



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

March 15, 1994

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

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

Attention: Peggy Bradfield

Administrative Order NSL-1123-A

Dear Ms. Bradfield:

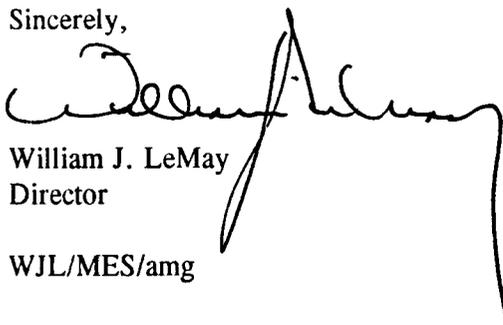
Reference is made to your application dated February 21, 1994 for a non-standard Blanco-Mesaverde gas well location for your existing Klein Well No. 28 (API No. 30-039-22261) which was drilled in 1980 and completed in the Basin-Dakota Pool at a previously approved unorthodox gas well location (Division Administrative Order NSL-1123, dated December 26, 1979) 2170 feet from the South line and 1840 feet from the West line (Unit K) of Section 33, Township 26 North, Range 6 West, NMPM, Rio Arriba County, New Mexico.

It is my understanding that the Blanco Mesaverde gas zone is to be downhole commingled with the Basin-Dakota Pool, and pursuant to the Special Rules and Regulations for the Blanco-Mesaverde Pool, as promulgated by Division Order No. R-8170, as amended, said location is also considered unorthodox.

By the authority granted me under the provisions of Rule 2(d) of said Order No. R-8170, as amended, the above-described unorthodox Blanco-Mesaverde gas well location is hereby approved. Further, the Blanco-Mesaverde interval is to be dedicated to an existing standard 320-acre gas spacing and proration unit, comprising the W/2 of said Section 33, that currently has dedicated thereon the Klein Well No. 7 located in Unit "D" of said Section 33.

All provisions of said Administrative Order NSL-1123 shall remain in full force and effect until further notice.

Sincerely,


William J. LeMay
Director

WJL/MES/amg

cc: Oil Conservation Division - Aztec
US Bureau of Land Management - Farmington
File: NSL-1123

MERIDIAN OIL

REGULATORY DIVISION
RECEIVED
FEB 16 1994 11 08 39

February 21, 1994

Federal Express

Mr. William LeMay
New Mexico Oil Conservation Division
310 Old Santa Fe Trail
Santa Fe, New Mexico 87503

NSL-1123-A

Re: Klein #28
2170'FSL, 1840'FWL
Section 33, T-26-N, R-6-W, Rio Arriba County, NM
API # 30-039-22261

Dear Mr. LeMay:

This is a request for administrative approval for a non-standard gas well location in the Blanco Mesa Verde Pool.

Meridian Oil intends to temporarily abandon this well in the Basin Dakota, recomplete in the Blanco Mesa Verde, and temporarily put on production. The well will then be commingled in the Basin Dakota and Blanco Mesa Verde formations. An application is being made for an area commingle of the entire Klein leases. This well was drilled as a Basin Dakota under NSL-1123 dated December 16, 1979. To comply with the New Mexico Oil Conservation Division rules, Meridian is submitting the following for your approval of this non-standard location:

1. C-102 plat showing location of the well;
2. Plat showing offset owners/operators;
3. Affidavit of notification of offset owners/operators;
4. Copy of Well Completion Log for original completion.

A copy of this application is being submitted to all offset owners/operators by certified mail with a request that they furnish your Santa Fe office with a Waiver of Objection, and return one copy to this office.

Sincerely yours,

Peggy Bradfield
Regulatory/Compliance Representative

WAIVER

MERRION OIL & GAS hereby waives objection to Meridian Oil's application for non-standard location for the Klein #28 as proposed above.

By: T. Greg Merrion Date: 3-10-94

xc: Merrion Oil & Gas Corporation
Robert L. Bayless
Hondo Oil & Gas Company

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FEB 23 1994

All distances must be from the outer boundaries of the Section.

