

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

CONTACT RECEIVING
OFFICE FOR NUMBER
OF COPIES REQUIRED
(Other instructions on reverse
side)

BLM Roswell District
Modified Form No.
NM060-3160-4

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT-" for such proposals.)

1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NM-67985	
2. NAME OF OPERATOR Meridian Oil Inc.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
3. ADDRESS OF OPERATOR 21 Desta Dr., Midland, TX 79705		3a. AREA CODE & PHONE NO. 915-686-5600	7. UNIT AGREEMENT NAME
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface 1140' FSL & 330' FEL		8. FARM OR LEASE NAME Benson "3" Federal	
		9. WELL NO. 7	
		10. FIELD AND POOL, OR WILDCAT Shugart (Y, SR, Q, G)	
		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 3, T19S, R30E	
14. PERMIT NO.	15. ELEVATIONS (Show whether DF, RT, GR, etc.) 3411' GR.	12. COUNTY OR PARISH Eddy	13. STATE NM

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF

<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>

PULL OR ALTER CASING

<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input checked="" type="checkbox"/>

FRACTURE TREAT

MULTIPLE COMPLETE

SHOOT OR ACIDIZE

ABANDON*

REPAIR WELL

CHANGE PLANS

(Other)

SUBSEQUENT REPORT OF:

WATER SHUT-OFF

<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>

FRACTURE TREATMENT

SHOOTING OR ACIDIZING

(Other)

REPAIRING WELL

ALTERING CASING

ABANDONMENT*

<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Locations previously submitted have been unacceptable to either the BLM or to the operators in the potash area. The location proposed by this notice is outside the potash area and it acceptable to the BLM (based on discussions with Barry Hunt, BLM-Carlsbad, NM). The new proposed location is:

1140' FSL & 330' FEL, Sec. 3, T19S, R30E.

Pending receipt of an approved permit from the BLM and approval of this unorthodox location by the NMOCD, the well will be drilled at this site.

A new plat is attached.

BLM SITE EXAMINER CATANACH
OIL CONSERVATION DIVISION

Meridian EXHIBIT NO. 2
CASE NO. 10247

MERIDIAN OIL

FEB 14 1991

MIDLAND, TEXAS
ENVIRONMENTAL/REGULATORY

RECEIVED
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CATT
AREA

18. I hereby certify that the foregoing is true and correct

SIGNED Robert L. Bradshaw

TITLE Sr. Staff Env./Reg. Spec.

DATE 07 February 1991

(This space for Federal or State office use)

APPROVED BY Shannon J. Shaw

TITLE Petroleum Engineer

DATE 2/11/91

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side

MERIDIAN OIL

January 18, 1991

Amax Potash Corp.
P. O. Box 279
Carlsbad, New Mexico 88220

Re: Meridian Oil Inc.
Benson "3" Federal #7
Sec. 3, T19S, R30E,
Eddy County, New Mexico
NM-67985

Gentlemen:

Meridian Oil Inc. is submitting an application for permit to drill the above referenced well in the Potash area where your facility is located. A copy of the WELL LOCATION AND ACREAGE DEDICATION PLAT is attached for your use. Based on available information, this location should be outside the one-quarter mile buffer zone. After reviewing the attached, please advise me if this location is outside the buffer zone.

If there are any questions concerning this matter, please contact me at 915-686-5744.

Very truly yours,

MERIDIAN OIL INC.



Don W. Davis
Area Landman

DWD/bk
Enclosure

cc: Well File
BLM - Carlsbad
OCD - Artesia
D. McBee
D. Sledge
M. Gattis
L. Catalano

