

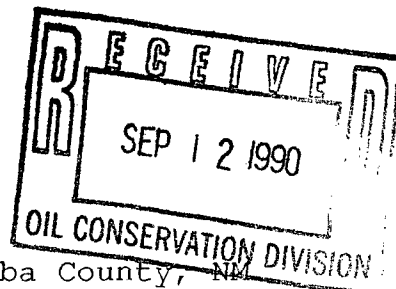
MERIDIAN OIL

September 7, 1990

Mr. William LeMay
New Mexico Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87503

Re: San Juan 30-6 Unit #498
2185'FNL, 2295'FEL

Section 30, T-30-N, R-7-W, Rio Arriba County, NM



Gentlemen:

This is an application for administrative approval for non-standard location of the referenced well in the Fruitland Coal formation. This location is necessary due to the terrain features of this section as shown on the topographic map.

The following are items for your consideration:

1. Application for Permit to Drill as filed with the Bureau of Land Management.
2. Completed C-102 showing well location, proration unit and leases within the unit.
3. Plat showing offset operators/owners.
4. 7.5 minute topographic map of well location, showing the orthodox windows for the east-half dedication; and enlargement of the map to define topographic features.
5. Archaeological report.
6. This well may be deemed economically unfeasible due to incremental directional drilling costs of \$88,000.00.
7. Affidavit of notification of offset operators/owners by certified mail, and waiver signed by Blackwood & Nichols.

Please let me know if you require further information.

Sincerely,

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

Peggy Bradfield
Regulatory Affairs

encs.

xc: Bureau of Land Management, Farmington District
New Mexico Oil Conservation Division, Aztec District


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 NM-012709 |
| 1b. TYPE OF WELL GAS | 6. IF INDIAN, ALL. OR TRIBE NAME |
| 2. OPERATOR EL PASO NATURAL GAS CO. | 7. UNIT AGREEMENT NAME SAN JUAN 30-6 UNIT |
| 3. ADDRESS & PHONE NO. OF OPERATOR P O BOX 4289 FARMINGTON, NM 87499 | 8. FARM OR LEASE NAME SAN JUAN 30-6 UNIT |
| 4. LOCATION OF WELL 2185' FNL 2295' FEL | 9. WELL NO. 498 |
| 10. FIELD, POOL, OR WILDCAT BASIN FRUITLAND COAL | 11. SEC. T. R. M OR BLK. SEC. 30 T30N R07W NMPM |
| 14. DISTANCE IN MILES FROM NEAREST TOWN 4 MILES NAVAJO DAM P.O. | 12. COUNTY RIO ARRIBA |
| | 13. STATE NM |
| 15. DISTANCE FROM PROPOSED LOCATION 2185' TO NEAREST PROPERTY OR LEASE LINE. | 16. ACRES IN LEASE 17. ACRES ASSIGNED TO WELL 320.00 |
| 18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL DR. 500' COMPL., OR APPLIED FOR ON THIS LEASE. | 19. PROPOSED DEPTH 20. ROTARY OR CABLE TOOLS 3062' ROTARY |
| 21. ELEVATIONS (DF, FT, GR, ETC.) 6222' GL | 22. APPROX. DATE WORK WILL START |

23. PROPOSED CASING AND CEMENTING PROGRAM

*SEE OPERATIONS PLAN

24. AUTHORIZED BY: 
REG. DRILLING ENGR.

7/18/90
DATE

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____

NOTE: THIS FORMAT IS ISSUED IN LIEU OF US BLM FORM 3160-3.

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, Artesia, NM 88210

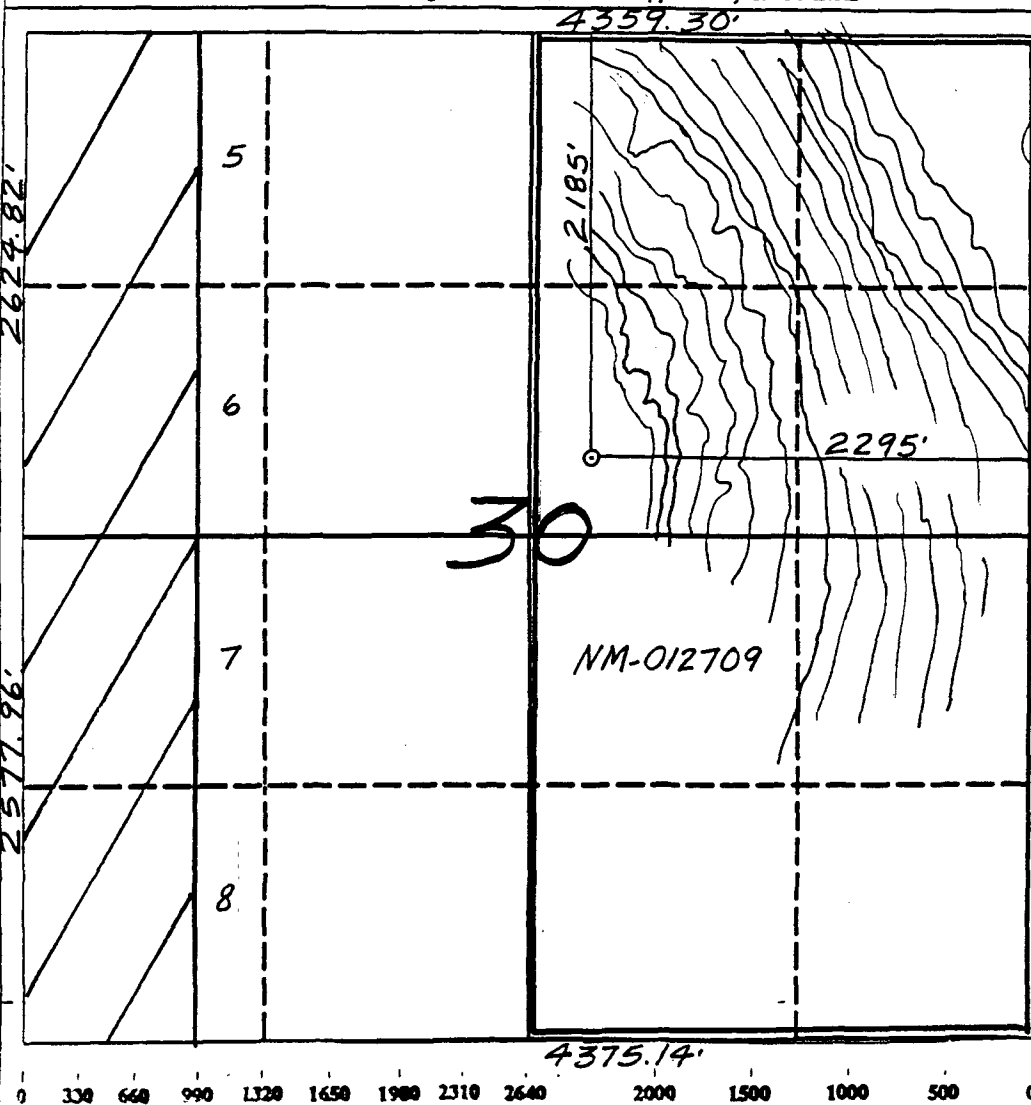
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

| | | | | |
|--|--|--|------------------------|---|
| Operator El Paso Natural Gas | | Lease San Juan 30-6 Unit (NM-012709) | | Well No. 498 |
| Unit Letter G | Section 30 | Township 30 North | Range 7 West | County Rio Arriba |
| Actual Footage Location of Well: 2185 feet from the North line and 2295 feet from the East line | | | | |
| Ground level Elev. 6222' | Producing Formation Fruitland Coal | | Pool Basin | Dedicated Acreage: 320.00 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
Regulatory Affairs

Position
El Paso Natural Gas

Company

Date
7-18-90

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.

Date Surveyed
6-1-90

Signature Neale G. Edwards
Professional Surveyor

NEW MEXICO
6857
REGISTERED LAND SURVEYOR

Certificate
Neale G. Edwards

Well Name: 498 SAN JUAN 30-6 UNIT
 Sec. 30 T30N R07W
 BASIN FRUITLAND COAL

2185'FNL 2295'FEL
 RIO ARriba NEW MEXICO
 Elevation 6222'GL

Formation tops: Surface- San Jose

Ojo Alamo- 1970

Kirtland- 2160

Fruitland- 2775

Fruitland Coal Top- 2949

Fruitland Coal Base- 3060

Pictured Cliffs- 3076

Intermediate TD- 2929

Total Depth- 3062

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 - 2929 | Non-dispersed | 8.4 - 9.1 | 30-60 | no control |
| | 2929 - 3062 | 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 - 2929 | 7" | 20.0# | K-55 |
| | 6 1/4" | 2879 - 3062 | 5 1/2" | 15.5# | K-55 |

| Tubing Program: | Depth Interval | Csg. Size | Weight | Grade |
|-----------------|----------------|-----------|--------|-------|
| | 0 - 3062 | 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 @ 2160'. 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 423 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. 935 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.

BOP and Tests:

Surface to intermediate TD - 11" 2000 psi(minimum) double gate BOP stack (Reference Figure #1). Prior to drilling out surface casing, test rams to 600 psi for 30 minutes.

Intermediate TD to TD - 7 1/16" 2000 psi(minimum) double gate BOP stack (Reference Figure #2). Prior to drilling out intermediate casing, test blind rams and casing to 2500 psi for 30 minutes; all pipe rams and casing to 2500 psi for 30 minutes each.

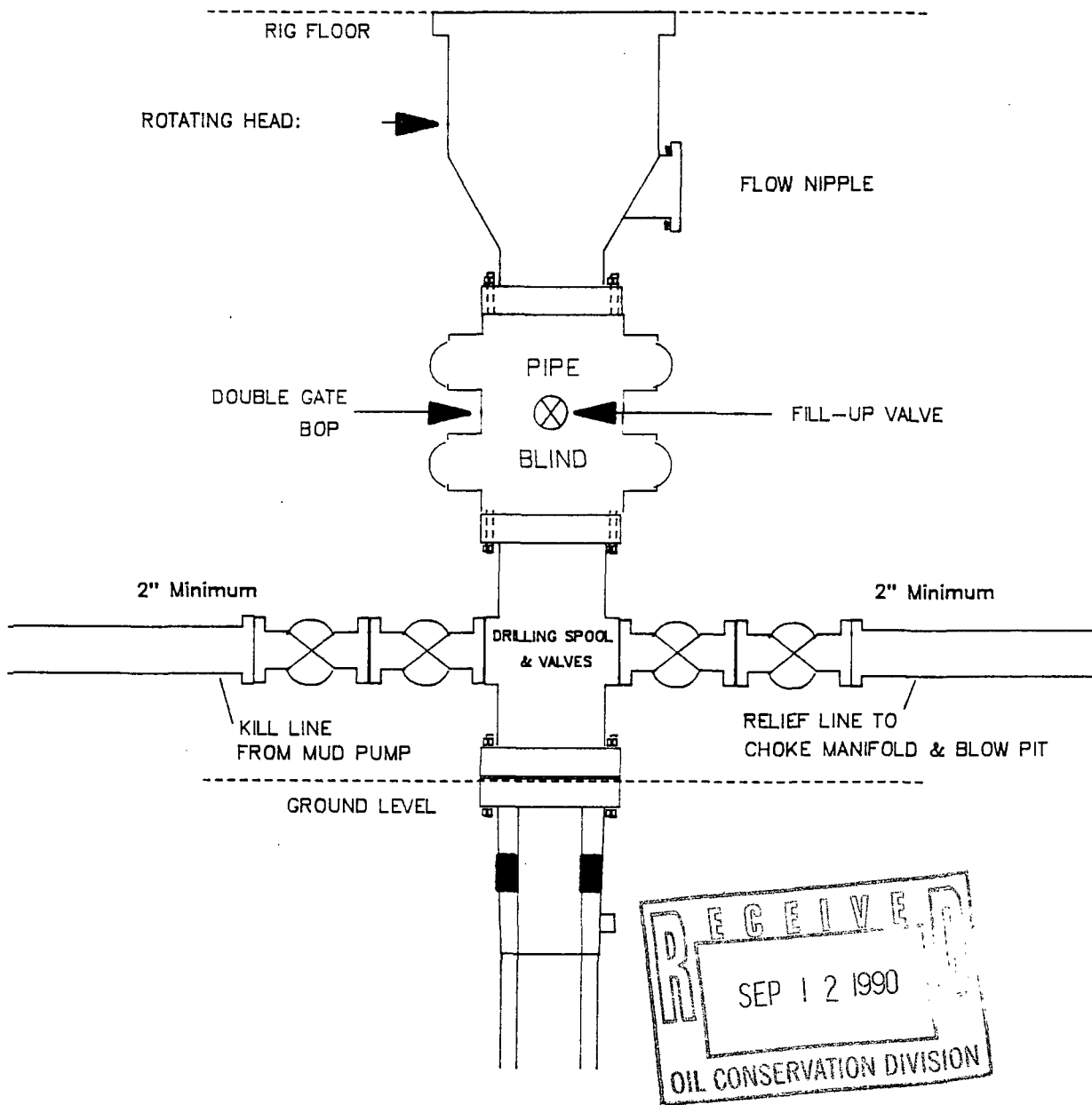
From surface to TD - choke manifold (Reference Figure #3).

