

MERIDIAN OIL

April 30, 1987

Mr. Bill LeMay
New Mexico Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: San Juan 30-6 Unit #404
Horizontal Wellbore

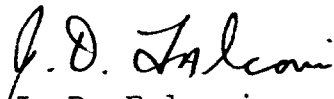
Dear Mr. LeMay:

Enclosed please find Meridian Oil's application for a non-standard gas well location in the Undesignated Fruitland pool. Also enclosed are courtesy copies of Meridian's application for permit to drill and subsequent sundry notices on the referenced well.

This well has an orthodox surface location; however, the lateral section of the wellbore extends beyond the orthodox location limits defined for regular gas spacing (New Mexico Oil Conservation Division District III Pools Plat "B").

Meridian Oil feels it is in the best interest of all parties involved to initiate the review procedure of the referenced well to allow for a timely approval of our application and subsequent sundry notices.

Sincerely yours,


J. D. Falconi
(Jim)
JDF:pd

cc: Frank Chavez, Aztec NMOCD

MERIDIAN OIL

August 31, 1987

Mr. Mike Stogner
New Mexico Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87501

M.S.
Case 9217

Dear Mr. Stogner:

In reference to the telephone conversation August 31 with Patrick Bent, the following bottom hole wellbore location clarification concerning the San Juan 30-6 Unit #404 is attached.

The possible bottom hole location will be situated on a 90° arc from due south to due east and extending approximately 1470' feet from the surface location (1135'N, 1635'E, Section 23, T-30-N, R-7-W, Rio Arriba County, New Mexico), as shown on the attached plat.

The exact direction of the high angle wellbore will be determined utilizing data received from oriented cores to be taken during drilling operations. The 90° south to east window will allow Meridian Oil leeway until the direction determination can be made.

We appreciate your help in this matter.

Very truly yours,

S. W. Nance

S. W. Nance
Drilling Manager

PWB:pd

xc: Mr. Frank Chavez
New Mexico Oil Conservation Division
Aztec, New Mexico

MERIDIAN OIL

August 25, 1987

Mr. Mike Stogner
New Mexico Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87501

Case 9217

Dear Mr. Stogner:

This is a request for administrative approval for an unorthodox bottom hole wellbore location in the Undesignated Fruitland Pool.

It is intended to locate the El Paso Natural Gas Company San Juan 30-6 Unit #404 at 1135' from the North line and 1635' from the East line of Section 23, T-30-N, R-7-W, Rio Arriba County, New Mexico.

Surface location of the subject well is orthodox. However, the lateral section of the wellbore extends beyond the orthodox location limits defined for regular gas spacing (New Mexico Oil Conservation Division District III Pools, Plat "B").

El Paso Natural Gas Company operates the offsetting leases. The wellbore location at Total Depth is indicated on the attached plat.

Meridian Oil feels it is in the best interest of all parties involved to initiate the review procedure of the referenced well to allow for a timely approval of our application and subsequent sundry notices.

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S. W. Nance PWB
S. W. Nance
Drilling Manager

PWB:pd

xc: Mr. Frank Chavez
New Mexico Oil Conservation Division
Aztec, New Mexico

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION



October 13, 1987

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE NEW MEXICO 87501
(505) 827-5800

Mr. Thomas Kellahin
Kellahin, Kellahin & Aubrey
Attorneys at Law
Post Office Box 2265
Santa Fe, New Mexico 87504-2265

Re: CASE NO. 9217
ORDER NO. P-8526

Applicant:

Meridian Oil Inc.

Dear Sir:

Enclosed herewith are two copies of the above-referenced
Division order recently entered in the subject case.

Sincerely,

Florence Davidson

FLORENE DAVIDSON
OC Staff Specialist

Copy of order also sent to:

Hobbs OCD ✓
Artesia OCD ✓
Aztec OCD ✓

Other _____

MERIDIAN OIL

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Santa Fe, New Mexico 87501

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xc: Mr. Frank Chavez
New Mexico Oil Conservation Division
Aztec, New Mexico

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENTP. O. BOX 2088
SANTA FE, NEW MEXICO 87501Form C-102
Revised 10-1-78

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

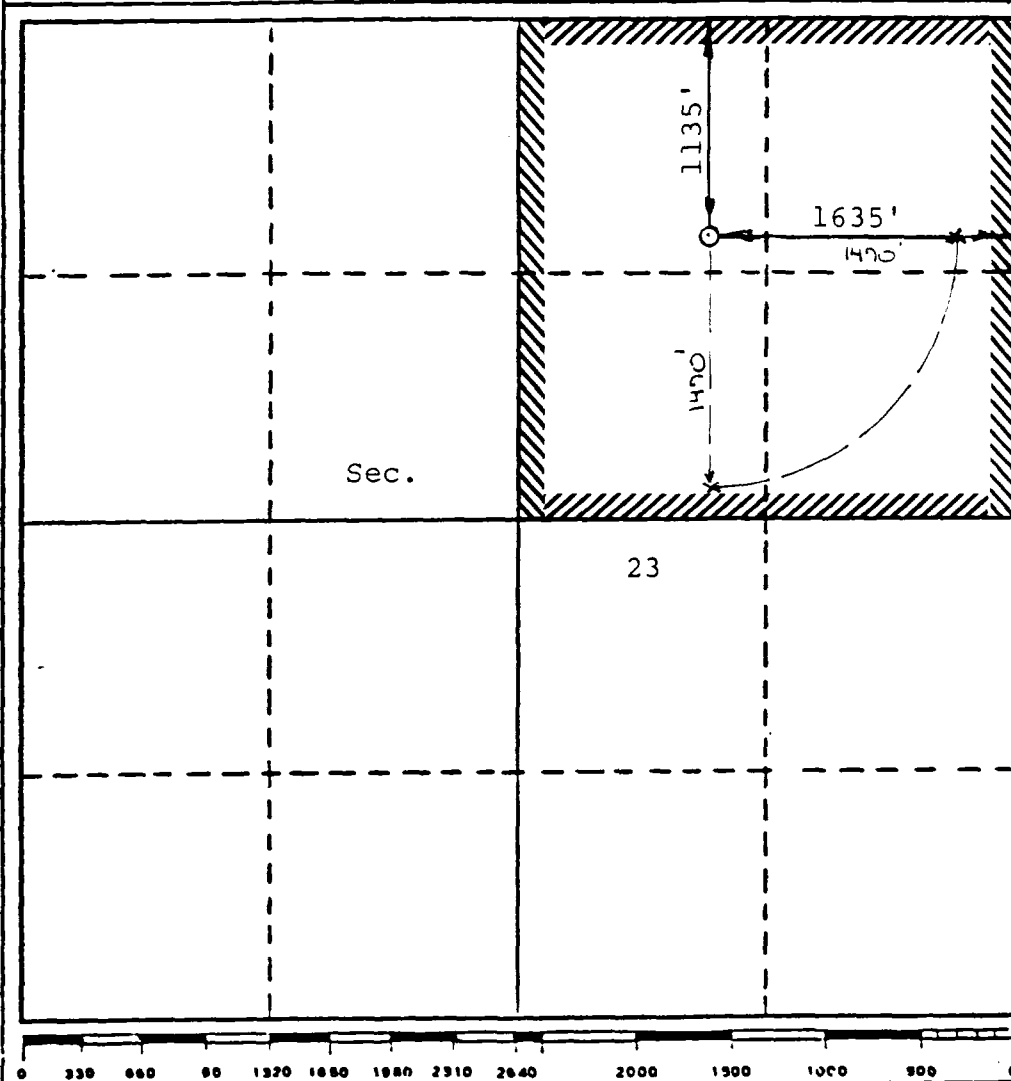
Operator El Paso Natural Gas Company			Lease San Juan 30-6 Unit(SF 079382)		Well No. 404
Unit Letter B	Section 23	Township 30N	Range 7W	County Rio Arriba	
Actual Footage Location of Well: 1135 feet from the North line and 1635 feet from the East line					
Ground Level Elev. 6141	Producing Formation Fruitland	Pool Undesignated		Dedicated Acreage: 160 Acres	

1. Outline the acreage dedicated to the subject 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, force-pooling, etc?