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JAN 18 1991

RESERVOIR

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

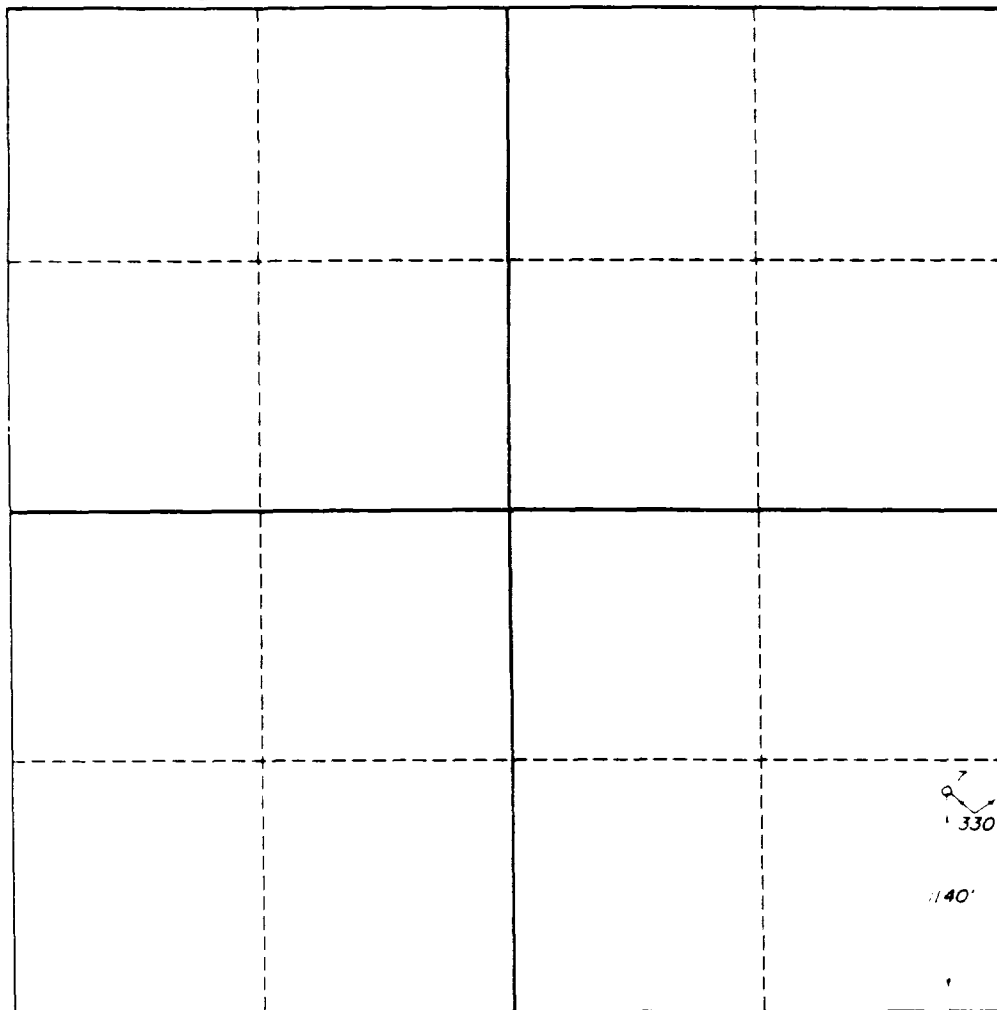
Operator	Lease	Well No.
MERIDIAN OIL, INC.	BENSON "3" FEDERAL	7
Unit Letter	Section	Township
B	3	9-SOUTH
Range	County	
30-EAST	NMPM	EDDY
Actual Footage Location of Well		
140	feet from the SOUTH line and	330
feet from the EAST line	Producing Formation	Dedicated Acreage
3411'		Acres

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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

Printed Name

Position

Company

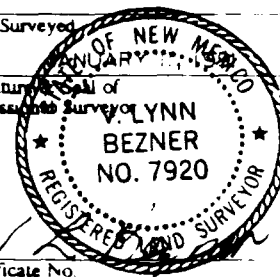
Date

SURVEYOR CERTIFICATION

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

Signature of Professional Surveyor



Certificate No.

