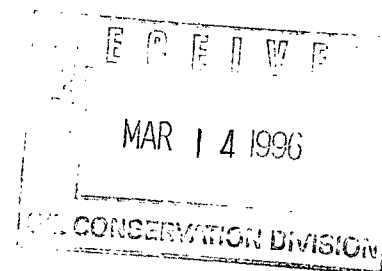


March 13, 1996

Sent Federal Express

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



Re: Brown #207
860'FSL, 615'FEL, Section 30, T-29-N,R-4-W, Rio Arriba County, New Mexico
API # 30-039-(not yet 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, the presence of extensive archaeology, and at the request of the Forest Service.

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, and enlargement of the map to define topographic features.

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. In accordance with Rule 1207 A.5, all parties should be advised that if they have an objection, it must be filed in writing within twenty days from this date.

Sincerely,

Peggy Bradfield
Regulatory/Compliance Representative
encs.

WAIVER


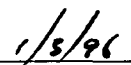
_____ hereby waives objection to Meridian Oil's application for a non-standard location for their Brown #207 as proposed above.

By: _____ Date: _____

xc: see attached list

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 207	
4. Location of Well 860' FSL, 615' FEL Latitude 36° 41' 30", Longitude 107° 17' 12"	10. Field, Pool, Wildcat Gob.Pictured Cliffs 11. Sec., Twn, Rge, Mer. (NMPM) Sec 30, T-29-N, R-4-W API # 30-039-	
14. Distance in Miles from Nearest Town 5 miles to Gobernador, NM	12. County Rio Arriba	13. State NM
15. Distance from Proposed Location to Nearest Property or Lease Line 615'		
16. Acres in Lease	17. Acres Assigned to Well 160 SE/4	
18. Distance from Proposed Location to Nearest Well, Drlg, Compl, or Applied for on this Lease 2800'		
19. Proposed Depth 4540'	20. Rotary or Cable Tools Rotary	
21. Elevations (DF, FT, GR, Etc.) 7427' GR	22. Approx. Date Work will Start 2nd quarter 1996	
23. Proposed Casing and Cementing Program See Operations Plan attached		
24. Authorized by:  Regional Drilling Engineer	 Date	

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

Archaeological Report submitted by Arboles Contract Archaeology Technical Report #620 dated 1-31-95
Threatened and Endangered Species Report submitted
NOTE: This format is issued in lieu of U.S. BLM Form 3160-3

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name
		77440	Gobernador Pictured Cliffs
Property Code	Property Name		Well Number
6861	Brown		207
OGRID No.	Operator Name		Elevation
14538	Meridian Oil Inc.		7427'

¹⁰ Surface Location

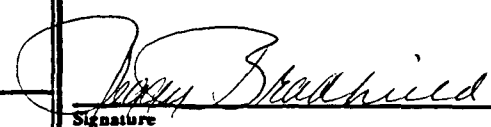
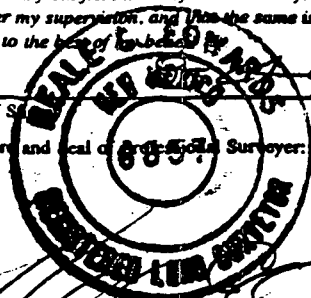
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
P	30	29 N	4 W		860	South	615	East	R.A.

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16	5273.40'	17 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 Title 1-2-96 Date
	30	18 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 of Survey Signature and Seal of Registered Surveyor 6857 Certificate Number
5280.00'		5280.00'
	NMSP-079893A	
	615'	
	860'	
	5254.92'	

OPERATIONS PLAN

Well Name: Brown #207
Location: 860' FSL, 615' FEL Section 30, T-29-N, R-4-W
 Rio Arriba County, New Mexico
 Latitude 36° 41' 30", Longitude 107° 17' 12"
Formation: Gobernador Pictured Cliffs
Elevation: 7427' GL

Formation:	Top	Bottom	Contents
Surface	San Jose	3685'	
Ojo Alamo	3685'	3900'	aquifer
Kirtland	3900'	4047'	
Fruitland	4047'	4290'	
Fruitland Coal	4177'	4287'	gas
Pictured Cliffs	4290'		gas
Total Depth	4540'		

Logging Program: Mud logs from 3650' 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
200-4540'	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 - 4540'	4 1/2"	10.5#	K-55

Tubing Program: - 2 3/8", 4.7#, J-55 EUE 8rd tbg landed @ 4540'

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 @ 3900'. Two turbolizing type centralizers - one below and one into the base of the Ojo Alamo @ 3900'. 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 2, 1996

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/85 sacks Class "B" Poz w/2% calcium chloride, and 1/4#/sack flocele and 5 pps gilsonite (100 cu.ft.), 75% excess to circulate stage tool @ 4290'.

Second stage - lead w/927 sx of Class "B" 65/35 Poz w/6% gel, 2% calcium chloride, and 1/4# flocele/sx. Tail w/100 sx Class "B" w/2% calcium chloride (1759 cu.ft.), 80% excess to circulate to surface. WOC 12 hrs. If cement does not circulate to surface, a cement bond log will be run during completion operations 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.