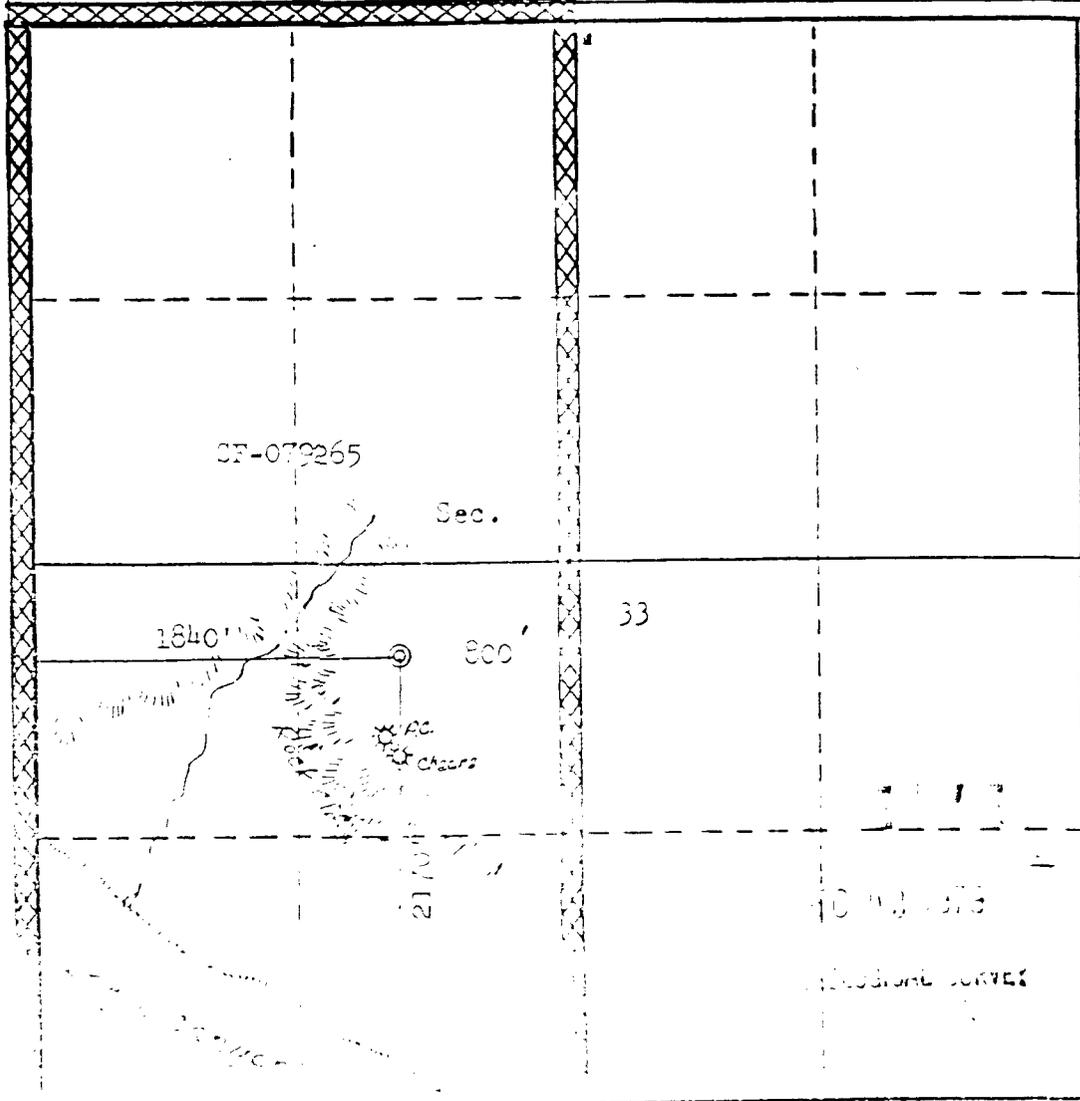
Operator Meridian Oil Inc.		Lease KLEIN (SF-079265)		Well No. 28
Tract Number 1	Section 33	Range 2N	County Rio Arriba	
Actual Well Location of well:				
2170	feet from the	South	1840	feet from the West
Ground Layer Elev. 5113	Producing Formation TANON / Blanco	Depth 1340	Dedicated Acreage: 320.00/320	

1. Outline the acreage dedicated to the well by colored pencil or hachure 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 interests of all owners been consolidated by communitization, unitization, forced-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 interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name: Peggy Bradfield

Position: Regulatory Representative

Company: Meridian Oil Inc.

