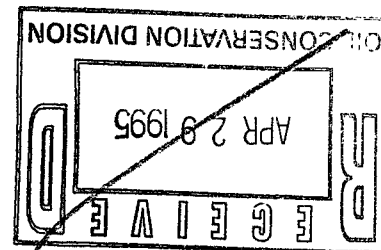
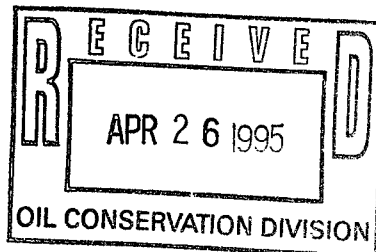


MERIDIAN OIL

April 25, 1995

Sent Federal Express

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



Re: Meridian Oil Inc. Brown #206
1465'FNL, 565'FWL, Section 29, T-29-N, R-4-W - Rio Arriba County, New Mexico
API # 30-039-(not assigned)

Dear Mr. LeMay:

Meridian Oil Inc. is applying for administrative approval of a non-standard location for the above location in the Gobernador Pictured Cliffs formation. This application for the referenced location is due to terrain as shown on the topographic map, archaeological concerns, and at the request of the Carson National Forest.

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 for the southwest quarter dedication for the Pictured Cliffs; and enlargement of the map to define topographic features.
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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 Administrator
encs.

WAIVER

_____ hereby waives objection to Meridian Oil Inc.'s application for a non-standard location for their Brown #206 as proposed above.


By: _____ Date: _____

xc: (see attached)

*Sec. 29
is a Standard
640-acre
Section*

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 SF-079893A Unit Reporting Number
1b. Type of Well GAS	6. If Indian, All. or Tribe
2. Operator MERIDIAN OIL	7. Unit Agreement Name
3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700	8. Farm or Lease Name Brown 9. Well Number 206
4. Location of Well 1465' FNL, 565' FWL Latitude 36° 41' 59", Longitude 107° 16' 58"	10. Field, Pool, Wildcat Gobernador Pic. Cliffs 11. Sec., Twn, Rge, Mer. (NMPM) Sec 29, T-29-N, R-4-W API # 30-039-
14. Distance in Miles from Nearest Town 6 miles to Gobernador	12. County Rio Arriba
15. Distance from Proposed Location to Nearest Property or Lease Line 565'	13. State NM
16. Acres in Lease	17. Acres Assigned to Well 160 NW/4
18. Distance from Proposed Location to Nearest Well, Drlg, Compl, or Applied for on this Lease 4100'	20. Rotary or Cable Tools Rotary
19. Proposed Depth 4510'	22. Approx. Date Work will Start 2nd quarter 1995
21. Elevations (DF, FT, GR, Etc.) 7400' GR	
23. Proposed Casing and Cementing Program See Operations Plan attached	
24. Authorized by:  Regional Drilling Engineer	Date 1/16/95

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____

Archaeological Report to be submitted by Arboles Contract Archaeology
Threatened and Endangered Species Report by Carson National Forest
NOTE: This format is issued in lieu of U.S. BLM Form 3160-3

5276.04'

OPERATIONS PLAN

Well Name: Brown #206
Location: 1465'FNL, 565'FWL Section 29, T-29-N, R-4-W
 Rio Arriba County, New Mexico
 Latitude 36° 41'59", Longitude 107° 16' 58"
Formation: Gobernador Pictured Cliffs
Elevation: 7400'GL

Formation:	Top	Bottom	Contents
Surface	San Jose	3764'	
Ojo Alamo	3764'	3810'	aquifer
Kirtland	3810'	3978'	
Fruitland	3978'	4197'	
Fruitland Coal Top	4102'	4278'	gas
Pictured Cliffs	4197'		gas
Total Depth	4510'		

Logging Program: Mud logs from 3750' to Total Depth.
 CNL/hi res LDT/ML/GR/CAL to Total Depth.

Mud Program:

Interval	Type	Weight	Vis.	Fluid Loss
0- 200'	Spud	8.4-8.9	40-50	no control
200-4510'	Non-dispersed	8.4-9.5	30-60	no control

Casing Program:

Hole Size	Depth Interval	Csg.Size	Wt.	Grade
12 1/4"	0 - 200'	8 5/8"	24.0#	K-55
7 7/8"	0 - 4510'	4 1/2"	10.5#	K-55

Tubing Program: - 2 3/8", 4.7#, J-55 EUE 8rd tbg landed @ 4510'

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

4 1/2" production casing - float shoe on bottom. Three centralizers run every other joint above shoe. Four centralizers run every 3rd joint to the base of the Ojo Alamo @ 3810'. Two turbolizing type centralizers - one below and one into the base of the Ojo Alamo @ 3810'. Standard centralizers thereafter every fourth joint up to the base of the surface pipe.

Wellhead Equipment: 8 5/8" x 4 1/2" x 2 3/8" x 11" 2000 psi xmas tree assembly.

January 16, 1995

Cementing:

8 5/8" surface casing - cement with 210 sx Class "B" cement with 1/4# flocele/sx and 3% calcium chloride (248 cu.ft. of slurry, 200% excess to circulate to surface). WOC 12 hrs. Test casing to 600 psi for 30 minutes.

4 1/2" production casing -

First stage - lead w/100 sacks 65/35 Class "B" Poz w/6% gel, 2% calcium chloride, 1/4#/sack flocele and 5 pps gilsonite. Tail with 100 sacks Class "B" neat or 2% calcium chloride (261 cu.ft.), 100% excess to circulate stage tool @ 3650'.

Second stage - lead w/892 sx of Class "B" 65/35 Poz w/6% gel, 2% calcium chloride, 5 pps gilsonite and 1/4# flocele/sx. Tail w/100 sx Class "B" w/2% calcium chloride (1663 cu.ft.), 100% excess to circulate to surface. WOC 12 hrs. If cement does not circulate to surface, a temperature log will be run after 8 hours to determine TOC.

BOP and tests:

Surface to TD - 11" 2000 psi (minimum double gate BOP stack (Reference Figure #1 and #2). Prior to drilling out surface casing, test rams to 600 psi/30 min.

Completion - 6" 2000 psi (minimum) double gate BOP stack (Reference Figure #2). Prior to completion operations, test rams and casing to 2000 psi/15 min.