☒ Yes ☐ No If answer is "yes," type of consolidation Unitization

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 Division.



CERTIFICATION

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

Name

Drilling Clerk

Position

El Paso Natural Gas Company

Company

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.

April 3, 1986

Date Surveyed

David M. Kelsey

Registered Professional Engineer and/or Land Surveyor

Certificate No.

5855

MERIDIAN OIL

August 25, 1987

Mr. Mike Stogner
New Mexico Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87501

(File 9217)

Dear Mr. Stogner:

This is a request for administrative approval for an unorthodox bottom hole wellbore location in the Undesignated Fruitland Pool.

It is intended to locate the El Paso Natural Gas Company San Juan 30-6 Unit #404 at 1135' from the North line and 1635' from the East line of Section 23, T-30-N, R-7-W, Rio Arriba County, New Mexico.

Surface location of the subject well is orthodox. However, the lateral section of the wellbore extends beyond the orthodox location limits defined for regular gas spacing (New Mexico Oil Conservation Division District III Pools, Plat "B").

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Very truly yours,

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Drilling Manager

PWB:pd

xc: Mr. Frank Chavez
New Mexico Oil Conservation Division
Aztec, New Mexico

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENTP. O. BOX 2088
SANTA FE, NEW MEXICO 87501Form C-102
Revised 10-1-78

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

Operator El Paso Natural Gas Company		Lease San Juan 30-6 Unit(SF 079382)		Well No. 404
Unit Letter B	Section 23	Township 30N	Range 7W	County Rio Arriba

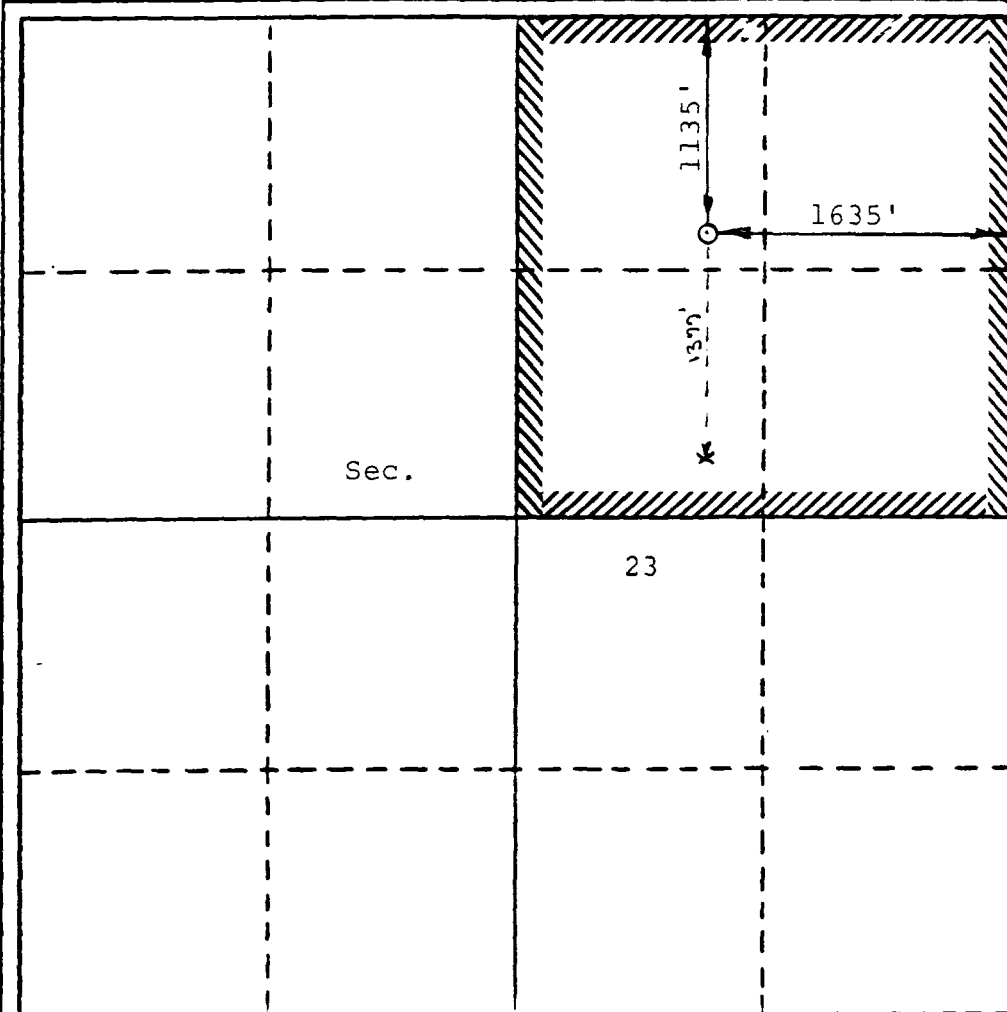
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Drilling Clerk

Position

El Paso Natural Gas
Company

Date

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April 3, 1986

Date Surveyed

David M. Kelsey

Registered Professional Engineer
and/or Land Surveyor

Certificate No.

5855

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

MERIDIAN OIL

April 30, 1987

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New Mexico Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87501

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Horizontal Wellbore

Dear Mr. LeMay:

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Meridian Oil feels it involved to initiate to allow for a timely sundry notices.

(12 1/2, [signature] 1 parties
[signature] referenced well
[signature] subsequent

Sincerely yours,

J. D. Falconi
J. D. Falconi

(Jim)
JDF:pd



cc: Frank Chavez, Aztec NMOCD

MERIDIAN OIL

April 30, 1987

Mr. William LeMay
New Mexico Oil Conservation Division
Post Office Box 2088
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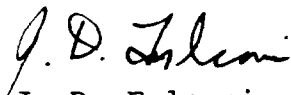
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Surface location of the subject well is orthodox. However, the lateral section of the wellbore extends beyond the orthodox location limits defined for regular gas spacing (New Mexico Oil Conservation Division District III Pools, Plat "B").

Meridian Oil Inc. is operator of offsetting leases.

Plats showing the proposed well location in Section 23, along with an ownership plat, are attached.

Sincerely yours,



J. D. Falconi
Project Drilling Engineer

encl.

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

Operator El Paso Natural Gas Company			Lease San Juan 30-6 Unit (SF 079382)		Well No. 404
Unit Letter B	Section 23	Township 30N	Range 7W	County Rio Arriba	
Actual Postage Location of Well:					
1135 feet from the North line and		1635 feet from the East line			
Ground Level Elev. 6141	Producing Formation Fruitland	Pool Undesignated		Dedicated Acreage: 160 Acres	

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<p>RECEIVED</p> <p>APR 22 1986</p> <p>BUREAU OF LAND MANAGEMENT</p> <p>FARMINGTON RESOURCE AREA</p> <p>Sec.</p> <p>23</p>		<p>CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>David M. Kelsey</i></p> <p>Name</p> <p>Drilling Clerk</p> <p>Position</p> <p>El Paso Natural Gas</p> <p>Company</p> <p>Date</p>
	<p>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.</p> <p>April 3, 1986</p> <p>Date Surveyed</p> <p>David M. Kelsey</p> <p>Registered Professional Engineer and/or Land Surveyor</p> <p><i>David M. Kelsey</i></p> <p>Certificate No.</p> <p>5855</p>	

0 330 660 990 1320 1650 1980 2310 2640 2970 3300 3630 3960 4290 4620 4950 5280 5610 5940 6270 6600

