

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK  
DRILL  
1b. TYPE OF WELL  
GAS  
2. OPERATOR  
MERIDIAN OIL INC.  
3. ADDRESS & PHONE NO. OF OPERATOR  
P O BOX 4289  
FARMINGTON, NM 87499  
4. LOCATION OF WELL  
1175'FNL 1850'FEL  
5. LEASE NUMBER  
SF-078506  
6. IF INDIAN, ALL. OR TRIBE NAME  
7. UNIT AGREEMENT NAME  
8. FARM OR LEASE NAME  
7147 HUNSAKER  
9. WELL NO.  
726  
10. FIELD, POOL, OR WILDCAT  
BASIN FRUITLAND COAL 71629  
11. SEC. T. R. M OR BLK.  
13 SEC. 26 T31N R09W NMPM  
12. COUNTY  
SAN JUAN  
13. STATE  
NM  
14. DISTANCE IN MILES FROM NEAREST TOWN  
7 MILES OF NAVAJO DAM PO  
15. DISTANCE FROM  
PROPOSED LOCATION 1175'  
TO NEAREST PROPERTY  
OR LEASE LINE.  
16. ACRES IN LEASE 73492  
17. ACRES ASSIGNED TO WELL  
320.00  
This action is subject to technical and  
procedural review pursuant to 43 CFR 3165.3  
and appeal pursuant to 43 CFR 3165.4.  
18. DISTANCE FROM  
PROPOSED LOCATION  
TO NEAREST WELL DR. 200'  
COMPL., OR APPLIED  
FOR ON THIS LEASE.  
19. PROPOSED DEPTH  
3243'  
20. ROTARY OR CABLE TOOLS  
ROTARY  
21. ELEVATIONS (DF, FT, GR, ETC.)  
6399'GL  
22. APPROX. DATE WORK WILL START

23. PROPOSED CASING AND CEMENTING PROGRAM

\*SEE OPERATIONS PLAN

24. AUTHORIZED BY: John Caldwell  
REG. DRILLING ENGR.

8/2/90  
DATE

PERMIT NO. AUG 13 1990

APPROVAL DATE

APPROVED BY OIL CON. DIV TITLE NMCOO  
DIST. 3

DATE

NOTE: THIS FORMAT IS ISSUED IN LIEU OF US BLM FORM 3160-3.

Location permitted and approved by Union Texas Petroleum as the  
Hunsaker #4. APD was approved and then rescinded on 3-27-90.  
A surface location has been built under the expired APD.

Submit to Appropriate  
District Office  
State Lease - 4 copies  
Fee Lease - 3 copies

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised 1-1-89

OIL CONSERVATION DIVISION

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

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

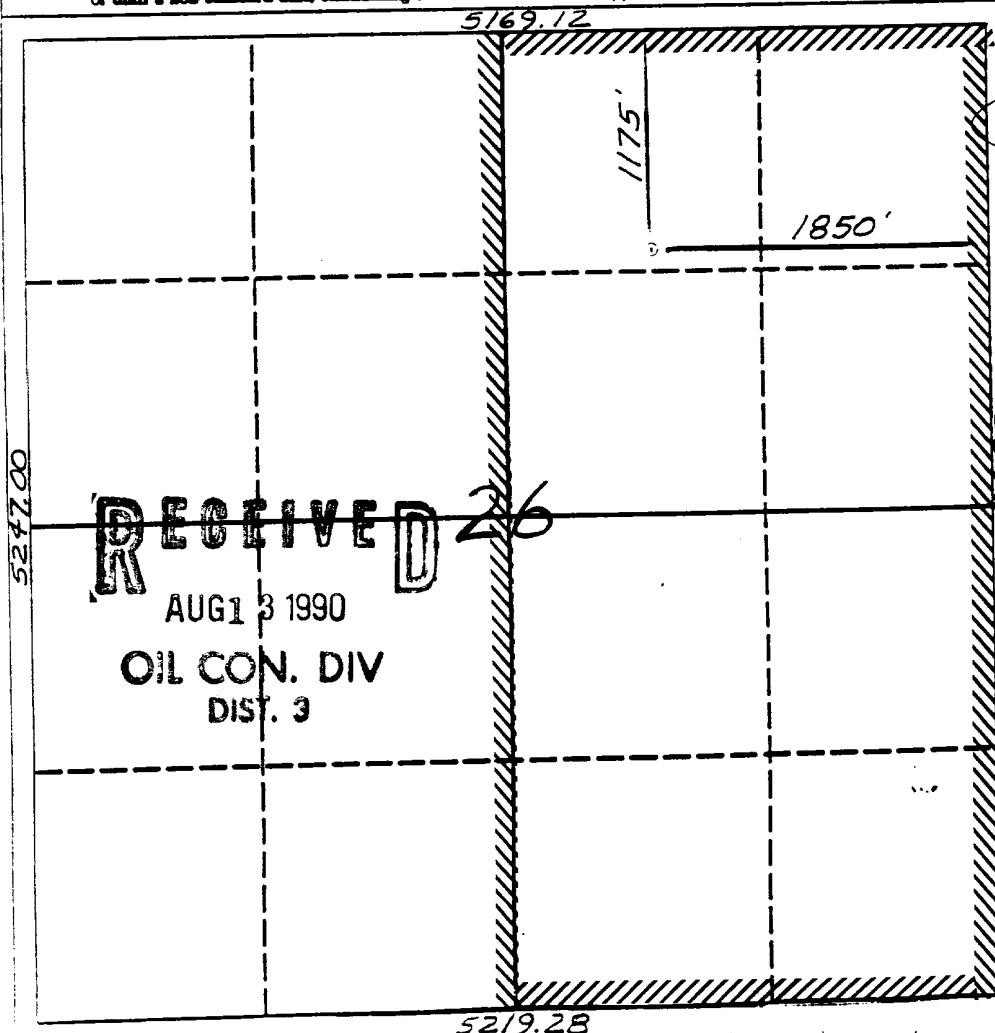
DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT  
All Distances must be from the outer boundaries of the section