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

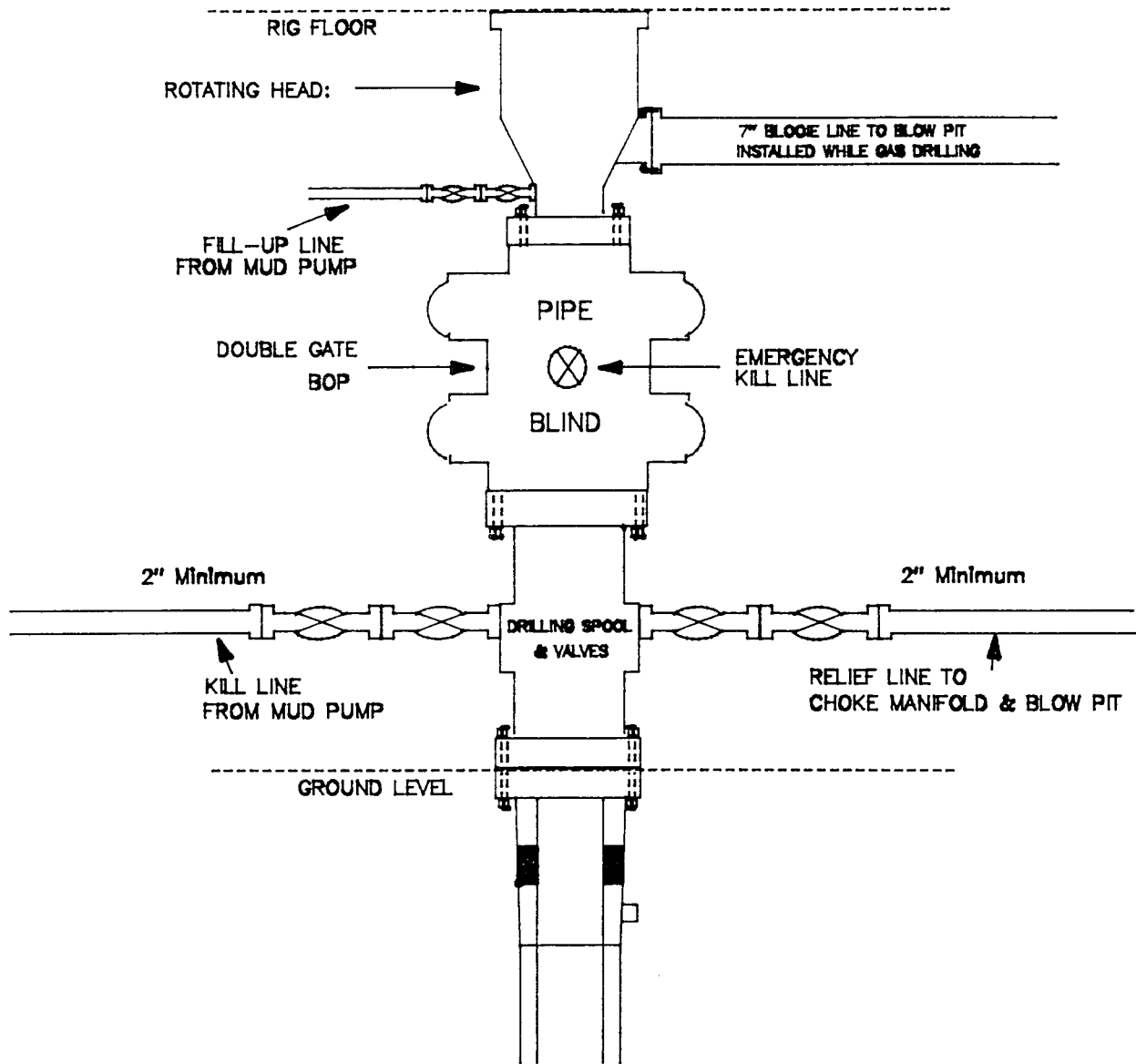
Pipe rams will be actuated to least once each day and blind rams actuated once each trip to test proper functioning. An upper kelly cock valve with handle and drill string safety valves to fit each drill string will be maintained and available on the rig floor.

Additional information:

- * The Pictured Cliffs formation will be completed.
- * Anticipated pore pressure for the Fruitland is 300 psi and for the Pictured Cliffs is 300 psi.
- * This gas is dedicated.
- * The northwest quarter of the section is dedicated to the Pictured Cliffs.
- * New casing will be utilized.
- * Pipe movement (either rotation or reciprocation) will be done if hole conditions permit.

MERIDIAN OIL INC.