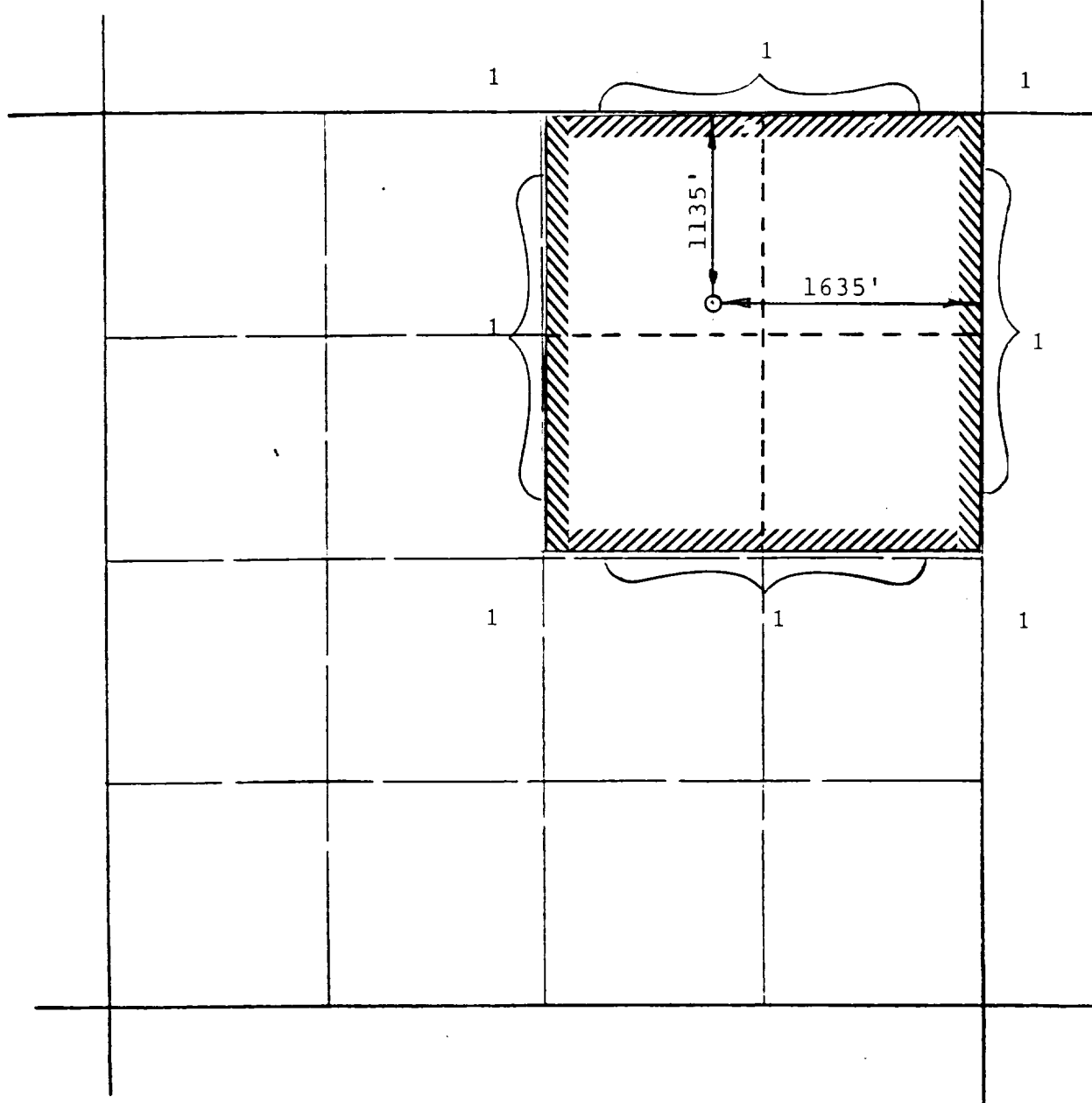
EL PASO NATURAL GAS COMPANY

Well Name San Juan 30-6 Unit #404, Fruitland

Footage----- 1135' FNL, 1635' FEL

APPLICATION FOR NON-STANDARD LOCATION

County Rio Arriba State New Mexico Section 23 Township 30N Range 7W



REMARKS: (1) San Juan 30-6 Unit, El Paso Natural Gas Company-Operator

eld

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. SF 079382	
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> .. OTHER <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR El Paso Natural Gas Company		7. UNIT AGREEMENT NAME San Juan 30-6 Unit	
3. ADDRESS OF OPERATOR PO Box 4289, Farmington, NM 87499		8. FARM OR LEASE NAME San Juan 30-6 Unit	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1135'N, 1635'E At proposed prod. zone		9. WELL NO. 404	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OF BUREAU OF LAND MANAGEMENT 4 miles NE of Navajo City, NM FARMINGTON RESOURCE AREA		10. FIELD AND POOL, OR WILDCAT Undes. Fruitland	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drilg. unit line, if any) 1135'		11. SEC., T., R., M., OR BLK. Sec. 25, T. 36 N, R-7-W NMPM	
16. NO. OF ACRES IN LEASE Unit		12. COUNTY OR PARISH Rio Arriba NM	
17. NO. OF ACRES ASSIGNED TO THIS WELL 160.00		13. STATE	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED OR APPLIED FOR, ON THIS LEASE, FT. 2000		14. ROTARY OR CABLE TOOLS Rotary	
19. PROPOSED DEPTH 3065'		20. APPROX. DATE WORK WILL START*	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 6141' GL		22. APPROX. DATE WORK WILL START*	
23. DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED GENERAL REQUIREMENTS PROPOSED CASING AND CEMENTING PROGRAM This action is subject to technical and procedural review pursuant to 43 CFR 3165.1 and appeal pursuant to 43 CFR 3165.4.			
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH
12 1/4"	9 5/8"	36.0#	500'
8 3/4"	7"	20.0&23#	3065'
QUANTITY OF CEMENT		313 cu.ft. circulated	
		1st st-260 cf cov. Kirtland	
		2nd st-625 cf circ. surf.	

The Fruitland formation will be completed.

A 3000 psi WP and 6000 psi test double gate preventer equipped with blind and pipe rams will be used for blow out prevention on this well.

This gas is dedicated.

The NE/4 of Section 23 is dedicated to this well.

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

24. SIGNED [Signature] TITLE Drilling Clerk DATE 04-21-86

(This space for Federal or State office use)

APPROVAL NO. 04-21-86 APPROVAL DATE 04-21-86

not to be used by the applicant
holder for or equitable rights
or title to this lease."

OPERATOR

*See Instructions On Reverse Side

APPROVED
DATE APR 23 1986

ACTING [Signature]
AREA MANAGER

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

Operator El Paso Natural Gas Company			Lease San Juan 30-6 Unit (SF 079382)		Well No. 404
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		<p>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.</p> <p>April 3, 1986</p> <p>Date Surveyed _____</p> <p><u>David M. Kelsey</u></p> <p>Registered Professional Engineer and/or Land Surveyor</p> <p>Certificate No. <u>5855</u></p>	

OPERATIONS PLAN

Well Name - SAN JUAN 30-6 UNIT #404

Date: 11-Apr-86

I. Location: 1135'N, 1635'E, SEC.23, T-30-N, R-7-W, RIO ARRIBA CO., NM

Field: UNDESIGNATED FRUITLAND

Elevation: 6141' GL

II. Geology:

A. Formation Tops:	Surface	SAN JOSE
	Ojo Alamo	1980
	Kirtland	2200
	Fruitland	2760
	Total Depth	3065

B. Logging Program: I-ES & GR-FDC-CNL at Total Depth.

C. Coring: None

III. Drilling:

A: Mud Program: Mud from surface to 3065 .

IV. Materials:

A. Casing Program:	Hole Size	Depth	Csg. Size	Weight	Grade
	12 1/4"	500	9 5/8"	36.0#	K-55
	8 3/4"	2565	7"	20.0#	K-55
	8 3/4"	3065	7"	23.0#	K-55

B. Float Equipment: 9 5/8" surface casing - Saw Tooth guide shoe

7" production casing - guide shoe and self-fill insert valve, one stage cementer equipped for two stage cementing. Set tool for second stage at 2080 . Run 18 centralizers spaced as follows: two on each of the bottom five joints, one on the next two joints, one below the stage tool and five above spaced every other joint.

C. Tubing: 3065 of 2 7/8", 6.5#, J-55 8rd EUE tubing bull plugged on bottom. Run a common pump seating nipple, a pump out plug, and a 10' perforated pup joint one joint off bottom.

D. Wellhead Equipment: 9 5/8" 2000 psi x 11" casing head with 11" x 7" casing hanger, 11" 2000 psi x 7 1/16" 2000 psi xmas tree.