Date: _____

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 Surveyed: July 2, 1979

Registered Professional Engineer and of Land Surveyor

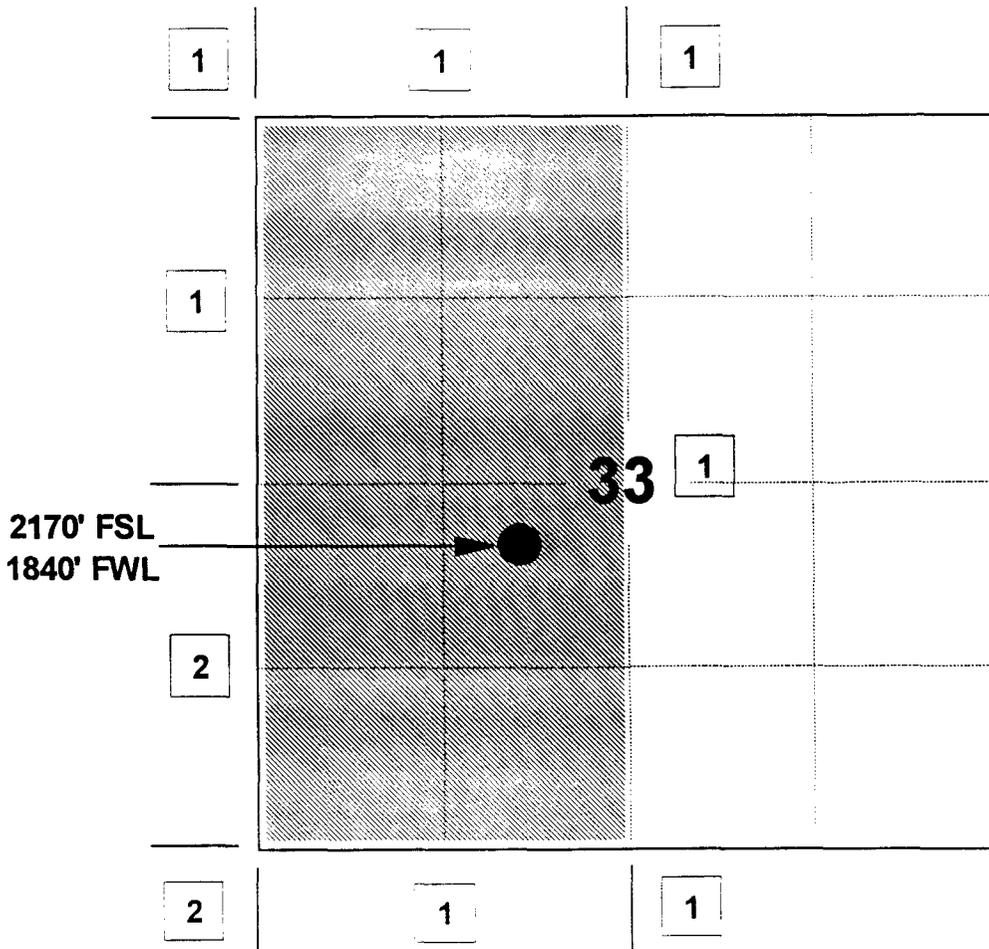
MERIDIAN OIL INC

KLEIN #28

OFFSET OPERATOR \ OWNER PLAT

Mesaverde / Dakota Unorthodox Well Location

Township 26 North, Range 6 West



1) Meridian Oil Inc

2) Merrion Oil & Gas Corporation

PO Box 840, Farmington, NM 87499

Robert L. Bayless

PO Box 168, Farmington, NM 87499

Hondo Oil & Gas Company

PO Box 2208, Roswell, NM 88201

Meridian Oil Inc

MERIDIAN OIL

February 21, 1994

Klein #28
2170'FSL, 1840'FWL
Section 33, T-26-N, R-6-W. Rio Arriba County, New Mexico
API # 30-039-22261

I hereby certify that the following offset owners/operators have been notified by certified mail of our application for administrative approval for non-standard gas well location for the plugback and recompletion of the above well.