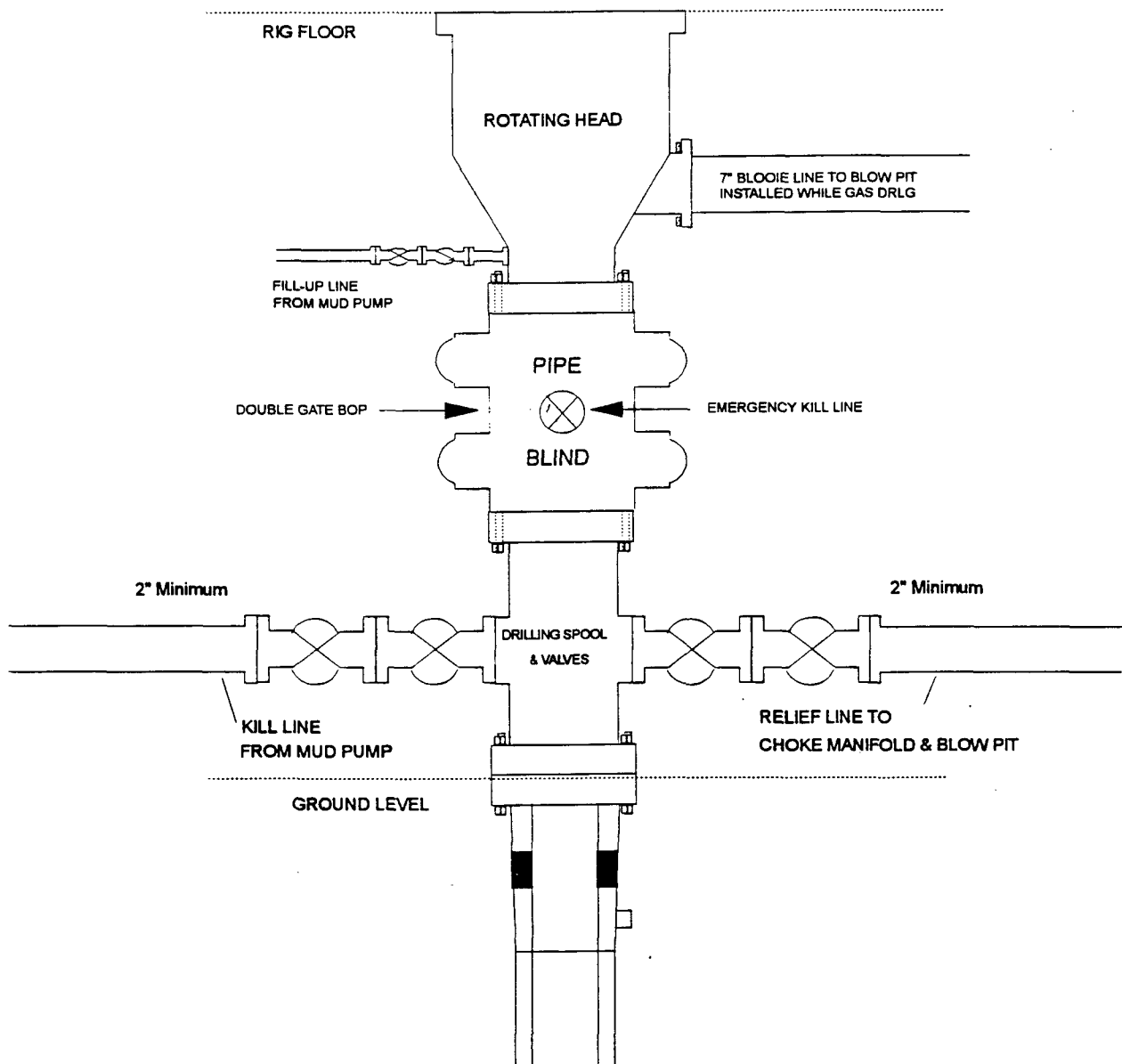
Additional information:

- * 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 southeast 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



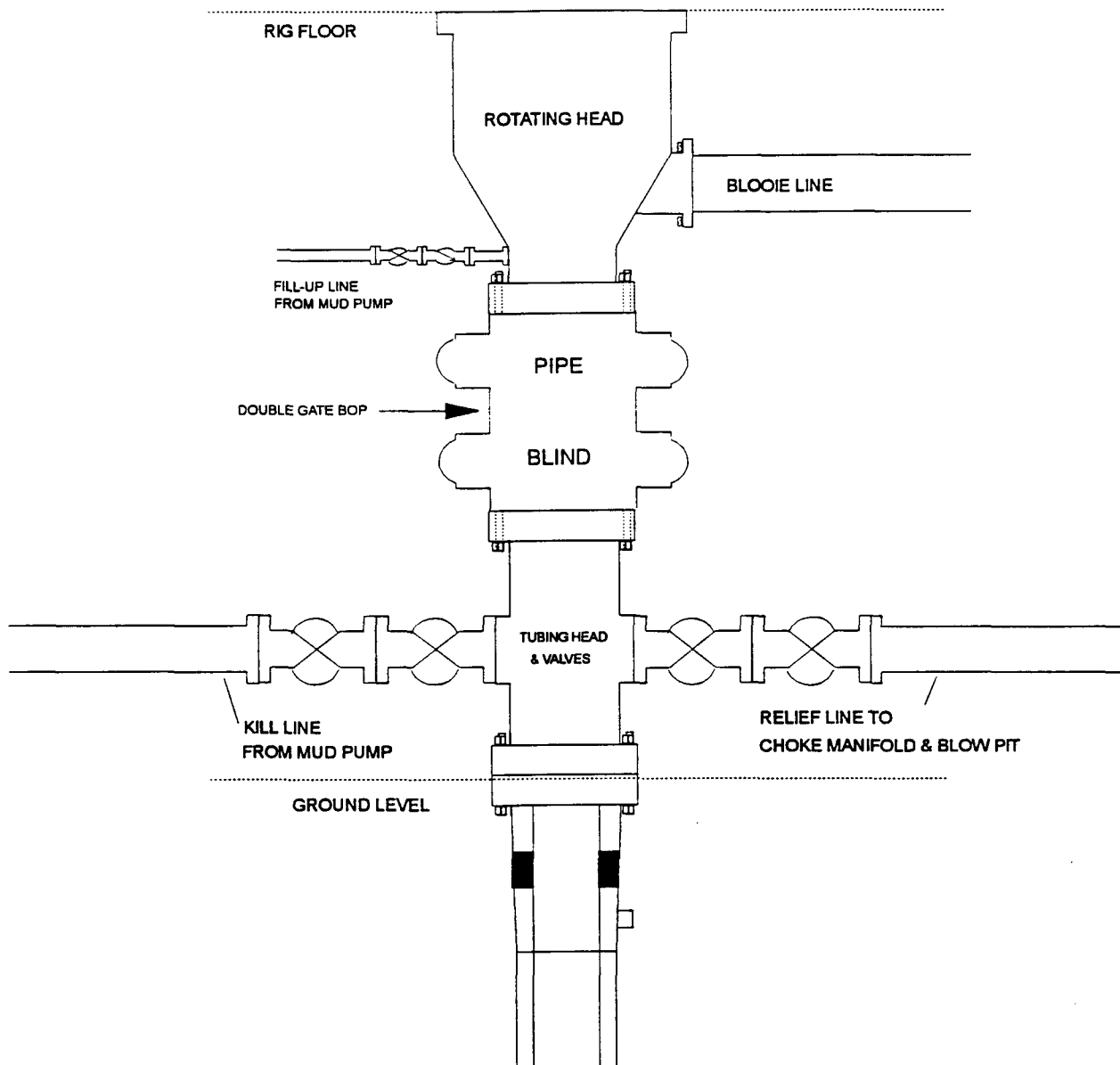
11" Bore, 2000psi minimum working pressure double gate BOP to be equipped with blind and pipe rams. A Schaffer Type 50 or equivalent rotating head to be installed on the top of the BOP. All equipment is 2000psi working pressure/or greater.