Pipe rams will be actuated at 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 Fruitland coal formation will be completed.
- * Anticipated Fruitland pore pressure is 1554 psi.
- * This gas is dedicated.
- * The E/2 of Section 30 is dedicated to this well.
- * New casing will be utilized.
- * Cementing Contractor will provide the BLM with a chronological log including the pump rate and pressure, and the slurry density and volume for all cement jobs.
- * Pipe movement (either rotation or reciprocation) will be done if hole conditions permit.

MERIDIAN OIL INC.
Drilling Rig
BOP Configuration



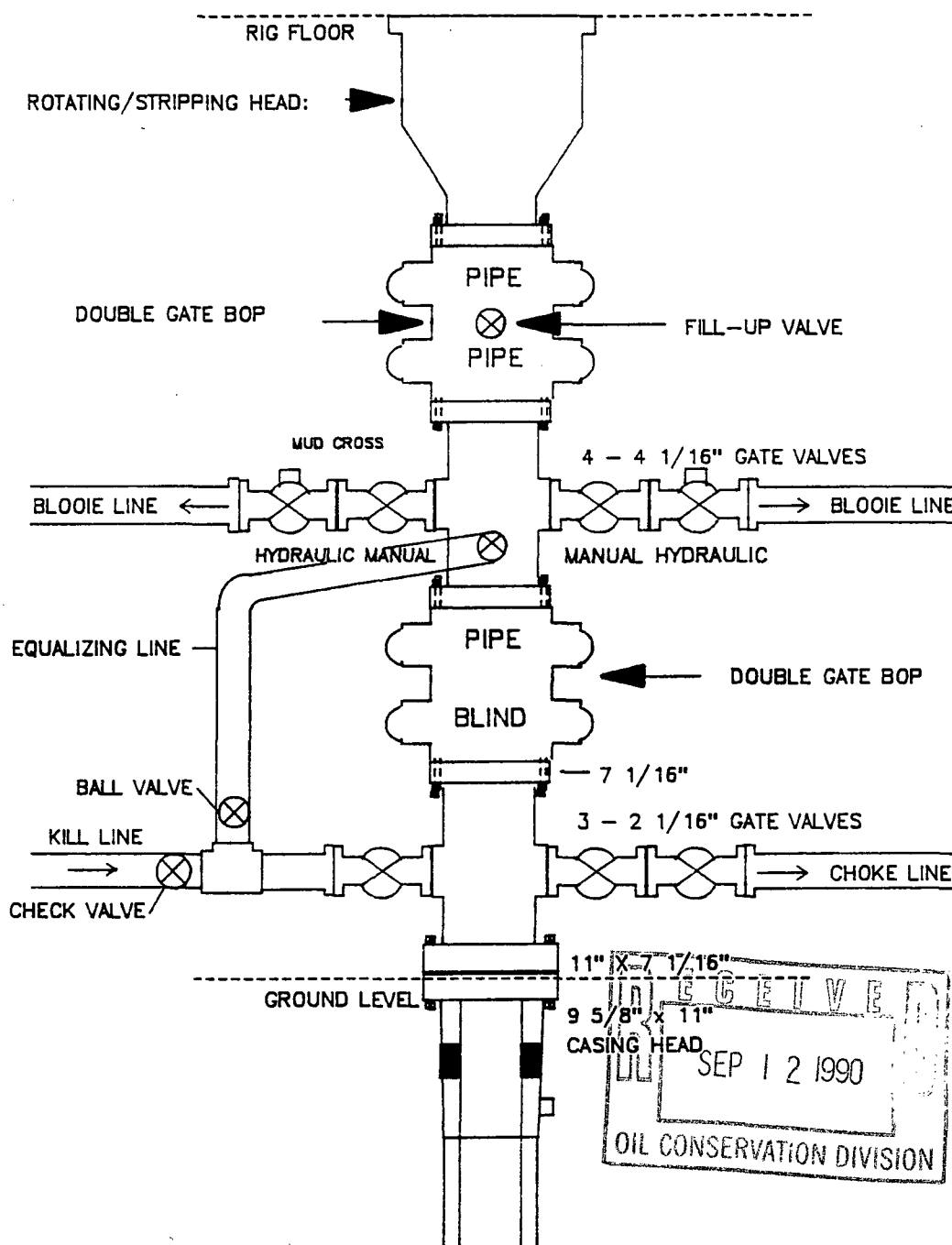
Minimum BOP installation for a typical Fruitland Coal well from surface to Intermediate casing point. 11" Bore (10" Nominal), 2000psi minimum working pressure double gate BOP to be equipped with blind and pipe rams. A Schaffer Type 50 equivalent rotating head to be installed on the top of BOP. All equipment is 2000psi working pressure/or greater.

Figure #1

MERIDIAN OIL INC.

Completion Rig

BOP Configuration

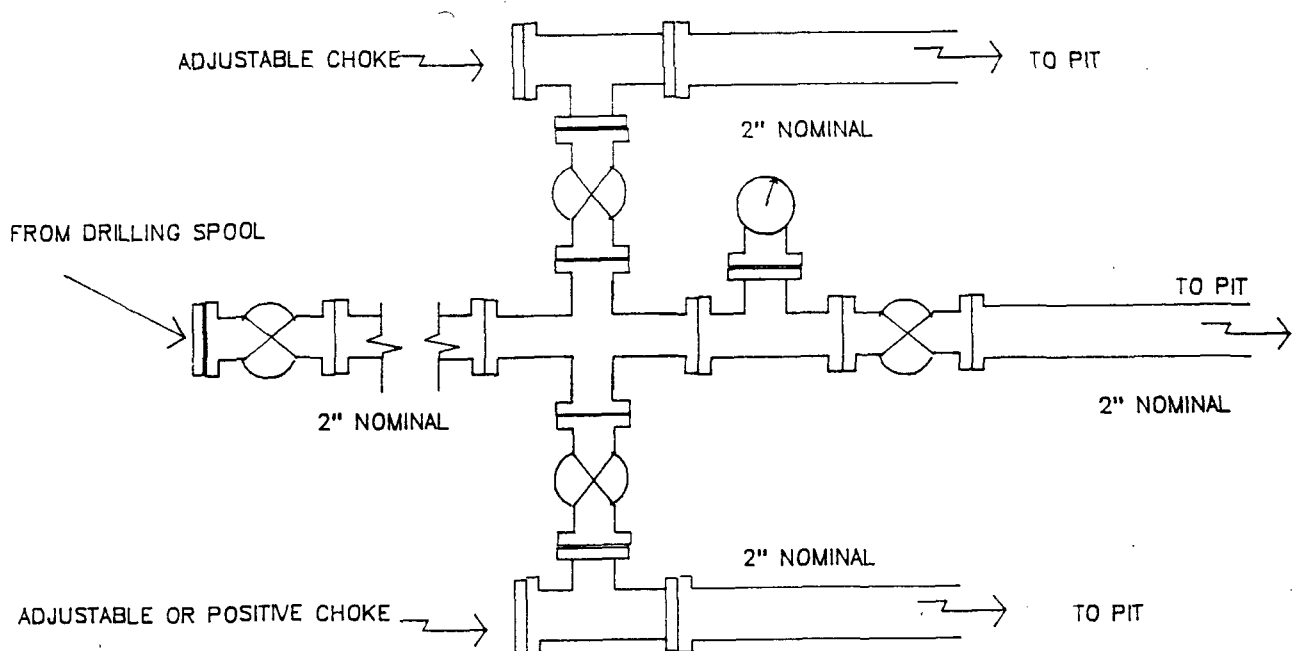


Minimum BOP installation for a typical open-hole Fruitland Coal well from intermediate TD to TD. 7 1/16" Bore (6" Nominal), 2000psi working pressure/ or greater double stack double gate BOP equipped with three pipe and one blind ram.

Figure #2

MERIDIAN OIL INC.

Typical Fruitland Coal Well Choke Manifold Configuration



Minimum choke manifold installation for a typical Fruitland Coal well from surface to Total Depth. 2", 2000psi working pressure equipment with two chokes.

Figure #3

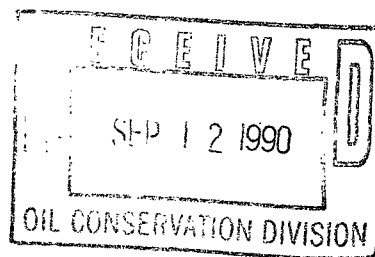
Multi-Point Surface Use Plan
El Paso Natural Gas Co.
San Juan 30-6 Unit #498

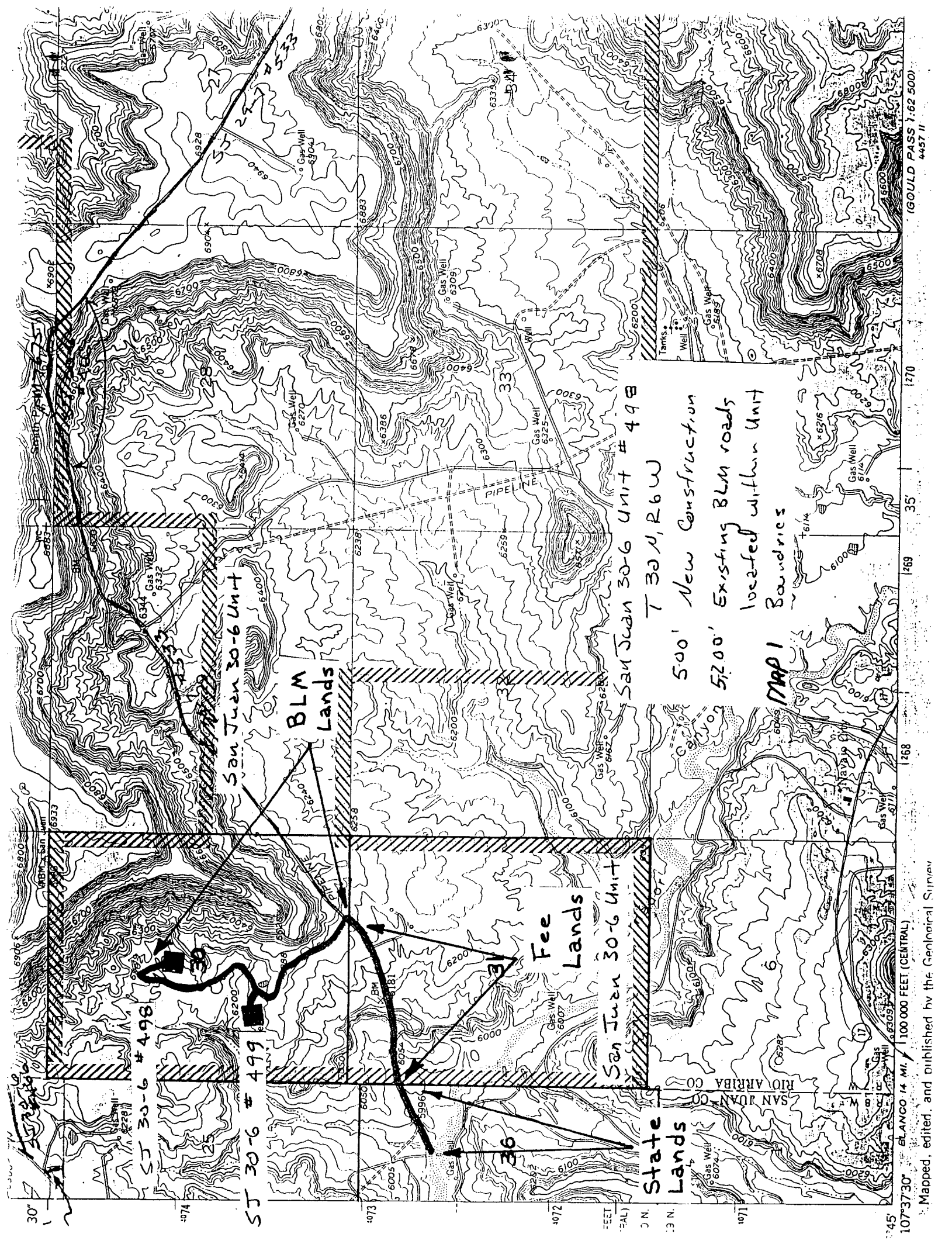
1. Existing Roads - Refer to Map No. 1. Existing roads used to access the proposed location will be properly maintained for the duration of the project. Bureau of Land Management right-of-way has been applied for as shown on Map No. 1.
2. Planned Access Road - Refer to Map No. 1. The required new access 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 500' 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 Manzanares Mesa Water Well #1 located in SW/4 Section 09, T-29-N, R-08-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 earthen pits will be so constructed as to prevent leakage from occurring; no earthen pit will be located on natural drainage. Hazardous waste will be disposed of in accordance with Federal Regulations.
8. Ancillary Facilities - None anticipated.
9. Wellsite Layout - Refer to the location diagram (Plat No. 2) and to the wellsite cut and fill diagram (Plat No. 2A). 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.