OPERATIONS PLAN

Well Name - SAN JUAN 30-6 UNIT #404

Date: 15-Apr-86

V. Cementing:

9 5/8" surface casing-use 265 sks. of Class B cement with 1/4# gel-flake/sk. and 3% calcium chloride (313 cu.ft. of slurry, 100% excess to circulate to surface). WOC 12 hours. Test casing to 600 psi for 30 minutes.

7" production casing:

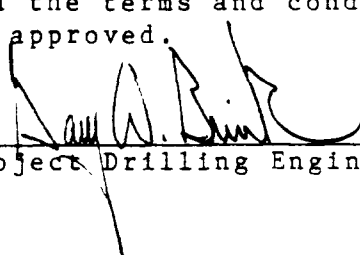
First stage use - 184 sks. 50/50 Class B Poz with 2% gel, and 1/4 cu. ft. Gilsonite per sk. (5.4 gallons of water per sk.)
(260 cu. ft. of slurry, 100% excess to cover the Kirtland).

Second stage - Circulate with mud for 2.5 hours, then cement with 386 sks. of 65/35 Class B Poz with 6% gel, 2% calcium chloride and 8.3 gallons water per sk. (625 cu.ft. of slurry, 100% excess to circ. to surface). Run temperature survey on top stage at 8 hours. WOC 18 hrs.

Multi-Point Surface Use Plan
EPNG San Juan 30-6 Unit #404

1. Existing Road - Please refer to Maps No. 1 and 2 which show the existing roads. New roads which will be required have been marked on this map. All existing and new roads will be properly maintained during the duration of this project.
2. Planned Access Roads - Please refer to Map No. 2. The maximum grade of the access roads will be 3°. Approximately 100 feet of road will be constructed that 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. No culverts will be required to control drainage. No gates or cattleguards will be installed.
3. Location of Existing Wells - Please refer to Map No. 3.
4. Location of Tank Batteries, Production Facilities, and Production Gathering and Service Lines - Please refer to Maps No. 2 and 3. Map No. 3 shows the existing gas gathering lines. Map No. 2 shows the existing roads and new proposed access roads. All proposed production facilities are shown on the attached anticipated production facility plat.
5. Location and Type of Water Supply - Water will be hauled by truck for the proposed project and will be obtained from Francis Creek located in SE 14-30-7.
6. Source of Construction Materials - No additional materials will be required to build either the access road or the proposed location.
7. Methods of Handling Waste Materials - All garbage and trash materials will be put into trash baskets on location. A latrine, the location of which is also shown on Plat No. 1, will be provided for human waste. If large amounts of 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 any of these materials into the watershed. No earthen pit will be located on natural drainage; all earthen pits will be so constructed as to prevent leakage from occurring.

8. Ancillary Facilities - No camps or air strips will be associated with this project.
9. Wellsite Layout - Please refer to the attached plat that includes cut and fill, orientation diagram and shows access road. The reserve pit will not be lined.
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 regulatory body. The location production equipment will be painted as designated by the responsible government agency.
11. Other Information- Terrain is Navajo Lake with pinon, juniper and sage growing. Mr. Roque Abeyta is the surface owner. Deer, elk, rabbits and cattle are occasionally seen on the proposed project site.
12. Operators Representative - D. C. Walker, Post Office Box 4289, Farmington, NM 87499, telephone (505) 327-0251.
13. Certification - 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 El Paso Natural Gas Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

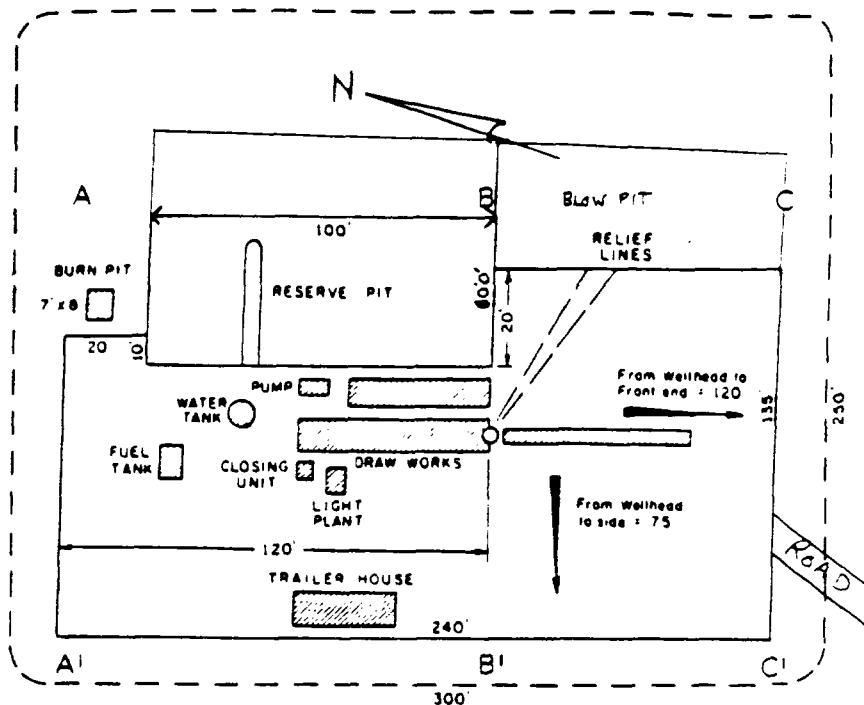


Project Drilling Engineer

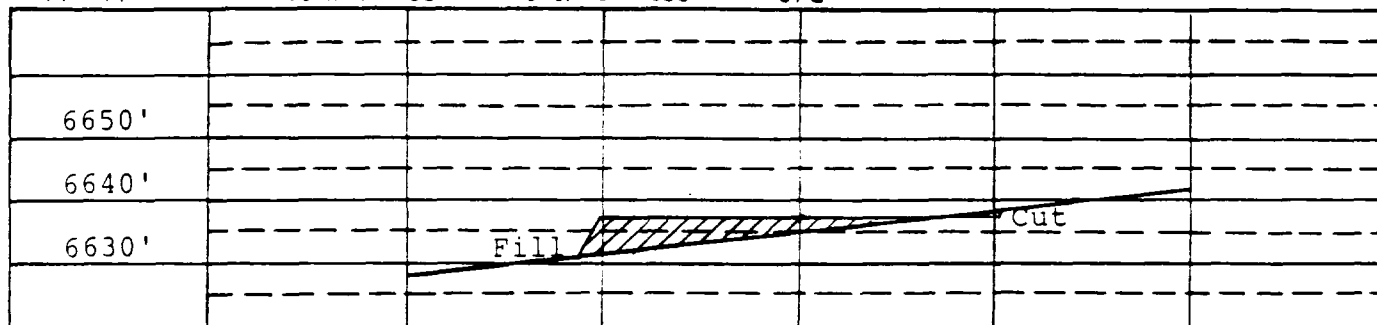
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MERIDIAN OIL

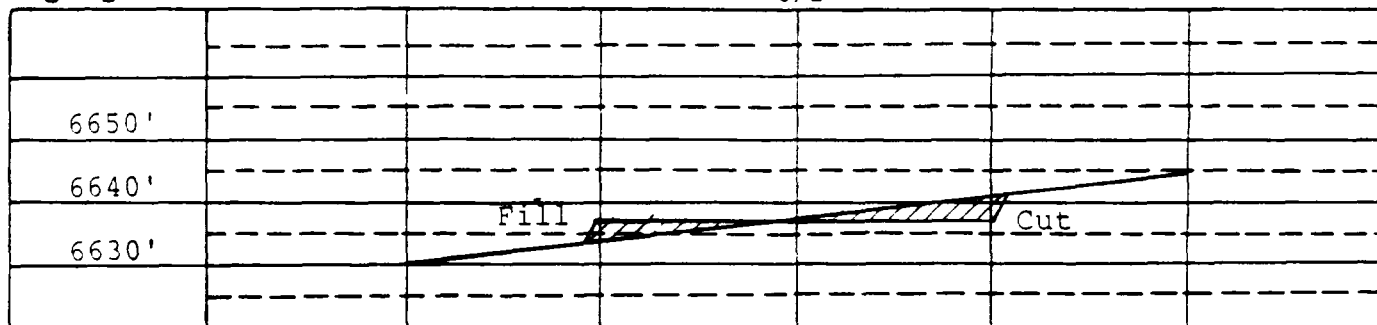
WELL NAME
 El Paso Natural Gas Company
 San Juan 30-6 Unit #404
 1135 F/NL 1635 F/EL
 Section 23 T-30-N R-7-W
 Rio Arriba Co., N.M.
 Fruitland



