-	3754	Intermediate TD-	3704
Fruitland Coal Base-	3850	Total Depth-	3852
Pictured Cliffs-	3858		

Logging Program: Mud logs from intermediate to total depth.

Mud Program:	Interval	Type	Weight	Visc.	Fl. Loss
	0 - 200	Spud	8.4 - 8.9	40-50	no control
	200 - 3704	Non-dispersed	8.4 - 9.1	30-60	no control
	3704 - 3852	Formation Water	8.4		no control

Casing Program:	Hole Size	Depth Interval	Csg. Size	Weight	Grade
	12 1/4"	0 - 200	9 5/8"	32.3#	H-40
	8 3/4"	0 - 3704	7"	20.0#	K-55
	6 1/4"	3654 - 3852	5 1/2"	15.5#	K-55
Tubing Program:		0 - 3852	2 7/8"	6.5#	J-55

Float Equipment: 9 5/8" surface casing - saw tooth guide shoe. Centralizers will be run in accordance with Onshore Order #2.

7" intermediate casing - guide shoe and self-fill insert float valve. Three centralizers run every other joint above shoe. Run insert float one joint above the guide shoe. Two turbolizing type centralizers - one below and one into the base of the Ojo Alamo @ 3395'. Standard centralizers thereafter every fourth joint up to the base of the surface pipe.

5 1/2" production casing - float shoe on bottom and a pre-drilled liner run to the 7" casing with a minimum 50' overlap. Liner hanger is a double slip grip type.

Wellhead Equipment: 9 5/8" x 7" x 2 7/8" x 11" 3000 psi xmas tree assembly.

Cementing:

9 5/8" surface casing - cement with 160 sacks of class "B" cement with 1/4# flocele/sack and 3% calcium chloride (189 cu ft. of slurry, 200% excess to circulate to surface). WOC 12 hours. Test casing to 600 psi for 30 minutes.

7" intermediate casing - lead with 549 sacks of 65/35 class "B" poz with 6% gel, 2% calcium chloride and 1/2 cu ft. Perlite/sack (10.3 gallons of water/sack) tail with 100 sacks of class "B" with 2% calcium chloride. 1179 cu ft. of slurry, 110% excess to circulate to surface. If hole conditions permit, a 600 ft spacer will be run ahead of the cement slurry to avoid mud contamination of the cement. WOC 12 hours. If cement does not circulate to surface, a temperature log will be run after 8 hours to determine TOC.

5 1/2" liner - do not cement.

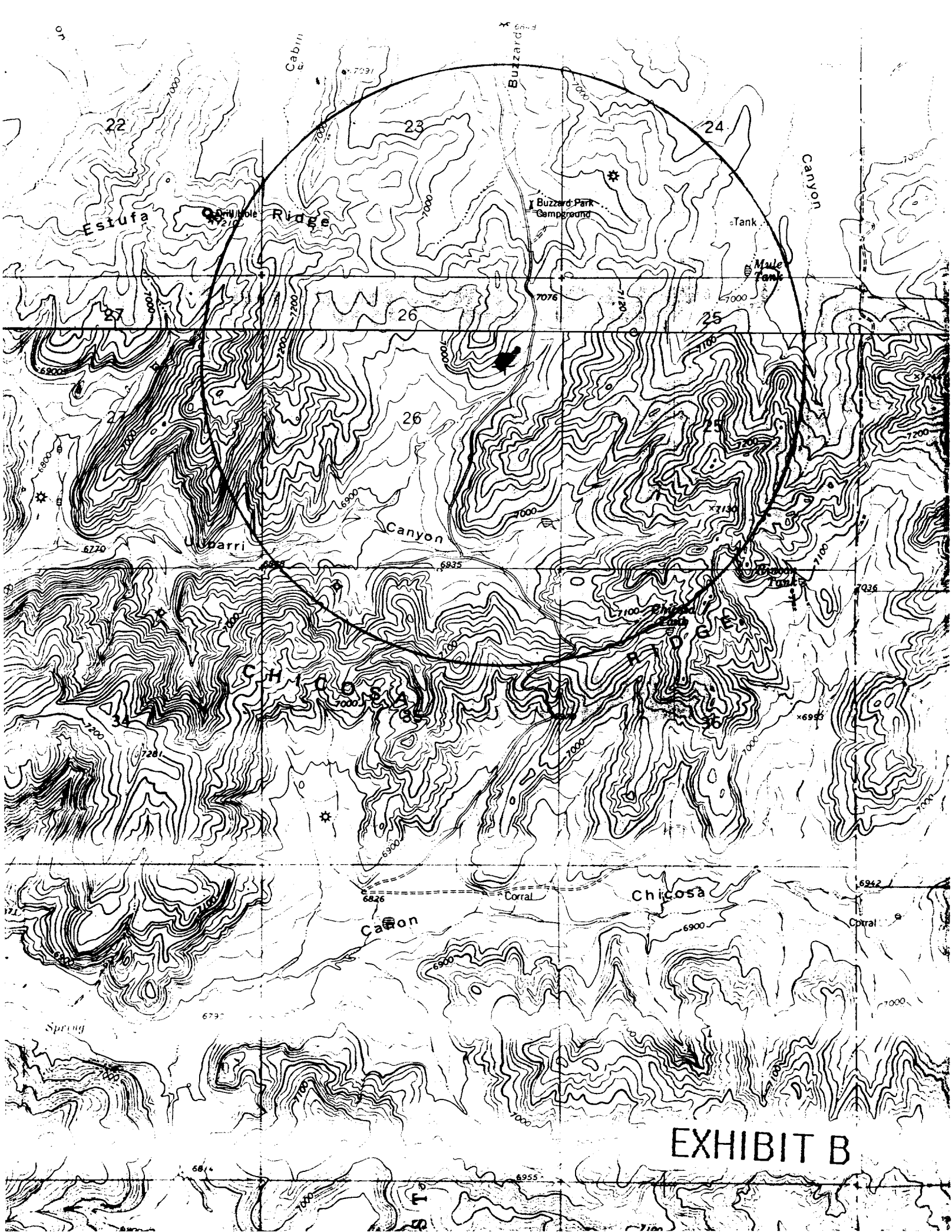


EXHIBIT B