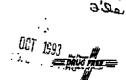
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STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING

ANITA LOCKWOOD

POST CIFFICE BOX 2008 STATE LAND OFFICE BUILDING SANTA FE. NEW MEXICO 87504 (505) 827-5800

ADMINISTRATIVE ORDER DHC-930

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

Attention: Arden L. Walker, Jr.

DITE 3

Jicarilla 98 Well No. 12

OIL COM. DIV. Unit J, Section 18, Township 26 North, Range 3 West, NMPM,

Rio Arriba County, New Mexico.

Blanco Mesaverde and Tapacito Pictured Cliffs Pools

Dear Mr. Walker;

Reference is made to your recent application for an exception to Rule 303-A of the Division Rules and Regulations to permit the subject well to commingle production from both pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303-C, and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the two zones is hereby placed in abeyance.

In accordance with the provisions of Rule 303-C-4., total commingled oil production from the subject well shall not exceed 20 barrels per day, and total water production shall not exceed 40 barrels per day. The maximum amount of gas which may be produced daily from the well shall be determined by Division Rules and Regulations or by the gas allowable for each respective prorated pool as printed in the Division's San Juan Basin Gas Proration Schedule.

The operator shall notify the Aztec District Office of the Division upon FURTHER: implementation of the commingling process.

Control Number: 015252 POINT OF DISPOSITION AND WELL COMPLETION INFORMATION

71599 BASIN DAKOTA (PRORATED GAS) 007491 SCHUMACHER	Code Pool Name	WELL COMPLETIONS	Description of POD (40 characters or less):	POD: 1509150 Product Type: WATER Facility Type: 05 Location:	Description of POD (40 characters or less):	Authorized fransporter(s). Oxfost Et FASO IMITURAL BAS CORFAIT	ALITHOSTICAL TERRESPONTANCES. CONTOCT EL DACO NATIDAL GAS COMBANY	OGRID Name	POD: 1509130 Product Type: GAS Facility Type: 01 Location:		C-115 Filer Contact Name: Ph	OGRID: 014538 Operator Name: MERIDIAN OIL INC 801 CHERRY ST FORT WORTH
30-045-09480 K 18 30N 10W 011	API Well No. Location	TIONS		K 18 30N 10W County SAN JUAN				OGRID Name	Location: K 18 30N 10W County SAN JUAN		Phone: () FAX: ()	ORTH TX 76102
93	Well									'	Í	

Administrative Order DHC-930 Meridian Oil Company September 27, 1993 Page 2

Pursuant to Rule 303-C-5, the commingling authority granted by the order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 27th day of September, 1993.

STATE OF NEW MEXICO

OIL CONSERVATION DIVISION

WILLIAM J. LEMAY

Director

SEAL

WJL/BES/amg

cc: Oil Conservation Division - Aztec

US Bureau of Land Management - Farmington

Control Number: 015251 POINT OF DISPOSITION AND WELL COMPLETION INFORMATION

OGRID: 014538 Operator Name: MERIDIAN OIL INC 801 CHERRY ST	ST [L INC	FORT WORTH TX 76102	102		
C-115 Filer Contact Name:		Phone: ()	FAX: ()		i
POD: 1509010 Product Type: OIL Facili	Facility Type: 03	3 Location: M 17 30N 10W County SAN JUAN			
OGRID Name		OGRID Name			
Authorized Transporter(s): 014546 MERIDIAN OIL INC.	OIL INC.				
Description of POD (40 characters or less):					
POD: 1509030 Product Type: GAS Facili	Facility Type: 01	1 Location: M 17 30N 10W County SAN JUAN	-		
OGRID Name		OGRID Name			
Authorized Transporter(s): 007057 EL PASO NATURAL GAS COMPANY	NATURAL GA	S COMPANY			
Description of POD (40 characters or less):					I I I I I
POD: 1509050 Product Type: WATER Facili	Facility Type: 05	5 Location: M 17 30N 10W County SAN JUAN	•		
מבפנר וטרוטוו טו רטף נאט טומו מנינו פי ניים פי.					
		WELL COMPLETIONS			
Code Pool Name	Code	Producing Property Name	API Well No.	Location	Well
71599 BASIN DAKOTA (PRORATED GAS)	007491	SCHUMACHER	30-045-09441	30-045-09441 M 17 30N 10W 012	012