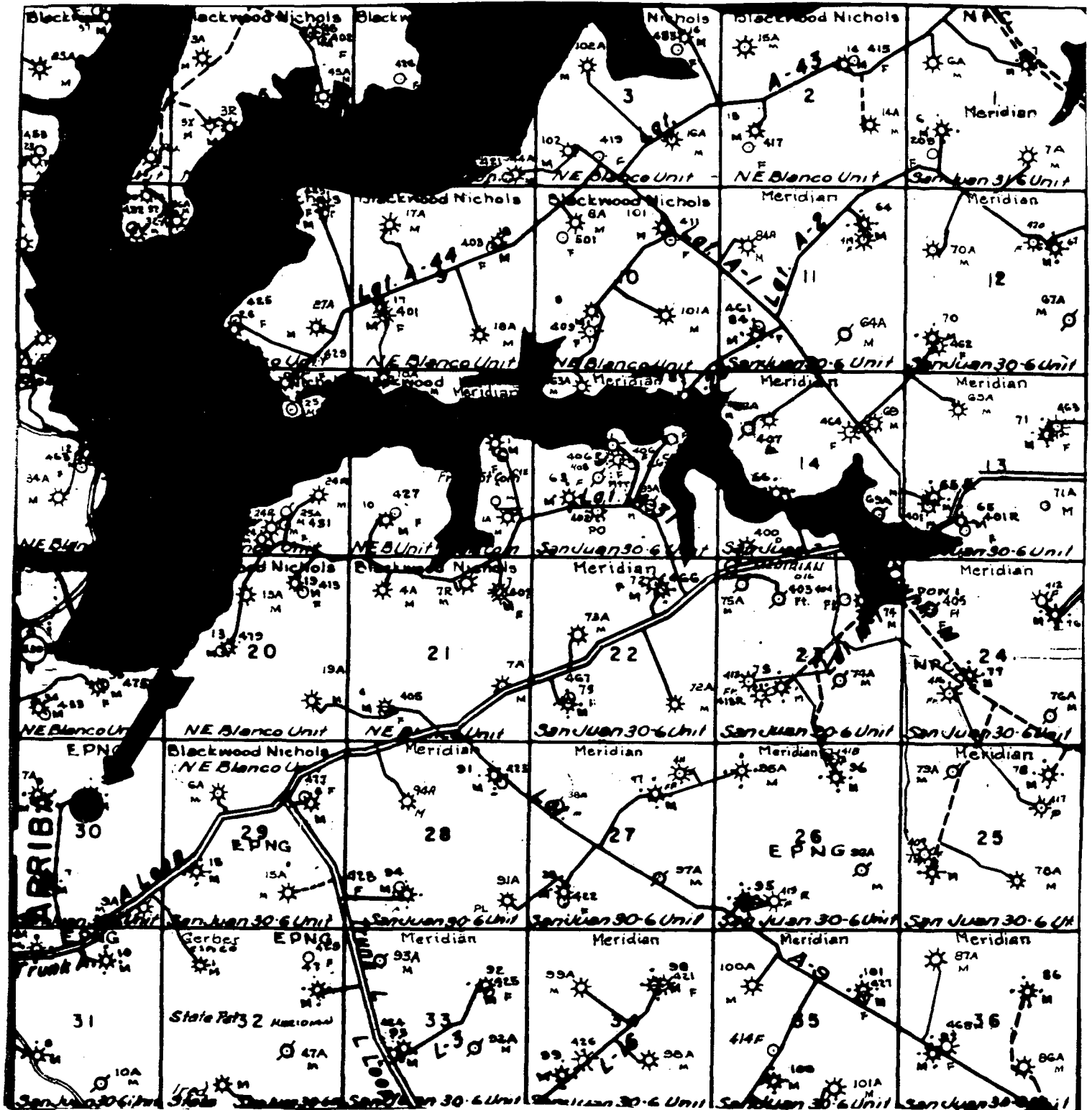
10. Plans for Restoration of the Surface - After completion of the proposed project, the location will be cleaned and leveled. The location will be left in such a condition that will enable reseeding operations to be carried out. Seed mixture as designated by the responsible government agency will be 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 El Paso Natural Gas Co. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

 7/18/90
Regional Drilling Engineer

JWC/adw







MERIDIAN OIL INC.

Pipeline Map

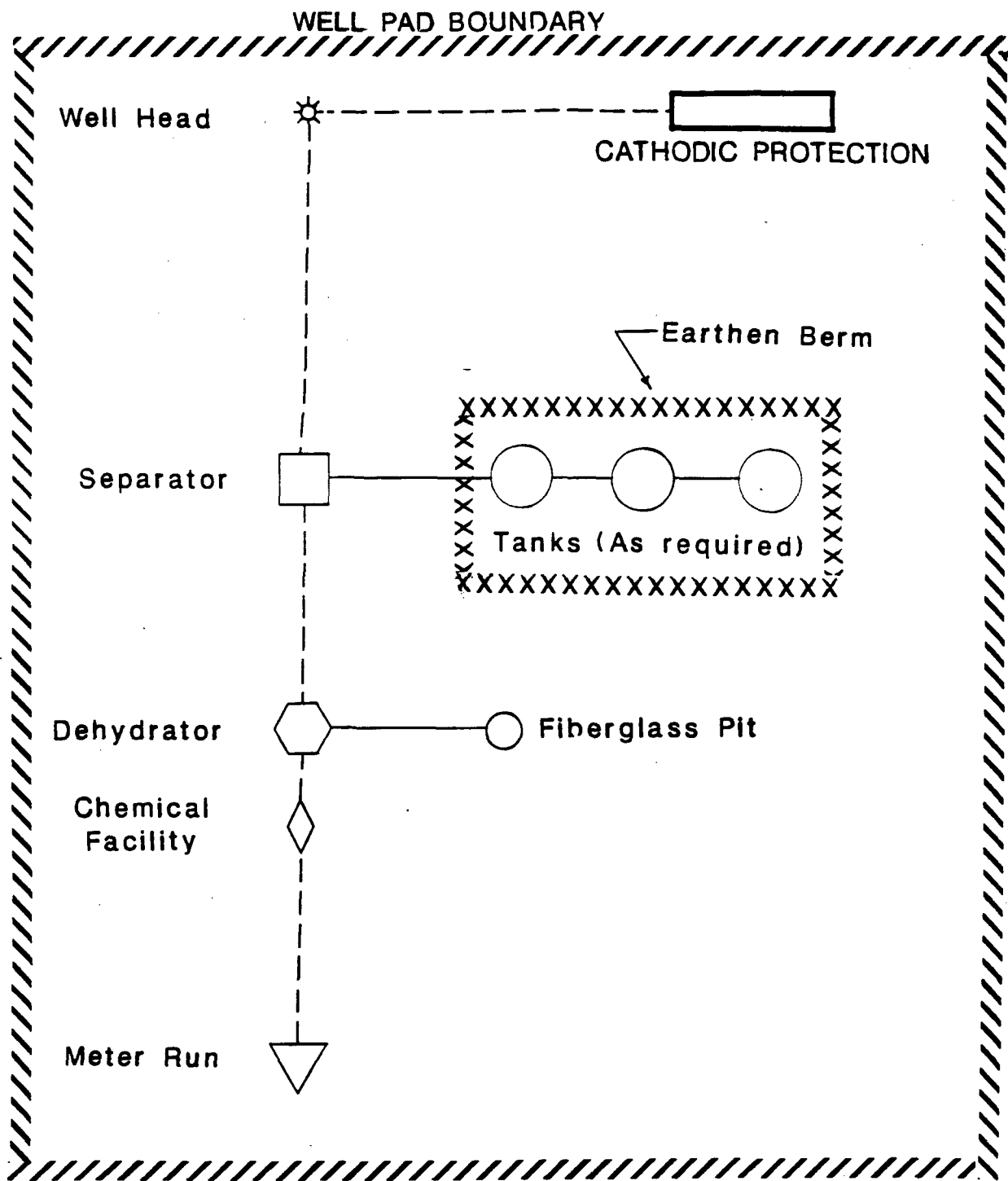
T-30-N, R-07-W

San Juan and Rio Arriba Counties, New Mexico

MAP 1A

30-6 Unit # 498

01/90 adw



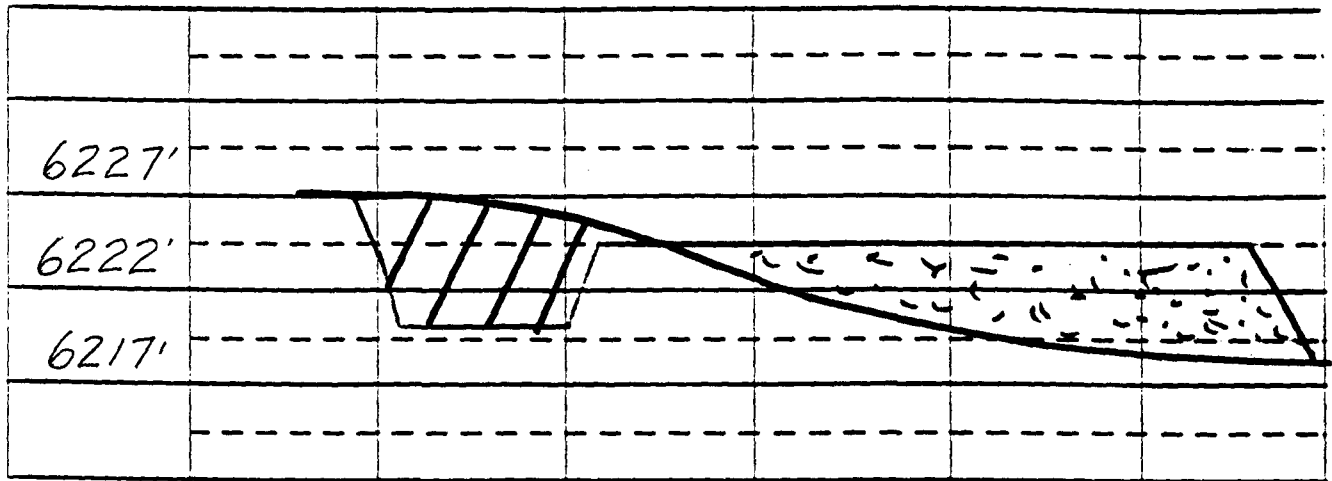
PLAT #1

MERIDIAN OIL
ANTICIPATED
PRODUCTION FACILITIES
FOR A
FRUITLAND WELL

KFR 2/90

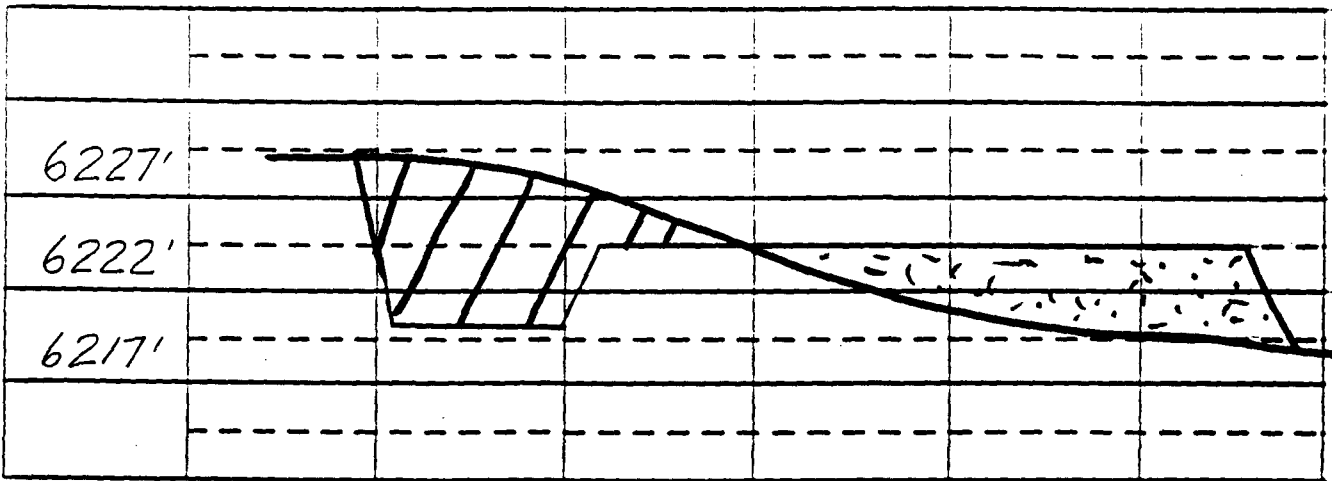
A - A' Vert: 1" = 20' Horiz: 1" = 50'