Figure #1

MERIDIAN OIL INC.

BOP Configuration

2M psi SYSTEM

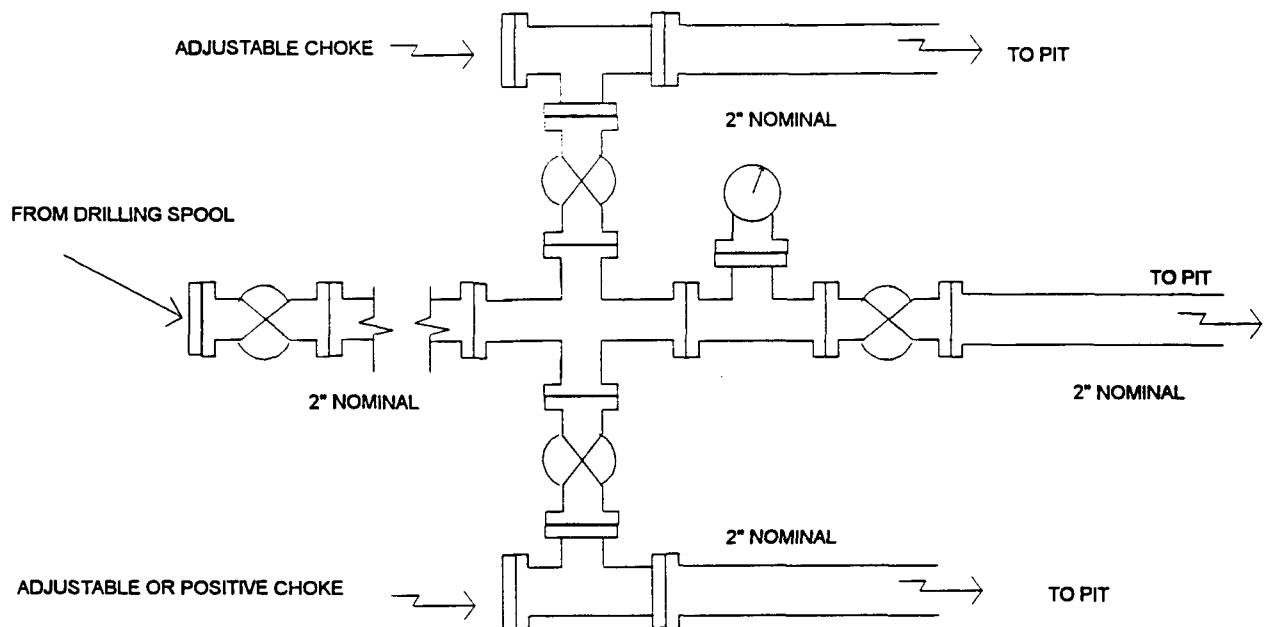


Minimum BOP installation for Completion operations. 7 1/16" Bore
(6" Nominal), 3000psi minimum working pressure double gate BOP to
be equipped with blind and pipe rams.

Figure #2

MERIDIAN OIL INC.

Choke Manifold Configuration 2M System



Minimum choke manifold installation from surface to Total Depth.
2" minimum, 3000psi working pressure equipment with two chokes.

Figure #3

MERIDIAN OIL

Brown #207

Multi-Point Surface Use Plan

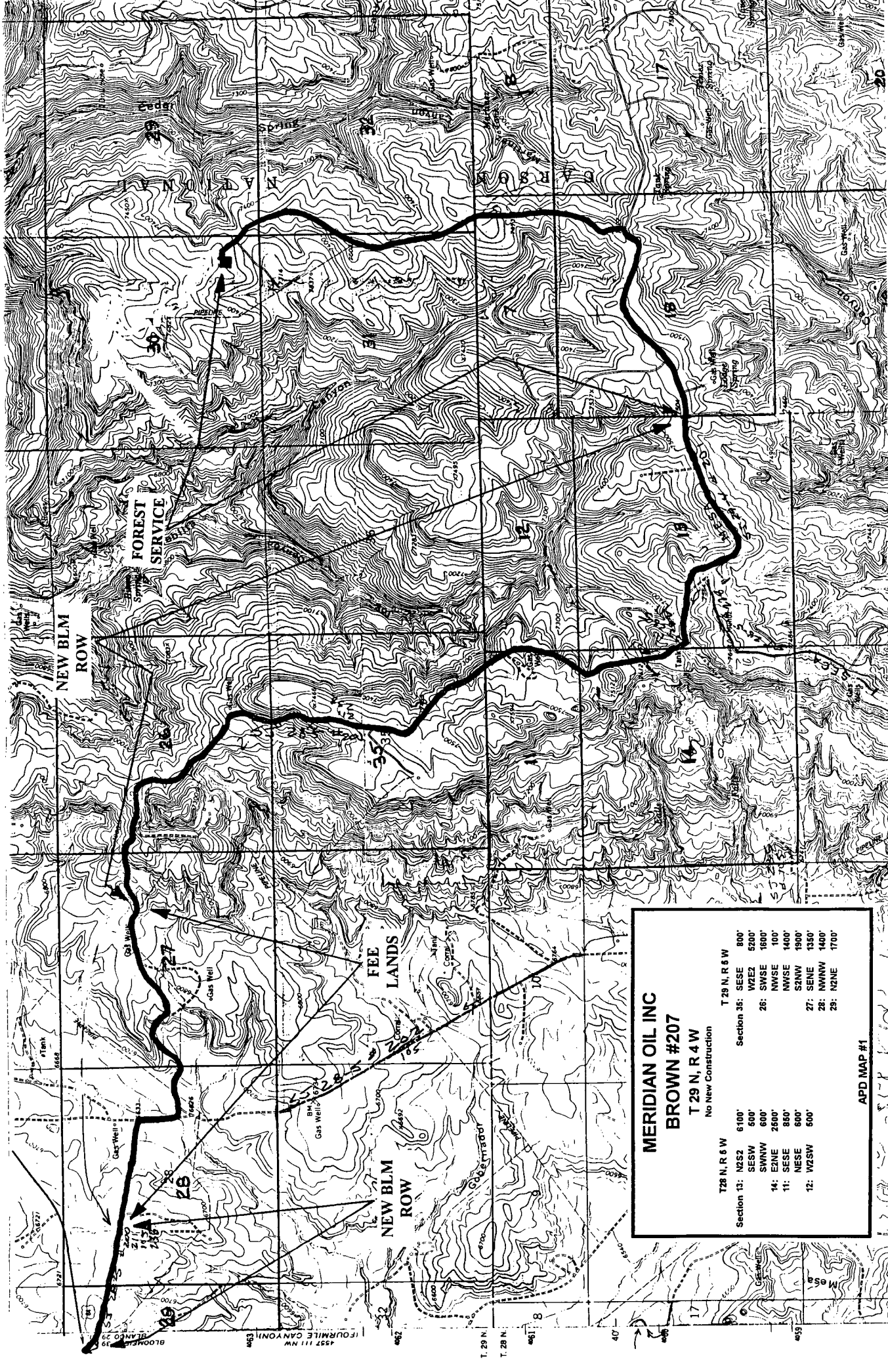
1. Existing Roads - Refer to Map No. 1. Existing roads used to access the proposed location will be properly maintained for the duration of the project. Bureau of Land Management right-of-way has been applied for as shown on Map No. 1.
2. Planned Access Road - Refer to Map No. 1. None required.
3. Location 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. Reserve pits will be lined as needed with either 12 mil bio-degradable plastic liner or a bentonite 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