JICARILLA 98 #12 NW/SE 18-26N-3W

Pictured Cliffs / Mesaverde Commingle **Production Allocation Method**

PC-MV NEW DRILL

100% GWI

Pictured Cliffs DP # 37961A Mesaverde DP # 37961B

Qpc(t) = Qtot(t) - Qmv(t)

12,628 = Initial Monthly MV Production 0.46% = MV Monthly Decline

Qtot(t) = TOTAL Production (Mcf/m)Qmv(t) = MV Production (Mcf/m) Qpc(t) = PC Production (Mcf/m) (t) = Month

Decline = $-\ln(1-De) = -\ln(1-.05356) = 5.505\% / year$

Monthly Decline = 5.505% / 12 = 0.4588%

All volumes in (Mcf / month)

100% of oil is assigned to Mesaverde

			3 10 1414344BH	Qmv	_	_			
Month	<u>(t)</u>	Qtot .	De(t)		Qmv	Qpc	Qmv	Qmv	Qmv
	_		501.1	Calculated	Final	<u>Final</u>	Cum	Over/under	Deficit
Oct-94	0	18,756	1.000000	12,628	12,628		_		
Nov-94	1	12,088	0.995423	12,570	12,028	6,128	0	-6128	0
Dec-94	2	9,513	0.990866	12,513	-	0	0	482	482
Jan-95	3	8,553	0.986330	12,455	9,513	O	482	3482	348 2
Feb-95	4	4,410	0.981815	12,455	8,553	0	3,482	7384	7384
Mar-95	5	8,707	0.977321	12,386	4,410	0	7,384	15373	15373
Apr-95	6	6,218	0.972847	12,342	8,707	0	15,373	19007	19007
May-95	7	5,952	0.968394	12,283	6,216	٥	19,007	25074	25074
Jun-95	8	4,421	0.963961	12,229	5,952	0	25,074	31351	31351
Jul-95	9	5,951	0.959549	12,173	4,421	0	31,351	39103	39103
Aug-95	10	5,655	0.955157	12,117	5.951	0	39,103	45269	45269
Sep-95	11	5,019	0.950784	12,002	5.655	0	45,269	51676	51678
Oct-95	12	5,043	0.946432	11,952	5,019	0	51,676	58664	58664
Nov-95	13	3,890	0.942100	11,897	5,043	0	58,664	65 572	65572
Dec-95	13	0	0.000000	0	3,890	0	65,572	73579	7 3579
Jan-96	13	Ō	0.000000	0	0	0	73,579	73579	73579
Feb-96	13	Ō	0.000000	0	0	0	73,579	73579	73579
Mar-96	13	Ö	0.000000	0	0	0	73,579	73579	73579
Apr-96	13	ó	0.000000	0	0	0	73,579	73579	73579
May-96	13	٥	0.000000	0	0	0	73,579	73579	73579
Jun-96	13	Ö	0.000000	Ò	0	Q	73,579	73579	73579
Jul-96	13	Ö	0.000000	Ó	0	Ō	73,579	73579	73579
Aug-96	13	Õ	0.000000	0	0	٥	73,579	73579	73579
Sep-96	13	ō	0.000000		0	0	7 3,579	73579	73579
Oct-96	13	ō	0.000000	٥	0	0	73,579	73579	73579
Nov-96	13	ō	0.000000	0	0	D	73.579	73579	73579
Dec-96	13	ō	0.000000	0	0	0	73,579	73579	73579
Jan-97	13	ō	0.000000	0	0	0	73,579	73579	73579
Feb-97	13	ō	0.000000	0	0	0	73,579	73579	73579
Mar-97	13	0	0.00000	ò	0	0	73,579	73579	73579
Apr-97	13	0	0.000000	Ö	0	0	73,579	73579	7 3579
May-97	13	0	0.000000	Ö	0	0	73,579	73579	73579
Jun-97	13	0	0.000000	Ò	0	0	73,579	73579	73579
Jul-97	13	Ö	0.000000	Ó	0	0	73,579	73579	73579
Aug-97	13	Ŏ	0.000000	0	0	0	73,579	73579	73579
Sep-97	13	ō	0.000000	0	0	0	73, 57 9	73579	73579
Oct-97	13	ō	0.000000	0	0	0	73,579	73579	73579
Noy-97	13	ō	0.000000	0	0	0	73,579	73579	73579
Dec-97	13	ō	0.000000		0	0	73,579	73579	73579
Jan-98	13	•	0.000000	0	0	0	73,579	73579	73579
Feb-98	13		0.000000	0	0	0	73,579	73579	73 5 79
	•		0.000000	0	0	0	73,579	73 57 9	73579