BOP Configuration 2M psi SYSTEM

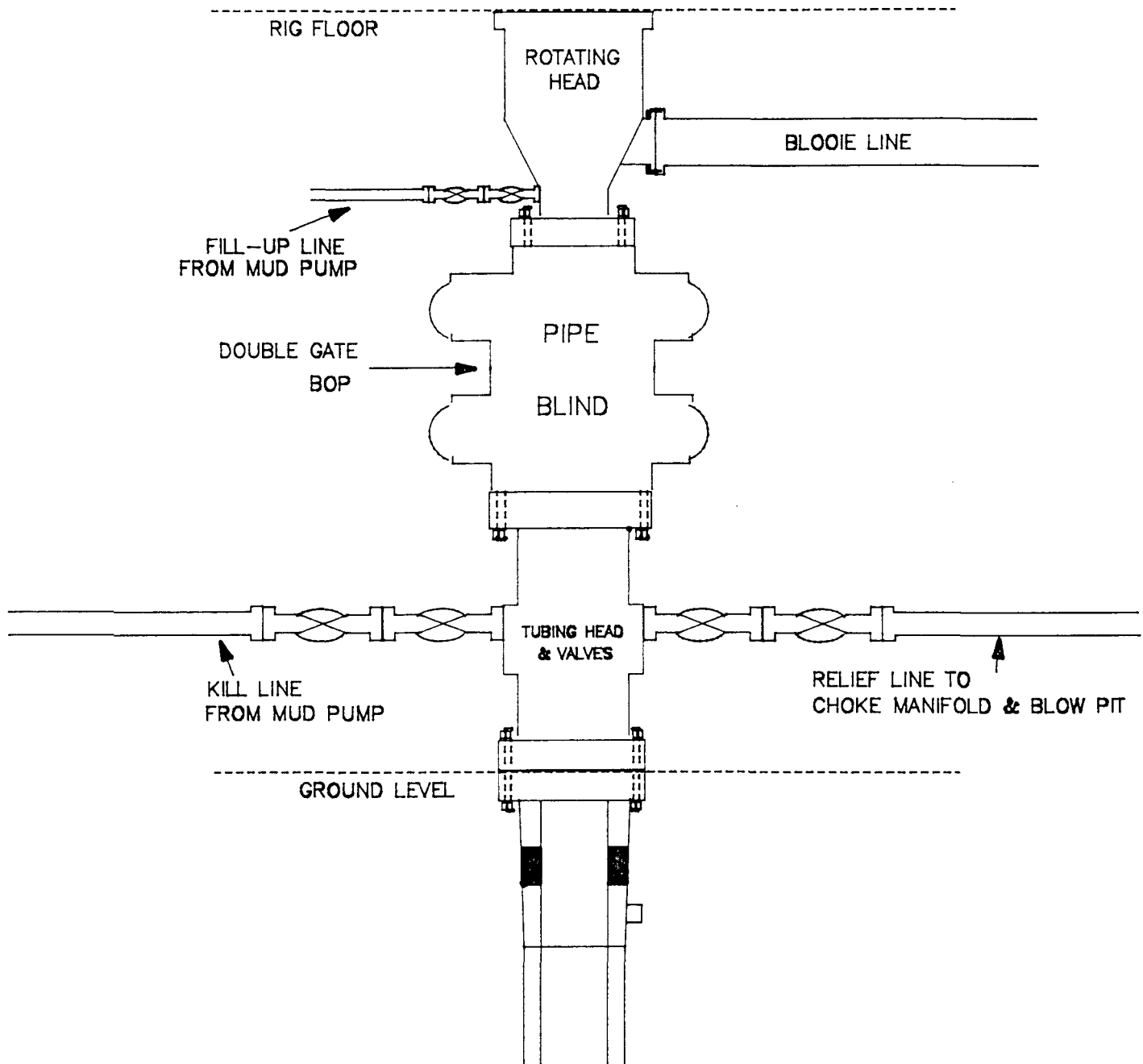


11" Bore, 2000psi minimum working pressure double gate BOP to be equipped with blind and pipe rams. A Schaffer Type 50 or equivalent rotating head to be installed on the top of the BOP. All equipment is 2000psi working pressure/or greater.

Figure #1

MERIDIAN OIL INC.

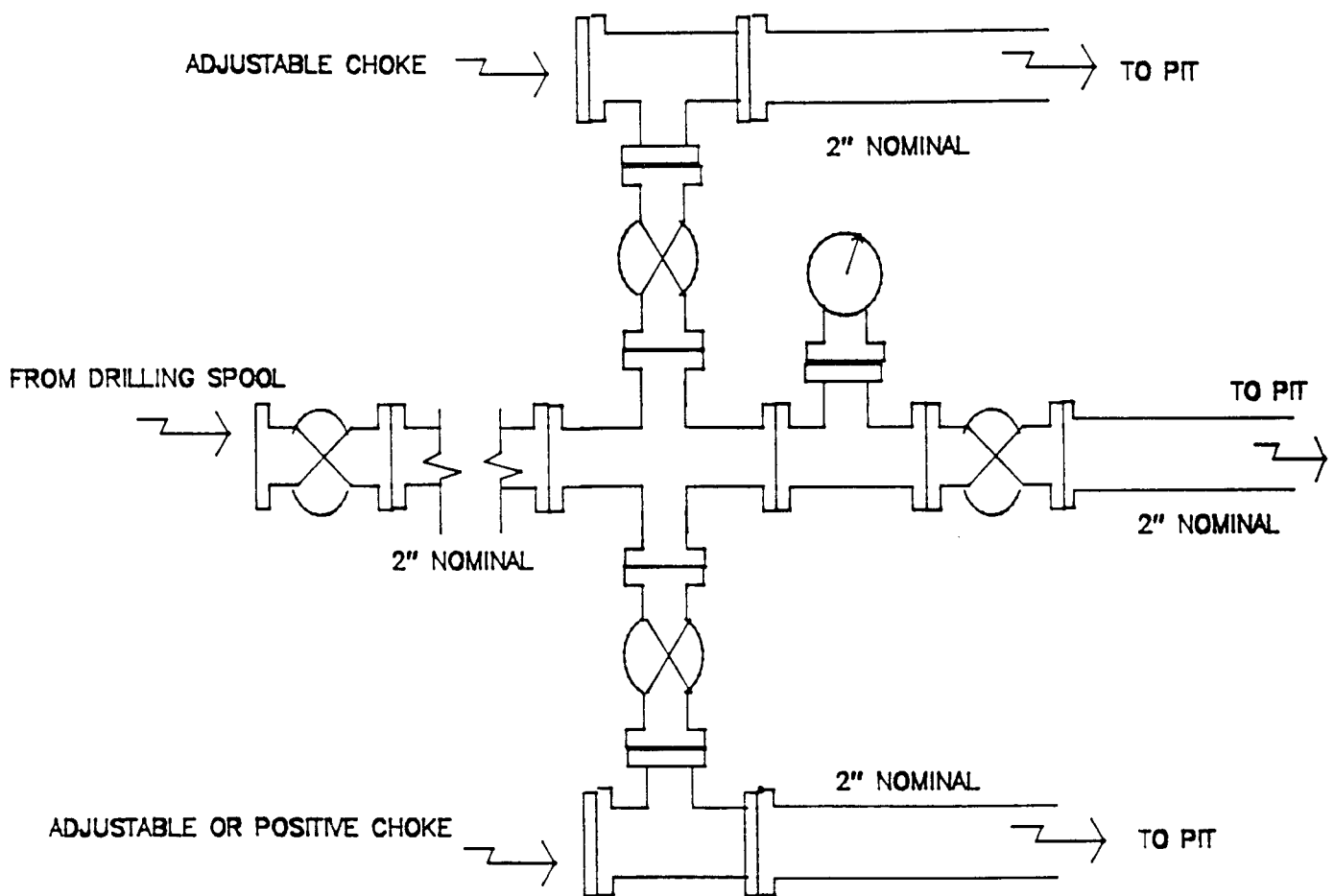
BOP Configuration
2M psi SYSTEM



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

Figure #2

MERIDIAN OIL INC.
Choke Manifold Configuration
2M psi SYSTEM



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

Figure #3

MERIDIAN OIL

Brown #206

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 3000' 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 San Juan 29-6 Water Well #1 in located in SW/4 Section 28, T-29-N, R-6-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.