C/L



B - B'

C/L



C - C'

C/L

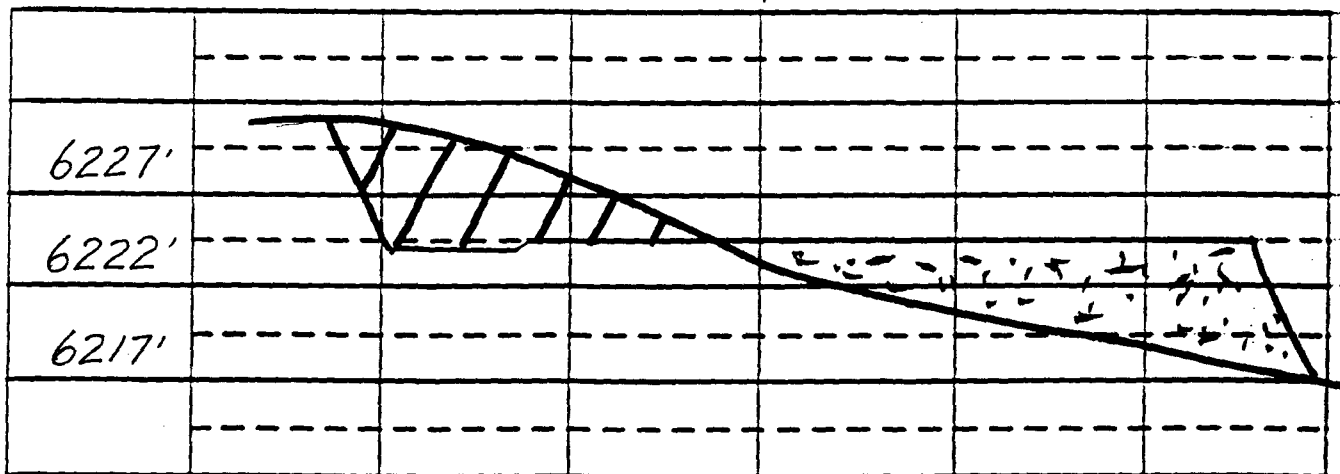


EXHIBIT: PIAT 2A

Name: EPNG SAN JUAN 30-6 UNIT #498

Footage: 2185 FNL 2295 FEL

Sec. 30 T- 30 -N,R- 7 -W NMPM

Co. RIO ARRIBA St. N.M.

Elevation: 6222' Date: 6-1-90

Plot XC
2/4/90

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

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

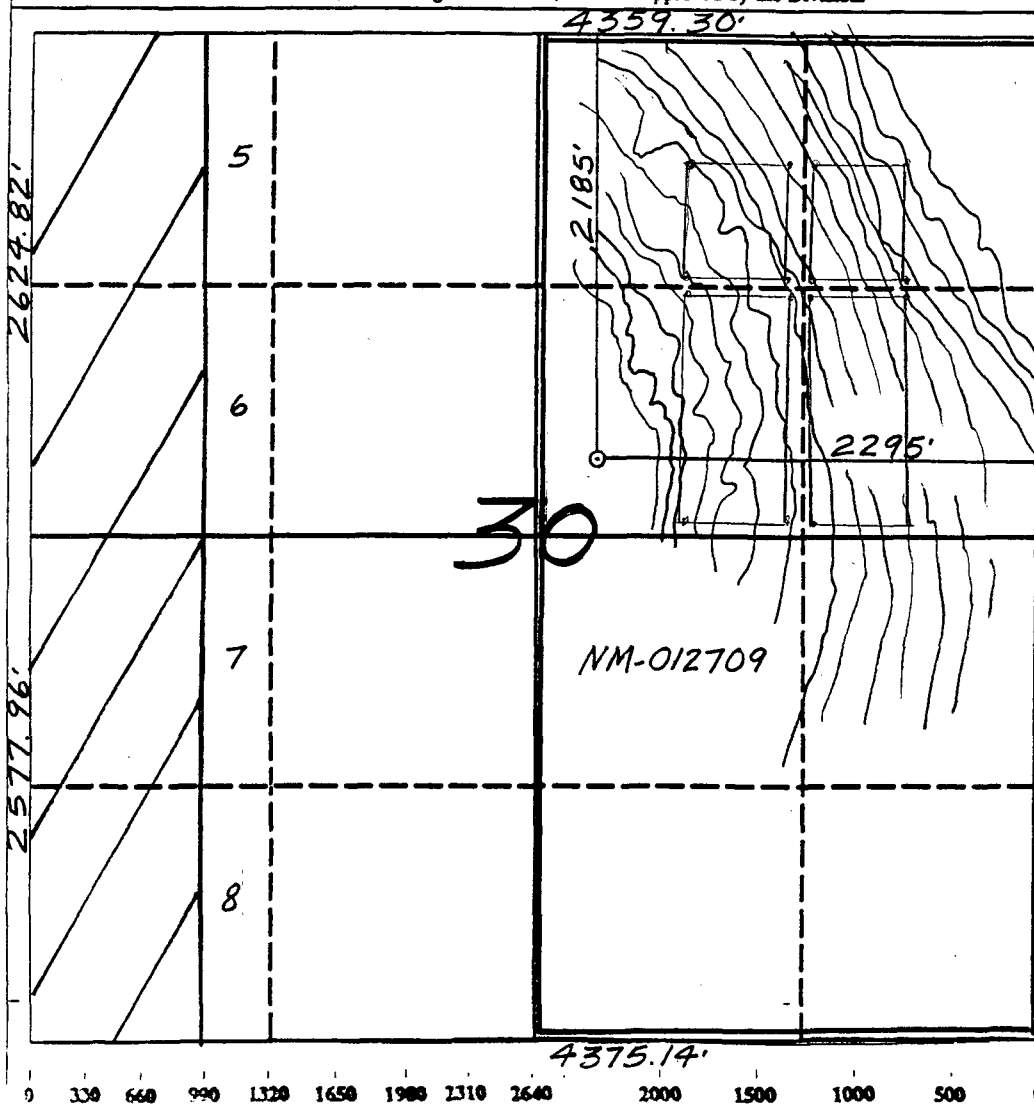
All Distances must be from the outer boundaries of the section

| | | | | | |
|--|---------------------------------------|----------------------|--|------------------------------------|-----------------|
| Operator El Paso Natural Gas | | | Lease San Juan (NM-012709) 30-6 Unit | | Well No. 498 |
| Unit Letter G | Section 30 | Township 30 North | Range 7 West | County NMPM | Rio Arriba |
| Actual Footage Location of Well: 2185 feet from the North line and 2295 feet from the East line | | | | | |
| Ground level Elev. 6222' | Producing Formation Fruitland Coal | | Pool Basin | Dedicated Acreage: 320.00 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
Regulatory Affairs

Position
El Paso Natural Gas

Company
8-27-90

Date

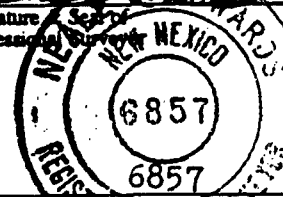
SURVEYOR CERTIFICATION

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.