1/3/96
Date

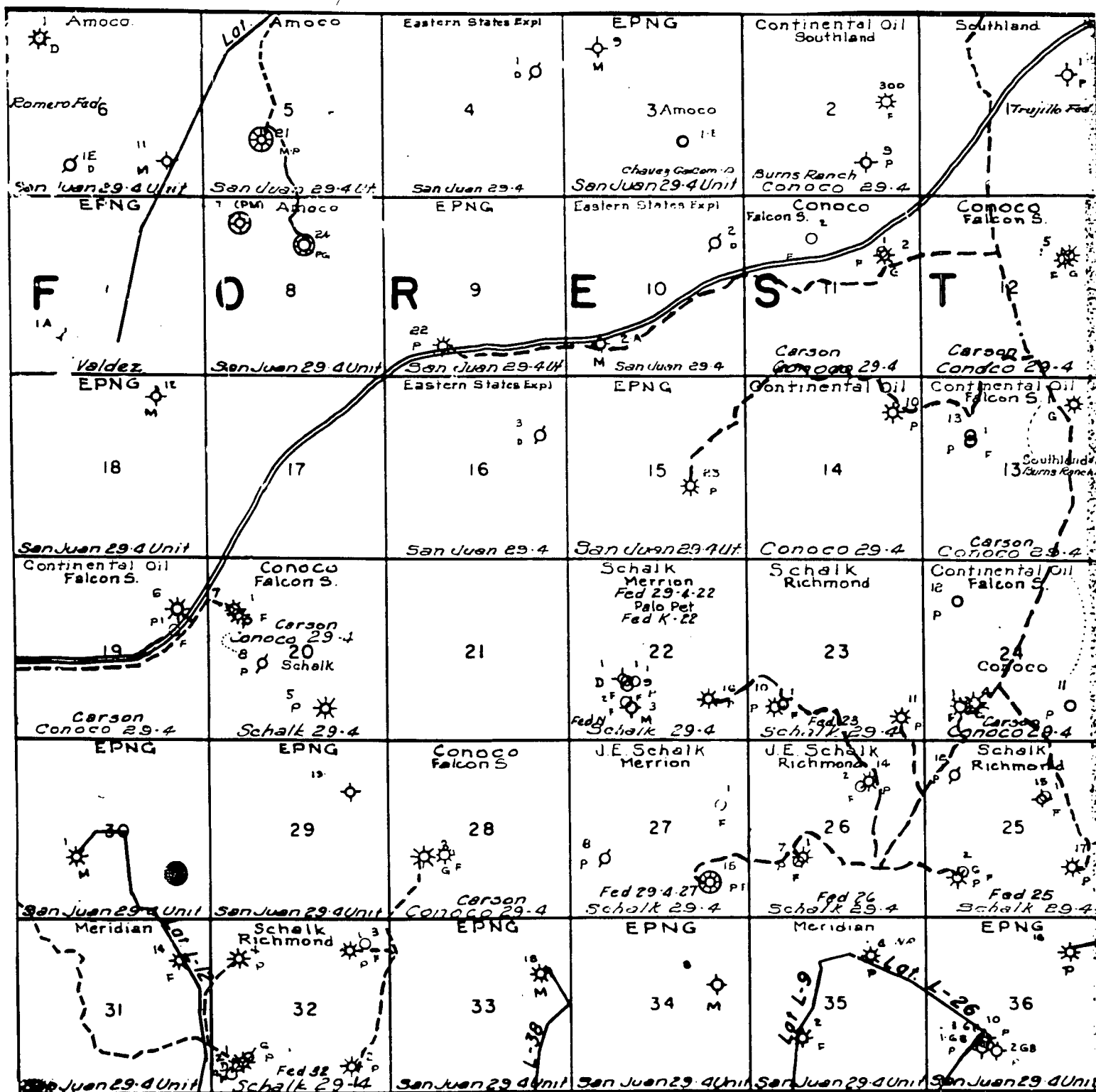
JWC:pb



MERIDIAN OIL INC
BROWN #207
T 29 N, R 4 W
No New Construction

T28 N, R 6 W	Section 13:	N2S2	6100'
		SESW	600'
		SWNW	600'
		E2NE	2500'
T 29 N, R 6 W		E2NE	880'
		NESE	800'
		W2SW	600'
Section 35:		SESE	800'
		W2E2	5200'
	26:	SWSE	1600'
		NWSE	100'
T 29 N, R 6 W		NWSE	1400'
		S2NW	1900'
	27:	SENE	1350'
	28:	NWNW	1400'
		N2NE	1700'

