UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

| NOTICES | | |
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| | 5. LEASE NUMBER SF-078508 |
|--|---|
| 1. TYPE OF WELL GAS | 6. IF INDIAN, ALL. OR TRIBE NAME |
| 2. OPERATOR MERIDIAN OIL INC. | 7. UNIT AGREEMENT NAME |
| 3. ADDRESS & PHONE NO. OF OPERATOR P O BOX 4289 FARMINGTON, NM 87499 | 8. FARM OR LEASE NAME NORDHAUS 9. WELL NO. 710 |
| 4. LOCATION OF WELL 1355'FNL 1130'FEL | 10. FIELD, POOL, OR WILDCAT BASIN FRUITLAND COAL 11. SEC. T. R. M OR BLK. SEC. 1 T31N R09W NMPM |
| 14. PERMIT NO. 15. ELEVATIONS 6530'GL | 12. COUNTY 13. STATE SAN JUAN NM |
| 16. OTHER: Amended Application for Permit to | Drill Open The Dead Plan |
| 17. Describe proposed or completed operat | ions (Perster + Name Cherge |
| Reference is made to Union Texas Petroleu Drill the Nordhaus 1 #1 approved 03-20-90 Meridian Oil Inc. will operate and drill at 1355'FNL and 1130'FEL, E/2 of Section The location of the UTP stake has not move the staked location have been corrected. | this well as the Nordhaus #710 1 of Township T31N and Range R09W. |
| UTP Survey 1330'FNL 1135'FEL MOI Survey 1355'FNL 1130'FEL | RECEIVE |
| Submitted for review: | AUG 0 6 1990 |
| | oll CON. DIV. Dist. 3 |
| 18. AUTHORIZED BY: REGULATORY AFFAIRS | 7/19/90 DATE |
| NOTE: THIS FORMAT IS ISSUED IN LIEU OF US | BLM FORM 3160-5. |
| (This space for Federal or State office us | se) Kan Joursand |
| APPROVED BY TITLE | DATE |
| CONDITION OF APPROVAL, IF ANY: | |

State of New Mexico

Energy, Minerais and Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088 Santa Fe, New Mexico 87504-2088



Form C-102 Revised 1-1-89

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

DISTRICT II P.O. Drawer DD, Artesia, NM \$8210

| o Brazos Rd., Aziec, N | | | | iter boundaries of th | | | Well No. |
|------------------------|--|----------------------|------------------|-------------------------|-----------------|--------------------------|--|
| Meridian | Oil Inc | | | Nordhaus | (SF-0) | 73508) | 710 |
| | Township | | Reage | | | County | |
| Section Section | 31 | North | 1 | West | NMPM | Sa | n Juan |
| Footage Location of W | | 1102 011 | | | | Eas | + |
| 355 | North | line an | | 130 | feet from | | line |
| 100L ITCL | Producing Pormston | | Pool | | | | Dedicated Acresge: |
| 6530 ' | Fruitland | Coal | Basi | | | | 314.89 |
| | ge dedicated to the subje | | | | | | |
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| 3. If more than one | iesse of different owners | ibip is dedicated to | the well, have | (pe intelest of 111 own | EIS OCCE COMEO | v , | |
| Yes | i Na | If answer is "yes" | ' type of commoi | idation | | | |
| if answer is "50" li | ist the owners and track de | secriptions which it | ave actually be | on consolidated. (Use | LEAGURE STOR OF | f | |
| this form if necces | be assigned to the well w | all interests box | - here consoli | isted (by community | ujoe, unuizabo | . forced-pools | ng, or otherwise) |
| No allowable will | be assigned to the Well to tard uset, eliminating suc | h interest, has been | approved by t | he Division. | | | |
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DATE: JUL 18,1990

Well Name: 710 NORDHAUS

Sec. 1 T31N R09W

BASIN FRUITLAND COAL 1355'FNL 1130'FEL SAN JUAN NEW MEXICO

Elevation 6530'GL

Formation tops: Surface- SAN JOSE

Ojo Alamo- 2082 Kirtland- 2138

Fruitland- 2959

Fruitland Coal Top- 3079
Fruitland Coal Base- 3323 Intermediate TD-3059 Total Depth-3325