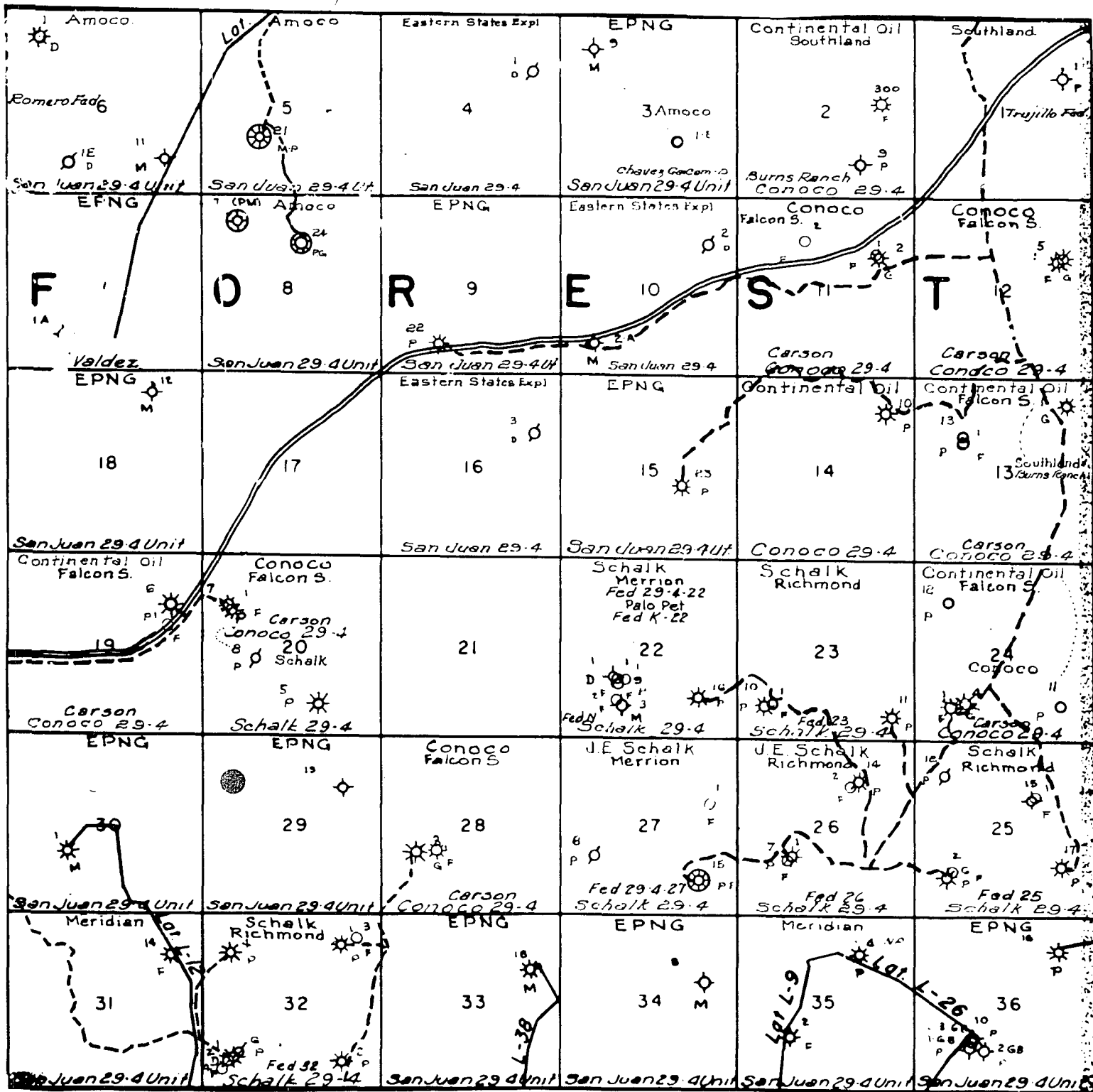
10. Plans for Restoration of the Surface - After completion of the proposed project, the location will be cleaned and leveled. The location will be left in such a condition that will enable reseeding operations to be carried out. Seed mixture as designated by the responsible government agency will be 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 - Carson National Forest.
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.