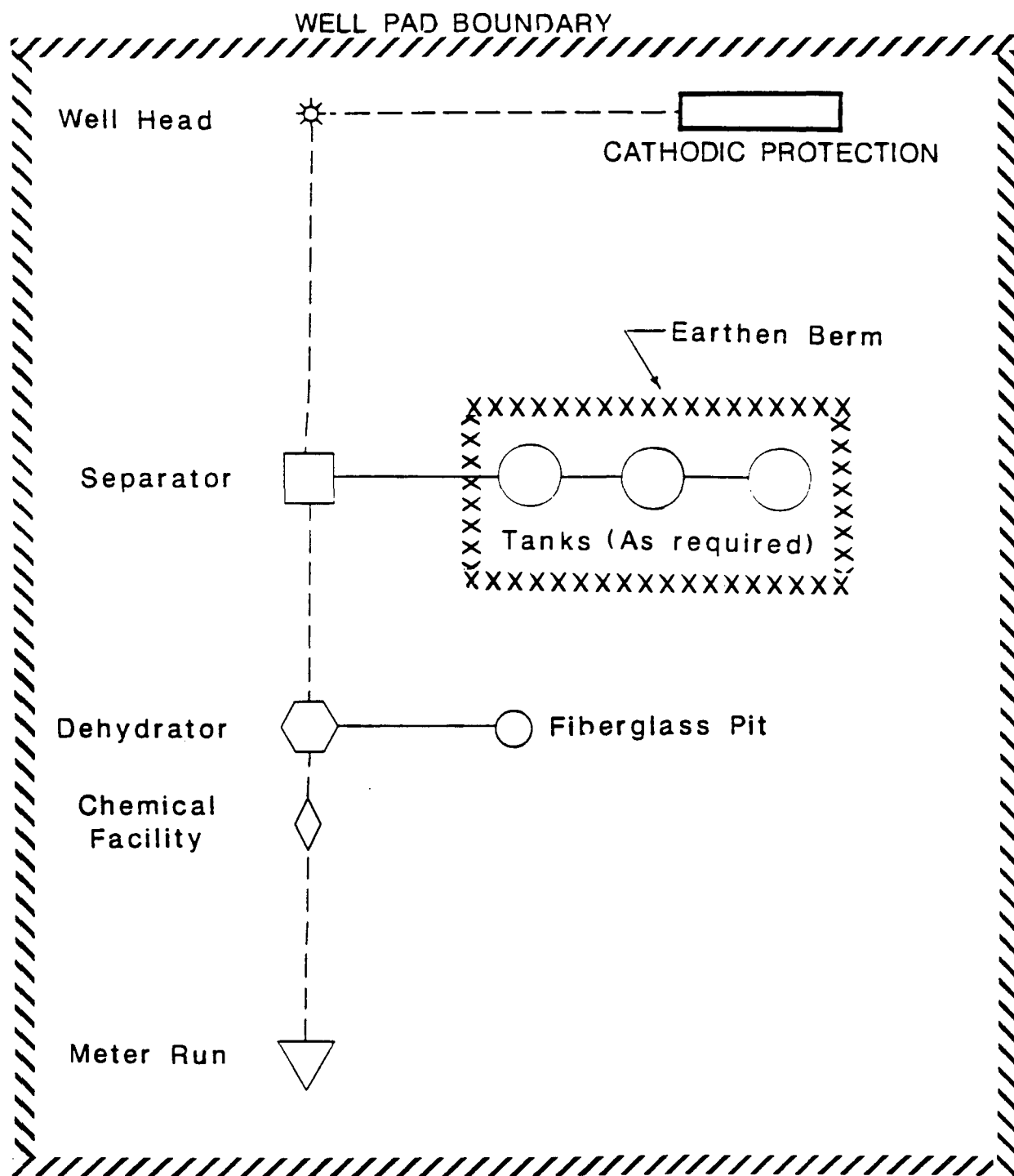
APD MAP #1



MERIDIAN OIL INC.
 Pipeline Map
 T-29-N, R-04-W
 San Juan County, New Mexico

MAP #1A
 BROWN #207

3/91 adw/mjb



MERIDIAN OIL

ANTICIPATED
PRODUCTION FACILITIES
FOR A
PICTURED CLIFFS WELL

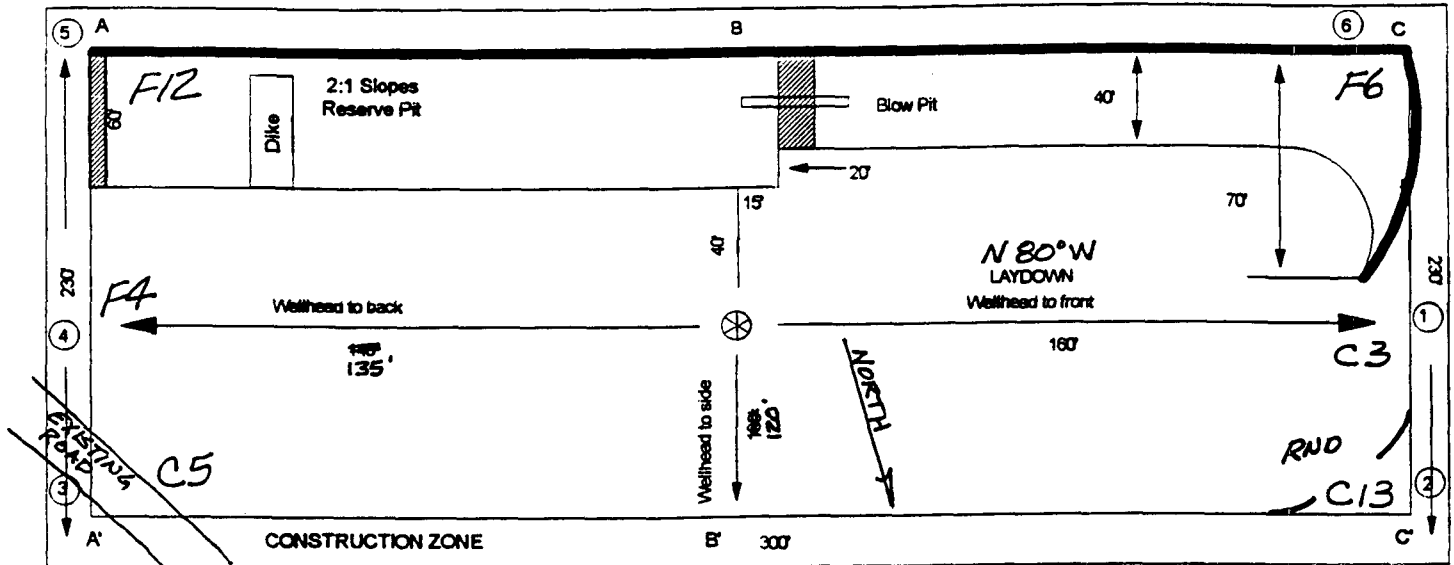
KFR 2/90

MERIDIAN OIL

PLAT #1

PC/FC LOW POTENTIAL

NAME:	MOI BROWN # 207			
FOOTAGE:	860 FSL 615 FEL			
SEC	30	TWN	29	N.R. 4 W NMPM
CO:	RIO ARRIBA		ST: N.M.	
ELEVATION:	7427'		DATE: 8-24-94	

