

February 16, 1996

Sent Federal Express

Mr.Michael E. Stogner New Mexico Oil Conservation Division 2040 South Pacheco Santa Fe, New Mexico 87505

Re:

Meridian Oil Inc. Canyon Largo Unit #430

1455'FSL, 1435'FWL Section 14, T-25-N, R-7-W - Rio Arriba County, New Mexico

API # 30-039-25477

Dear Mr. Stogner:

Meridian Oil Inc. is applying for administrative approval of a non-standard location for the above location in the Devils Fork Gallup Associated pool.

Meridian made application for this approval to the New Mexico Oil Conservation Division April 25, 1995. In your letter of reply dated July 27, 1995 it was determined that the well was outside the extension of the Devils Fork Gallup at that time; and could be drilled as a standard Wildcat Gallup, along with the Dakota. You also stated that at such time as the Devils Fork Gallup Associated Pool boundary was extended, you could re-activate our application. This location has now been included in the extension of the Devils Fork Gallup Associated Pool.

This well was drilled and dually completed as a Wildcat Gallup and Basin Dakota well. This location is orthodox in the Basin Dakota formation, as this is a short section east-west.

Please re-activate our application for non-standard location in the Devils Fork Gallup Associated Pool. If you have any questions, please call me at 505-326-9727.

Sincerely

Peggy Brádfield

Regulatory/Compliance Representative

att.

xc:

Oil Conservation Division - Aztec

Bureau of Land Management - Farmington

OIL CONSERVATION DIVISION

July 27, 1995

WILKILDS AND WILL

JUL 3 1 1995

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

FARMINGTON, NEW MEXICO

Attention: Peggy Bradfield

RE:

Canyon Largo Unit Well No. 430 (API No. 30-039-25477); 1455' FSL-1435' FWL (Unit K) of Section 14, Township 25 North, Range 7 West, NMPM, Rio Arriba County, New Mexico.

Dear Ms. Bradfield:

The Division received your application requesting approval of an unorthodox Devils Fork-Gallup Associated Pool gas well location for the subject well on April 25, 1995. The well and its proposed 320-acre gas spacing and proration unit comprising the W/2 of said Section 14 are situated further than one mile from the boundary of the Devils Fork-Gallup Associated Pool; therefore, pursuant the Division General Rule 104.A the well is subject to the spacing rules applicable to "wildcat gas wells in Rio Arriba County, New Mexico", see General Rule 104.B(2)(a), which requires 160-acre spacing and 790 feet set-back requirements from the outer boundary of the unit and 130 feet from any internal quarter-quarter section or lot line.

Under these provisions the location appears to be standard; however, subsequent to completion of this well and the possible extension of the Devils Fork-Gallup Associated Pool boundary through the normal Division nomenclature process I will hold this application and should it become necessary Meridian can seek to activate this application.

Should you have any questions, please contact me at (505) 827-8185.

Sincerely

Michael E. Stogner

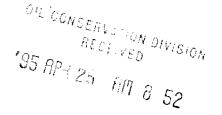
Chief Hearing Officer/Engineer

MES/kv

cc: Oil Conservation Division - Aztec

William J. LeMay, Director - OCD, Santa Fe





Sent Federal Express

Mr. William LeMay New Mexico Oil Conservation Division 2040 South Pacheco Santa Fe, New Mexico 87505

Re:

Meridian Oil Inc. Canyon Largo Unit #430

1455'FSL, 1435'FWL Section 14, T-25-N, R-7-W - Rio Arriba County, New Mexico

API # 30-039-25477

Dear Mr. LeMay:

Meridian Oil Inc. is re-applying for administrative approval of a non-standard location for the above location in the Devils Fork Gallup Associated formation. This location would extend the Devils Fork Gallup Associated Pool. Enclosed is a letter with supporting information for this extension. This location is bisected by a two-track road and is being utilized to minimize any further surface disturbance in the grazing lands at the request of the grazing permittee and the Bureau of Land Management. This location is also for archaeological considerations.

This well will be drilled and dually completed as a Devils Fork Gallup Associated and Basin Dakota well. This location is orthodox in the Basin Dakota formation. This is a short section east-west as shown on the enclosed C102 plat. The standard windows for both the Gallup and the Dakota are shown on that plat.

The following attachments are for your review:

- 1. Application for Permit to Drill.
- 2. Completed C-102 at referenced location.
- 3. Offset operators/owners plat.
- 4. 7.5 minute topographic map showing the orthodox windows for the Gallup, and enlargement of the map to define topographic features.

Meridian Oil is the operator of the Canyon Largo Unit. It is planned to drill this well in the second quarter of 1995. Therefore, your prompt consideration of this request is greatly appreciated.

Sincerely,

Reggy Bradfield

Regulatory/Compliance Administrator

encs.

District I PO Box 1980, Hobbs, NM 88241-1980 District II PO Drawer DD, Artesia, NM 88211-0719 District III 1000 Rio Brazos Rd., Aztec. NM 87410 District IV

PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico Energy, Minerais & Natural Resources Department

OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2088

Form C-102 Revised February 21, 1994 Instructions on back Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

☐ AMENDED REPORT

		WE	ELL LO	CA	MOIT.	I AND	ACF	REAGE DEDI	CA'	TION PL	TA.		
1,		, L	² Pool Code				³ Pool Name						
			1761	<u>0/</u> 7	71599		Devils Fork Gallup/Basin Dakota						
' Property	Code	· · · · · · · · · · · · · · · · · · ·					operty	Nume					Well Number
6886			-	Canyon Largo Unit						430			
'OGRID						, 01	perator	Name					Elevation
14538					M	ERIDI	AN (OIL INC.					6802'
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UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

1a.	Type of Work	5. Lease Number
ıa.	DRILL	SF-073880
	31.122	Unit Reporting Number SF-078880
1b.	Type of Well	6. If Indian, All. or Tribe
	GAS	· · · · · · · · · · · · · · · · · · ·
2.	Operator Operator	7. Unit Agreement Name
	MERIDIAN OIL	Canyon Largo Unit
3.	Address & Phone No. of Operator	8. Farm or Lease Name
	PO Box 4289, Farmington, NM 8	
	(505) 326-9700	9. Well Number 430
4.	Location of Well	10. Field, Pool, Wildcat
	1455'FSL, 1435'FWL	Devils Fork Gallup/
		Basin Dakota
	Latitude 36° 23' 49", Longitude	11. Sec., Twn, Rge, Mer. (NMPM)
	Latitude 36- 23- 49, Longitude	: 107° 32' 46" Sec 14,T-25-N,R-7-W API#30-039-
		AFI # 30-035-
14.	Distance in Miles from Nearest Town	12. County 13. State
	25 miles south of Blanco, NM	Rio Arriba NM
15.	Distance from Proposed Location to Neare	st Property or Lease Line
16.	Acres in Lease	17. Acres Assigned to Well
		320 W/2
18.	Distance from Proposed Location to Neare	st Well, Drlg, Compl, or Applied for on this Lease
19.	Proposed Depth	20. Rotary or Cable Tools
	7245'	Rotary
21.	Elevations (DF, FT, GR, Etc.)	22. Approx. Date Work will Start
	6802'GR	2nd quarter 1995
23.	Proposed Casing and Cementing Program	
	See Operations Plan attached	
	11 11	
24.	Authorized by: The Named	1/10/90
24.	Regional Drilling E	Ingineer Date
PERM	IIT NO.	APPROVAL DATE
APPR	OVED BY	TITLE DATE

Archaeological Report submitted by Arboles Contract Archaeology Technical Report #658 dated 11-22-94 Threatened and Endangered Species Report submitted by Ecosphere dated 10-25-94 NOTE: This format is issued in lieu of U.S. BLM Form 3160-

OPERATIONS PLAN

Well Name: Canyon Largo Unit #430

1455'FSL, 1435'FWL Section 14, T-25-N, R-7-W Location:

Rio Arriba County, New Mexico

Latitude 36° 23' 49", Longitude 107° 32' 46"

Formation: Devils Fork Gallup/Basin Dakota

6802'GL Elevation:

Formation Tops:	Top	<u>Bottom</u>	Contents	
Surface	Nacimiento	1795'		
Ojo Alamo	1795'	1995'	aquifer	
Kirtland	1995'	2304'		
Fruitland	2304'	2610'	gas	
Pictured Cliffs	2610'	2740'	gas	
Lewis	2740'	3435'		
Chacra	3435'	4135'		
Massive Cliff House	4135'	4220'		
Menefee	4220'	4845'		
Massive Pt. Lookout	4845'	5125'	gas	
Mancos	5125'	5940'		
Gallup	5940'	6810'	gas & oil	
Greenhorn	6810'	6875 '	gas & oil	
Graneros	6875 '	6915'		
Dakota	6915'	7135'	gas	
Burro Canyon/Encinal	7135'	7235'	gas	
Morrison	7235'		salt water	
Total Depth	7245'			

Logging Program:

Mud Logs/Coring/DST -

Mud logs - 5900' to TD.
Coring - none
DST - none

Electric logs - DIL/SP/GR; Density/Neut/GR; Microlog-GR;

Mud Program:

Interval	Type	Weight	Vis.	Fluid Loss
0- 320'	Spud	8.4-8.9	40-50	no control
320-7245'	LSND	8.4-9.1	30-60	no control

Pit levels will be visually monitored to detect gain or loss of fluid control.

Casing Program:

Hole Size	Depth Interval	Csg.Size	Wt.	Grade
12 1/4"	0' - 320'	8 5/8"	24.0#	K-55
7 7/8"	0' - 7245'	5 1/2"	17.0#	K-55

Tubing Program:

0'	-	7245'	1	1/2"	2.9#	N - 80	EUE
0'	-	5940'	1	1/2"	2.76#	J-55	IJ

BOP Specifications, Wellhead and Tests:

Surface to TD -

11" 2000 psi minimum double gate BOP stack (Reference Figure #1). After nipple-up prior to drilling out surface casing, rams and casing will be tested to 600 psi for 30 minutes.

2" nominal, 2000 psi minimum choke manifold (Reference Figure #3).

Completion Operations -

6" 2000 psi double gate BOP stack (Reference Figure #2). After nipple-up prior to completion, pipe rams and casing top will be tested to 3000 psi for 15 minutes.

Surface to Total Depth -

2" nominal, 2000 psi minimum choke manifold (Reference Figure #3).

Wellhead -

8 5/8" x 5 1/2" x 1 1/2" dual x 3000 psi tree assembly.

General -

- Pipe rams will be actuated once each day and blind rams will be actuated once each trip to test proper functioning.
- An upper kelly cock valve with handle available and drill string valves to fit each drill string will be available on the rig floors at all times.
- A BOP pit level drill will be conducted weekly for each drilling crew.
- All of the BOP tests and drills will be recorded in the daily drilling reports.
- Blind and pipe rams will be equipped with extension hand wheels.