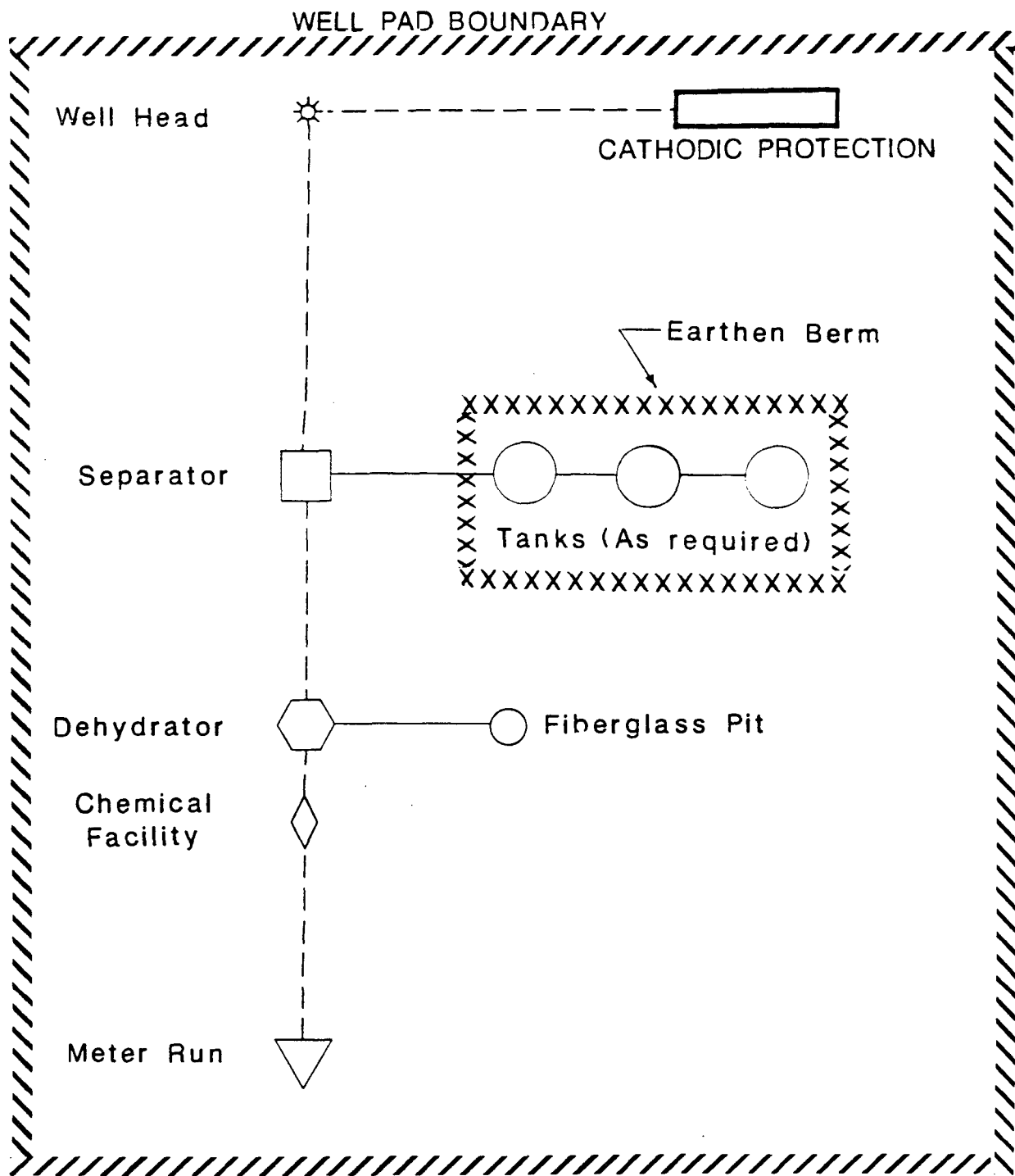
Regional Drilling Engineer

1/16/95
Date

JWC:pb



MERIDIAN OIL INC.
 Pipeline Map
 T-29-N, R-04-W
 San Juan County, New Mexico
 Brown #206 - Map #1A



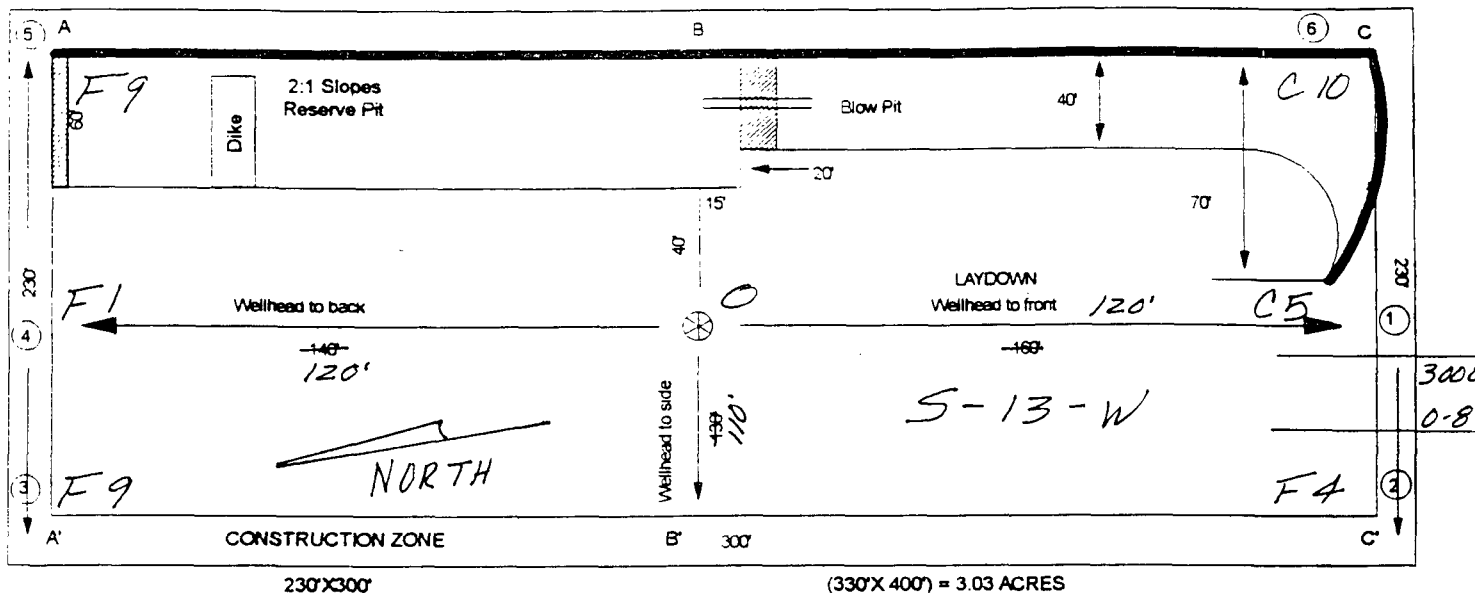
MERIDIAN OIL

ANTICIPATED
PRODUCTION FACILITIES
FOR A
PICTURED CLIFFS WELL

PLAT #1

PC/FC LOW POTENTIAL

NAME: MOI BROWN #206
 FOOTAGE: 1465' FNL 565' FWL
 SEC 29 TWN 29 N.R. 4 W NMPM
 CO: RIO ARriba ST: NEW MEXICO
 ELEVATION: 7400' DATE: 11-7-94



230'X300'

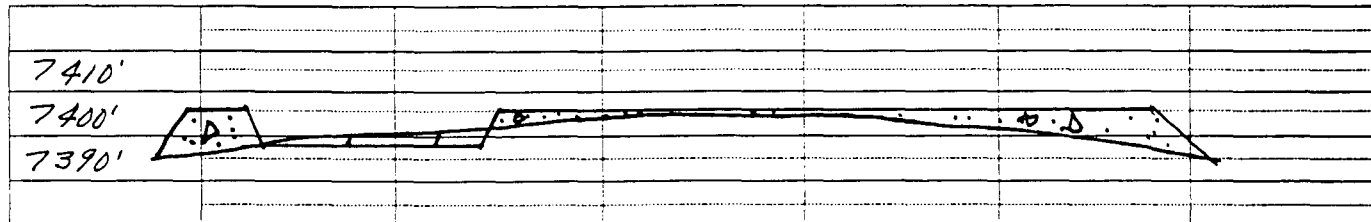
(330'X 400') = 3.03 ACRES

Reserve Pit Dike : to be 8' 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.