6-1-90

Date Surveyed

Signature
Professional Surveyor



Certificate
Neale C. Edwards

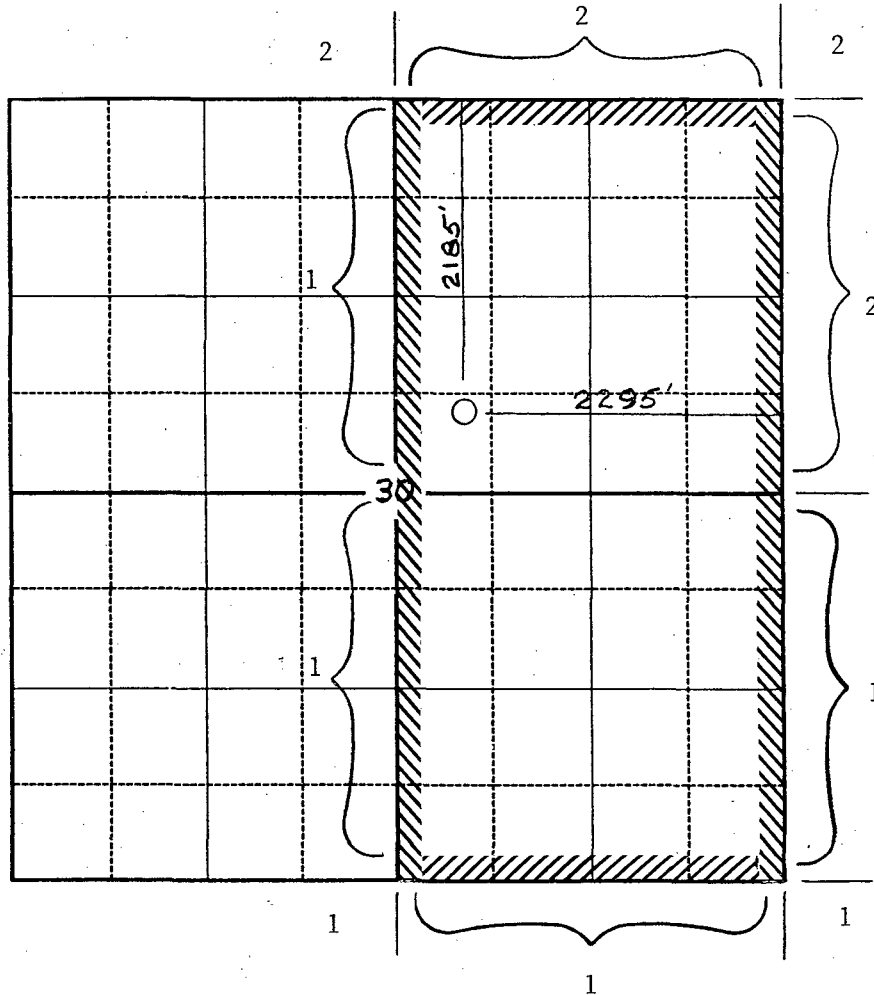
MERIDIAN OIL INC

Well Name San Juan 30-6 Unit #498

Footage 2185' FNL; 2295' FEL

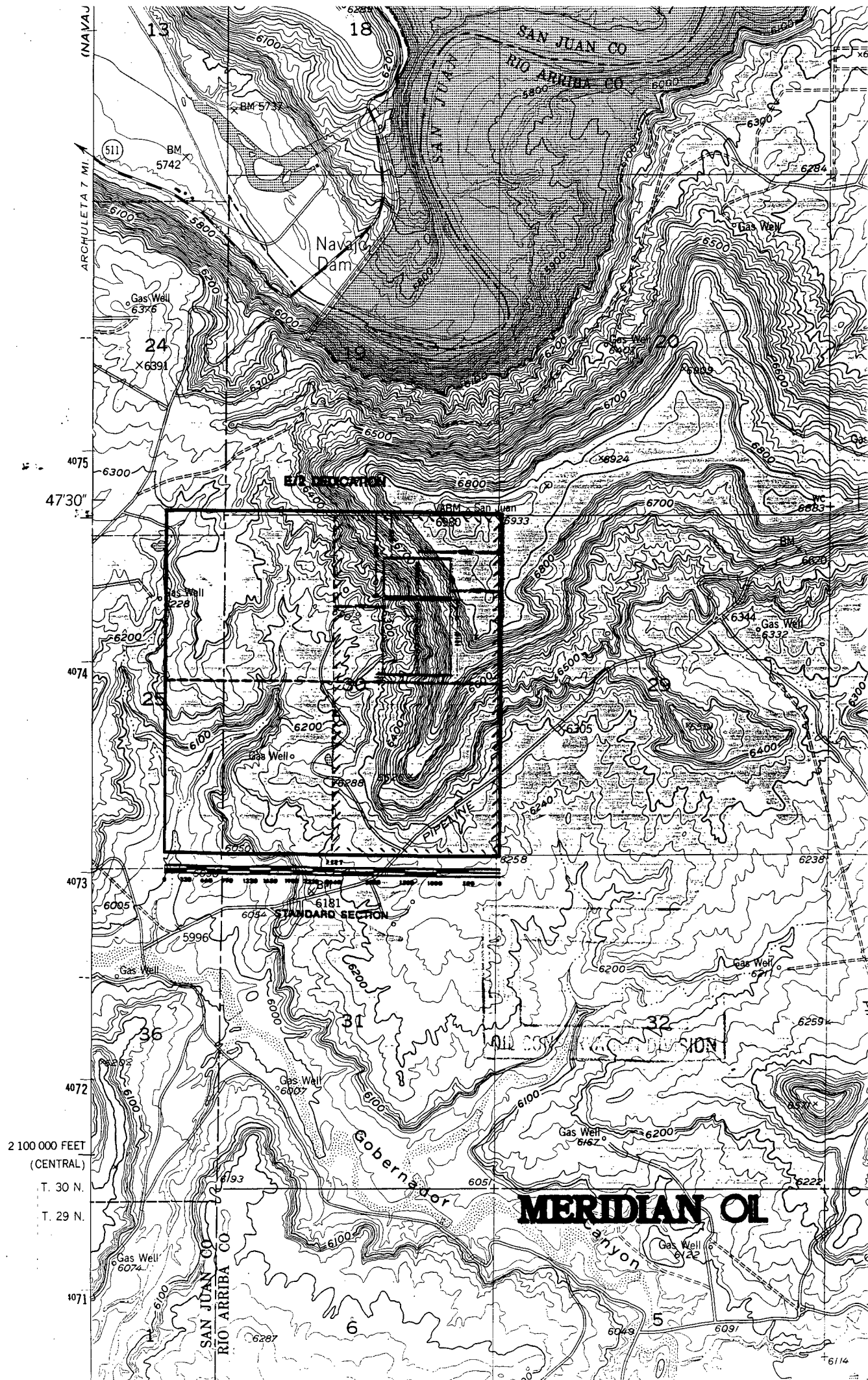
APPLICATION FOR NON-STANDARD LOCATION

County Rio Arriba State New Mexico Section 30 Township 30N Range 7W



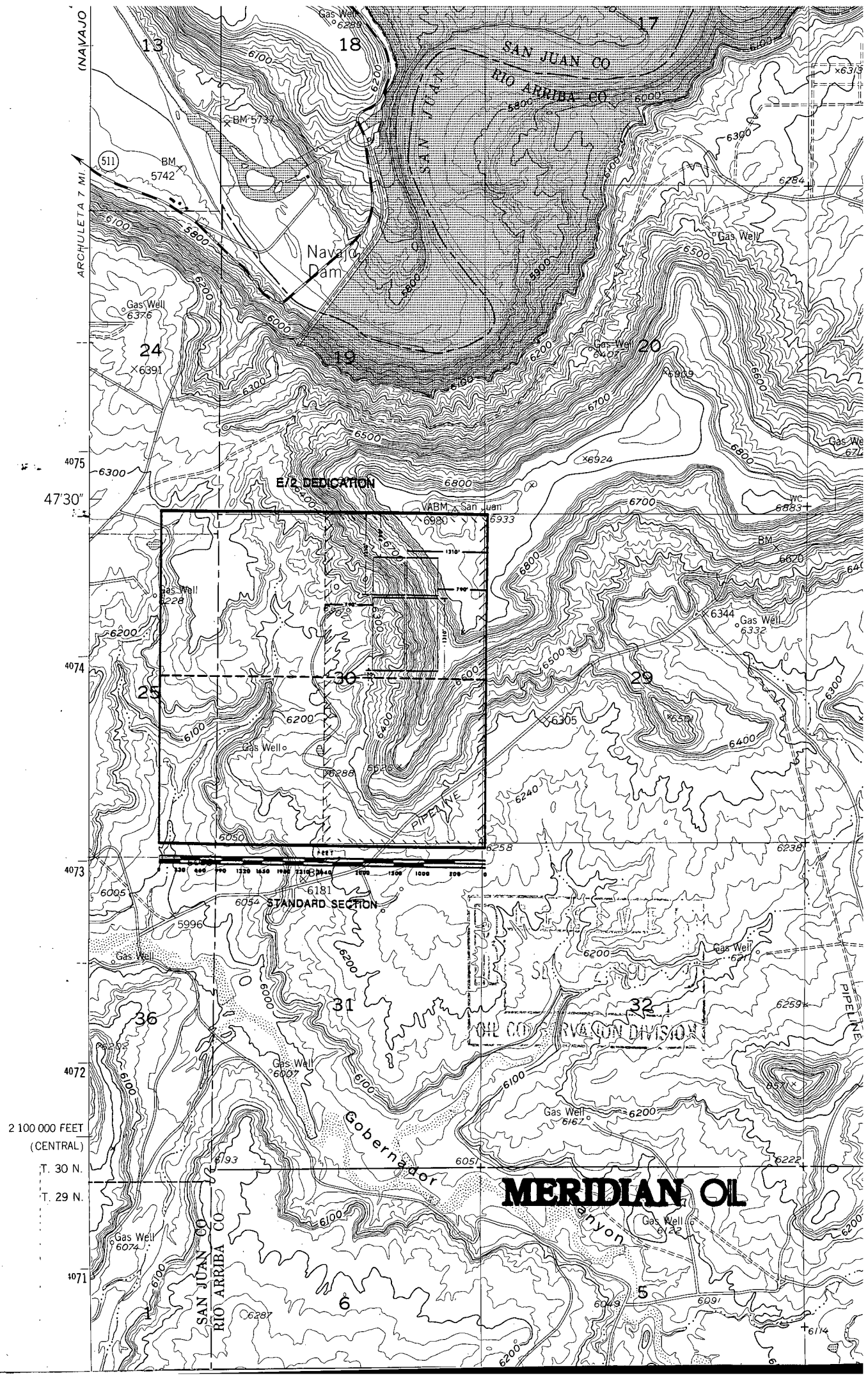
Remarks 1) Meridian Oil Inc

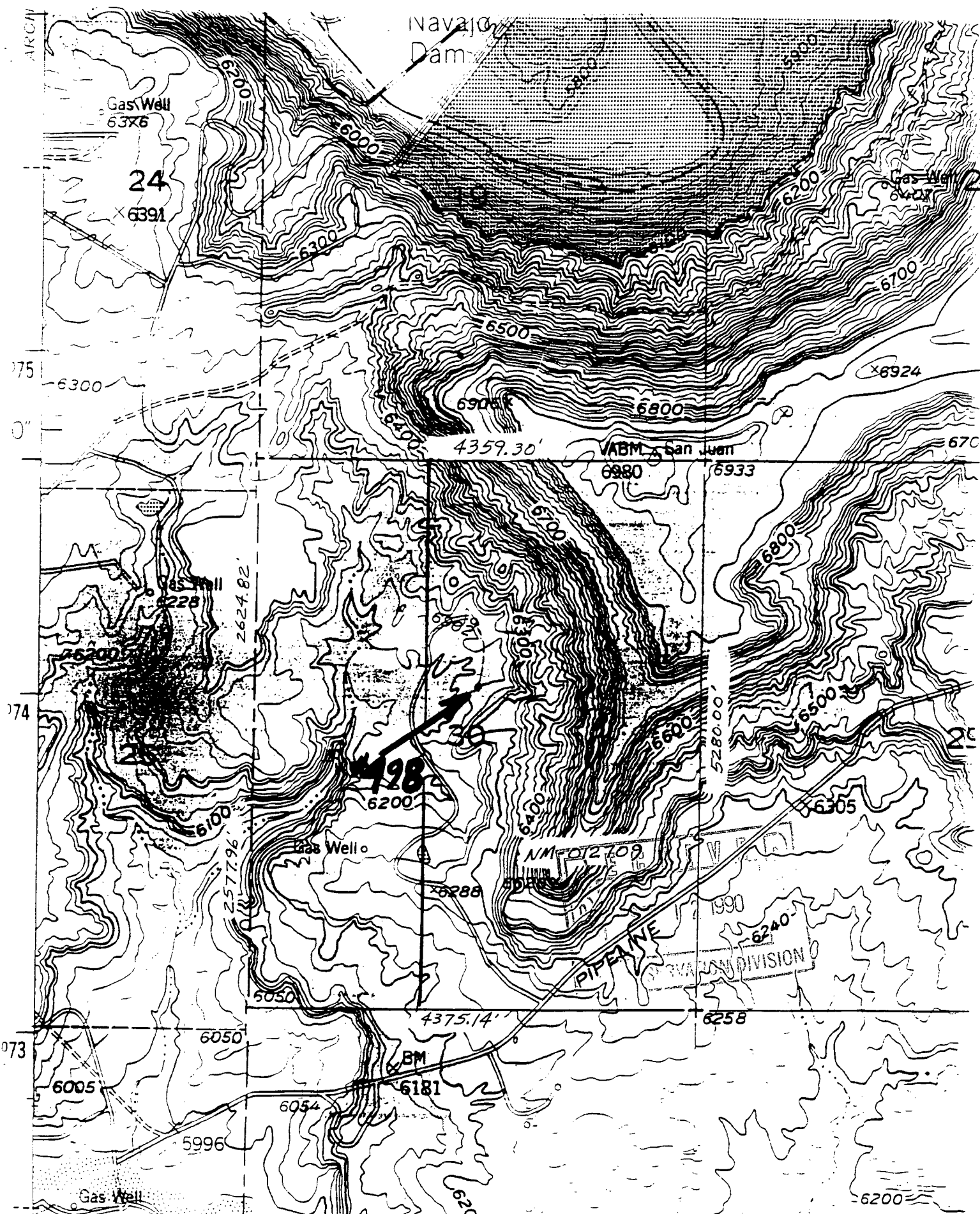
2) Blackwood & Nichols Co, LTD



2 100 000 FEET
(CENTRAL)
T. 30 N.
T. 29 N.

MERIDIAN OL





MERIDIAN OIL

JUN 12 1990

FARMINGTON, NEW MEXICO
Construction Supervisor

A CULTURAL RESOURCES INVENTORY
OF THE EPNG SAN JUAN 30-6 UNIT, #498
WELL LOCATION AND ACCESS ROAD

LOCATED NEAR NAVAJO DAM, RIO ARRIBA COUNTY, NEW MEXICO

EPNG SAN JUAN 30-6 UNIT #498
2185 FNL, 2295 FEL, SECTION 30, T.30 N., R.7 W.

CONDUCTED FOR:

MERIDIAN OIL INC.