V. LYNN BEZNER, R.L.S. # 7920

AMAX POTASH CORPORATION

A Subsidiary of AMAX INC

P. O. BOX 279

CARLSBAD, NEW MEXICO 88221-0279

(505) 885-3157

December 11, 1990

*xc-File
Mo Gaddis
Lee Catalano
Dennis S.
Bob Bradshaw
D.R. & T.O.*

Mr. Don W. Davis
Area Landman
Meridian Oil, Inc.
21 Desta Drive
Midland, Texas 79705

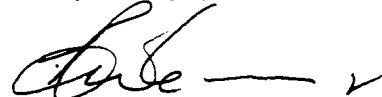
Re: MOI-Benson "3" Federal No. 6
MOI-Benson "3" Federal No. 7
Section 3, T-19-S, R-30-E
Eddy County, New Mexico
NM-8148

Dear Mr. Davis:

In reply to your letter, dated December 3, 1990, we have reviewed your proposal for an amended location for the Benson "3" Federal No. 7 well. Our findings are as follows:

The new location of 990' FSL & 330' FEL for the Benson "3" Federal No. 7 well falls approximately 1,500 feet from our open workings in the Third Ore Zone. Since the location falls outside the one-quarter mile buffer zone, AMAX Potash would not oppose the well as long as the drilling activity meets the criteria as stated in the agreement for wells drilled between one-quarter and one-half mile of potash operations. The terms, as spelled out in the agreement state the hole may not extend below the Delaware Mountain Group and the hole is cased according to current requirements by the BLM for wells drilled inside the R-111-A or Potash Area.

Very truly yours,



Ralph W. Crosser, Jr.
Vice President and General Manager

RWC:ca

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DEC 17 1990
RESERVOIR

MERIDIAN OIL

December 3, 1990

Ralph W. Crosser, Jr.
Vice President and General Manager
Amax Potash Corporation
P. O. Box 279
Carlsbad, New Mexico 88221-0279

Re; MOI-Benson "3" Federal No. 6
MOI-Benson "3" Federal No. 7
Section 3, T-19-S, R-30-E
Eddy County, New Mexico
NM-8148

Dear Mr. Crosser:

In your letter of November 27, 1990, Amax Potash Corporation objected to Meridian's drilling of the captioned well at a location of 330' FSL & 330' FEL of Section 3, T-19-S, R-30-E. If we can acquire BLM approval, Meridian proposes to move this well to a location of 990' FSL & 330' FEL of Section 3. At your earliest convenience, please review this amended location and advise the undersigned if same meets with your company's approval.

Thank you for your consideration concerning this request.

Very truly yours,

MERIDIAN OIL INC.



Don W. Davis
Area Landman

DWD/lg

cc: Mo Gaddis
Dennis Sledge
Bob Bradshaw



A Subsidiary of AMAX INC

P O. BOX 279 CARLSBAD, NEW MEXICO 88221-0279 (505) 885-3157

November 27, 1990

Meridian Oil Inc.
21 Desta Drive
Midland, Texas 79705

Re: MERIDIAN OIL INC.
BENSON "3" FEDERAL NO. 6
BENSON "3" FEDERAL NO. 7
SEC. 3, T19S, R30E
EDDY COUNTY, NM
NM-67985

Attention: Mr. R. L. Bradshaw

Gentlemen:

We are in receipt of your letter, dated November 20, 1990, indicating you have applied for drilling permits for the two wells referenced above.

AMAX Potash Corporation operates an underground potash mine within several hundred feet of the proposed well locations. In accordance with "The Statement of Agreement Between the Potash Industry and Oil and Gas Industry on Concurrent Operations in the Potash Area" adopted by the New Mexico Oil Conservation Commission, we are protesting the proposed location of the Benson "3" Federal No. 7 oil well 330' FSL, 330' FEL, in Section 3, T19S, R30E. This well location falls approximately 1,100 feet from our underground workings, well within the one-half mile buffer zone allowed for in the Agreement.

The proposed location for the Benson "3" Federal No. 6, 2,310' FSL, 480' FEL, in Section 3, T19S, R30E, falls outside the buffer zone allocation and we would not protest the location.

Very truly yours,

A handwritten signature in cursive script, appearing to read "R. Crosser", followed by a horizontal line and a small flourish.

Ralph W. Crosser, Jr.
Vice President and General Manager

RWC:ca

cc: Bureau of Land Management
P. O. Box 1778
Carlsbad, New Mexico 88221-1778

New Mexico Oil Conservation Commission
Drawer DD
Artesia, New Mexico 88210

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