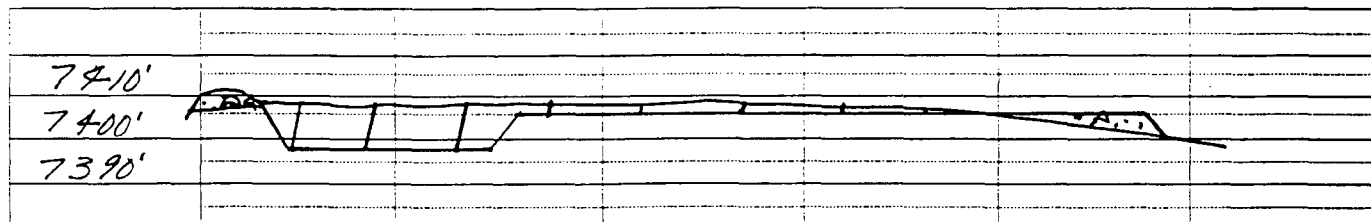
A-A'

C/L



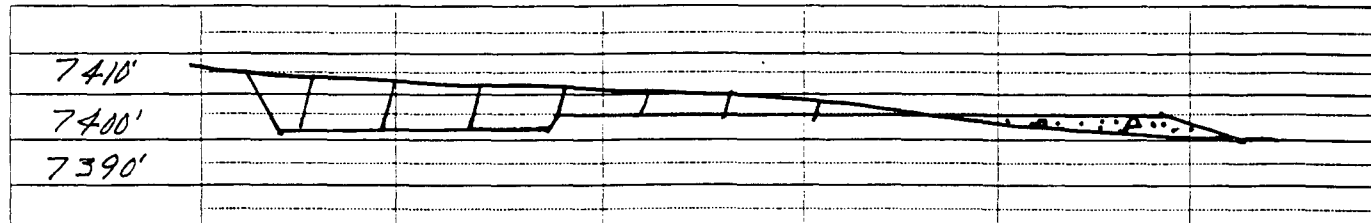
B-B'

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.

Re: Meridian Oil Inc. Brown #206
1465'FNL, 565'FWL, Section 29, T-29-N, R-4-W - Rio Arriba County, New Mexico
API # 30-039-(not 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.

Ruth Zimmerman Trust
842 Muirlands Vista Way
La Jolla, CA 92037

Dugan Production
PO Box 420
Farmington, NM 87499

Langdon Harrison
7517 Tamarron Place NE
Albuquerque, NM 87109

Kerr-McGee Corp
Att: Land Department
PO Box 25861
Oklahoma City, OK 73125-0861

Robert P. Tinnin
PO Box 1885
Albuquerque, NM 87103

MAR Oil & Gas
PO Box 5155
Santa Fe, NM 87502


H.O. Pool Trust & Thelma Pool Rev Marital Trust
PO ox 5825
Denver, CO 80217

Kathleen Quinn
Sunwest Bank of Albuquerque, NA
PO Box 26900
Albuquerque, NM 87125

Robert L. Bayless
PO Box 168
Farmington, NM 87499

Schalk Development
PO Box 2078
Farmington, NM 87499-2078

EJE Brown Company
c/o Nationsbank of Texas, NA
PO Box 2546
Ft. Worth, TX 76113-2546

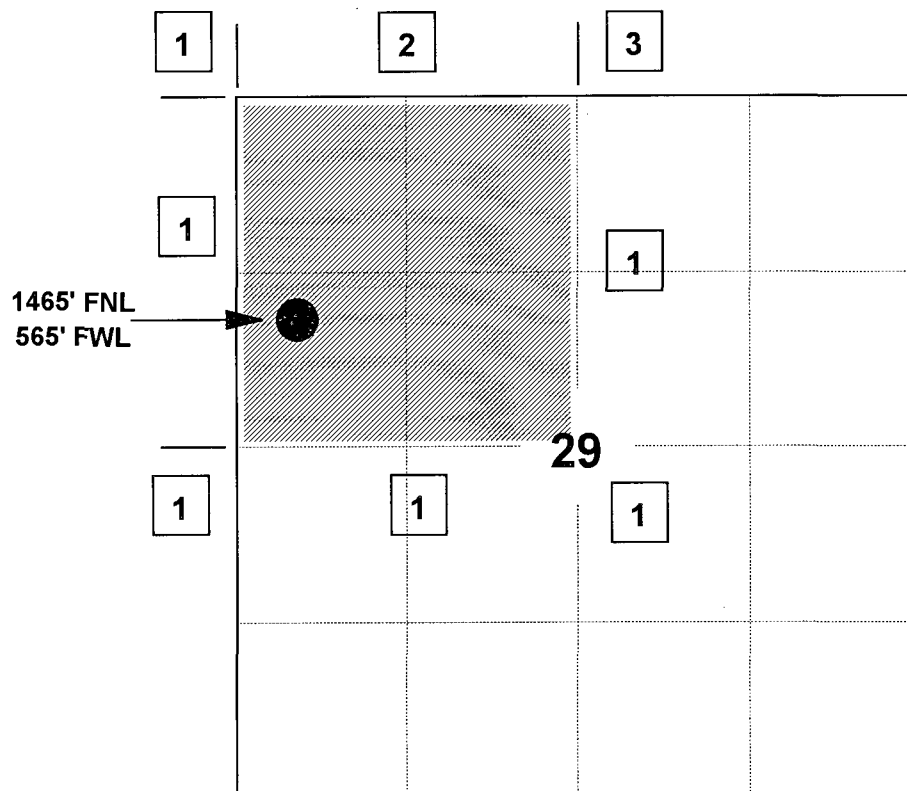
Peggy A. Bradfield


MERIDIAN OIL INC

BROWN #206 OFFSET OPERATOR PLAT

Unorthodox Pictured Cliffs Well Location

Township 29 North, Range 4 West



See Attached List

BROWN #206
Unorthodox Well Location

1. Meridian Oil Inc.

Dugan Production Corporation
P.O. Box 420
Farmington, NM 87499

EJE Brown Company
c/o Nationsbank of Texas, N.A.
P.O. Box 2546
Fort Worth, TX 76113-2546

Mr. Langdon D. Harrison
7517 Tamarron Place, N.E.
Albuquerque, New Mexico 87109

Kerr-McGee Corporation
Attn: Land Department
P.O. Box 25861
Oklahoma City, OK 73125-0861