Cementing:

8 5/8" surface casing -

Cement to surface w/336 sx Class "B" cement w/3% calcium chloride and 1/4#/sx cellophane flakes (396 cu.ft. of slurry, 200% excess to circulate to surface.) WOC 12 hours prior to drilling out surface casing. Test casing to 600 psi for 30 minutes.

Saw tooth guide shoe on bottom. Bowspring centralizers will be run in accordance with Onshore Order #2.

Production Casing - 5 1/2"

First Stage: Cement to circulate to stage tool @ 5125'. Lead $w/315 \ sx \ 65/35 \ Class$ "B" Pozmix w/6% gel, 2% calcium chloride, and 1/4#/sx cellophane flakes. Tail $w/100 \ sx \ Class$ "B" cement w/2% calcium chloride. WOC 4 hours prior to pumping second stage. (Slurry volume: 643 cu.ft. Excess slurry 75%.)

Second Stage: Cement to circulate to stage tool @ 2204'. Lead w/452 sx 65/35 Class "B" Pozmix w/6\$ gel, 2\$ calcium chloride, and 1/4#/sx cellophane flakes. Tail w/100 sx Class "B" cement w/2\$ calcium chloride. WOC a minimum of 18 hours prior to cleanout. (Slurry volume: 886 cu.ft. Excess slurry: 75\$.)

Third Stage: Cement to circulate to surface. Cement w/384 sx 65/35 Class "B" Pozmix w/6% gel, 2% calcium chloride, and 1/4#/sx cellophane flakes. Tail w/100 sx Class "B" cement w/2% calcium chloride. WOC a minimum of 1% hours prior to cleanout. (Slurry volume: 657 cu.ft. Excess slurry: 100%.)

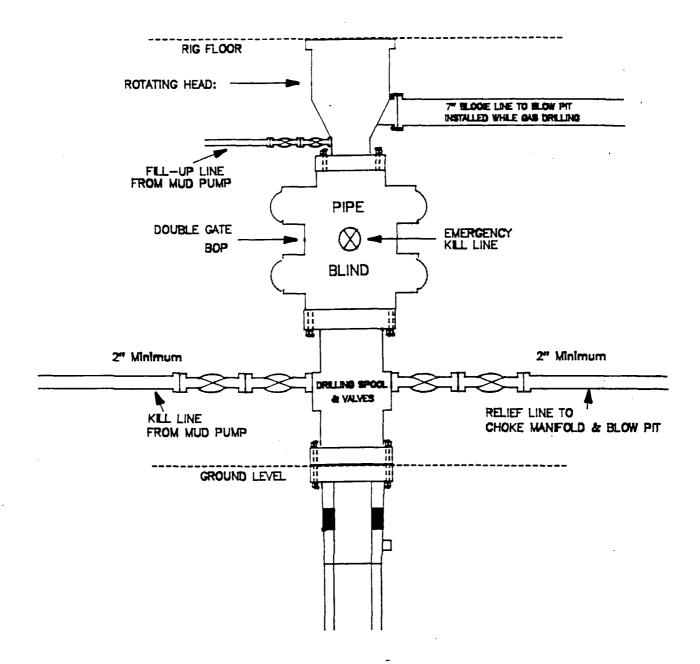
Float shoe on bottom. Three centralizers run every other joint above shoe. Thirty-three centralizers - one every 4th joint to the base of the Ojo Alamo @ 1995'. Two turbolizing type centralizers - one below and one into the base of the Ojo Alamo @ 1995'. Standard centralizers thereafter every fourth joint up to the base of the surface pipe.

- If hole conditions permit, an adequate water spacer will be pumped ahead of each cement job to prevent cement/ mud contamination or cement hydration.
- The pipe will be rotated and/or reciprocated, if hole conditions permit.

Additional Information:

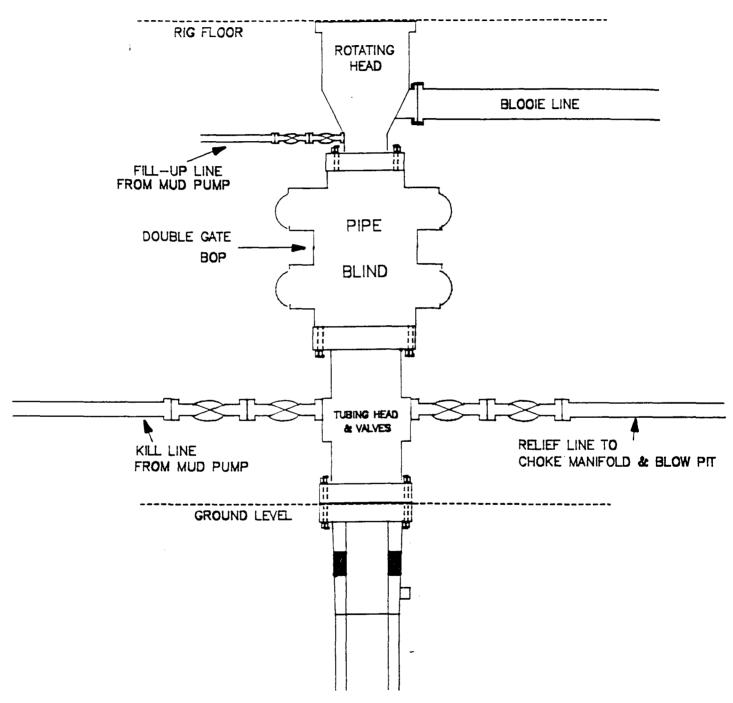
- The Gallup and Dakota formations will be dually completed.
- No abnormal temperatures or hazards are anticipated.
- Sufficient LCM will be added to the mud system to maintain well control, if lost circulation is encountered below the top of the Pictured Cliffs.
- The west half of the Section is dedicated to this well.
- This gas is dedicated.
- New casing will be utilized.
- Anticipated pore pressure for Pictured Cliffs and Fruitland Coal is 300 psi.
- Pipe movement (either rotation or reciprocation) will be done if hole conditions permit.

BOP Configuration 2M psi SYSTEM



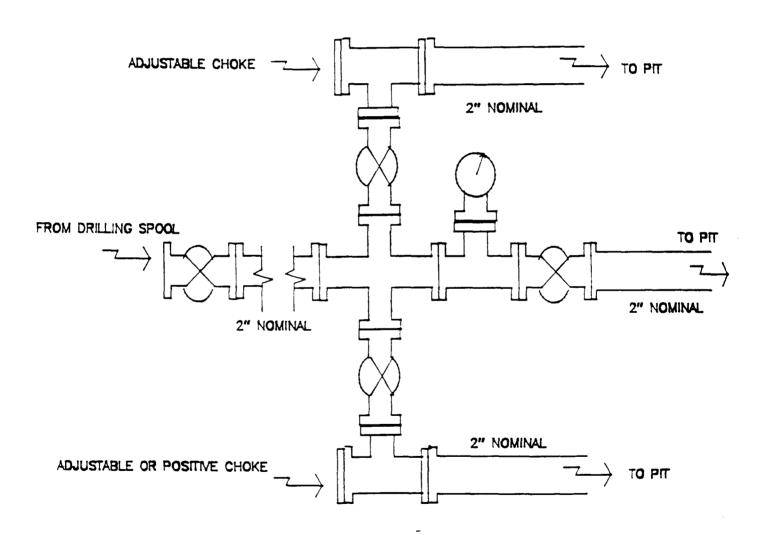
11" Bore, 2000psi minimum working pressure double gate BOP to be equipped with blind and pipe rams. A Schaffer Type 50 or equivalent rotating head to be installed on the top of the BOP. All equipment is 2000psi working pressure/or greater.

BOP Configuration 2M psi SYSTEM



Minimum BOP installation for Completion operations. $7 \frac{1}{16}$ " Bore (6" Nominal), 3000psi minimum working pressure double gate BOP to be equipped with blind and pipe rams.

MERIDIAN OIL INC. Choke Manifold Configuration 2M psi SYSTEM



Minimum choke manifold installation from surface to Total Depth. 2" minimum, 2000psi working pressure equipment with two chokes.



- 1. Existing Roads Refer to Map No. 1. Existing roads used to access the proposed location will be properly maintained for the duration of the project. Bureau of Land Management right-of-way has been applied for as shown on Map No. 1.
- 2. Planned Access Road Refer to Map No. 1. The required new access road is shown on Map No. 1. The gradient, shoulder, crowning and other design elements will meet or exceed those specified by the responsible government agency. The new access road surface will not exceed twenty feet (20') in width. No additional turnarounds or turnouts will be required. Upon completion of the project, the access road will be adequately drained to control soil erosion. Approximately 700' of access road will be constructed. Pipelines are indicated on Map No. 1A.
- 3. Location of Existing Wells Refer to Map No. 1A.
- 4. Location of Existing and/or Proposed Facilities if Well is Productive
 - a. On the Well Pad Refer to Plat No. 1, anticipated production facilities plat.
 - b. Off the Well Pad Anticipated facilities off the well pad will be applied for as required.
- 5. Location and Type of Water Supply Water will be hauled by truck for the proposed project and will be obtained from Superior Water Hole #1 located NW Section 4, T-25-N, R-6-W, New Mexico.
- 6. Source of Construction Materials If construction materials are required for the proposed project, such materials will be obtained from a commercial quarry.
- 7. Methods of Handling Waste Materials All garbage and trash materials will be removed from the site for proper disposal. A portable toilet will be provided for human waste and serviced in a proper manner. If liquids are left in the reserve pit after completion of the project, the pit will be fenced until the liquids have had adequate time to dry. The location clean-up will not take place until such time as the reserve pit can be properly covered over to prevent run-off from carrying waste materials into the watershed. All reserve pits will be lined with 12 mil bio-degradable plastic liner. All earthen pits will be so constructed as to prevent leakage from occurring; no earthen pit will be located on natural drainage. Generation of hazardous waste is not anticipated. Federal regulations will be adhered to regarding handling and disposal of such waste if so generated.
- 8. Ancillary Facilities None anticipated.
- 9. Wellsite Layout Refer to the location diagram and to the wellsite cut and fill diagram (Figure No. 4). The blow pit will be constructed with a 2'/160' grade to allow positive drainage to the reserve pit and prevent standing liquids in the blow pit.