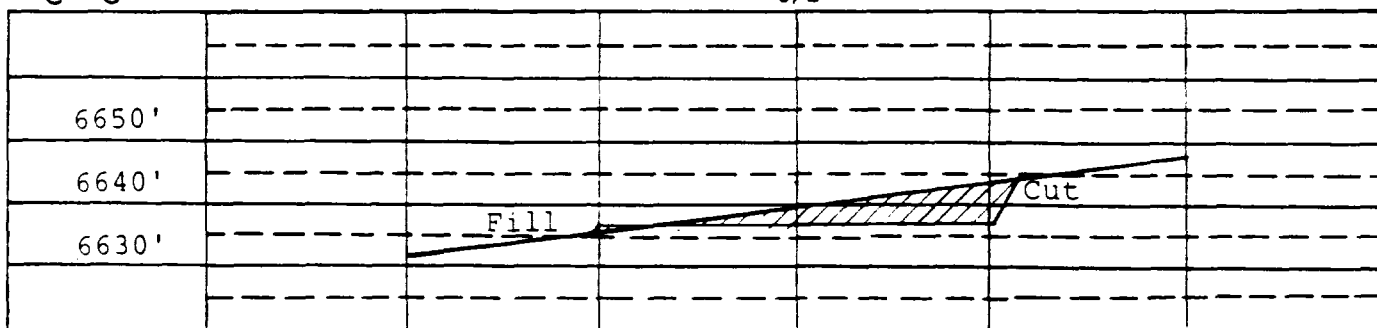
A - A' Vert.: 1" = 30' Horiz.: 1" = 100' C/L