Mar Oil Gas Corporation Inc.
P.O. Box 5155
Santa Fe, NM 87502

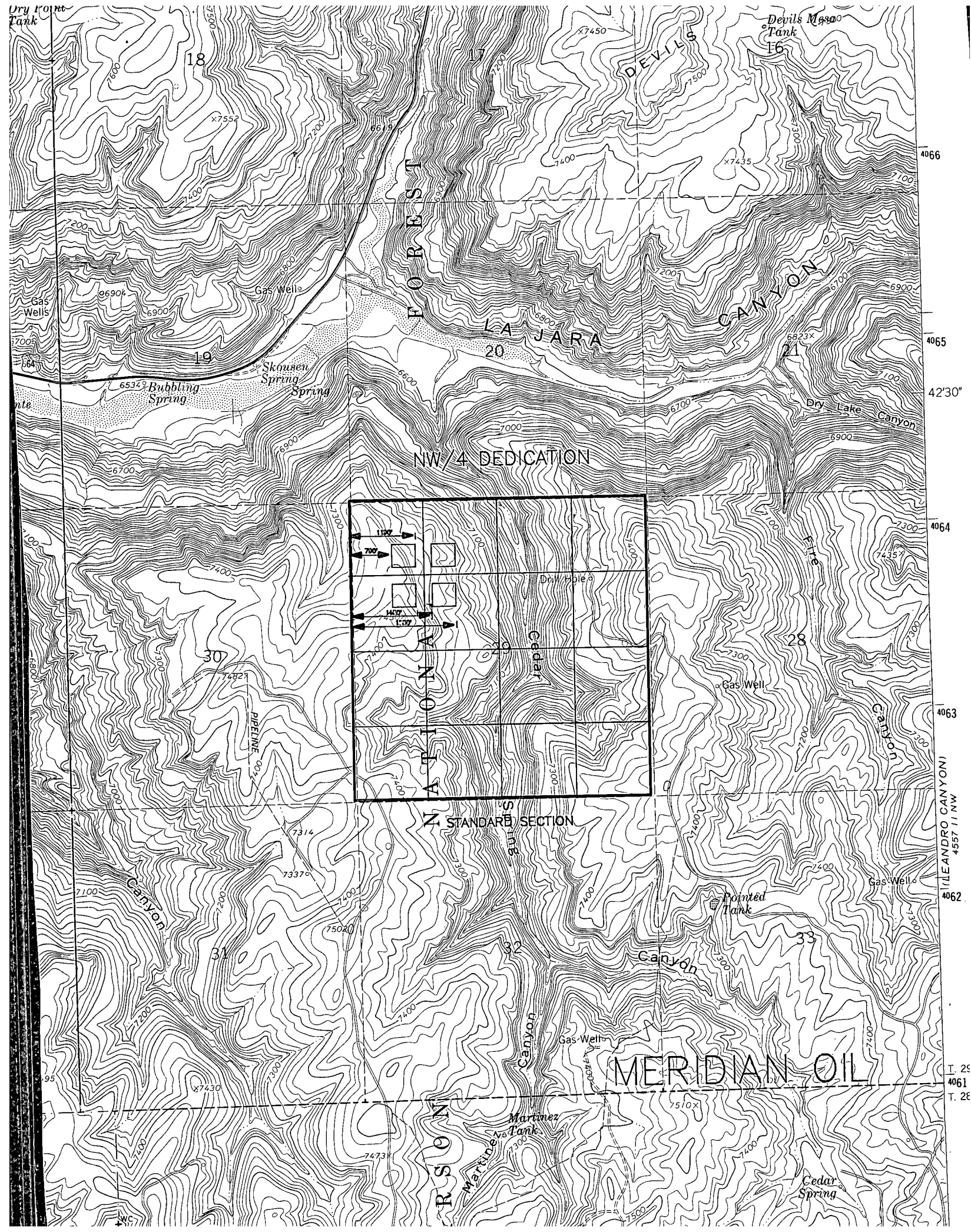
H. O. Pool (Trust) &
Thelma Pool Rev Marital Trust
c/o First Interstate Bank of Denver
P.O. Box 5825
Denver, Colorado 80217

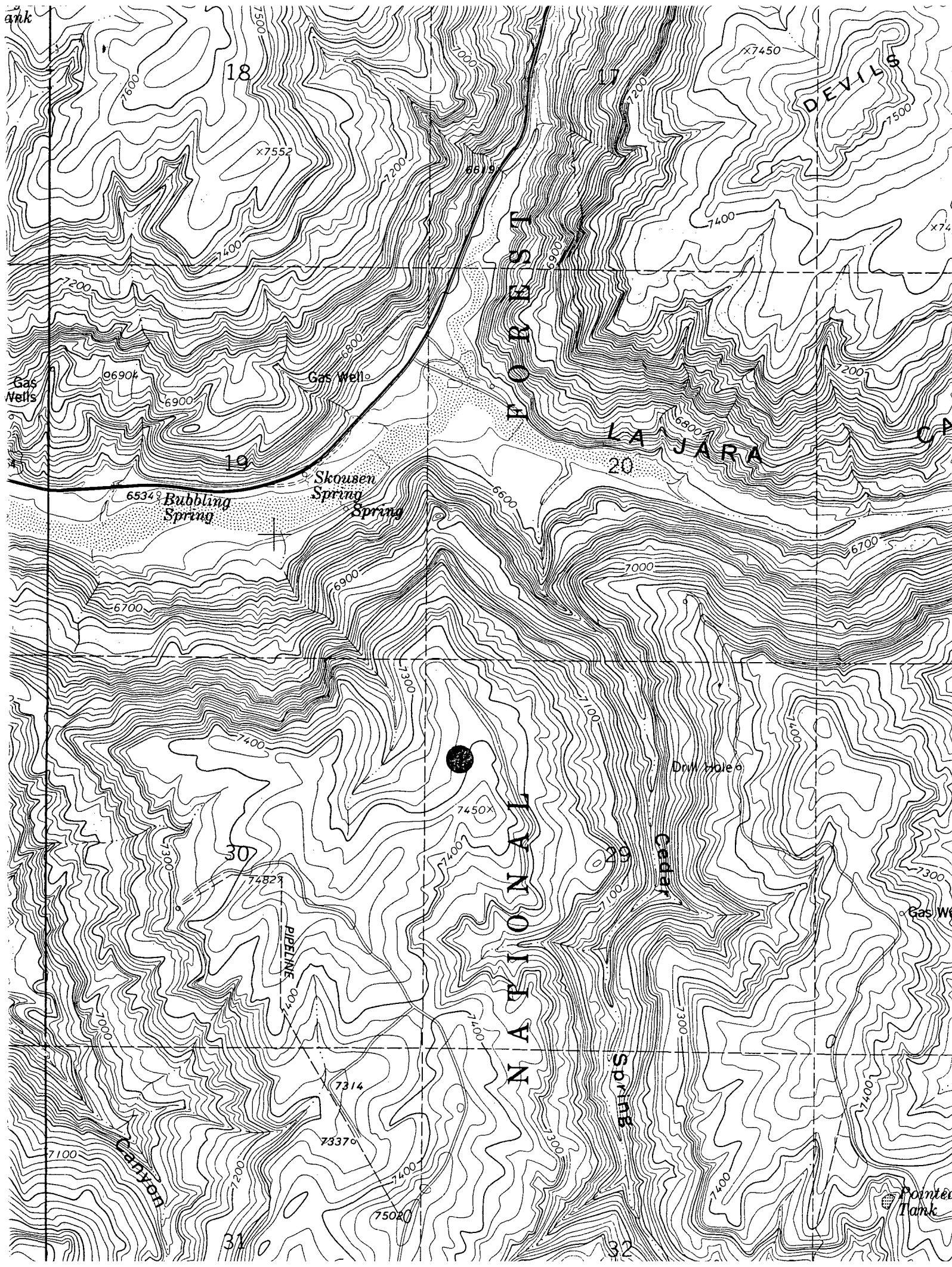
Kathleen Quinn
c/o Sunwest Bank of Albuquerque, N.A.
P.O. Box 26900
Albuquerque, NM 87125