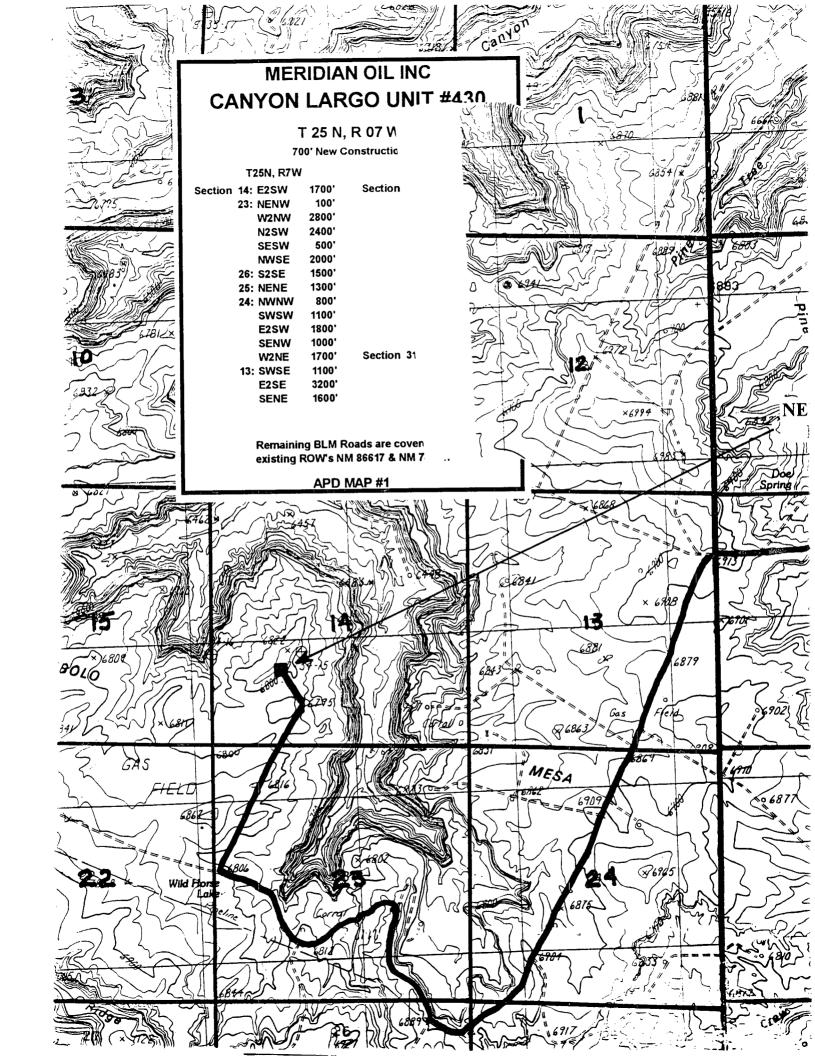
- 10. Plans for Restoration of the Surface After completion of the proposed project, the location will be cleaned and leveled. The location will be left in such a condition that will enable reseeding operations to be carried out. Seed mixture as designated by the responsible government agency will be used. The reseeding operations will be performed during the time period set forth by the responsible government agency. The permanent location facilities will be painted as designated by the responsible government agency.
- 11. Surface Ownership Bureau of Land Management.
- 12. Other Information Environmental stipulations as outlined by the responsible government agency will be adhered to. Refer to the archaeological report for a description of the topography, flora, fauna, soil characteristics, dwellings, historical and cultural sites.
- 13. Operator's Representative and Certification Meridian Oil Regional Drilling Manager, Post Office Box 4289, Farmington, NM 87499, telephone (505) 326-9700. I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan, are to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Meridian Oil Inc. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

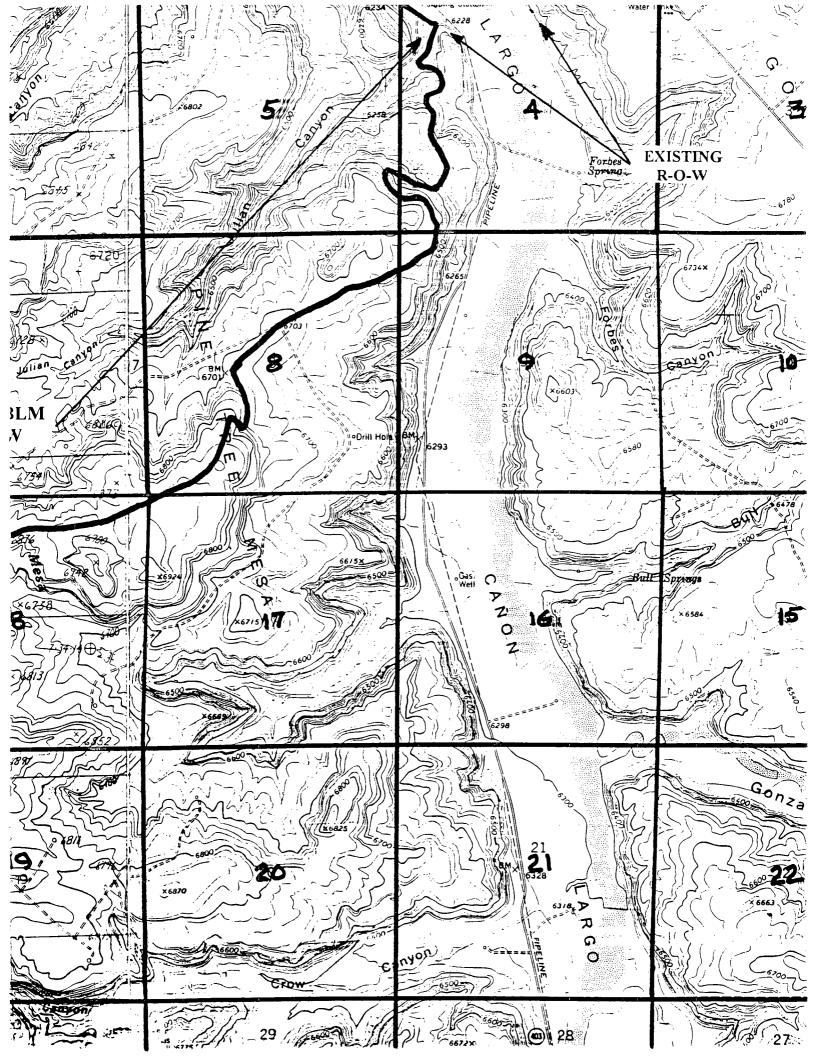
Regional Drilling Engineer

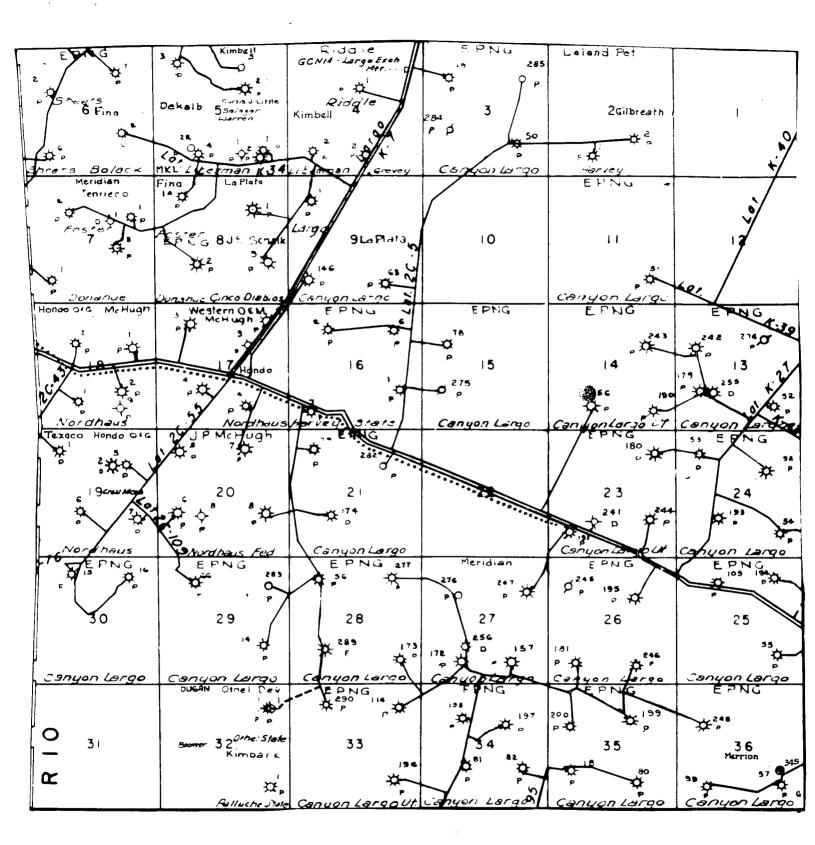
Date

1/10/95

JWC:pb

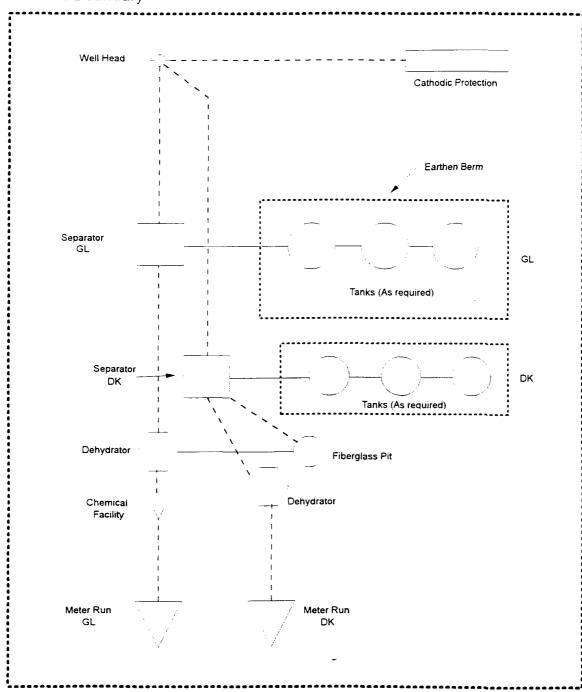




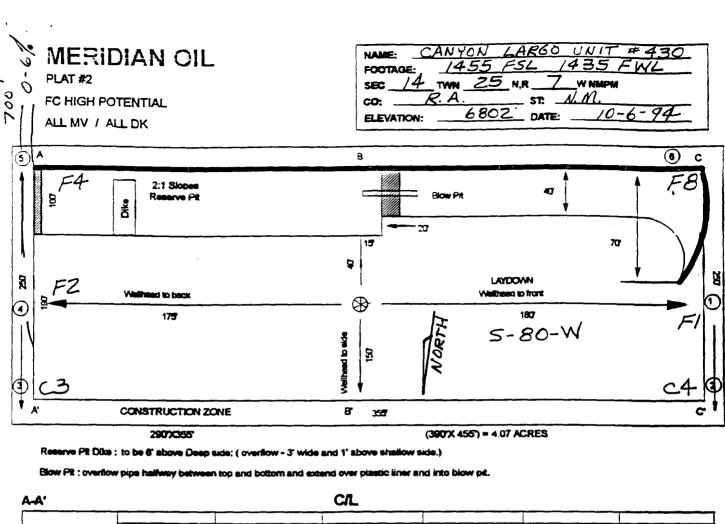


MERIDIAN OIL INC.
Pipeline Map
T-25-N, R-07-W
Rio Arriba County, New Mexico
Canyon Largo Unit #430
Map #1A

Well Pad Boundary



ANTICIPATED PRODUCTION FACILITIES FOR A GALLUP/DAKOTA DUAL WELL





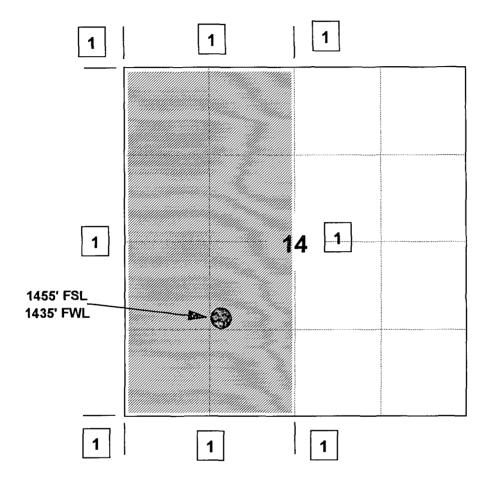
Note: Contractor should call One-Call for location of any marked or unmarked buried pipelines or cables on well pad and/or access road at least 2 working days prior to construction.