PREPARED BY:

Douglas D. Dykeman
Larry L. Baker



DAGGETT & CHENAULT, INC
OIL & GAS PROPERTY MANAGEMENT
3539 E. 30th STREET, SUITE 7B
FARMINGTON, N.M. 87401



Report No. 90-DCI-004

Bureau of Land Management Cultural Resource Use Permit No. 91-2920-90-A

June 11, 1990

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| Physiography and Environment..... | 6 |
| Cultural Resources..... | 6 |
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| Appendix B: Isolated Occurrence Form (for BLM Archaeologist only) | |

LIST OF FIGURES

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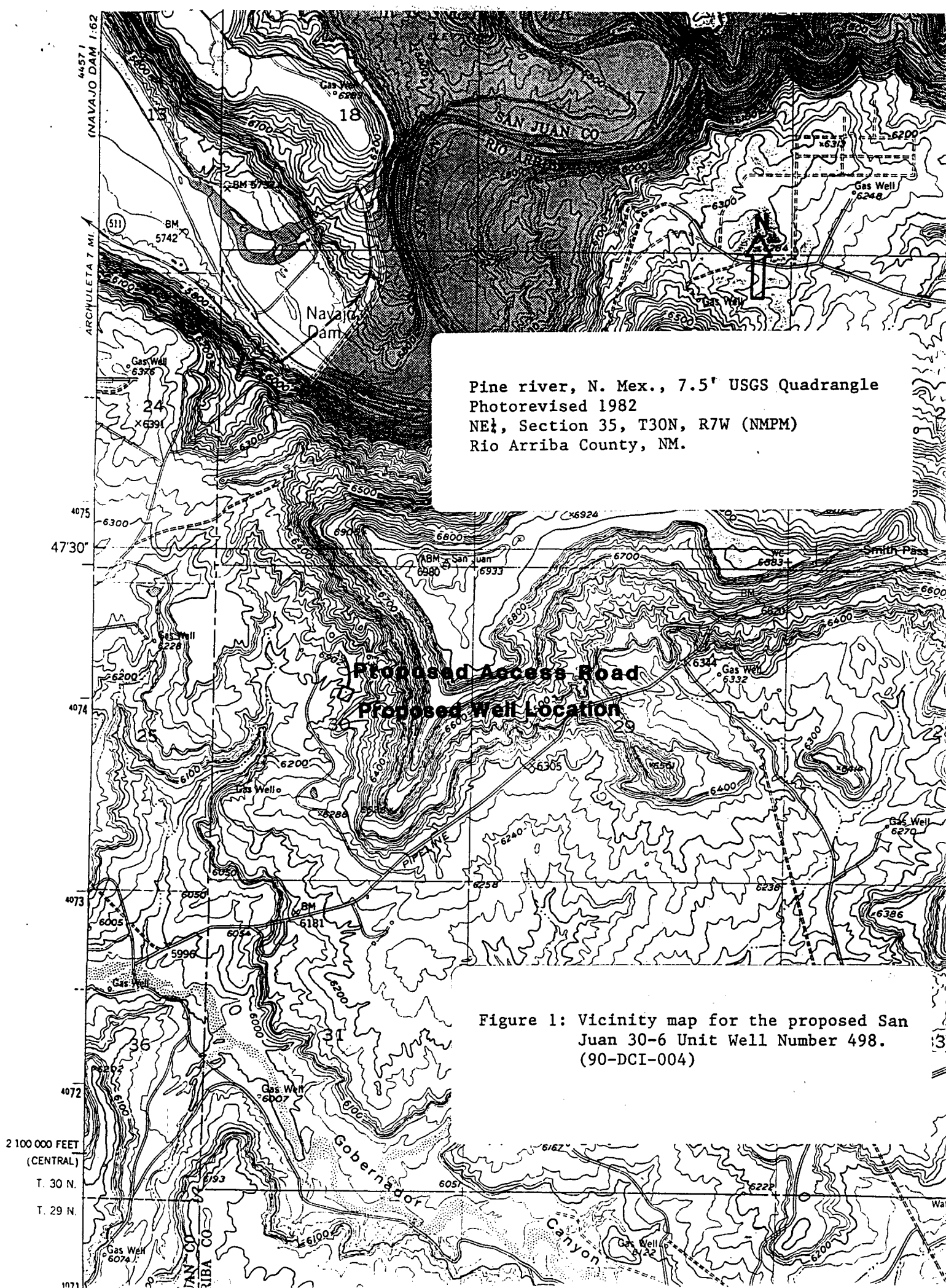
INTRODUCTION

On June 6, 1990, an archaeological survey of the proposed EPNG San Juan 30-6 Unit, No. 498 well pad and access was conducted by personnel of Daggett & Chenault, Inc., Archaeological Services Department. The project area for the proposed well pad and access is located on lands administered by the Farmington Resource Area of the Bureau of Land Management's Albuquerque District and are located within Rio Arriba County, New Mexico. A Class III cultural resources inventory of the proposed well pad and access was completed under the authority of Bureau of Land Management Cultural Resources Use Permit No. 91-2920-90-A.

Greater awareness and public concern for the preservation of our cultural heritage has prompted legislation by federal, state, and tribal governments to protect historical, ethnographic, and archaeological cultural resources. Cultural resource management investigations are mandated and authorized by federal legislation and stipulations. These regulatory acts include: 1) the Federal Antiquities Act of 1906 (P.L. 59-209); 2) the National Historic Preservation Act of 1966 (P.L. 89-665); 3) the National Environmental Protection Act of 1969 (P.L. 91-190); 4) Executive Order 11593: "Protection and Enhancement of the Cultural Environment" 1971 (36 F.R. 8921); 5) the Archaeological Resources Protection Act of 1979 (P.L. 95-96); and 6) the American Indian Religious Freedom Act of 1979 (P.L. 95-341). Work conducted in conjunction with this project is intended to comply with the statutes contained in these laws.

The project was undertaken at the request of Mr. Gordon Chenault who is acting as permit agent for Meridian Oil, Inc. The project was administered by Larry L. Baker, Director Archaeological Services, Daggett and Chenault, Inc. The field work was conducted by Larry L. Baker and Douglas D. Dykeman. The project area was staked at the time of the survey and the archaeologists were unaccompanied in the field.

The proposed well pad project is located approximately 1.5 miles south of Navajo Dam on a high bench north of Gobernador Canyon (Figure 1). The well pad measures 230 feet by 280 feet but the area surveyed for cultural resources measures 530 feet by 580 feet in order to include the construction zone and the cultural buffer. The proposed access road measures 500 feet in length and 30 feet in width. A 500 ft. by 130 ft. area was surveyed for the access road to accommodate the cultural buffer zone. The total area inspected for the well pad and access was 372,400 square feet (8.55 acres).



Pine river, N. Mex., 7.5' USGS Quadrangle
Photorevised 1982
NE $\frac{1}{4}$, Section 35, T30N, R7W (NMPM)
Rio Arriba County, NM.

Proposed Access Road
Proposed Well Location

Figure 1: Vicinity map for the proposed San
Juan 30-6 Unit Well Number 498.
(90-DCI-004)

2 100 000 FEET
(CENTRAL)
T. 30 N.
T. 29 N.

During the survey of the well pad and access one isolated occurrence was observed. Archaeological clearance is recommended for the EPNG San Juan Unit #498 well pad and access. Details of the project, cultural resources and recommendations are included later in this report.

PREFIELD RECORDS SEARCH

Searching existing records is essential in any cultural resources management undertaking in order to determine what portions of an area have been previously inspected and what sites, if any, have been identified. On June 6, 1990, a records search of the Bureau of Land Management Farmington Resource Area files was completed for the project. The file search was completed prior to initiating field work for the project. The locations of previously recorded sites are illustrated on the Nearby Sites Maps in Appendix A and are included only with the Bureau of Land Management's copies of this report.

In total, eighteen previously documented sites are located within a one-mile radius of the proposed well location. Two of the documented sites contain Anasazi and Navajo occupational components, five sites are of Anasazi cultural affiliation and six sites are of Navajo cultural affiliation. Four sites are prehistoric, but of unknown cultural affiliation and no information was found regarding LA 3186, which was apparently recorded during the survey of Navajo Reservoir.

PROJECT LOCATIONS AND DESCRIPTIONS

EPNG San Juan 30-6 Unit #498

| | |
|--------------------|--|
| Legal Description: | SW 1/4, SW 1/4, NE 1/4, Section 30, T.30 N., R.7 W. NMPM, Rio Arriba County, New Mexico (Figure 1 & 2) |
| Elevation: | 6222 ft. |
| Map Reference: | Pine River, New Mexico 7.5' USGS Quadrangle, 1971 (Photorevised) |
| Land Jurisdiction: | Bureau of Land Management, Farmington Resource Area |

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, Artesia, 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 El Paso Natural Gas | | | Lease San Juan 30-6 Unit | | Well No. 498 |
| Unit Letter G | Section 30 | Township 30 North | Range 7 West | County NMPM Rio Arriba | |
| Actual Footage Location of Well: 2185 feet from the North line and 2295 feet from the East line | | | | | |
| Ground level Elev. 6222' | Producing Formation | | Pool | Dedicated Acreage: Acres | |

Figure 2: Well location plat for the San
Juan 30-6 Unit #498
(90-DCI-004)

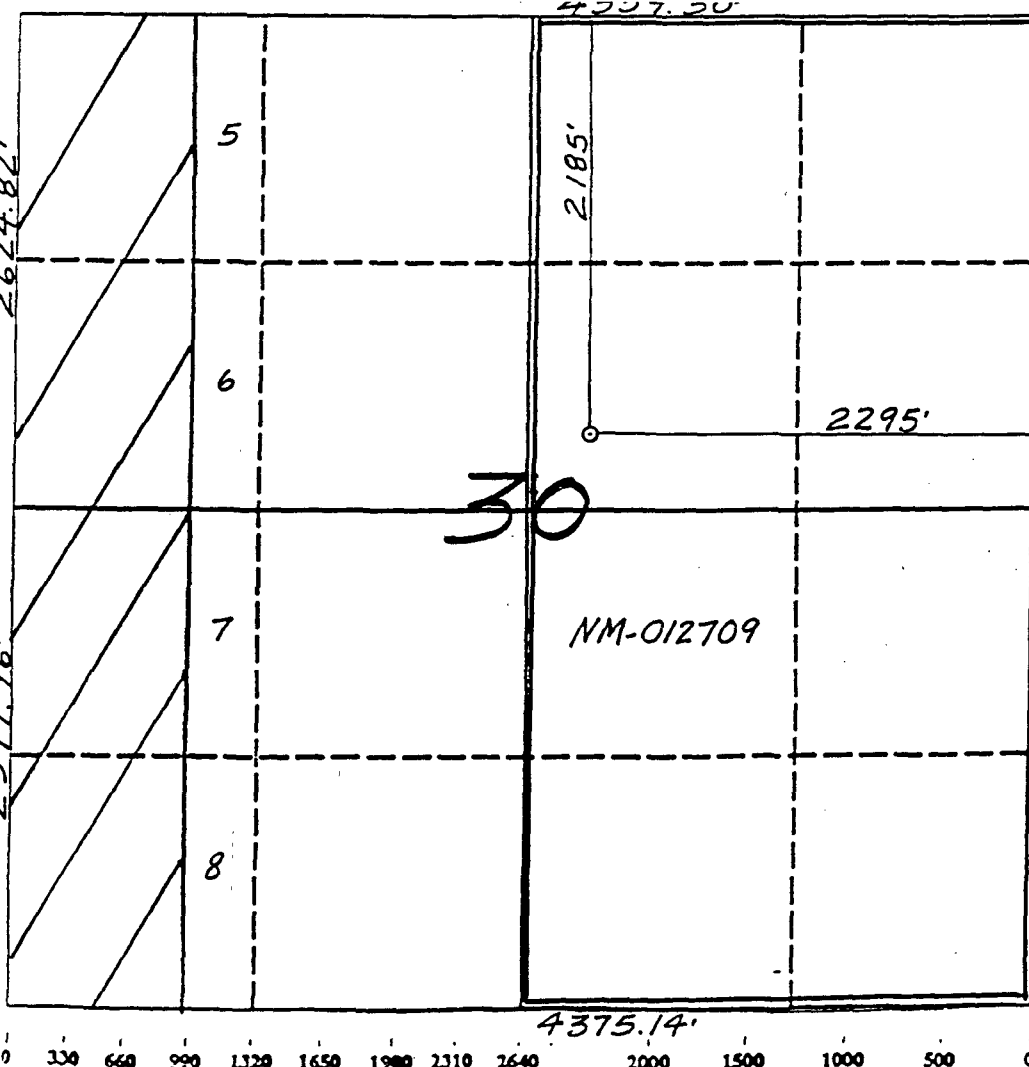
marks on the plat below.

ownership thereof (both as to working interest and royalty).

interest of all owners been consolidated by communitization.

ation
consolidated. (Use reverse side of

ted (by communitization, unitization, forced-pooling, or otherwise)
Division.



