Form 3160—3 (November 1983) (formerly 9-331C)

SUBMIT IN TRIPLICATE

(Other instructions on reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires August 2:

DEPARTMENT OF THE INTERIOR Expires August 31, 1985 5. LEASE DESIGNATION AND SERIAL NO. BUREAU OF LAND MANAGEMENT 30-045-28850 APPLICATION FOR PERMIT TO DRILL, DEEPEN, SF-073389A OR PLUG BACK 6. IF INDIAN, ALLOTTER OR TRIBE NAME la. TYPE OF WORK DRILL [] DEEPEN T PLUG BACK 7. UNIT AGREEMENT NAME b. TYPE OF WELL WELL. WELL X San Juan 32-9 Unit OTHER MULTIPLE Zone 2. NAME OF OPERATOR 8. FARM OR LEASE NAME Meridian Oil Inc. 14538 San Juan 32-9 Unit 3. ADDRESS OF OPERATOR 9. WELL NO. 20 Box 4239, Farmington, NM 87499 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*) 10. FIELD AND POOL, OR WILDCAT gBasin Fruitland Coal 795'FSL, 1170'FWL 11. SEC., T., R., M., OR BLK. At proposed prod. sone Sec. 11, T-31-N, R-10-W 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICES 12. COUNTY OR PARISH | 13. STATE 12 miles NE/Aztec 15. DISTANCE FROM PROPUSED* San Juan DISTANCE FEORE FRANCE LOCATION TO REARREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig, unit line, if any) NM16. NO. OF ACRES IN LEASE 17. NO. OF ACRES ASSIGNED TO/THIS WELL 795' 18. DISTANCE FROM PROPOSED LOCATIONS TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1116.36 n 315.96 19. PROPOSED DEPTH 20. ROTARY OR CABLE TOOLS 300' 21. ELEVATIONS (Show whether DF, RT, GR, etc.) This action is an interest to temporal cond Rotary procedural review pursuant to 45 GPR 0185.0 22. APPROX. DATE WORK WILL STARTS 5241 GL and appeal pursuant to 43 CPR 3103.4 PROPOSED CASING AND CEMENTING PROGRAM SUBJECT to CONTRACTOR WITH ATTACHED SIZE OF HOLE SIZE OF CARING SETTING DEPTH QUANTITY OF CEMENT see operations plan

UNITED STATES

RECESSION NOV2 3 1992

OIL COM. DIV.

APD for this well location approved 11-19-90 and cancelled 4-28-9-2.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive sone and proposed new productive sone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout 24.

TITLE REGIONAL Drilling Engr DATE 11-12-92

(This space for Federal or State office use)

APPROVED AS AMENDED

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

COC:MM

PEA MANAGER

*See Instructions On Reverse Side

TITLE

District Office State Lease - 4 copies Fee Lease - 3 copies

State of New Mexico Energy, Minerais and Natural Resources Department

Form C-102 Revised 1-1-89

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

OIL CONSERVATION DIVISION P.O. Box 2088 Sama Fe, New Mexico 87504-2088

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

00 Rio Brance Rd., Aztec	NM 87410 WELL	LOCATION AND ACR	EAGE DEDICATI	ON PLAT	.J
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DATE:

Well Name: 221 SAN JUAN 32-9 UNIT 795'FSL 1170'FWL

Sec. 11 T31N R10W SAN JUAN NEW MEXICO BASIN FRUITLAND COAL

Elevation 6241'GL

Formation tops: Surface- Nacimiento

Ojo Alamo- 1508 Kirtland- 1675 Fruitland- 2629

Fruitland Coal Top- 2899 Intermediate TD-2889 Fruitland Coal Base- 3027 Total Depth-3029

Pictured Cliffs- 3031

Logging Program: Mud logs from intermediate to total depth.

Mud Program: Interval Type Weight Visc. Fl. Loss 0 - 200Spud 8.4 - 8.9 40-50 no control 200 - 2889 Non-dispersed 8.4 - 9.1 30-60 no control 2889 - 3029 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-408 3/4" 0 - 2889 7" 20.0# K-55 6 1/4" 2839 - 3029 5 1/2" 15.5# K-55 Tubing Program: 0 - 3029 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 @ 1675' . 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 416 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. 922 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.

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 371 psi.
- * This gas is dedicated.
- * The W/2 of Section 11 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.