Pictured Cliffs- 3337

Logging Program: Mud logs from intermediate to total depth.

| Mud Program: | Interval | Type | Weight | Visc. | Fl. Loss |
|--------------|-------------|-----------------|-----------|-------|------------|
| | 0 - 350 | Spud | 8.4 - 8.9 | 40-50 | no control |
| | 350 - 3059 | Non-dispersed | 8.4 - 9.1 | 30-60 | no control |
| | 3059 - 3325 | Formation Water | 8.4 | | no control |

| Casing Program: | Hole Size | Depth | Interval | Csg. Size | Weight | Grade |
|-----------------|-----------|-------|----------|-----------|--------|--------|
| | 12 1/4" | 0 . | - 350 | 9 5/8" | 32.3# | H - 40 |
| | 8 3/4" | 0 . | - 3059 | 7" | 20.0# | K-55 |
| | 6 1/4" | 3009 | - 3325 | 5 1/2" | 15.5# | K-55 |
| Tubing Program: | | 0 - | - 3325 | 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 @ 2138' . 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 279 sacks of class "B" cement with 1/4# flocele/sack and 3% calcium chloride (329 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 448 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. 983 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.

DATE: JUL 18,1990

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.

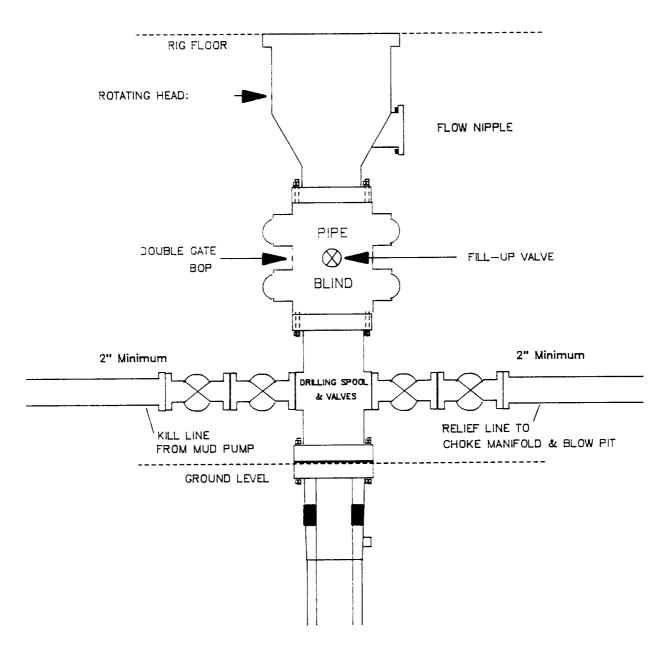
Additional Information:

- * The Fruitland coal formation will be completed.
- * Anticipated Fruitland pore pressure is 1530 psi.
- * This gas is dedicated.
- * The E/2 of Section 1 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.

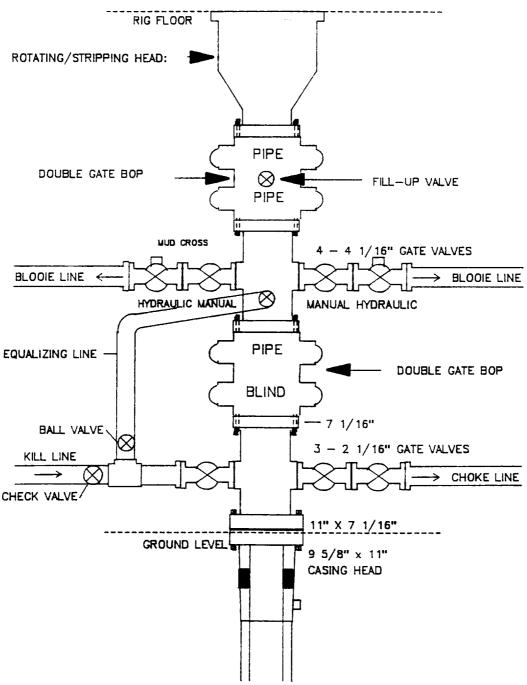
Drilling Rig BOP Configuration



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.