B - B' C/L

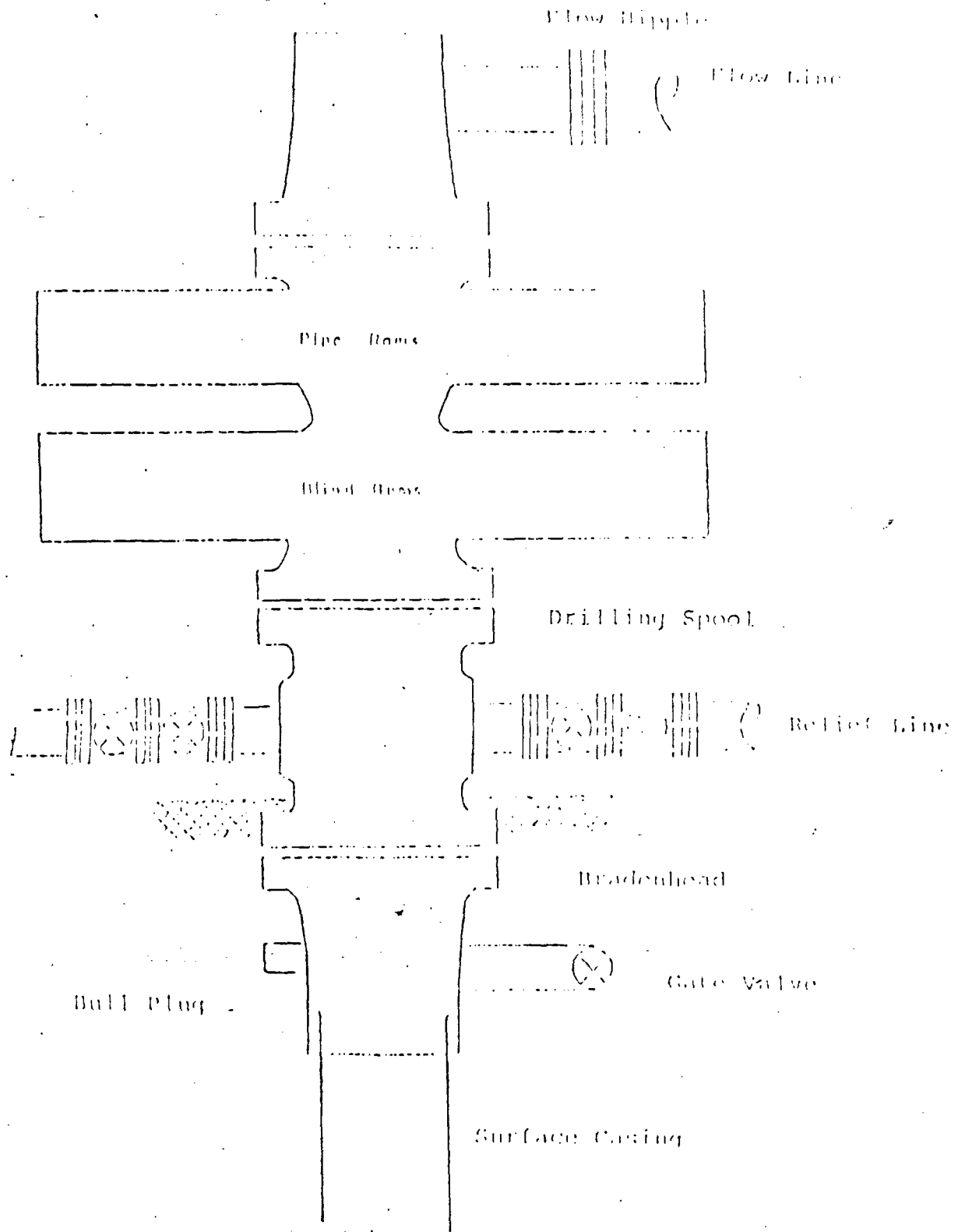


C - C' C/L

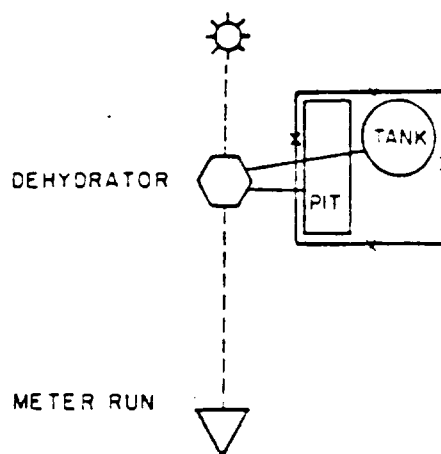


TYPICAL LOCATION PLAT FOR PICTURED CLIFFS DRILL SITE

Series 900 Double Gate BOP, rated
for Blow-Verde Well

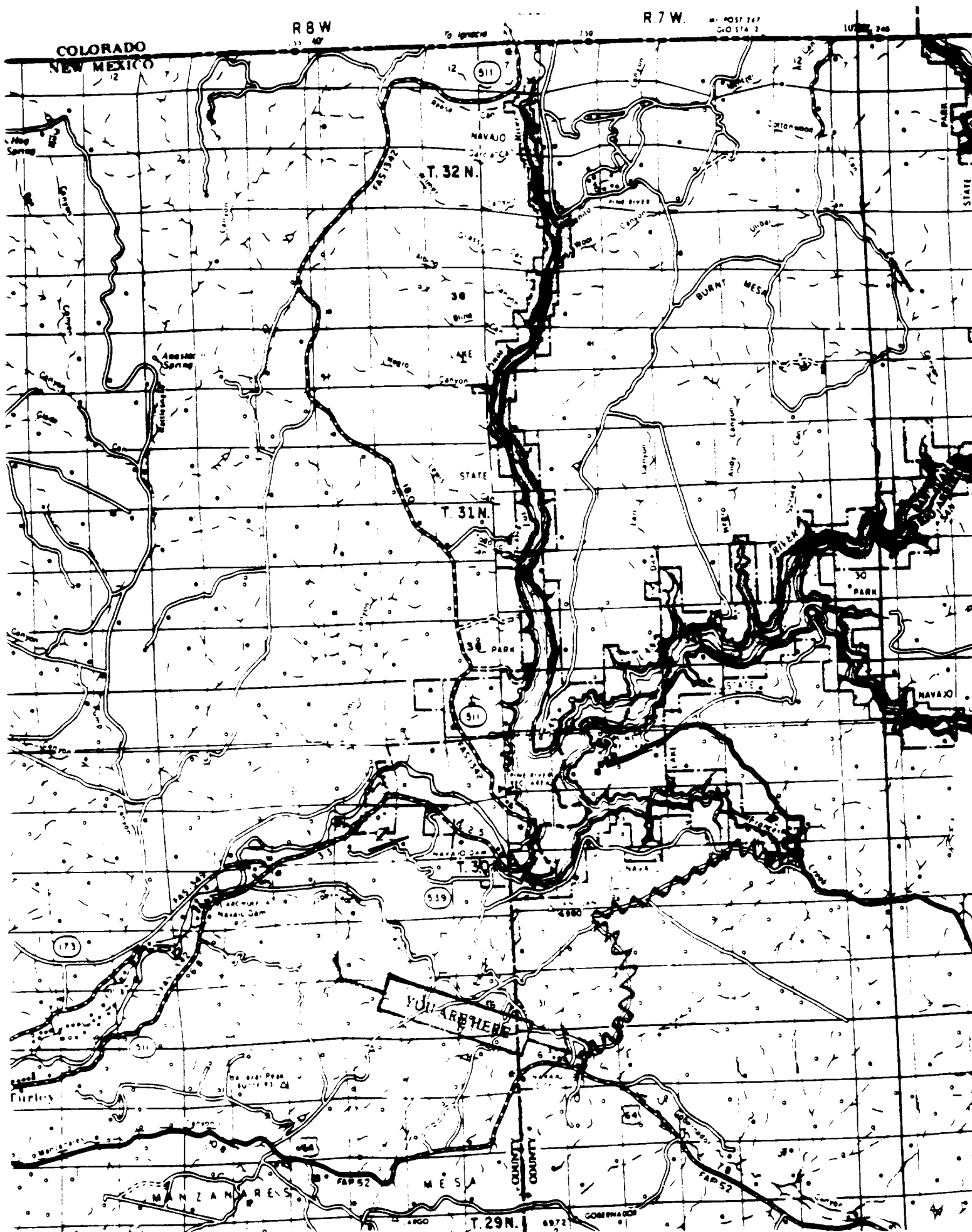


Series 900 Double Gate BOP, rated
at 3000 psi Working Pressure
When gas drilling operations begin a Shaffer type 50
or equivalent rotating head is installed on top of the
flow nipple and the flow line is converted into a blowie line

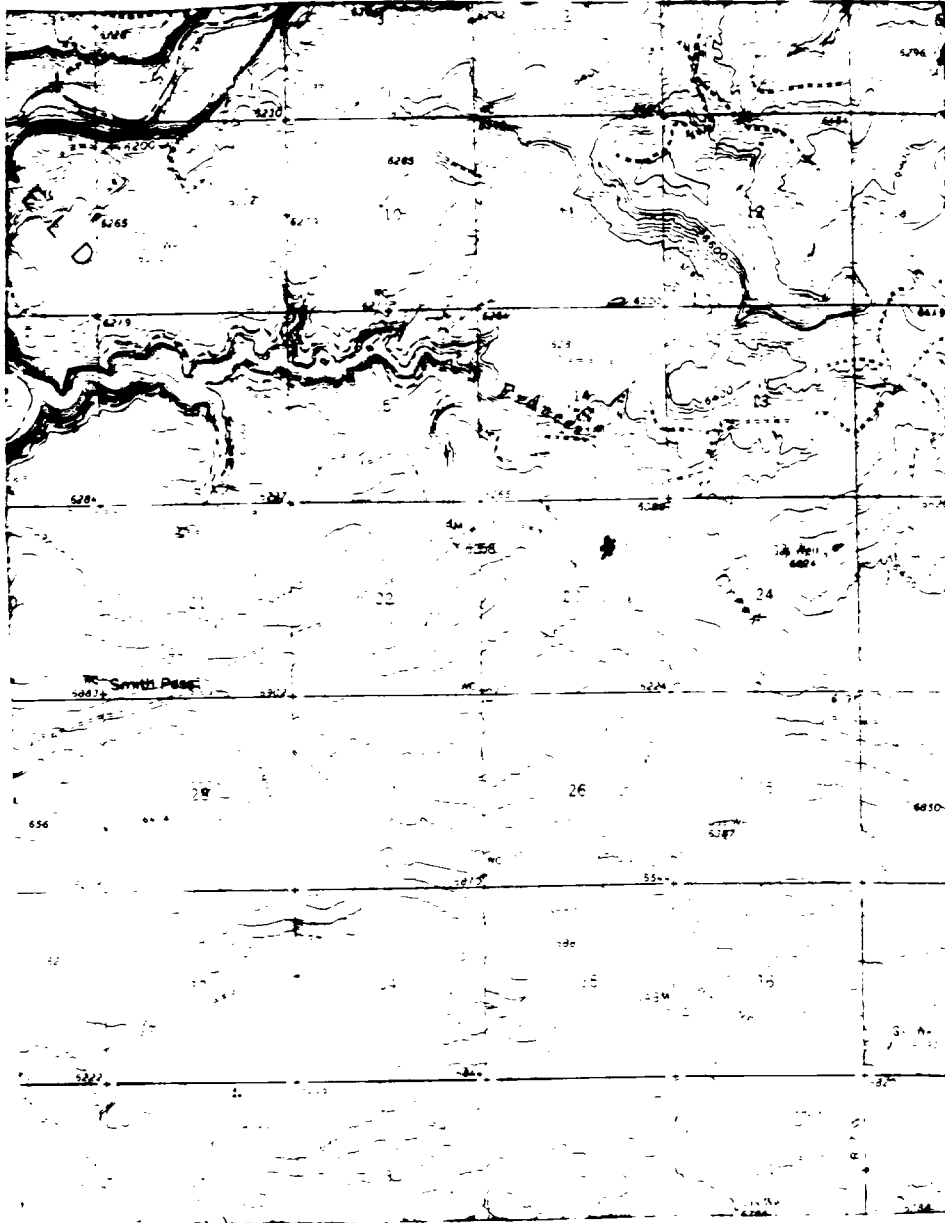


Anticipated Production Facilities For
Mesaverde or Dakota Well

					ENG. REC.	DATE
					DRAWN	
					CHECKED	
					CHECKED	
					PROJ. APP.	
PRT.	SEP.	DATE	TO:	W.O.	DESIGN	









SAN JUAN 30-6 Unit 404
NE 23-30-7



Map #2

LEGEND OF RIGHT-OF-WAYS

- EXISTING ROADS 
- EXISTING PIPELINES 
- EXISTING ROAD & PIPELINE 
- PROPOSED ROADS 
- PROPOSED PIPELINES 
- PROPOSED ROAD & PIPELINE 

Map #3
Location 0

"Requirements for Production Start-up"

This addendum supersedes Part 1(J) of the "GENERAL REQUIREMENTS FOR OIL AND GAS OPERATIONS ON FEDERAL AND INDIAN LEASES"

Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or Sundry Notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such Production has begun or resumed."

The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which gas is first measured through permanent metering facilities, whichever first occurs.

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162.4-1(b)(5)(ii).