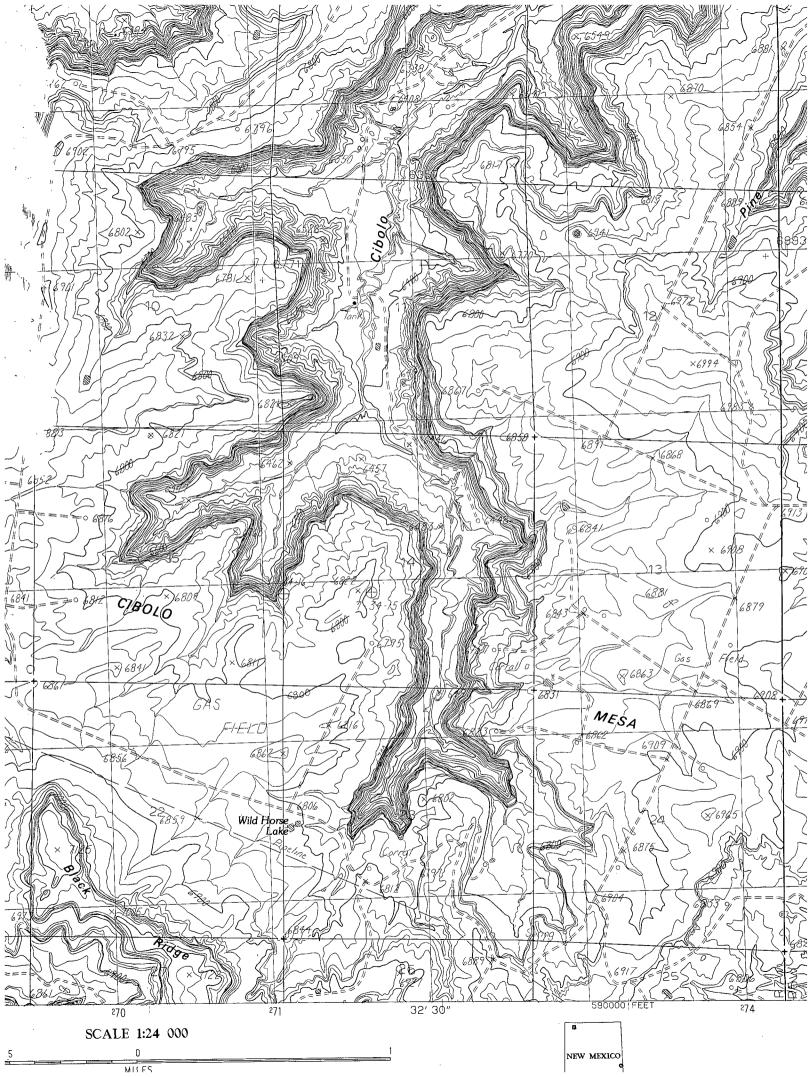
CANYON LARGO UNIT #430

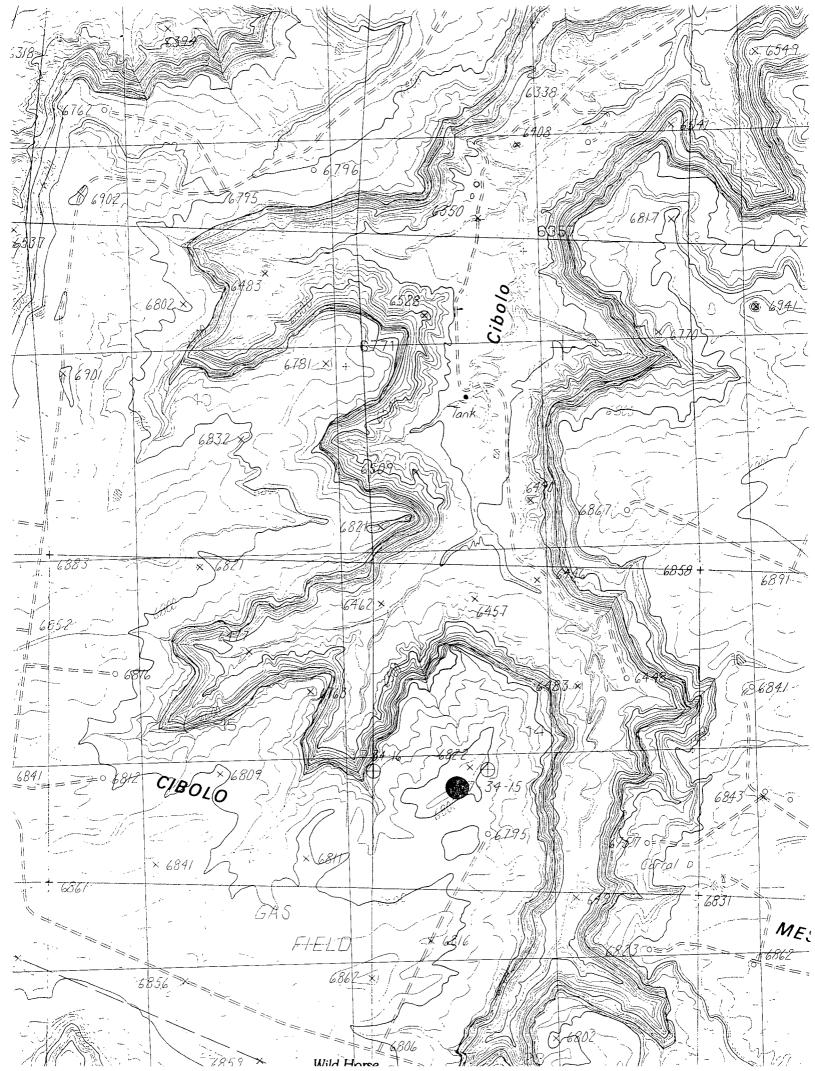
OFFSET OPERATOR PLAT

Unorthodox Gallup Well Location

Township 25 North, Range 7 West









OIL GONSERVETION DIVISION
RECEIVED TO 8 52

Sent Federal Express

Mr. William LeMay New Mexico Oil Conservation Division 2040 South Pacheco Santa Fe, New Mexico 87505

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Sincerely

Reggý Bradfield

Regulatory/Compliance Administrator

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State of New Mexico Energy, Minerais & Natural Resources Department

OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2088

Form C-102 Revised February 21, 1994 Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies Fee Lease - 3 Copies

PO Bux 2088, Sa	nta Fe. NM	87504-2088							AME	NDED REPORT
	API Numb		LL LO	CATION		REAGE DEDI	CATION PI			
			1761	10/71599		vils Fork Gal	lun/Racin	Dakota		
* Property	Code		1 1.01	10//13/	¹ Property		Tup/ nas m	DAROLA		Well Number
6886		·		<u> </u>	anyon La					430
' ogrid 1453					' Operator					Elevation
14330	<u> </u>	<u> </u>			IERIDIAN 10 Surface					6802'
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/Wes	Lline	County
K	14	25 N	7 W		1455	South	1435	1	st	R.A.
	<u> </u>		11 Bot	tom Hol	e Location	f Different Fr	om Surface	- 		
UL or lot no.	Section	Township	Range	Lot ida	Feet from the	North/South line	Feet from the	East/Wes	t line	County
W/320 NO ALLO	WABLE		NON-ST		UNIT HAS B	ON UNTIL ALL	BY THE DIV	ISION		NSOLIDATED
	SF-	0788	80				Signature Peggy Printed Nat	Bradfi	eld_	e consined herein is knowledge and belief
				14			. > 11			TIFICATION
/43	5-1	08/ - 15	8'				was plotted or under my correct to the 10 - 6 - Date of Sur	from field not supervision. Le best of my l	es of action and that belief.	on shown on this plat and surveys made by mi the same is true and surveys:
		1455					Signature as	4 //	357	

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK <u>Ta.</u> Type of Work 5. Lease Number DRILL SF-078880 **Unit Reporting Number** SF-078880 Type of Well 6. If Indian, All. or Tribe 1b. GAS 2. 7. Unit Agreement Name Operator MERIDIAN OIL Canyon Largo Unit 3. 8. Farm or Lease Name Address & Phone No. of Operator Canyon Largo Unit PO Box 4289, Farmington, NM 87499 9. Well Number 430 (505) 326-9700 4. Location of Well 10. Field, Pool, Wildcat Devils Fork Gallup/ 1455'FSL, 1435'FWL Basin Dakota 11. Sec., Twn, Rge, Mer. (NMPM) Latitude 36° 23' 49", Longitude 107° 32' 46" Sec 14, T-25-N, R-7-W API # 30-039-14. Distance in Miles from Nearest Town 12. County 13. State 25 miles south of Blanco, NM Rio Arriba NM 15. Distance from Proposed Location to Nearest Property or Lease Line 1435' 17. Acres Assigned to Well 16. Acres in Lease 320 W/2 Distance from Proposed Location to Nearest Well, Drlg, Compl, or Applied for on this Lease 18. 700' 19. **Proposed Depth** 20. Rotary or Cable Tools 7245' Rotary 21. Elevations (DF, FT, GR, Etc.) 22. Approx. Date Work will Start 2nd quarter 1995 6802'GR 23. **Proposed Casing and Cementing Program** See Operations Plan attached 24. Authorized by: Regional Drilling Engineer APPROVAL DATE PERMIT NO. APPROVED BY TITLE DATE

OPERATIONS PLAN

Well Name: Canyon Largo Unit #430

1455'FSL, 1435'FWL Section 14, T-25-N, R-7-W Location:

Rio Arriba County, New Mexico

Latitude 36° 23' 49", Longitude 107° 32' 46"

Formation: Devils Fork Gallup/Basin Dakota

Elevation: 6802'GL

Formation Tops:	Top	Bottom	Contents
Surface	Nacimiento	1795'	
Ojo Alamo	1795'	1995'	aquifer
Kirtland	1995'	2304'	
Fruitland	2304'	2610'	qas
Pictured Cliffs	2610'	2740'	gas
Lewis	2740'	3435'	92
Chacra	3435'	4135'	
Massive Cliff House	4135'	4220'	
Menefee	4220'	4845'	•
Massive Pt. Lookout	4845'	5125'	qas
Mancos	5125'	5940 '	gas
	5940'	6810'	gas & oil
Gallup	6810 '	6875'	gas & oil
Greenhorn	6875'	6915'	yas a oii
Graneros		7135'	
Dakota	6915'		gas
Burro Canyon/Encinal	7135'	7235'	gas
Morrison	7235'		salt water
Total Depth	7245'		

Logging Program:

Mud Logs/Coring/DST -

Mud logs - 5900' to TD.
Coring - none
DST - none

Electric logs - DIL/SP/GR; Density/Neut/GR; Microlog-GR;

Mud Program:

Interval	Type	Weight	<u>Vis.</u>	Flu:	id Loss
0- 320'	Spud	8.4-8.9	40-50	no	control
320-7245'	LSND	8.4-9.1	30-60	no	control

Pit levels will be visually monitored to detect gain or loss of fluid control.