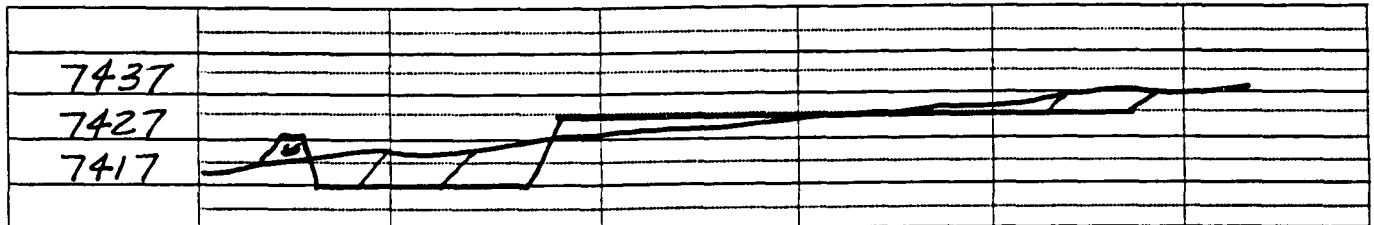


Reserve Pit Dike : to be 8' above Deep side; (overflow - 3' wide and 1' above shallow side.)

Blow Pit : overflow pipe halfway between top and bottom and extend over plastic liner and into blow pit.

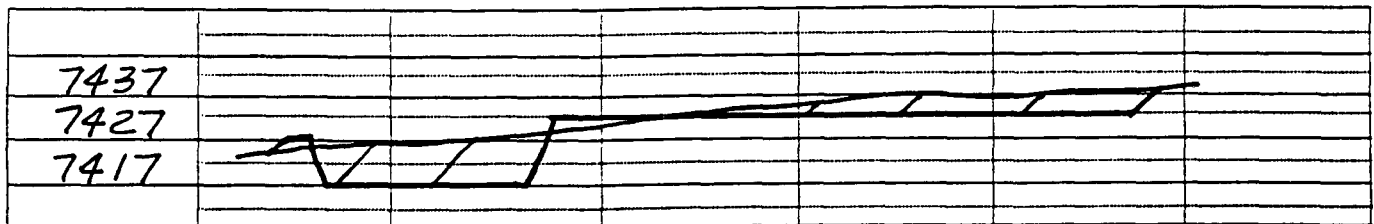
A-A'

C/L



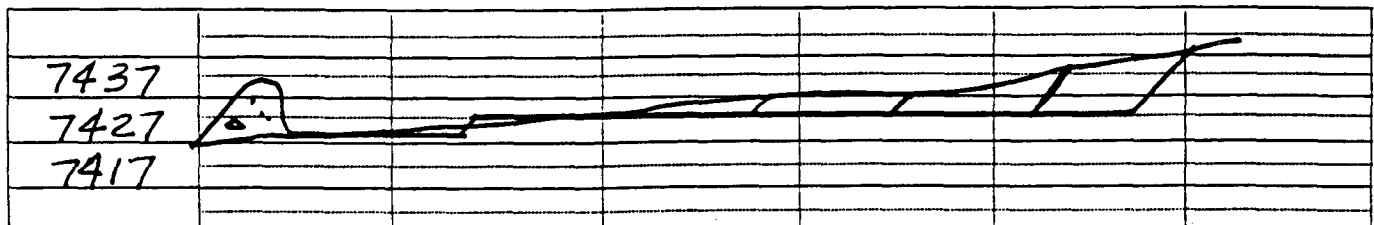
B-B'

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.

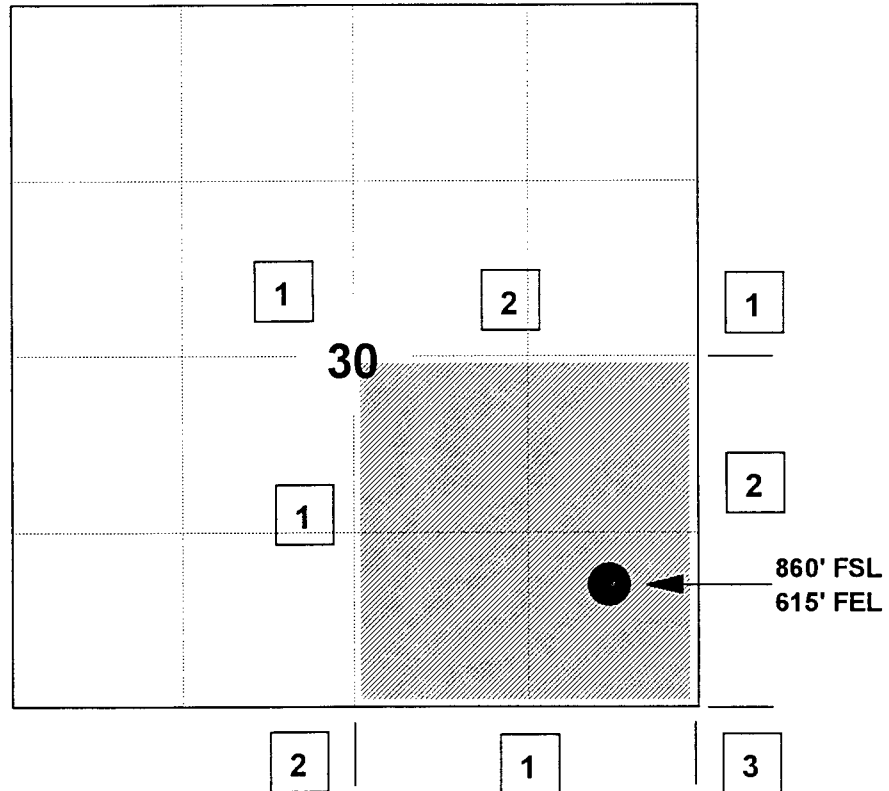
MERIDIAN OIL INC

BROWN #207

OFFSET OPERATOR PLAT

Unorthodox Pictured Cliffs Formation Well Location

Township 29 North, Range 4 West



See Attachment

BROWN #207 COMMINGLE WELL

1. Meridian Oil Inc.
2. Thomas A. & Mary E. Dugan
P.O. Box 420
709 E. Murray Dr.
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
11401 Penfield Lane, N.E.
Albuquerque, New Mexico 87111