OPERATOR CERTIFICATION

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

Signature

Printed Name

Position

Company

Date

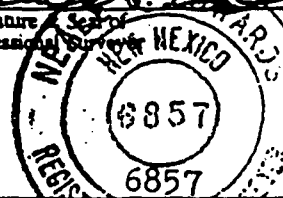
SURVEYOR CERTIFICATION

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.

6-1-90

Date Surveyed

Signature
Professional Surveyor



Certificate No.
Neale C. Edwards

Project Area: The area of effect for the proposed well pad and construction zone measures 380 feet by 330 feet; totalling 2.88 acres. The area of effect for the proposed access road is 500 feet by 30 feet; totalling 0.34 acres.

Area Surveyed: Archaeological survey, including the cultural buffer zone, for the proposed well pad measured 580 feet by 530 feet; totalling 7.06 acres in the area. The archaeological survey area for the proposed access road measures 500 feet by 130 feet; totalling 1.49 acres.

FIELD METHODOLOGY

The proposed well pad was staked in the field prior to the archaeological inspection. The well center was marked with a steel fence post, and the four corners, rear end, and lay down marked with lath. The proposed route of the access road was marked with fluorescent orange ribbon flagging.

The archaeological survey of the well pad was conducted by walking a series of parallel, zig-zag transects that were oriented, northwest to southeast, parallel to the long axis of the well pad. The access road was surveyed by four pedestrian transects; two on either side of the flagged centerline.

The construction and buffer zones were inspected employing a transect interval of 35 to 40 feet. Weather conditions at the time of the field work were sunny and hot, facilitating the survey and field observations. The ground surface was clear and dry at the time of the survey and the vegetative cover was approximately 10 percent.

When artifacts were observed during survey, their distribution was delineated by marking artifact locations with pin flags. Archaeological sites and isolated artifacts, if encountered, were recorded on Museum of New Mexico, Laboratory of Anthropology, Archaeological Site Survey Forms and Isolated Occurrence Forms, respectively. Completed forms documenting these cultural resources are included in Appendix B.

PHYSIOGRAPHY AND ENVIRONMENT

The project area is located on the south side of the inter-fluve that divides Gobernador Canyon and the San Juan River. It is situated on the upper portion of a bench that overlooks a tributary of Gobernador Canyon. The rugged canyon and mesa territory that surrounds the project area is the result of the effects of erosion on the Nacimient Formation. Alluvial and aeolian sediments composed of fine to medium grained sand are the product of the erosional process. These sediments support an open pinyon-juniper woodland which consists of an overstory of pinyon (*Pinus edulis*), Juniper (*Juniperus* sp.), and tall shrubs such as mountain mahogany (*Cercocarpus montanus*). The understory consists of various forbs, grasses and succulents. Fauna indigenous to the area consists of elk, deer, porcupine, coyote, rabbits, and a variety of reptiles and birds.

Prehistorically, native flora and fauna observed during survey could have been used by aboriginal populations for food, clothing, and select types of tools. Non-food resources in the area include sandstone and cobbles for building material and stone implements, clay for ceramics and construction material, and trees for building materials and fuel. Water from nearby Gobernador Canyon may also have been an important resource.

The area is presently used for a variety of activities. Oil and gas extraction has been and currently is active in the area. The construction of numerous roads for energy resources development has made the area readily accessible for hunting and camping. Stock grazing is also prevalent in the area. Evidence of woodcutting activities is also present.

CULTURAL RESOURCES

The archaeological survey of the proposed San Juan 30-6 #498 well pad and access resulted in the documentation of one isolated occurrence (IO-1). The isolate was located outside the area of effect, but within the surveyed cultural buffer. (Fig.3) Isolated Occurrence (IO-1) consisted of twelve ceramic sherds from a single Dineta Gray jar. This isolate is interpreted to be a pot break with little possibility for subsurface cultural deposits. In fact, the ground surface upon which the I.O. was discovered is interpreted to be degraded clay bedrock.

MANAGEMENT AND ELIGIBILITY RECOMMENDATIONS

The results of the archaeological survey of the EPNG San Juan 30-6 Unit #498 well pad and access indicate the discovery of one isolated occurrence (IO-1)(Figure 3). The isolated occurrence lacks integrity and does not meet the eligibility criteria for inclusion in the National Register of Historic Places.

The research potential of the isolate has been exhausted by the documentation provided in this report. Furthermore the isolate is located outside of the proposed area of effect and should not be disturbed by the planned action.

Consequently, archaeological clearance is recommended for the proposed EPNG San Juan 30-6 Unit #498 well pad and access.

Figure 3. Location of isolated artifact. (90-DCI-004)
DELETED

MERIDIAN OIL

San Juan 30-6 Unit #498
2185'FNL, 2295'FEL Section 30, T-30-N, R-7-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 subject well.

Blackwood & Nichols
PO Box 1239
Durango, CO 81301



Peggy A. Bradfield

San Juan County
State of New Mexico

August 20, 1990

My commission expires August 17, 1992

MERIDIAN OIL

To: Offset Owners/Operators

This is notification that Meridian Oil Inc. is seeking administrative approval for a non-standard location for the San Juan 30-6 Unit #498, located at 2185'FNL, 2295'FEL, Section 30, T-30-N, R-7-W, Rio Arriba County, New Mexico, due to topographic reasons.

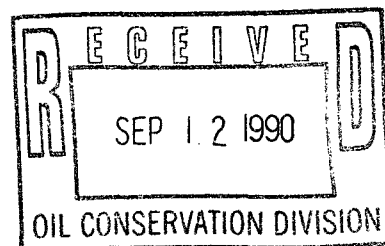
A copy of the C-102 showing the location of this well and a topographic map are enclosed.

A copy of this application is being submitted to all offset owners/operators by certified mail with a request that you furnish the New Mexico Oil Conservation Division, PO Box 2088, Santa Fe, NM 87501 with a Waiver of Objection, and return one copy to this office.

Sincerely yours,


Peggy Bradfield

encl.

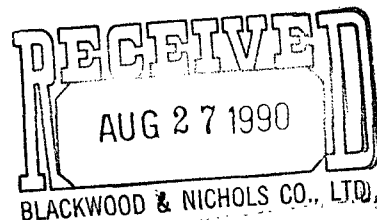


WAIVER

Blackwood & Nichols Co., Ltd. hereby waives objection to Meridian Oil Inc.'s application for a non-standard location for their San Juan 30-6 Unit #498 as proposed above.

By: Ar Rector Date: 8/28/90

xc: Blackwood & Nichols Co., LTD
PO Box 1239
Durango, CO 81301



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

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DISTRICT III

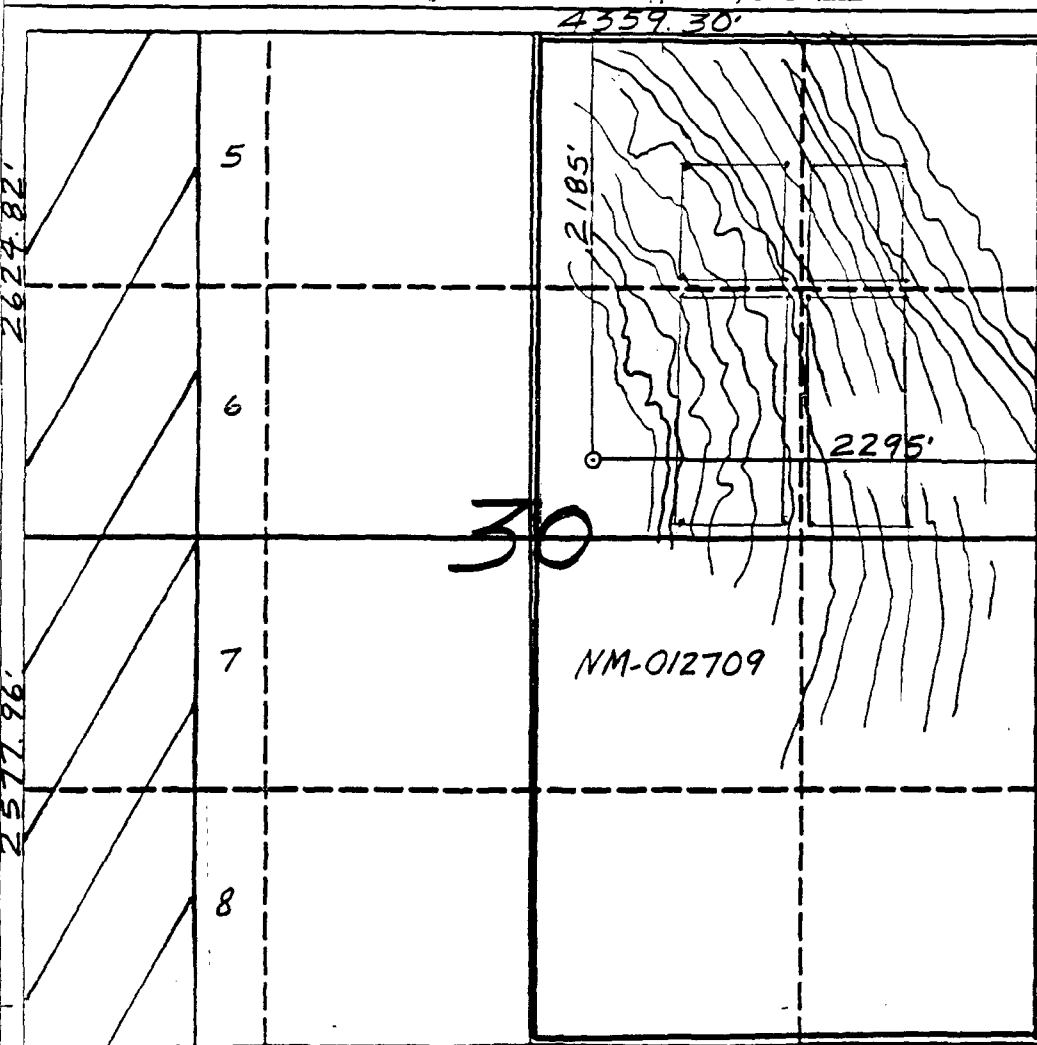
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

| | | | | | |
|--|---------------------------------------|----------------------|---|------------------------------------|-----------------|
| Operator El Paso Natural Gas | | | Lease San Juan (NM-012709) 30-0 Unit | | Well No. 498 |
| Unit Letter G | Section 30 | Township 30 North | Range 7 West | County NMNM | Rio Arriba |
| Actual Footage Location of Well: 2185 feet from the North line and 2295 feet from the East line | | | | | |
| Ground level Elev. 6222' | Producing Formation Fruitland Coal | | Pool Basin | Dedicated Acreage: 320.00 Acres | |

1. Outline the acreage dedicated to the subject well by colored pencil or hectare 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
Regulatory Affairs
Position
El Paso Natural Gas
Company
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.