Casing Program:

Hole Size	Depth Interval	Csg.Size	Wt.	Grade
12 1/4"	0' - 320'	8 5/8"	24.0#	K-55
7 7/8"	0' - 7245'	5 1/2"	17.0#	K-55

Tubing Program:

0'	-	7245'	1	1/2"	2.9#	И-80	EUE
0'	-	5940'	1	1/2"	2.76#	J-55	IJ

BOP Specifications, Wellhead and Tests:

Surface to TD -

11" 2000 psi minimum double gate BOP stack Reference Figure #1). After nipple-up prior to drilling out surface casing, rams and casing will be tested to 600 psi for 30 minutes.

2" nominal, 2000 psi minimum choke manifold (Reference Figure #3).

Completion Operations -

6" 2000 psi double gate BOP stack (Reference Figure #2). After nipple-up prior to completion, pipe rams and casing top will be tested to 3000 psi for 15 minutes.

Surface to Total Depth -

2" nominal, 2000 psi minimum choke manifold (Reference Figure #3).

Wellhead -

8 5/8" \times 5 1/2" \times 1 1/2" dual \times 3000 psi tree assembly.

General -

- Pipe rams will be actuated once each day and blind rams will be actuated once each trip to test proper functioning.
- An upper kelly cock valve with handle available and drill string valves to fit each drill string will be available on the rig floors at all times.
- A BOP pit level drill will be conducted weekly for each drilling crew.
- All of the BOP tests and drills will be recorded in the daily drilling reports.
- · Blind and pipe rams will be equipped with extension hand wheels.

Cementing:

8 5/8" surface casing -

Cement to surface w/336 sx Class "B" cement w/3% calcium chloride and 1/4#/sx cellophane flakes (396 cu.ft. of slurry, 200% excess to circulate to surface.) WOC 12 hours prior to drilling out surface casing. Test casing to 600 psi for 30 minutes.

Saw tooth guide shoe on bottom. Bowspring centralizers will be run in accordance with Onshore Order #2.

Production Casing - 5 1/2"

First Stage: Cement to circulate to stage tool @ 5125'. Lead w/315 sx 65/35 Class "B" Pozmix w/6% gel, 2% calcium chloride, and 1/4#/sx cellophane flakes. Tail w/100 sx Class "B" cement w/2% calcium chloride. WOC 4 hours prior to pumping second stage. (Slurry volume: 643 cu.ftr Excess slurry 75%.)

Second Stage: Cement to circulate to stage tool @ 2204'. Lead w/452 sx 65/35 Class "B" Pozmix w/6\$ gel, 2\$ calcium chloride, and 1/4#/sx cellophane flakes. Tail w/100 sx Class "B" cement w/2\$ calcium chloride. WOC a minimum of 18 hours prior to cleanout. (Slurry volume: 886 cu.ft. Excess slurry: 75\$.)

Third Stage: Cement to circulate to surface. Cement w/384 sw 65/35 Class "B" Fozmiw w/68 gel, 28 calcium chloride, and 1/4#/sx cellophane flakes. Tail w/100 sx Class "B" cement w/28 calcium chloride. WOC a minimum of 18 hours prior to cleanout. (Slurry volume: 657 cu.ft. Excess slurry: 100%.)

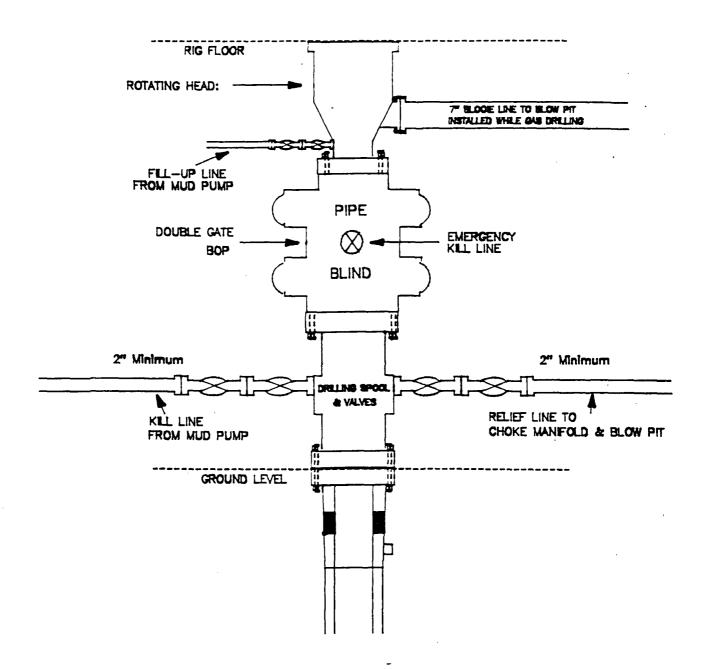
Float shoe on bottom. Three centralizers run every other joint above shoe. Thirty-three centralizers - one every 4th joint to the base of the Ojo Alamo @ 1995'. Two turbolizing type centralizers - one below and one into the base of the Ojo Alamo @ 1995'. Standard centralizers thereafter every fourth joint up to the base of the surface pipe.

- If hole conditions permit, an adequate water spacer will be pumped ahead of each cement job to prevent cement/ mud contamination or cement hydration.
- The pipe will be rotated and/or reciprocated, if hole conditions permit.

Additional Information:

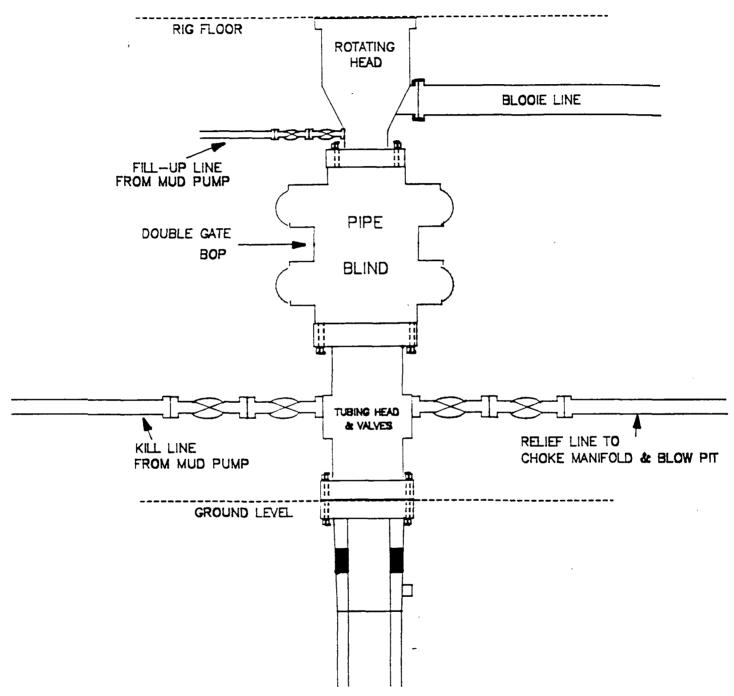
- The Gallup and Dakota formations will be dually completed.
- No abnormal temperatures or hazards are anticipated.
- Sufficient LCM will be added to the mud system to maintain well control, if lost circulation is encountered below the top of the Pictured Cliffs.
- The west half of the Section is dedicated to this well.
- This gas is dedicated.
- New casing will be utilized.
- Anticipated pore pressure for Pictured Cliffs and Fruitland Coal is 300 psi.
- Pipe movement (either rotation or reciprocation) will be done if hole conditions permit.

BOP Configuration 2M psi SYSTEM



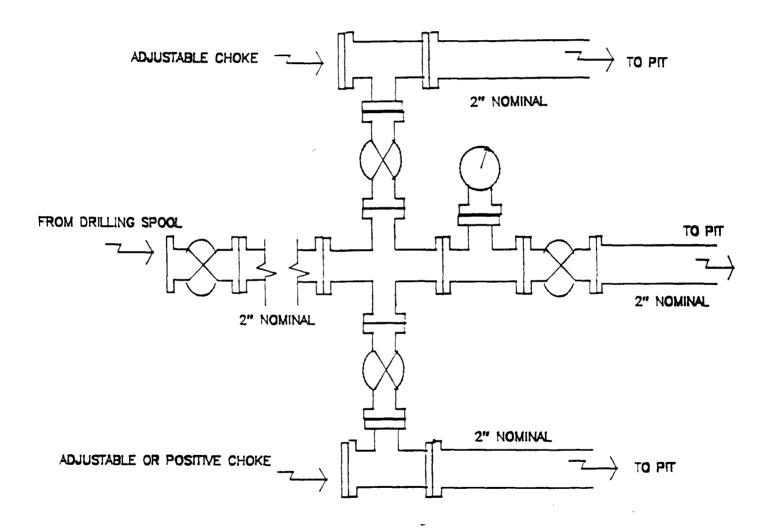
11" Bore, 2000psi minimum working pressure double gate BOP to be equipped with blind and pipe rams. A Schaffer Type 50 or equivalent rotating head to be installed on the top of the BOP. All equipment is 2000psi working pressure/or greater.

BOP Configuration 2M psi SYSTEM



Minimum BOP installation for Completion operations. $7 \frac{1}{16}$ " Bore (6" Nominal), 3000psi minimum working pressure double gate BOP to be equipped with blind and pipe rams.

MERIDIAN OIL INC. Choke Manifold Configuration 2M psi SYSTEM



Minimum choke manifold installation from surface to Total Depth. 2" minimum, 2000psi working pressure equipment with two chokes.