Merrion Oil & Gas Corporation
PO Box 840
Farmington, NM 87499

Robert L. Bayless
PO Box 168
Farmington, NM 87499

Hondo Oil & Gas Company
PO Box 2208
Roswell, NM 88201



Peggy Bradfield
Notary Public
San Juan County, New Mexico

My commission expires August 17, 1996.

UNITED STATES DEPARTMENT OF THE INTERIOR GEOLOGICAL SURVEY

SUBMIT IN DUPLICATE

Form 7-110 revised. Bureau No. 41-R355.5.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1. TYPE OF WELL: Oil Well [X] Gas Well [] BY [] Other []

2. TYPE OF COMPLETION: Open Well [X] Air Lift [] Pump [] Other []

3. NAME OF OPERATOR: El Paso Natural Gas Company

4. ADDRESS OF OPERATOR: Box 299, Farmington, New Mexico 87401

5. LOCATION OF WELL: At surface 2170'S, 1840'W

6. At top prod. interval reported below

7. At total depth

8. LEASE DESIGNATION AND SERIAL NO. SF 079265

9. IF INDIAN, ALLOTTEE OR TRIBE NAME

10. PERMIT AGREEMENT NAME

11. FARM OR LEASE NAME: Klein

12. WELL NO.: 28

13. FIELD AND POOL, OR WILDCAT: Basin Dakota

14. SEC. T. R. M. OR BLOCK AND SURVEY AREA: Sec. 33, T-26-N, R-6-W

15. N. M. P. M.

16. COUNTY OR PARISH: Rio Arriba

17. STATE: New Mexico

18. PERMIT NO. DATE ISSUED

19. DATE SPUDDED: 7-10-80; 20. DATE T.D. REACHED: 7-22-80; 21. DATE COMPL.: 12-30-80; 22. ELEVATIONS: 6743' GI

23. TOTAL DEPTH, MD & TVD: 7549'; 24. PLUG, BACK T.D., MD & TVD: 7533'; 25. INTERVALS DRILLED BY: 0 - 7549

26. PRODUCING INTERVAL(S): 7166 - 7350' (Dakota); 27. WAS DIRECTIONAL SURVEY MADE: No

28. TYPE ELECTRIC AND OTHER LOGS RUN: IEL: CDL, Temperature Survey; 29. WAS WELL CORED: No

Table with 6 columns: CASING SIZE, WEIGHT, LB./FT., DEPTH SET (MD), HOLE SIZE, CEMENTING RECORD, AMOUNT PULLED. Data includes 9 5/8" 40# 235' 13 3/4" 224 cu. ft. and 4 1/2" 10.5# 7549' 8 3/4 & 7 7/8" 1412 cu. ft.

Table with 8 columns: SIZE, TOP (MD), BOTTOM (MD), SACKS CEMENT, SCREEN (MD), SIZE, DEPTH SET (MD), PACKER SET (MD). Data includes 2 3/8" 7322'.

Table with 2 columns: PERFORATION RECORD (Interval, size and number) and ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC. Data includes 7166 - 7350' w/1 SPB and 20,000# sand & 62,500 gal. water.

30. PRODUCTION: DATE FIRST PRODUCTION, PRODUCTION METHOD (Flowing, gas lift, pumping), WELL STATUS (Producing or shut-in) Shut In

31. DATE OF TEST: 12-30-80; HOURS TESTED; CHOKE SIZE; PROD'N. FOR TEST PERIOD; OIL-BBL.; GAS-MCF.; WATER-BBL.; GAS-OIL RATIO

32. FLOW, TUBING PRESS., CASING PRESSURE, CALCULATED 24-HOUR RATE, OIL-BBL., GAS-MCF., WATER-BBL., OIL GRAVITY-API (CORR.)

33. DISPOSITION OF GAS (sold, used for fuel, vented, etc.): TEST WITNESSED BY Harrison Harvey

34. LIST OF ATTACHMENTS

I hereby certify that the foregoing, and attached information is complete and correct as determined from all available records

SIGNED: [Signature] TITLE: Drilling Clerk DATE: 1-23-81

*See instructions and Spaces for Additional Data on Reverse Side