|                                                                                                    |                                       |                               |                                   |                    |
|----------------------------------------------------------------------------------------------------|---------------------------------------|-------------------------------|-----------------------------------|--------------------|
| Operator<br>Meridian Oil Inc.                                                                      |                                       | Lease<br>Hunsaker (SF-078506) |                                   | Well No.<br>726    |
| Unit Letter<br>B                                                                                   | Section<br>26                         | Township<br>31 North          | Range<br>9 West                   | County<br>San Juan |
| Actual Footage Location of Well:<br>1175 feet from the North line and 1850 feet from the East line |                                       |                               |                                   |                    |
| Ground level Elev.<br>6399'                                                                        | Producing Formation<br>Fruitland Coal | Pool<br>Basin                 | Dedicated Acreage<br>313.20 Acres |                    |

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?  
☐ Yes ☐ No If answer is "yes" type of consolidation \_\_\_\_\_  
If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)  
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



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

Position  
Meridian Oil Inc.

Company  
6-25-90

Date  
6-25-90

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes actual surveys made by me or under supervision, and that the same is true correct to the best of my knowledge belief. 6-20-90

Date Surveyed  
6-20-90

Signature  
Professional Surveyor

NEWMEXICO  
REGISTERED LAND SURVEYOR  
6857

Certificate No.  
6857

Neale C. Edwards

Well Name: 726 HUNSAKER  
 Sec. 26 T31N R09W  
 BASIN FRUITLAND COAL

1175'FNL 1850'FEL  
 SAN JUAN NEW MEXICO  
 Elevation 6399'GL

Formation tops: Surface- San Jose  
 Ojo Alamo- 1970  
 Kirtland- 2059  
 Fruitland- 2892  
 Fruitland Coal Top- 2993  
 Fruitland Coal Base- 3241  
 Pictured Cliffs- 3245

Intermediate TD- 2988  
 Total Depth- 3243

Logging Program: Mud logs from intermediate to total depth.

| Mud Program: | Interval    | Type            | Weight    | Visc. | Fl. Loss   |
|--------------|-------------|-----------------|-----------|-------|------------|
|              | 0 - 200     | Spud            | 8.4 - 8.9 | 40-50 | no control |
|              | 200 - 2988  | Non-dispersed   | 8.4 - 9.1 | 30-60 | no control |
|              | 2988 - 3243 | 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-40  |
|                 | 8 3/4"    | 0 - 2988       | 7"        | 20.0#  | K-55  |
|                 | 6 1/4"    | 2938 - 3243    | 5 1/2"    | 15.5#  | K-55  |
| Tubing Program: |           | 0 - 3243       | 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 @ 2059'. 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 432 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. 953 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.

HUNSAKER # 726  
T31N,R9W  
Section 26  
San Juan Co., NM

ACCESS VIA BLM ROW 77292,  
AND APPLIED FOR ROW

SAN JUAN 32-9 UNIT BOUNDARY

HUNSAKER # 726

BLM ROW

|                         |                         |
|-------------------------|-------------------------|
| SEC. 15: NW/4NE/4 1000' | Sec. 26: NW/4NE/4 1500' |
| SW/4NE/4 1200'          |                         |
| NW/4SE/4 1500'          |                         |
| SE/4SE/4 1300'          |                         |
| Sec. 22: NE/4NE/4 1300' |                         |
| SE/4NE/4 1250'          |                         |
| Sec. 23: NW/4SW/4 1400' |                         |
| NE/4SW/4 600'           |                         |
| SE/4SW/4 1300'          |                         |

NO NEW CONSTRUCTION