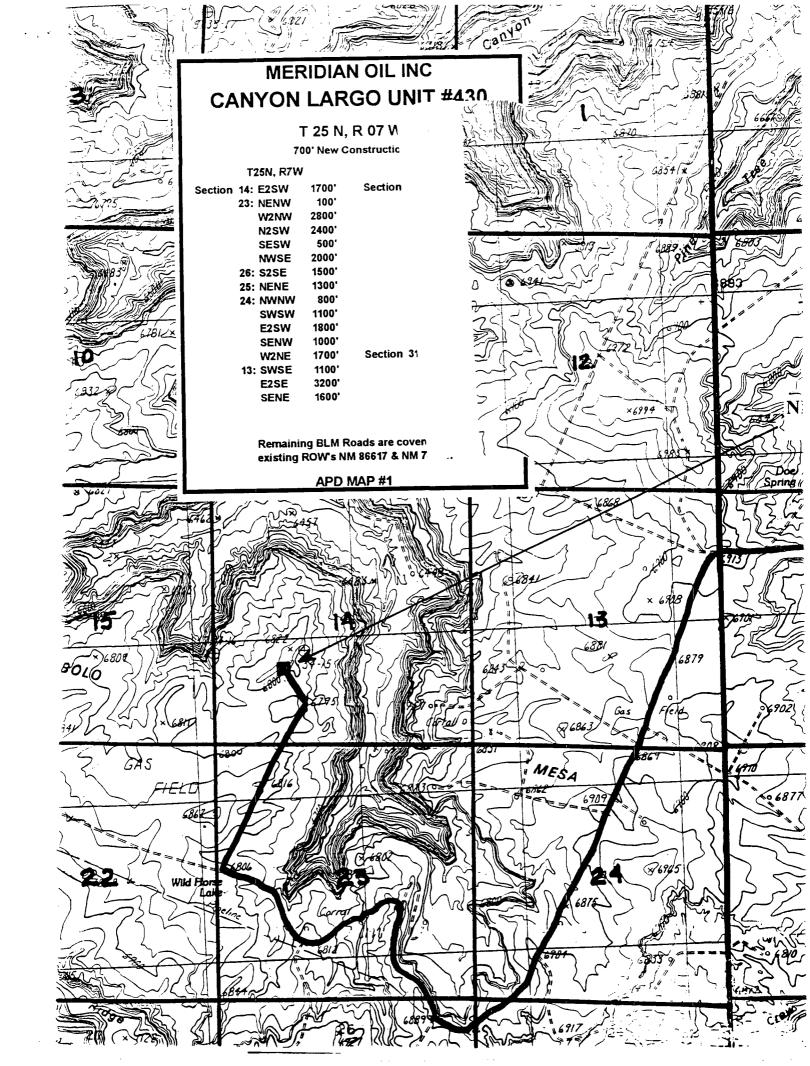
- 1. Existing Roads Refer to Map No. 1. Existing roads used to access the proposed location will be properly maintained for the duration of the project. Bureau of Land Management right-of-way has been applied for as shown on Map No. 1.
- Planned Access Road Refer to Map No. 1. The required new access road is shown on Map No. 1. The gradient, shoulder, crowning and other design elements will meet or exceed those specified by the responsible government agency. The new access road surface will not exceed twenty feet (20') in width. No additional turnarounds or turnouts will be required. Upon completion of the project, the access road will be adequately drained to control soil erosion. Approximately 700' of access road will be constructed. Pipelines are indicated on Map No. 1A.
- 3. Location of Existing Wells Refer to Map No. 1A.
- 4. Location of Existing and/or Proposed Facilities if Well is Productive
 - a. On the Well Pad Refer to Plat No. 1, anticipated production facilities plat.
 - b. Off the Well Pad Anticipated facilities off the well pad will be applied for as required.
- 5. Location and Type of Water Supply Water will be hauled by truck for the proposed project and will be obtained from Superior Water Hole #1 located NW Section 4, T-25-N, R-6-W, New Mexico.
- 6. Source of Construction Materials If construction materials are required for the proposed project, such materials will be obtained from a commercial quarry.
- 7. Methods of Handling Waste Materials All garbage and trash materials will be removed from the site for proper disposal. A portable toilet will be provided for human waste and serviced in a proper manner. If liquids are left in the reserve pit after completion of the project, the pit will be fenced until the liquids have had adequate time to dry. The location clean-up will not take place until such time as the reserve pit can be properly covered over to prevent run-off from carrying waste materials into the watershed. All reserve pits will be lined with 12 mil bio-degradable plastic liner. All earthen pits will be so constructed as to prevent leakage from occurring; no earthen pit will be located on natural drainage. Generation of hazardous waste is not anticipated. Federal regulations will be adhered to regarding handling and disposal of such waste if so generated.
- 8. Ancillary Facilities None anticipated.
- 9. Wellsite Layout Refer to the location diagram and to the wellsite cut and fill diagram (Figure No. 4). The blow pit will be constructed with a 2'/160' grade to allow positive drainage to the reserve pit and prevent standing liquids in the blow pit.

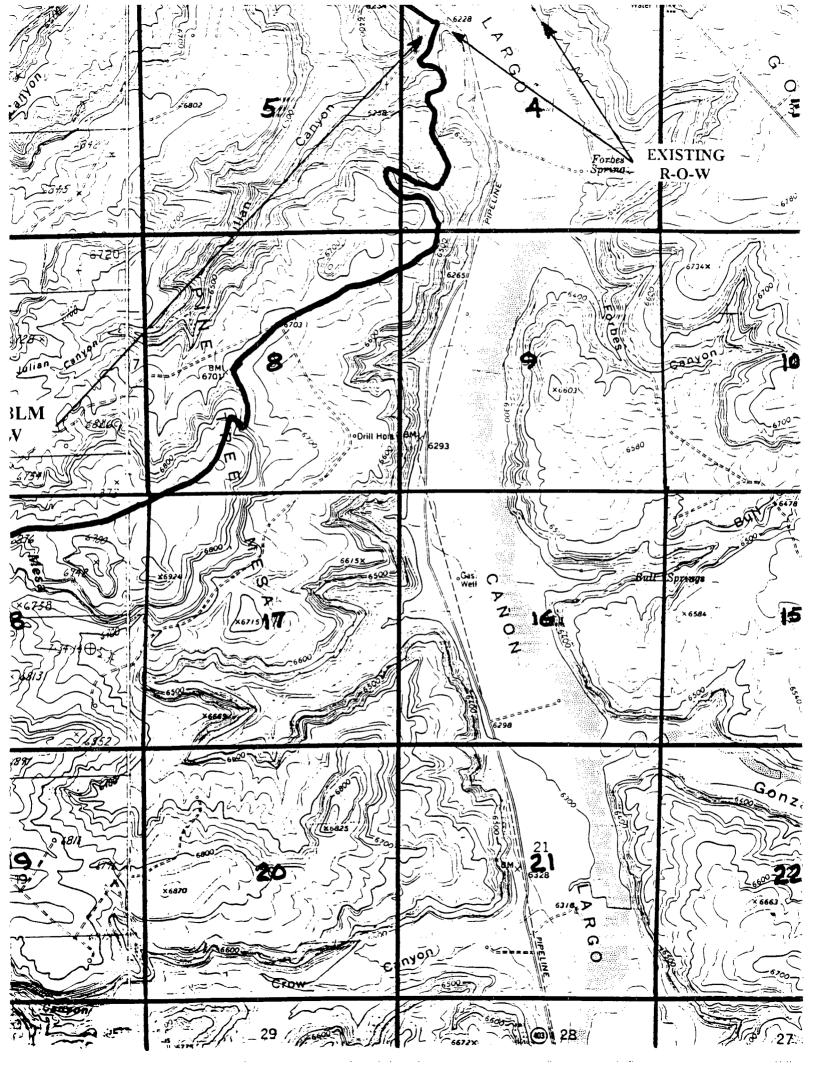
- 10. Plans for Restoration of the Surface After completion of the proposed project, the location will be cleaned and leveled. The location will be left in such a condition that will enable reseeding operations to be carried out. Seed mixture as designated by the responsible government agency will be used. The reseeding operations will be performed during the time period set forth by the responsible government agency. The permanent location facilities will be painted as designated by the responsible government agency.
- 11. Surface Ownership Bureau of Land Management.
- 12. Other Information Environmental stipulations as outlined by the responsible government agency will be adhered to. Refer to the archaeological report for a description of the topography, flora, fauna, soil characteristics, dwellings, historical and cultural sites.
- 13. Operator's Representative and Certification Meridian Oil Regional Drilling Manager, Post Office Box 4289, Farmington, NM 87499, telephone (505) 326-9700. I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan, are to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Meridian Oil Inc. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