Control Number: 015250 POINT OF DISPOSITION AND WELL COMPLETION INFORMATION

Api # choesal exist in api all	71599 BASIN DAKOTA (PRORATED GAS)	Code Pool Name		Description of POD (40 characters or less):	POD: 1508950 Product Type: WATER Facility Type: 05	Description of POD (40 characters or less):	Authorized Transporter(s): 016191 NORTHWEST PIPELINE CORP.		POD: 1508930 Product Type: GAS	Description of POD (40 characters or less):	Authorized Transporter(s): 014546 MERIDIAN OIL INC.		POD: 1508910 Product Type: OIL	C-115 Filer Contact Name:	OGRID: 014538 Operator Name:
0 01	ORATED GAS)			characters	Type: WATER	characters	s): 016191	OGRID	Type: GAS	characters	s): 014546 	<u>ogrid</u>	Type: OIL		
	007472	<u>Code</u> <u>Produ</u>		or (ess):	Facility Type: 05	or less):	NORTHWEST PIPELINE CORP	Name	Facility Type: 01	or (ess):	MERIDIAN OIL INC.	Name	Facility Type: 03		MERIDIAN OIL INC 801 CHERRY ST
	SAN JUAN 32 5 UNIT	Producing Property Name	WELL COMPLETIONS		Location: H 26 32N 06W C			<u>ogrid</u>	Location: H 26 32N 06W Co			OGRID	Location: H 26 32N 06W Co	Phone: ()	FORT WORTH
	30-039-07990 H 26 32N 06W 014	API Well No. Location			County RIO ARRIBA			<u>ID</u> <u>Name</u>	County RIO ARRIBA			D Name	County RIO ARRIBA	FAX: ()	TX 76102
	1 06W 074	ion Well													

<u>Month</u>	<u>(t)</u>	<u>Qtot</u>	<u>De(t)</u>	Qmv <u>Calculated</u>	Qmv <u>Final</u>	Qра <u>Final</u>	Qmv <u>Cum.</u>	Qmv <u>Over/under</u>	Qmv <u>Deficit</u>
Mar-98 Apr-98 May-98 Jun-98 Jul- 9 8	13 13 13 13 13		0.000000 0.000000 0.000000 0.000000 0.000000	0 0 0 0	0 0 0	0 0 0	73,579 73,579 73,579 73,579 73,579 73,579	73579 73579 73579 73579 73579	73579 73579 73579 73579 73579

Control Number: 015249

POINT OF DISPOSITION AND WELL COMPLETION INFORMATION

71599	Code		Descri	POD:	Descri	Author		POD:	Descri	Author		POD:	c-115	OGRID:
BASIN D	Pool Name	i 1 1 1	iption of	1508850	ption of	ized Tra		1508830	ption of	ized Tra		1508810	Filer Co	014538
BASIN DAKOTA (PRORATED GAS)	ame		Description of POD (40 characters or less):	Product Type: WATER	Description of POD (40 characters or less):	Authorized Transporter(s): 016191 NORTHWEST PIPELINE CORP.	OGRID	1508830 Product Type: GAS	Description of POD (40 characters or less):	Authorized Transporter(s): 014546 MERIDIAN OIL INC.	OGRID	Product Type: OIL	C-115 Filer Contact Name:	OGRID: 014538 Operator Name: ME 80
Ū			or less)		or less)	NORTHWES	Name	Facilit	or less):	MERIDIAN	Name	Facilit		MERIDIAN OIL INC 801 CHERRY ST
007472	Code			Facility Type: 05		r PIPELINE		Facility Type: 01		OIL INC.		Facility Type: 03		ST INC
SAN JUAN 32 5 UNIT	Producing Property Name	WELL COP)5 Location:		CORP.		1 Location:				3 Location:		FOR
UNIT	erty Name	WELL COMPLETIONS						on: C 26 32N 06W				on: C 26 32N 06W	_ Phone: (FORT WORTH
				C 26 32N 06W County RIO ARRIBA			OGRID N	N 06W Count			OGRID N		Ç	
				y RIO ARRIB			Name	County RIO ARRIBA			Name	County RIO ARRIBA		TX 76102
30-039-07993	API Well No.			۶				≯				A	FAX:	02
C 26 32N 06W 017	Location													
017	Well													