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Completion Rig BOP Configuration

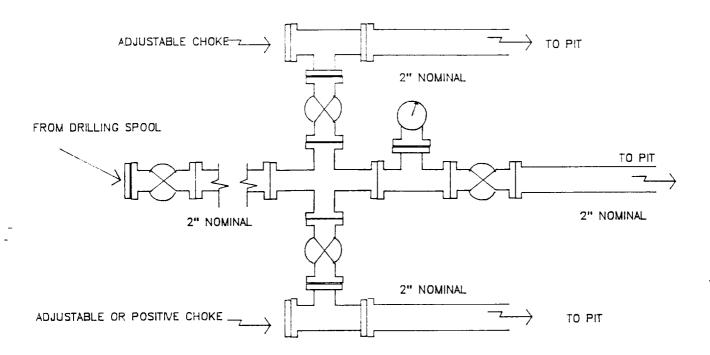


Minimum BOP installation for a typical open—hole Fruitland Coal well from intermediate TD to TD. 7 1/16" Bore (6" Nominal), 2000psi working pressure/ or greater double stack double gate BOP equipped with three pipe and one blind ram.

Figure #2

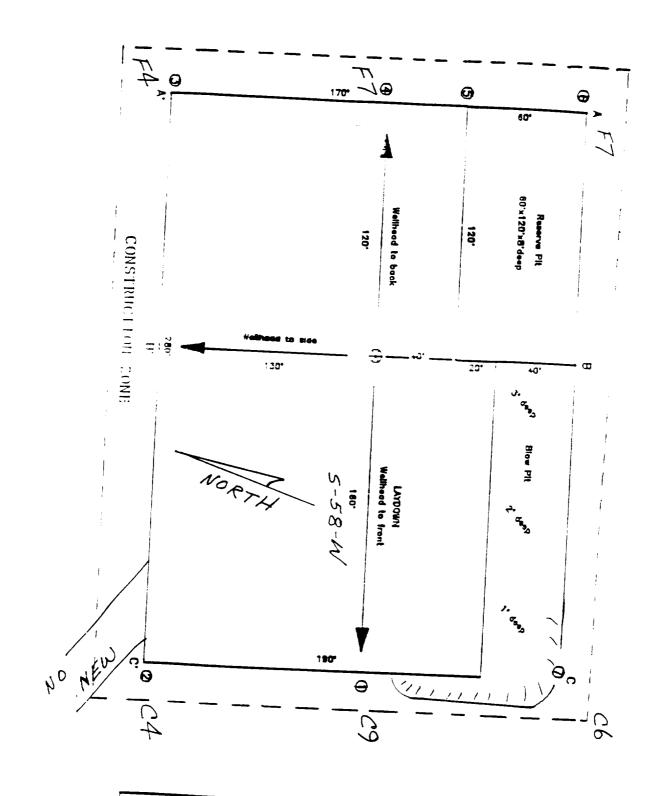
MERIDIAN OIL INC.

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



| EXHIBIT: |
|--|
| Name: MOI NORDHAUS #710 |
| rootage: /355 FNI 1/20: FF1 |
| Sec/T3/N, R9W NMPM |
| Elevation: 6530' St. NM Date: 6-20-90 |
| Jake: 6-20-70 |

Plat 2 2/3/90

-N,R-_

Date:

9 __W NMPM

N.M

6-20-90

Footage: 1355 FNL

CO. SAN JUAN

Elevation: 6530

27 XC

WELL PAD BOUNDARY Well Head CATHODIC PROTECTION Earthen Berm Separator Tanks (As required) *xxxxxxxxxxxxxxx Dehydrator Fiberglass Pit Chemical Facility Meter Run

PLAT #1

MERIDIAN OIL

ANTICIPATED
PRODUCTION FACILITIES
FOR A
FRUITLAND WELL

KFR 2/90