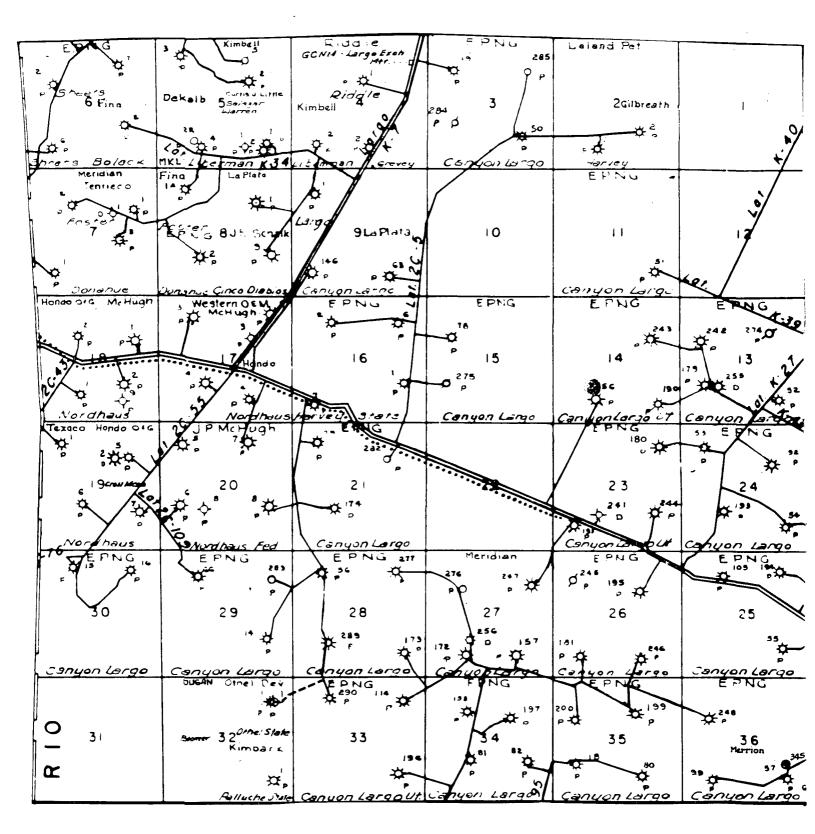
Regional Drilling Engineer

Date

JWC:pb

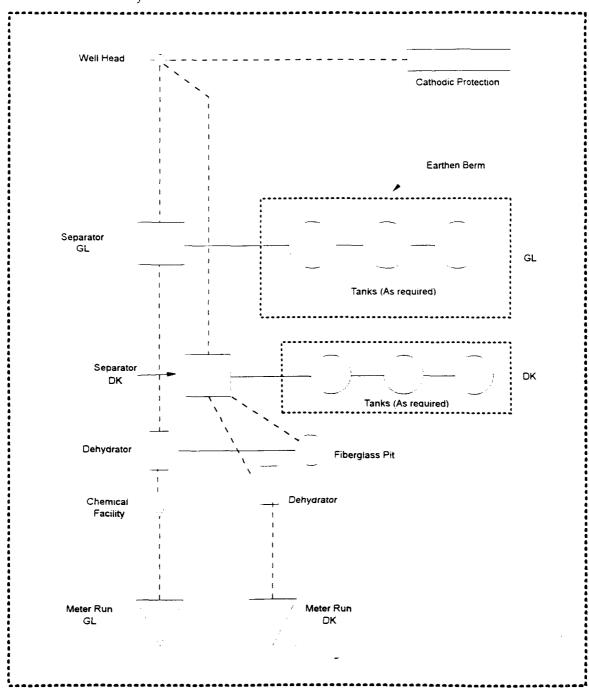




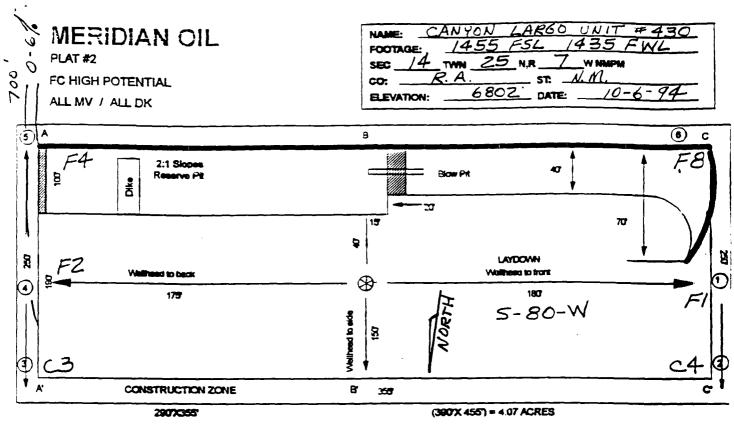


MERIDIAN OIL INC.
Pipeline Map
T-25-N, R-07-W
Rio Arriba County, New Mexico
Canyon Largo Unit #430
Map #1A

Well Pad Boundary



ANTICIPATED PRODUCTION FACILITIES FOR A GALLUP/DAKOTA DUAL WELL



Reserve PR Dike : to be 6' above Deep side; (overflow - 3' wide and 1' above shallow side.)

Blow Pit : overflow pipe halfway between top and bottom and extend over plastic liner and into blow pt.



Note: Contractor should call One-Call for location of any marked or unmarked buried pipelines or cables on well pad and/or access road at least 2 working days prior to construction.

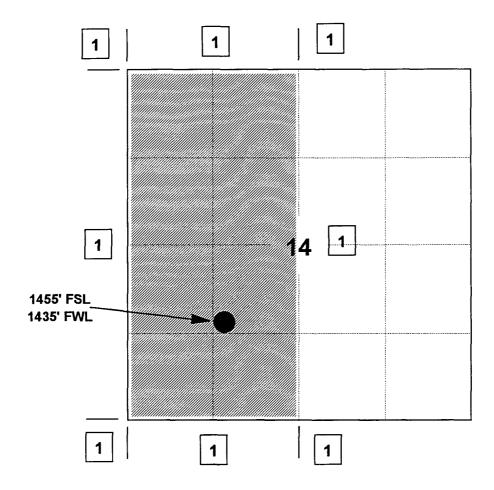
MERIDIAN OIL INC

CANYON LARGO UNIT #430

OFFSET OPERATOR PLAT

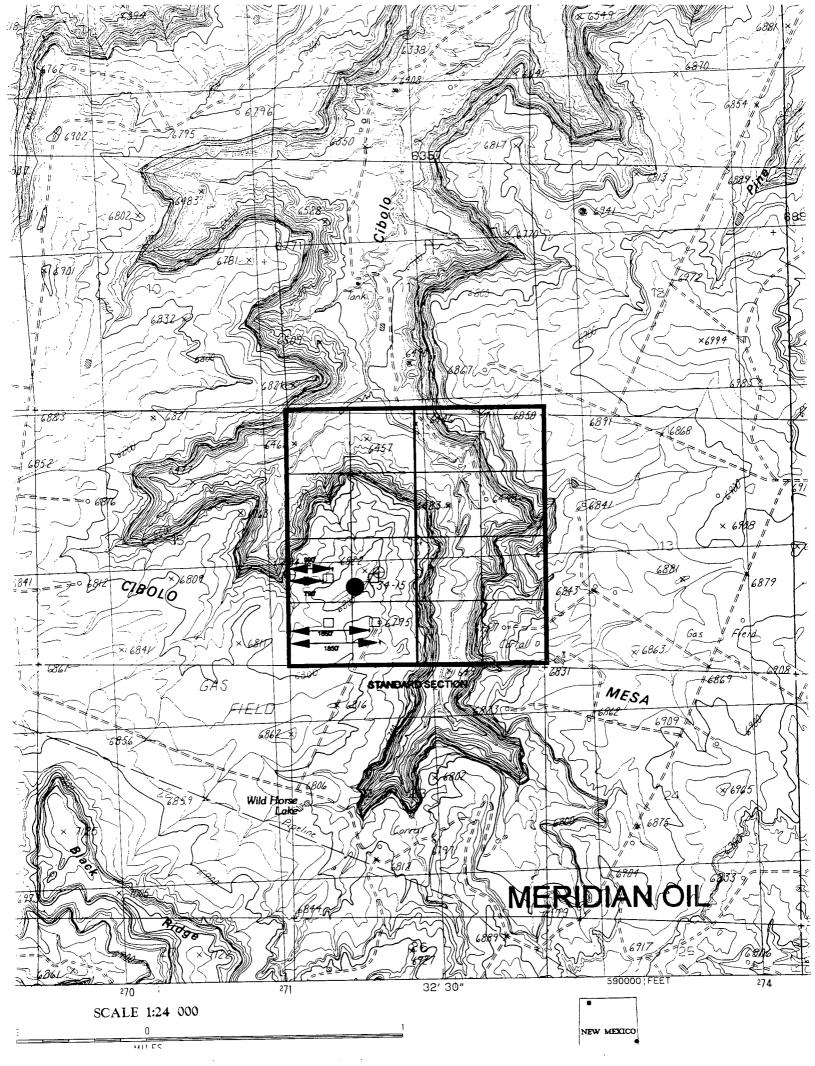
Unorthodox Gallup Well Location

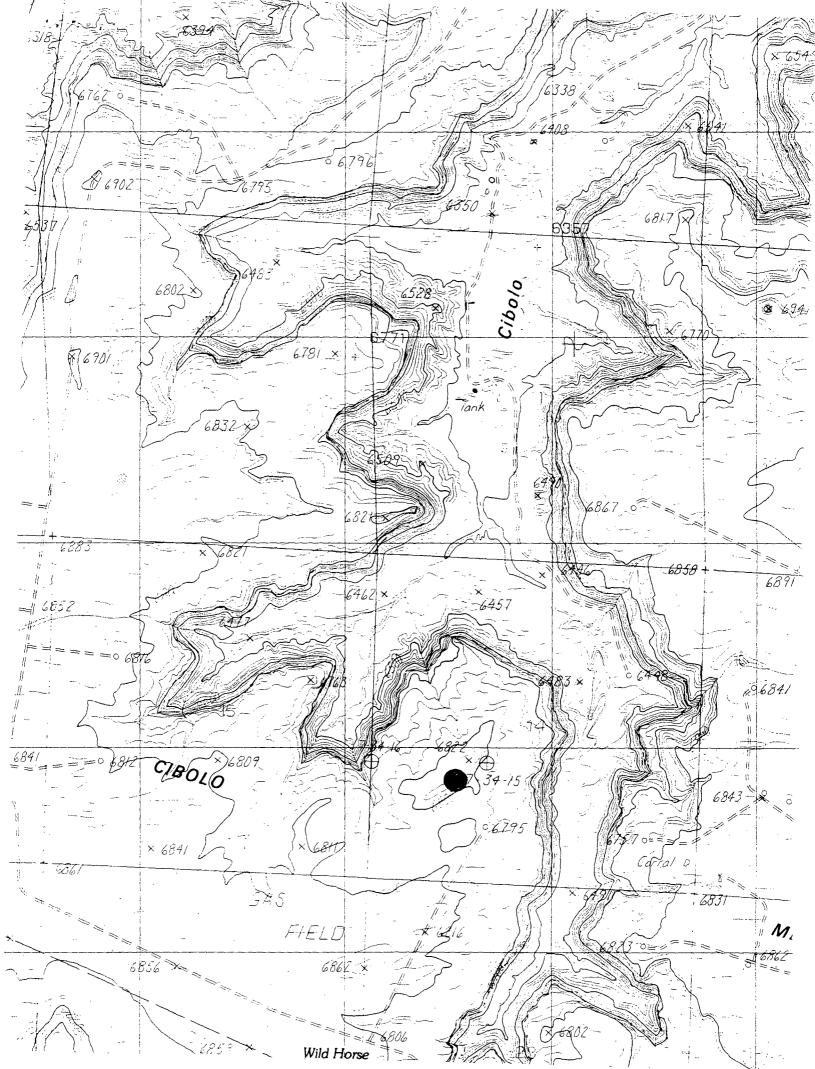
Township 25 North, Range 7 West



1) Meridian Oil Inc						
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New Mexico Oil Conservation Division Attn: Mr. Michael Stogner 2040 South Pacheco Street Santa Fe. New Mexico 87505

> RE: Canyon Largo Unit # 430 SW/4 Sec 14 T25N R07W Devil's Fork Gallup Pool Classification

Mr. Stogner,

This letter and attached information are supplied to support your determination of Meridian Oil's proposed new well completion as part of the Devil's Fork Gallup Pool. Meridian is awaiting final pool determination prior to commencing drilling operations on the Canyon Largo Unit # 430.

Meridian Oil presents the attached geological cross section; which demonstrates the similar well log characteristics of the Gallup interval from the Devil's Fork Gallup Pool across the proposed development location in the northwest portion of the Canyon Largo Unit.