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

Kathleen Quinn
c/o Sunwest Bank of Albuquerque, N.A.
Attn: Catherine E. Rugen
P.O. Box 26900
Albuquerque, NM 87125

Harold O. Pool, Irrevocable Res. Trust
c/o First Interstate Bank of Denver, NA
ATTN: Trust Minerals
P. O. Box 5825
Denver, CO 80217

Thelma Pool Rev. Marital Trust
c/o First Interstate Bank of Denver, NA
ATTN: Trust Minerals
P. O. Box 5825
Denver, CO 80217

Mar Oil Gas Corporation Inc.
c/o M. A. Romero, President
Attn: Leon Romero (ABQ)
P.O. Box 5155
Santa Fe, NM 87502

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

Ruth Zimmerman (Trust)
c/o Ruther Zimmerman, Trustee
Attn: Hazel Hart (Sister)
842 Muirlands Vista Way
La Jolla, CA 92037

3. Schalk Development Co.
P.O. Box 2078
Farmington, NM 87499-2078

Re: Brown #207
860'FSL, 615'FEL, Section 30, T-29-N,R-4-W, Rio Arriba County, New Mexico
API # 30-039-(not yet 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.

Thomas A & Mary E. Dugan
PO Box 420 - 709 East Murray Drive
Farmington, NM 87499

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

Mr. Langdon D. Harrison
11401 Penfield Lane, NE
Albuquerque, NM 87111

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

Kathleen Quinn
c/o Sunwest Bank of Albuquerque, NA
Att: Catherine E. Rugen
PO Box 26900
Albuquerque, NM 87125

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Denver, CO 80217

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Mar Oil Gas Corporation Inc
c/o M. A. Romero, President
Att: Leon Romero (ABQ)
PO Box 5155
Santa Fe, NM 87502

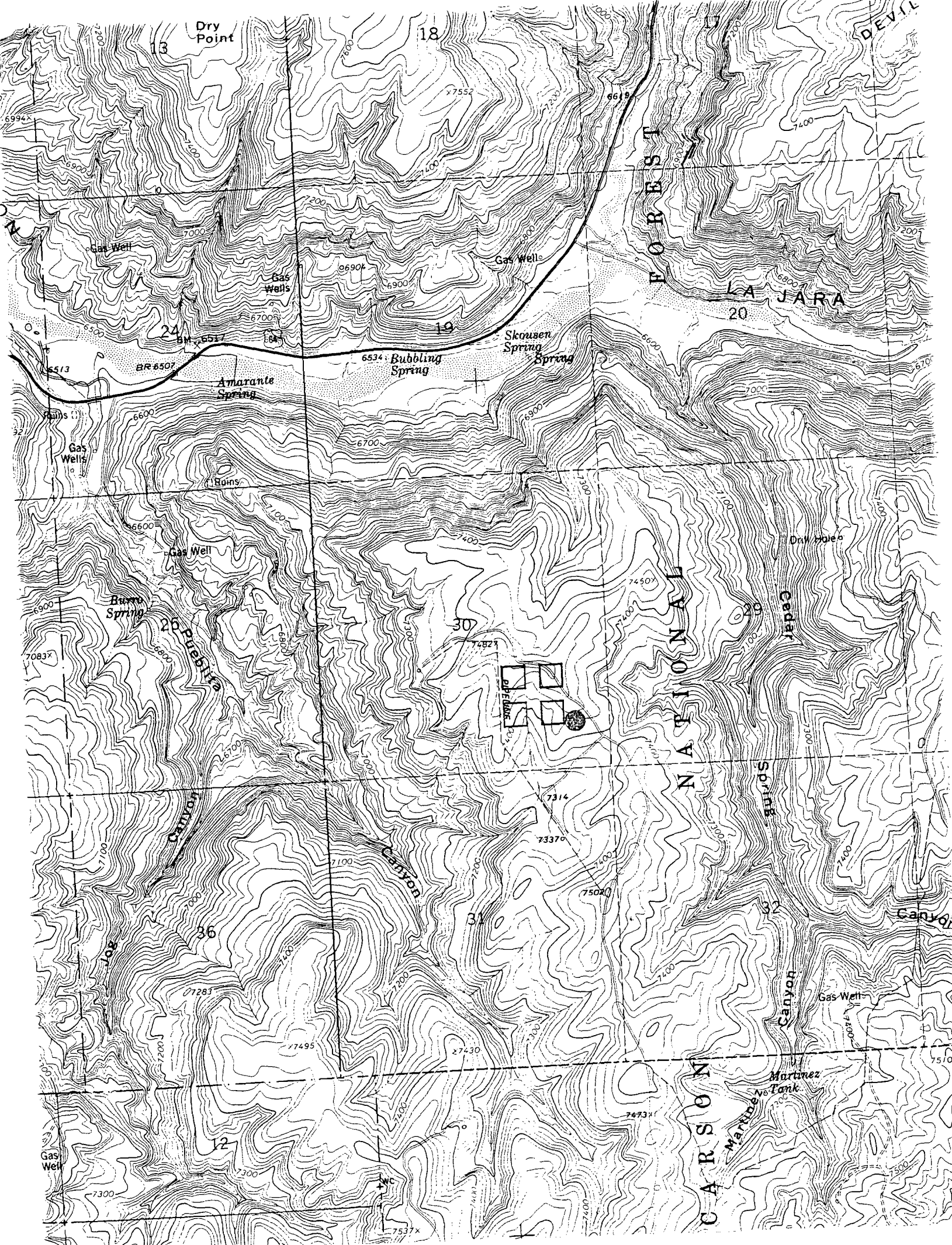
Robert P. Tinnin
PO Box 1885
Albuquerque, NM 87103-1885