The following information is required on the production start-up notice:

1. Operator name.
2. Well name and number.
3. Well location (1/4 1/4, sec., T., R., P.M., County and State).
4. Date well was placed on production.
5. The nature of the well's production, i.e., crude oil, or crude oil and casinghead gas, or natural gas and entrained liquid hydrocarbons.
6. The Federal or Indian lease prefix and number on which the well is located. Otherwise the non-Federal or non-Indian land category, i.e., State or private.
7. As appropriate, the unit agreement name, number and participating area name.
8. As appropriate, the communitization agreement number.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Caller Service 4104
Farmington, New Mexico 87499

IN REPLY, REFER TO
3100 (016)

El Paso Natural Gas Company
#404 San Juan 30-6 Unit
Santa Fe 079382
NW $\frac{1}{4}$ NE $\frac{1}{4}$ sec. 23, T. 30 N., R. 7 W.
Rio Arriba County, New Mexico

Above Data Required on Well Sign

GENERAL REQUIREMENTS FOR OIL AND GAS OPERATIONS ON FEDERAL AND INDIAN LEASES

I. Operations:

These requirements apply generally to all oil and gas operations on Federal and Indian leases. They apply specifically to the above-described well. Special requirements that apply and are effective for this well, if any, are check-marked in Section 13 of these General Requirements. The failure of the operator to comply with these requirements and the filing of required reports may result in the assessment of liquidated damages or penalties pursuant to 43 CFR 3163.3 or 3163.4.

I. GENERAL

A. Full compliance with all applicable laws and regulations, with the approved Permit to Drill, and with the approved Surface Use and Operations Plan is required. Lessees and/or operators are fully accountable for the actions of their contractors and subcontractors.

B. Each well shall have a well sign in legible condition from spud date to final abandonment. The sign should show the operator's name, lease name or unit name, well number, location of the well, and the lease serial number, and whether lease is Tribal or allotted.

C. A complete copy of the approved Application for Permit to Drill and the accompanying Surface Use and Operations Plan, along with any conditions of approval, shall be available to authorized personnel at the drill site whenever active construction or drilling operations are under way.

D. For Wildcat wells only, a drilling operations progress report is to be submitted weekly from spud date until the well is completed and the Well Completion Report (Form 3160-4, formerly 9-330) is filed. The report should be on paper not less than 5 x 8 inches in size, and each page should identify the well by operator's name and number, and by well location.

E. Immediate notice is required of all blowouts, fires, spills and accidents involving life-threatening injuries or loss of life. . (See NTL-3A).

F. No construction activities, such as roads, well sites, tank battery sites, pits, or other work involving surface disturbance of previously non-disturbed land will be commenced until a Surface Use and Operations Plan is submitted and approval obtained.

G. Prior approval of the Area Manager is required for variance from the approved drilling program and before commencing plugging operations, plugback work, casing repair work, corrective cementing operations, or suspending drilling operations indefinitely. Emergency approval may be obtained orally, but such approval does not waive the written report requirements.

H. Blowout prevention equipment is to be installed, tested and in working order before drilling below the surface casing, and shall be maintained ready for use until drilling operations are completed.

I. All shows of fresh water and minerals will be reported and protected.

J. This APD is approved subject to the requirement that, should the well be successfully completed for production, this Office must be notified when it is placed in a producing status. Such notification will be in writing and must be received in this Office by not later than the fifth business day following the date on which the well is placed on production. For oil wells first production is when first saleable oil is produced. (Includes oil re-covered from completion operations). Gas well is when a pipeline connection is made. The notification shall provide, as a minimum, the following informational items:

1. Operator name.
2. Well name and number.
3. Well location (1/4 1/4, sec., T., R., P.M., County and State).
4. Date well was placed on production.
5. The nature of the well's production, i.e., crude oil, or crude oil and casinghead gas, or natural gas and entrained liquid hydrocarbons.
6. The Federal or Indian lease prefix and number on which the well is located. Otherwise the non-Federal or non-Indian land category, i.e., State or private.
7. As appropriate, the unit agreement name, number and participating area name.

8. As appropriate, the communitization agreement number.

K. Note Site Security Requirements of 43 CFR 3162.7-4.

L. Unless drilling operations are commenced within one year, approval of Application for Permit to Drill will expire. A written request for extension may be granted if timely submitted.

M. Prior to commencing construction of road, pad, or other associated developments, operator will provide the dirt contractor with a copy of the Surface Use Plan, the conditions of approval, and a copy of Environmental Stipulations Section of these General Requirements.

2. CASING AND CEMENTING REQUIREMENTS

A. Surface casing is to be set at sufficient depth to protect fresh water zones and provide well control; and cement circulated to the surface.

B. Intermediate and production casing strings are to be set and cemented as necessary to effectively isolate and seal off all water, oil, gas, or coalbearing strata encountered, and all potable water zones are to be covered with cement. When cement is not circulated to surface, a temperature or cement bond log is required to determine the cement top.

C. Prior to drilling the plug after cementing, all casing strings shall be pressure tested. Test pressure shall not be less than 600 psi for surface casing, and a minimum of 1,500 psi or 0.2 psi/ft., whichever is greater, for other casing strings. If the pressure declines more than 10 percent in 30 minutes, or if there is other indication of a leak, the casing shall be recemented, repaired, or an additional casing string run, and the casing shall be tested again in the same manner.

D. After cementing but before commencing any tests, the casing string shall stand cemented until the cement has reached a compressive strength of at least 500 psi at the shoe, except that in no case shall tests be initiated until cement has been in place at least 8 hours, WOC time will be recorded in the driller's log.

E. The Area Office shall be notified in sufficient time for a representative to witness cementing of all casing strings.

3. BLOWOUT PREVENTION

A. Blowout preventers and related equipment for well control shall be installed, tested, and maintained in such a manner necessary to maintain well control at all times. All wells, as a minimum, shall be equipped with one blowout preventer rated to at least the anticipated formation pressure in accordance with API RP 53.

B. Blowout preventers shall be equipped with appropriate pressure control equipment for operations being performed. Appropriate size casing rams are required while running casing.

C. Pipe rams shall be activated to test proper functioning at least once each day. Blind rams shall be activated to test proper functioning once each trip. Annular type preventers shall be actuated on the drill pipe no less than once every 7 days.

D. Blowout preventers shall have handwheels installed and operable.

E. A remote kill line shall be properly installed and operable as specified by API recommendations. The kill line is not to be used as a fill up line. A choke line and choke manifold shall be properly installed and operable as specified by API recommendations.

F. The accumulator system shall have a pressure capacity to close all hydraulics on the blowout preventer stack under repeated operations, plus a 200 psi reserve above the recommended precharge pressure.

G. Drill string safety valves to fit all pipe in the drill string shall be maintained on the rig floor, in the open position, while drilling operations are in progress.

H. Blowout prevention drills shall be conducted at least once weekly to assure that equipment is operational and that each crew is properly trained to carry out emergency duties. All blowout prevention drills and tests shall be recorded in the driller's log.

I. The maximum pressure to be allowed on blowout preventers during well control operations shall be posted for each casing string.

J. The characteristics, use and testing of drilling mud shall be such as are necessary for well control. Quantities of mud materials sufficient to insure well control shall be maintained, readily accessible for use at all times.

K. From the time drilling operations are initiated and until drilling operations are completed, a member of the drilling crew or the toolpusher shall maintain rig surveillance at all times, unless the well is secured with blowout preventers or cement plugs.

4. REPORTS

A. The following reports shall be filed with the Resource Area Manager within 30 days after the work is completed:

1. Five copies of Sundry Report (Form 3160-5, formerly 9-331) giving complete information concerning:

a. Setting of each string of casing. Show size and depth of hole, grade and weight of casing, depth set, depth of any and all cementing tools that are used, amount (in cubic feet) and types of cement used, whether cement circulated to surface and all cement tops in the casing annulus, casing test method and results, and the date work was done. Show spud date on first report submitted.

b. Intervals tested, perforated (include; size, number and location of perforations), acidized, or fractured; and results obtained. Show date work was done (a Sundry Report is not required if a Completion Report is submitted within 30 days of the operation).

2. Well Completion Report (Form 3160-4, formerly 9-330) shall be filled out in compliance with instructions of April 1, 1982.