Gallup producing characteristics are highly dependent upon the degree of natural fracturing. Meridian Oil anticipates Gallup production volumes from the Canyon Largo Unit # 430 to be comparable to other fractured Devil's Fork Gallup Pool producers. Initial production of 40 BOPD & 200 MCFD is predicted.

Meridian Oil developed five (5) Basin Dakota locations within the Canyon Largo Unit in 1994. In 1995, Meridian plans to drill four (4) wells to the Dakota within the Canyon Largo Unit, three (3) of which will also test the Gallup. The NMOCD has approved the pool classification for the Gallup tests located in (NE/4 sec 24 T25N R07W) the # 447 (NSL# 3489) and (NE/4 sec 13 T25N R07W) the # 428 (NSL# 3490) as Devil's Fork Gallup Associated Pool.

With the classification of the Gallup in the # 430 as an extension of Devil's Fork Gallup Associated Pool, Meridian anticipates a more simplified development of all future Gallup completions in the area. Please contact me by phone at (505) 326-9546; if you have concerns or comments.

Sincerely,

Thomas E. Mullins Reservoir Engineer

TEM

cc:

BLM - Farmington

NMOCD - Aztec (Ernie Busch)

Well File

NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

July 27, 1995

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

Attention: Peggy Bradfield

RE: Canyon Largo Unit Well No. 430 (API No. 30-039-25477); 1455' FSL -

1435' FWL (Unit K) of Section 14, Township 25 North, Range 7 West,

NMPM, Rio Arriba County, New Mexico.

Dear Ms. Bradfield:

The Division received your application requesting approval of an unorthodox Devils Fork-Gallup Associated Pool gas well location for the subject well on April 25, 1995. The well and its proposed 320-acre gas spacing and proration unit comprising the W/2 of said Section 14 are situated further than one mile from the boundary of the Devils Fork-Gallup Associated Pool; therefore, pursuant the Division General Rule 104.A the well is subject to the spacing rules applicable to "wildcat gas wells in Rio Arriba County, New Mexico", see General Rule 104.B(2)(a), which requires 160-acre spacing and 790 feet set-back requirements from the outer boundary of the unit and 130 feet from any internal quarter-quarter section or lot line.

Under these provisions the location appears to be standard; however, subsequent to completion of this well and the possible extension of the Devils Fork-Gallup Associated Pool boundary through the normal Division nomenclature process I will hold this application and should it become necessary Meridian can seek to activate this application.

Should you have any questions, please contact me at (505) 827-8185.

Sincerely.

Michael E. Stogner

Chief Hearing Officer/Engineer

MES/kv

cc: Oil Conservation Division - Aztec

William J. LeMay, Director - OCD, Santa Fe

CMT : . " ▼ OG5SECT

ONGARD INQUIRE LAND BY SECTION 07/27/95 15:27:22 OGOMES -EMD9 PAGE NO: 1

Sec : 14 Twp : 25N Rng : 07W Section Type : NORMAL

D	С	В	A
40.00	40.00	40.00	40.00
Federal owned U	Federal owned U	Federal owned U	Federal owned U
E			-
40.00	40.00	40.00	40.00
Federal owned	 Federal owned	Federal owned	Federal owned
U	U	U	U
		A	A
		I	_
PF01 HELP PF02	PF03 EXIT	PF04 GoTo PF05	PF06
PF07 BKWD PF08 FW	D PF09 PRINT	PF10 SDIV PF11	PF12

CMD OGSSECT

ONGARD INQUIRE LAND BY SECTION

07/27/95 15:27:28 OGOMES -EMD9 PAGE NO: 2

Sec : 14 Twp : 25N Rng : 07W Section Type : NORMAL

L	K	J	I
40.00	40.00	40.00	40.00
Federal owned U	Federal owned U A	Federal owned U	Federal owned U
	NT NT	-	
M	N	0	P
40.00	40.00	40.00	40.00
Federal owned U	Federal owned U A	Federal owned U	Federal owned U A
PF01 HELP PF02	PF03 EXIT F	PF04 GoTo PF05	DEOC
			PF06
PF07 BKWD PF08 FW	D PF09 PRINT P	F10 SDIV PF11	PF12

COUNTY Rio Arriba POOL Devils Fork-Gallup Associated TOWNSHIP 25 NorthRANGE 7 West NMPM 2 5 6 4 10 -- 11 -12 -17 - 18 -16 15 14 -13-- 21--19 20 -- 22 --30 29 28 27-26-25-- 33 -34-35 32 188)

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Ext: 5 /4 Sec. 36 (R-8417, 3-24-87) Ext: 5/2 SEC 23, 5/2 SEC 24/R-85	85, 1/1
DELE: 5/2 SEC 23 5/2 SEC 24 (R-8640, 4/8/88)	
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STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

CASE NO. 9349 Order No. R-8640

THE APPLICATION OF THE OIL CONSERVATION DIVISION UPON ITS OWN MOTION FOR AN ORDER CONTRACTING AND EXTENDING CERTAIN EXISTING POOLS IN RIO ARRIBA, SANDOVAL, AND SAN JUAN COUNTIES, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on March 30, 1988, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 8th day of April, 1988, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

- (1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) There is need for the contraction of the Devil's Fork-Gallup Associated Pool in Rio Arriba County, New Mexico, because the area to be deleted has never produced from the Gallup formation.
- (3) A request was made for the contraction of the Rio Puerco-Mancos Oil Pool in Sandoval County, New Mexico, by the deletion of the NW/4 of Section 25 and the N/2 of Section 26, both in Township 21 North, Range 4 West, NMPM.
- (4) Pursuant to the testimony presented in this case and upon review of the Oil Conservation Division records, the Dugan Production Corporation Husky Federal Well No. 2 located 990 feet from the North and West lines (Unit D) of said Section 25 has been producing from the Rio Puerco-Mancos Oil Pool since December 29, 1983, and as of December 31, 1987, has a cumulative production from said pool of 3379 MCF

of gas and 1609 barrels of oil.

- (5) By Division Order No. R-8180, dated March 14, 1986, said Section 25 was included in the pool boundary by virtue of the production from the above-described well.
- (6) There was insufficient geological evidence presented at the hearing to establish a reason to delete the NW/4 of said Section 25 from the Rio Puerco-Mancos Oil Pool boundary and this portion of the request should be denied.
- (7) Since the N/2 of said Section 26 has never produced from this pool, there is sufficient need to contract this area from the Rio Puerco-Mancos Oil Pool.
- (8) There is a need for certain extensions to the Alamito-Gallup Oil Pool in Sandoval County, New Mexico, and the South Bisti-Gallup Oil Pool and the Totah-Gallup Oil Pool, both in San Juan County, New Mexico, and the Blanco-Mesaverde Pool and the Blanco-Pictured Cliffs Pool, both in Rio Arriba and San Juan Counties, New Mexico, and the Lybrook-Gallup Oil Pool in Rio Arriba and Sandoval Counties, New Mexico, and the Northeast Ojito Gallup-Dakota Oil Pool in Rio Arriba County, New Mexico.
 - (9) The effective date of this order and all contractions and extensions included herein should be April 1, 1988.

IT IS THEREFORE ORDERED THAT:

(a) The Devil's Fork-Gallup Associated Pool in Rio Arriba County, New Mexico, as heretofore classified, defined, and described, is hereby contracted by the deletion of the following described area:

TOWNSHIP 25 NORTH, RANGE 7 WEST, NMPM Section 23: S/2 Section 24: S/2

(b) The Rio Puerco-Mancos Oil Pool in Sandoval County, New Mexico, as heretofore classified, defined, and described, is hereby contracted by the deletion of the following described area:

TOWNSHIP 21 NORTH, RANGE 4 WEST, NMPM Section 26: N/2

(c) The Alamito-Gallup Oil Pool in Sandoval County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 23 NORTH, RANGE 7 WEST, NMPM Section 32: S/2 N/2

(d) The South Bisti-Gallup Oil Pool in San Juan County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 24 NORTH, RANGE 10 WEST, NMPM Section 31: SE/4

Section 32: SW/4

(e) The Blanco-Mesaverde Pool in Rio Arriba and San Juan Counties, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 30 NORTH, RANGE 11 WEST, NMPM

Section 22: S/2 Section 27: All

(f) The Blanco-Pictured Cliffs Pool in Rio Arriba and San Juan Counties, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 31 NORTH, RANGE 9 WEST, NMPM Section 19: NE/4

Section 20: W/2

(g) The Lybrook-Gallup Oil Pool in Rio Arriba and Sandoval Counties, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 23 NORTH, RANGE 7 WEST, NMPM Section 2: W/2 NE/4 and E/2 NW/4

TOWNSHIP 24 NORTH, RANGE 6 WEST, NMPM Section 31: S/2 SW/4, NE/4 SW/4, and SW/4 SE/4

TOWNSHIP 24 NORTH, RANGE 7 WEST, NMPM Section 35: SE/4 NE/4

TOWNSHIP 24 NORTH, RANGE 8 WEST, NMPM Section 22: SW/4 and SW/4 SE/4

(h) The Northeast Ojito Gallup-Dakota Oil Pool in Rio Arriba County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 26 NORTH, RANGE 3 WEST, NMPM Section 23: SW/4 Section 27: NE/4

(i) The Totah-Gallup Oil Pool in San Juan County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 29 NORTH, RANGE 13 WEST, NMPM Section 32: E/2 NE/4

IT IS FURTHER ORDERED THAT:

- (1) The portion of this application seeking the contraction of the Rio Puerco-Mancos Oil Pool in Sandoval County, New Mexico, by the deletion therefrom of the NW/4 of Section 25, Township 21 North, Range 4 West, NMPM, is hereby denied.
- (2) Pursuant to Section 70-2-18, NMSA 1978, contained in Chapter 271, Laws of 1969, any well which, by virtue of any of the above pool extensions, is subject to pool rules providing for spacing or proration units larger than the one which is presently dedicated thereto, shall have 60 days from the effective date of this order in which to file new Forms C-102 dedicating a standard unit for the pool to said well, or to obtain a non-standard unit approved by the Division. Pending such compliance, the well shall receive a maximum allowable in the same proportion to a standard allowable for the pool that the acreage dedicated to the well bears to a standard unit for the pool. Failure to file Form C-102 dedicating a standard unit to the well or to obtain a non-standard unit approved by the Division within said 60-day period shall subject the well to cancellation of allowable.
- (3) The effective date of this order and all contractions and extensions included herein shall be April 1, 1988.

-5-Case No. 9349 Order No. R-8640

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

WILLIAM J. LEMAY

Director

SEAL

Mike Stogner

From:

To:

Subject:

Daté:

Ernie Busch Mike Stogner MERIDIAN OIL INC (NSL) Monday, May 08, 1995 11:02AM

Priority:

High

CANYON LARGO UNIT #430 1455' FSL; 1435' FWL 14-25N-07W

RECOMMEND: APPROVAL