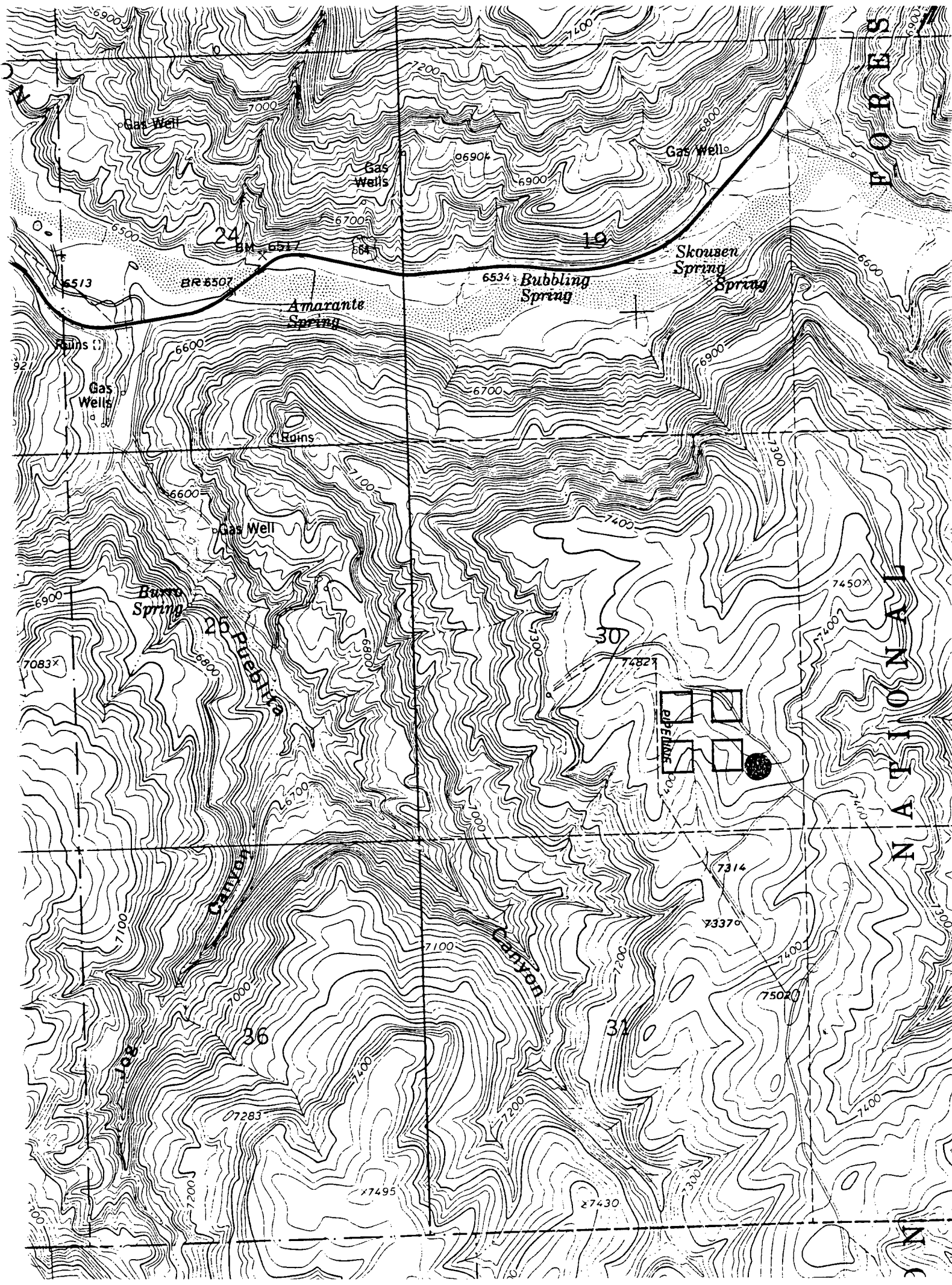
Ruth Zimmerman (Trust)
c/o Ruth Zimmerman, Trustee
Att: Hazel Hart (Sister)
842 Muilands Vista Way
LaJolla, CA 92037

Schalk Development Co
PO Box 2078
Farmington, NM 87499-2078

Peggy A. Bradfield
Regulatory/Compliance Representative







OIL CONSERVATION DIVISION
RECEIVED

1996 MAR 14 PM 8 52

March 13, 1996

Sent Federal Express

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

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3. Offset operators/owners plat.
4. 7.5 minute topographic map showing the orthodox windows, and enlargement of the map to define topographic features.

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. In accordance with Rule 1207 A.5, all parties should be advised that if they have an objection, it must be filed in writing within twenty days from this date.

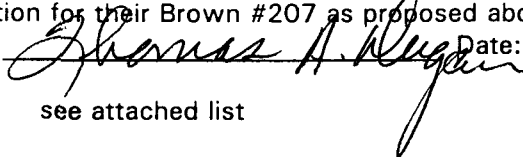
Sincerely,


Peggy Bradfield
Regulatory/Compliance Representative
encs.

WAIVER

Thomas A. & Mary E. Dugan hereby waives objection to Meridian Oil's application for a non-standard location for their Brown #207 as proposed above.

By:

 Date: 3-15-96

xc: see attached list

OIL CONSERVATION DIVISION
RECEIVED

405 MAR 24 AM 8 52

March 13, 1996

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New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

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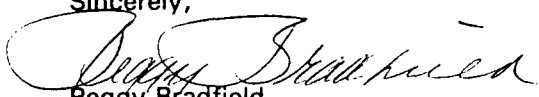
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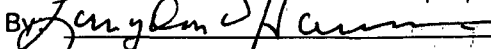
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Regulatory/Compliance Representative
encs.

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By  Date: March 22 1996

xc: see attached list

'26 APR 4 AM 8 52

March 13, 1996

Sent Federal Express

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New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

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3. Offset operators/owners plat.
4. 7.5 minute topographic map showing the orthodox windows, and enlargement of the map to define topographic features.

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. In accordance with Rule 1207 A.5, all parties should be advised that if they have an objection, it must be filed in writing within twenty days from this date.

Sincerely,


Peggy Bradfield
Regulatory/Compliance Representative
encs.

WAIVER

Ruth Zimmerman hereby waives objection to Meridian Oil's application for a non-standard location for their Brown #207 as proposed above.

By: Hazel J. Hart ATF Date: 4/2/96

xc: see attached list

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

04/11/96 08:55:42
OGOMES -EMEK
PAGE NO: 2

Sec : 30 Twp : 29N Rng : 04W Section Type : NORMAL

3 39.45	K 40.00	J 40.00	I 40.00
Federal owned	Federal owned A A	Federal owned	Federal owned
4 39.31	N 40.00	O 40.00	P 40.00
Federal owned	Federal owned	Federal owned	Federal owned

PF01 HELP
PF07 BKWD

PF02
PF08 FWD

PF03 EXIT
PF09 PRINT

PF04 GoTo
PF10 SDIV

PF05
PF11

PF06
PF12