6-1-90

Date Surveyed

Signature
Professional Surveyor



Certificate No.
Neale C. Edwards

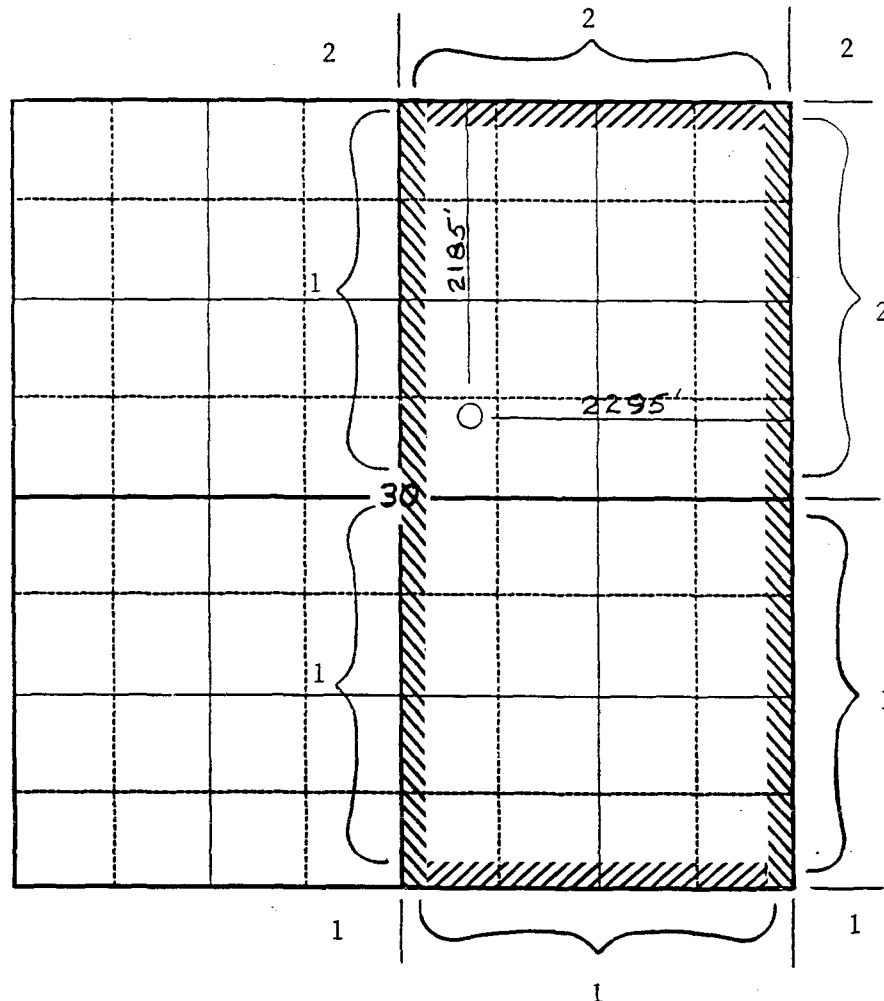
MERIDIAN OIL INC

Well Name San Juan 30-6 Unit #498

Footage 2185' FNL; 2295' FEL

APPLICATION FOR NON-STANDARD LOCATION

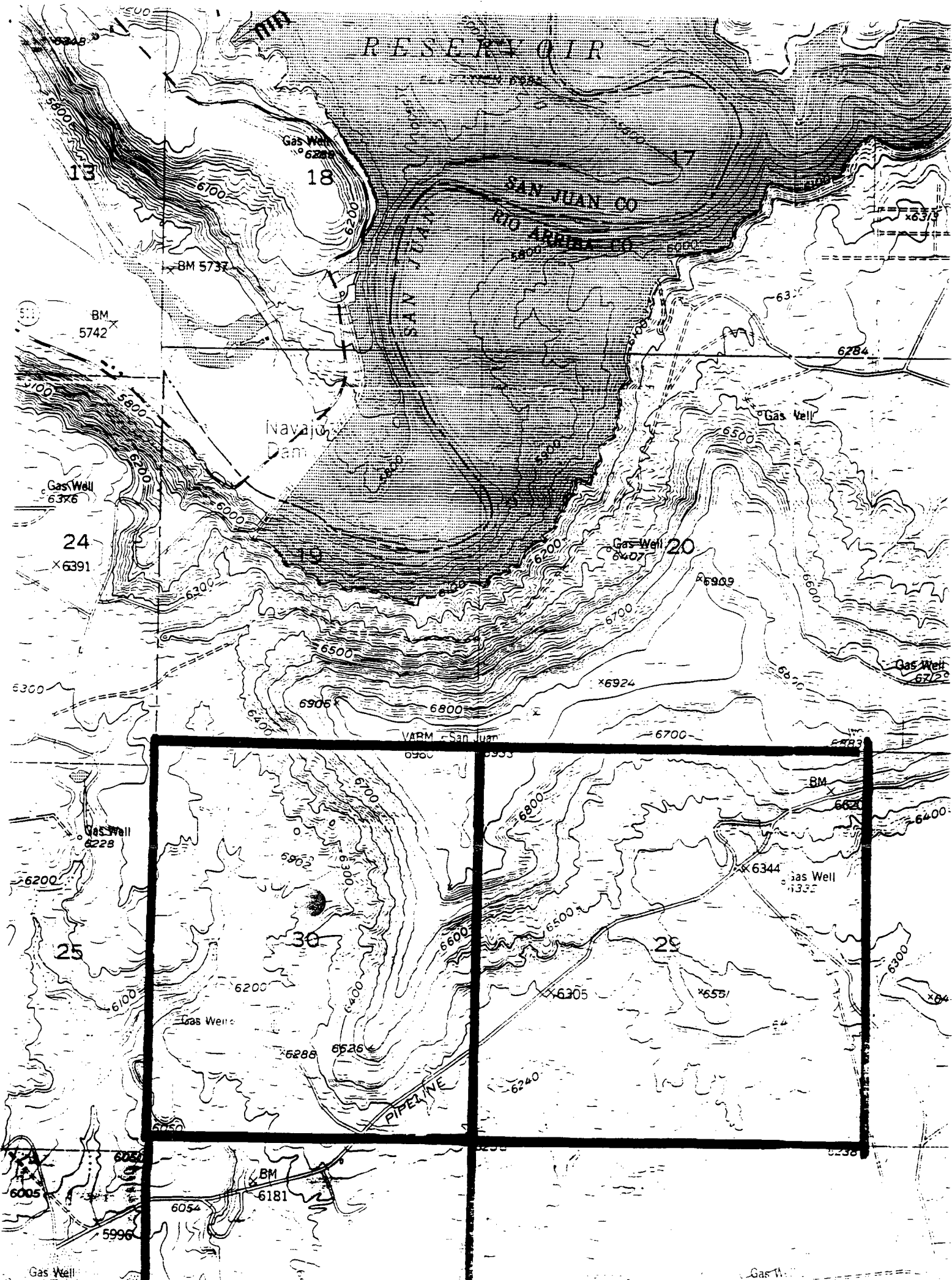
County Rio Arriba State New Mexico Section 30 Township 30N Range 7W



Remarks 1) Meridian Oil Inc

2) Blackwood & Nichols Co, LTD

RESERVOIR



OIL CONSERVATION DIVISION
RECEIVED

MERIDIAN OIL

'90 SEP 4 AM 9 29

To: Offset Owners/Operators

This is notification that Meridian Oil Inc. is seeking administrative approval for a non-standard location for the ~~San Juan 30-6 Unit #498~~ located at 2185'FNL, 2295'FEL, Section 30, T-30-N, R-7-W, Rio Arriba County, New Mexico, due to topographic reasons.

A copy of the C-102 showing the location of this well and a topographic map are enclosed.

A copy of this application is being submitted to all offset owners/operators by certified mail with a request that you furnish the New Mexico Oil Conservation Division, PO Box 2088, Santa Fe, NM 87501 with a Waiver of Objection, and return one copy to this office.

Sincerely yours,


Peggy Bradfield

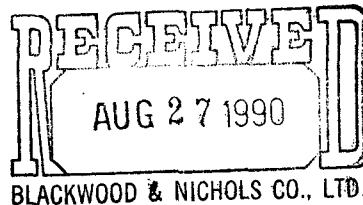
encl.

WAIVER

Blackwood & Nichols Co., Ltd. hereby waives objection to Meridian Oil Inc.'s application for a non-standard location for their San Juan 30-6 Unit #498 as proposed above.

By: Ac Rector Date: 8-28-90

xc: Blackwood & Nichols Co., LTD
PO Box 1239
Durango, CO 81301



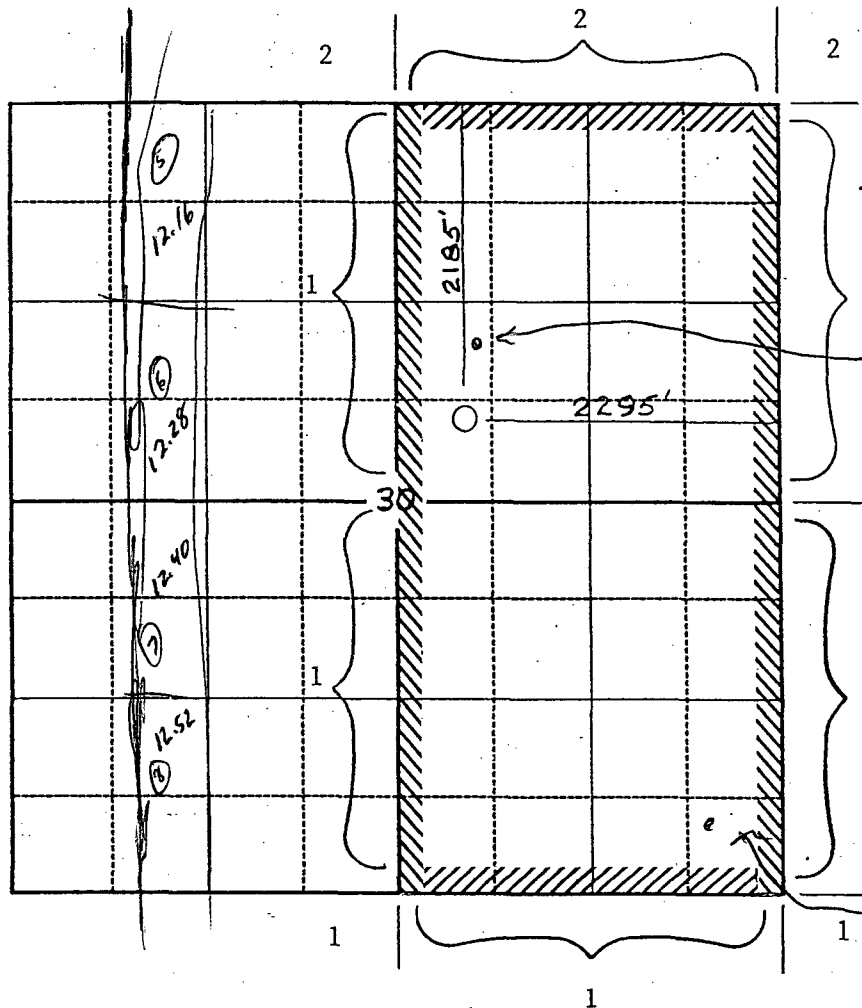
MERIDIAN OIL INC

Well Name San Juan 30-6 Unit #498

Footage 2185' FNL; 2295' FEL

APPLICATION FOR NON-STANDARD LOCATION

County Rio Arriba State New Mexico Section 30 Township 30N Range 7W



Meridian Oil Inc.
San Juan 30-6 Unit
Well No. 9
1560' FNL - 2200' FEL
Blanco Mesa Verde
Comp.
Spud: 9/19/55
Unorthodox Location,
due to topo.
by letter dated
8/10/55

Meridian Oil Inc.
San Juan 30-6 Unit
Well No. 9A
545' FSL - 510' FEL
Spud: 5/28/79
Blanco Mesa Verde
Comp.
WSL-987

Remarks 1) Meridian Oil Inc
2) Blackwood & Nichols Co, LTD

Exhibit A

| | | | |
|--------------------|---|--|--|
| <p>⑤ 12.16</p> | | | |
| <p>⑥ 12.28</p> | <p>Meridian Oil, Inc. San Juan 30-6 Unit No. 9 Bld' FNL - 2200' FEL Spud - 9/19/55 T.D. - 5465' Blanco Mesa Verde Producing</p> | | |
| <p>⑦ 12.40</p> | <p>Meridian Oil, Inc. San Juan 30-6 Unit No. 498 2185' FNL - 2295' FEL Basin Fruitland Coal Pool Drilling - Subject well</p> | | |
| <p>⑧ 12.52</p> | | | <p>Meridian Oil, Inc. San Juan Unit No. 9A 545' FNL - 510' FEL Spud - 5/28/77 T.D. - 5787' Blanco Mesa Verde Producing FNL - 987</p> |

G SECTION 30

TOWNSHIP 30N

RANGE 7W



STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

OIL CONSERVATION DIVISION
RECEIVED

ARREY CARRUTHERS
GOVERNOR

'90 OCT 5 AM 9 29

11100 11100 11100 ROAD
AZTEC, NEW MEXICO 87410
(505) 334-0170

Date: 10-2-90

ATTN: M. Stagner

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

Re: Proposed MC _____
Proposed DHC _____
Proposed NSL X _____
Proposed SWD P _____
Proposed WFX _____
Proposed PMX _____

Gentlemen:

I have examined the application dated 9-12-90
for the Mexican Oil Lease S.J. 30-6 (Unit #498)
Operator Lease & Well No.

G-30-30N-7W and my recommendations are as follows:
Unit, S-T-R

Approved

Yours truly,

Eric Beach