Robert Tinnin
P.O. Box 1885
Albuquerque, NM 87103

Ruth Zimmerman (Trust)
c/o Ruther Zimmerman, Trustee
842 Muirlands Vista Way
La Jolla, CA 92037

2. Mr. Robert L. Bayless
P.O. Box 168
Farmington, NM 87499
3. Schalk Development Co.
P.O. Box 2078
Farmington, NM 87499-2078





MERIDIAN OIL

OIL CONSERVATION DIVISION
RECEIVED

April 25, 1995

05 APR 24 PM 8 52

Sent Federal Express

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

Re: Meridian Oil Inc. Brown #206
1465'FNL, 565'FWL, Section 29, T-29-N, R-4-W - Rio Arriba County, New Mexico
API # 30-039-(not assigned)

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The following attachments are for your review:

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2. Completed C-102 at referenced location.
3. Offset operators/owners plat
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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 \$140,000.

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 Administrator
encls.

WAIVER

~~MAR OIL & GAS Corp.~~ hereby waives objection to Meridian Oil Inc.'s application for a non-standard location for their Brown #206 as proposed above.

By:  Date: 4/27/95

xc: (see attached)

MERIDIAN OIL

April 25, 1995

Sent Federal Express

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

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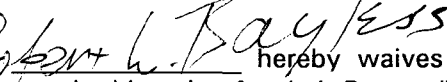
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Sincerely,


Peggy Bradfield
Regulatory/Compliance Administrator

encs.

 **WAIVER**
hereby waives objection to Meridian Oil Inc.'s application for a non-standard location for their Brown #206 as proposed above.

By: 

Date: 5-1-95

xc: 

(see attached)

MERIDIAN OIL

April 25, 1995

Sent Federal Express

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

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Sincerely,



Peggy Bradfield
Regulatory/Compliance Administrator
encs.

WAIVER


I hereby waives objection to Meridian Oil Inc.'s application for a non-standard location for their Brown #206 as proposed above.

By: [Signature] Date: May 5 1995

xc: (see attached)

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 SF-079893A Unit Reporting Number	
1b. Type of Well GAS	6. If Indian, All. or Tribe	
2. Operator MERIDIAN OIL	7. Unit Agreement Name	
3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700	8. Farm or Lease Name Brown 9. Well Number 206	
4. Location of Well 1465' FNL, 565' FWL Latitude 36° 41' 59", Longitude 107° 16' 58"	10. Field, Pool, Wildcat Gobernador Pic. Cliffs 11. Sec., Twn, Rge, Mer. (NMPM) Sec 29, T-29-N, R-4-W API # 30-039-	
14. Distance in Miles from Nearest Town 6 miles to Gobernador	12. County Rio Arriba	13. State NM
15. Distance from Proposed Location to Nearest Property or Lease Line 565'		
16. Acres in Lease	17. Acres Assigned to Well 160 NW/4	
18. Distance from Proposed Location to Nearest Well, Drlg, Compl, or Applied for on this Lease 4100'		
19. Proposed Depth 4510'	20. Rotary or Cable Tools Rotary	
21. Elevations (DF, FT, GR, Etc.) 7400' GR	22. Approx. Date Work will Start 2nd quarter 1995	
23. Proposed Casing and Cementing Program See Operations Plan attached		
24. Authorized by:  Regional Drilling Engineer	Date <u>1/16/95</u>	

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

Archaeological Report to be submitted by Arboles Contract Archaeology
Threatened and Endangered Species Report by Carson National Forest
NOTE: This format is issued in lieu of U.S. BLM Form 3160-3

Mike Stogner

From: Ernie Busch
To: Mike Stogner
Subject: MERIDIAN OIL INC (NSL)
Date: Monday, May 08, 1995 11:11AM
Priority: High

BROWN #206
1465' FNL; 565' FWL
E-29-29N-04W
RECOMMEND: APPROVAL

Mike Stogner

From: Ernie Busch
To: Mike Stogner
Subject: RE: MERIDIAN OIL INC (NSL)
Date: Monday, May 08, 1995 11:41AM

From: Ernie Busch
To: Mike Stogner
Subject: MERIDIAN OIL INC (NSL)
Date: Monday, May 08, 1995 11:11AM
Priority: High

BROWN #206
1465' FNL; 565' FWL
E-29-29N-04W

RECOMMEND: HOLD OFF ON THE ADMINISTRATIVE APPROVAL BECAUSE OF THE FOLLOWING
REASON: IF THIS IS A REQUEST BASED ON ARCHAEOLOGY, WHERE IS THE REPORT, WHERE IS THE
PROOF?