3. Two copies of all electrical and radioactivity logs run.

5. DRILLER'S LOG

A. The following shall be entered in the daily driller's log:

1. Blowout preventer pressure tests, including test pressures and results.

2. Blowout preventer tests for proper functioning.

3. Blowout prevention drill conducted.

4. Casing run, including size, grade, weight, and depth set.

5. How pipe was cemented, including amount of cement, type, whether cement circulated, location of cementing tools, etc.

6. Waiting on cement time for each casing string.

7. Casing pressure tests after cementing, including test pressure and results.

6. DRILLSTEM TESTS

A. Estimated amounts of oil and gas recovered and/or produced during drillstem tests are to be shown in the driller's log and reported in accordance with NTL-4A.

7. GAS FLARING

A. Approval is granted to flare gas while drilling and completion testing.

B. When gas is used for drilling, the blooey line will be located where no damage to vegetation will occur. If this is not possible, an earthen baffle will be constructed to keep the heat and residue within the operating area.

C. Approval is granted to flare gas during completion and initial testing operations not to exceed a period of 30 days or the production of 50 MMCF of gas, whichever occurs first. The 30 calendar day period commences the first day gas is produced. Any gas vented

other than that provided for above, and without approval, will result in compensation due the U. S. for the full value of gas so wasted. (See NTL-4A). All venting of gas after the initial 30 day period must be approved by the Area Manager prior to venting,

8. WATER DISPOSAL

A. An application for approval of the disposal method for water production from all new wells must be filed with the Area Manager within 30 days following first production, pursuant to Section VII of NTL-2B. Failure to timely file such application will be considered an incident of noncompliance and will be grounds for issuing a shut-in order until the application is submitted and/or assessments pursuant to 43 CFR 3163.3(h).

9. SAFETY

- A. All rig heating stoves are to be of the explosion-proof type.
- B. Drilling rig engines should have water-cooled exhausts.
- C. Rig safety lines are to be installed.
- D. Hard hats must be utilized.

10. SUBSEQUENT OR CHANGE OF PLANS

A. Any change of plans required in order to mitigate unanticipated conditions encountered during drilling operations, will require verbal approval of the Bureau of Land Management (Fluid Minerals Section) and submission of a Sundry Notice (Form 3160-5, formerly 9-331), five copies.

11. REMOVAL OF DRILLING RIG

A. Unless a well has been properly cased and cemented, or properly plugged, the drilling rig must not be moved from the drill-site without prior approval from the Bureau of Land Management (Fluids Section).

12. ABANDONMENT

A. If the well is dry it is to be plugged in accord with 43 CFR 3162.3-4, approval of the proposed plugging program may be obtained orally; however, oral approval must be confirmed in writing by immediately filing a Notice of Intention to Abandon on Form 3160-5 (formerly 9-331), in quintuplicate with the Area Manager. The report should show the total depth reached, the reason for plugging, and the proposed intervals, by depths, where cement plugs are to be placed, type of plugging mud, etc.

B. Upon completion of approved plugging, erect a regulation well marker which should not be less than 4 inches in diameter and extend at least 4 feet above general ground level. Heap up the dirt around the base of the marker about 12 inches to take care of any settling of

the cellar. The top of the marker must be closed or capped. The following minimum information shall be permanently placed on the marker with a plate, cap, or welded bead:

1. Operator
2. Well number and name
3. Section, Township and Range
4. Footage location

If approval is obtained to omit the dry hole marker, casings should be cut off three feet below ground level.

C. Within 30 days after plugging the well, a Subsequent Report of Abandonment is to be filed on (Form 3160-5, formerly 9-331), in quintuplicate, showing the manner in which the well was plugged, including depths where casing was cut and pulled, intervals (by depths) where cement plugs were placed, and the date plugging was completed. When all surface restoration work is completed, advise the Farmington Resource Area Office by Sundry Notice so that a field inspection of the wellsite can be made.

13. SPECIAL STIPULATIONS

The following special requirements apply and are effective when checked:

- ☐ A. A Communitization Agreement covering the acreage dedicated to the well must be filed for approval with the Bureau of Land Management Branch of Fluids, P. O. Box 6770, Albuquerque, New Mexico 87102. The effective date of the agreement must be prior to any sales.
- ☐ B. In addition to the well-control equipment stipulated in Section 5, either an annular blowout preventer or a rotating head must be used while drilling below surface casing to _____
- ☐ C. Note attachments.

II. Environmental Stipulations

The following stipulations will apply to all wells unless a particular Surface Managing Agency has supplied to the BLM and the operator a contradictory environmental stipulation. The failure of the operator to comply with these requirements may result in the assessment of liquidated damages or penalties pursuant to 43 CFR 3163.3 or 3163.4.

An agreement between the operator and fee landowner will take precedence over BLM surface stipulations unless 1) the BLM determines that the operator's actions will affect adjacent Federal or Indian surface (43 CFR Part 3160), or 2) the operator does not maintain the well area and lease premises in a workmanlike manner with due regard for safety, conservation and appearance (43 CFR Part 3162.7-4), or 3) no such agreement exists (43 CFR Part 3160), or 4) in the event of well abandonment, minimal Federal restoration requirements will be required (43 CFR Part 3162.7-2).

1. Location and Access Road

A. Well area and lease premises will be maintained in a workmanlike manner with due regard to safety, conservation and appearance. All waste associated with oil and gas operations will be contained and then buried in place, or removed and deposited in an approved disposal site. If burial on site is used, waste must be buried at least 2' deep and metal containers will be crushed prior to burial. Trash pit must be secured during drilling activities, so as to keep the trash from spreading outside of the pit. Trash pits for drilling operations will be covered once the drilling rig leaves the location.

B. Pinyon and juniper trees will be uprooted from road rights-of-way and well pad locations and distributed beside rights-of-way and well pads for fuelwood salvage. Care will be taken to keep the trees as undamaged as practically possible. Large vegetation such as sagebrush, juniper and pinyon will not be incorporated into pit walls. Sagebrush removed during clearing operations will be placed in drainages and "walked down" by a crawler - type tractor. If no drainages are nearby, sagebrush will be buried in the reserve pit when it is filled in. All uprooted vegetation not subsequently buried will be scattered so it does not detract from the natural appearance of the area and does not accelerate erosion.

C. Surface disturbance and vehicular traffic will be limited to the approved location and approved access road.

D. Mud pits will be constructed so as not to leak, break, or allow discharge of liquids. The bottom of the reserve pit shall not be in fill material. Pits are not to be located in natural drainages. Any plastic material used to line pits must be removed to below-ground level before pits are covered. Pit walls are to be "walked down" by a crawler-type tractor following construction and prior to usage.

E. All unguarded pits containing liquids will be fenced. Drilling pits will be fenced on three sides and once the rig leaves the location, the fourth side will be fenced. Fencing must be a legal fence in accordance with New Mexico State Law. Liquids in pits will be allowed to evaporate, or be properly disposed of, before pits are filled and recontoured. (This office will be notified 24 hours prior to fluid hauling). Under no circumstances will pits be cut and drained.

F. Unless otherwise approved, the driving surface on all access roads must be limited to 20 feet in width, and total disturbance will be limited to 35 feet, excluding turnouts.

G. No gravel or other related minerals from new or existing pits on Federal land will be used in construction of roads, well sites, etc., without prior approval from the Surface Managing Agency.

H. Water bars will be constructed on the access road to the well location and conform to surface management specifications. The maximum slope distance between water bars will be:

<u>% Slope</u>	<u>Slope Distance</u>
Less than 1%	400 feet
1% - 5%	300 feet
5% - 15%	200 feet
15% - 25%	100 feet
Greater than 25%	50 feet

When the access road is graded, water bars will be left in the road or replaced immediately upon completion of grading.

I. Prior to crossing any fence located on federal land, or any fence between Federal land and private land, the grantee shall contact the grazing lessee or owner of said fence and offer them the opportunity to be present when the fence is cut in order to satisfy himself that it is adequately braced and tied off in accordance with the attached drawing. All cut fences are to be tied to the braces prior to cutting.

Grazing Lessee _____
 Address _____
 Telephone No. _____

The opening will be protected as necessary during construction to prevent the escape of livestock. A temporary closure will be installed on all cut fences the same day the fence is cut. A permanent cattleguard will be installed and maintained in any cut fence unless otherwise stipulated in writing. A twelve-foot gate will be installed adjacent to all new cattleguards.

J. Berms or firewalls will be constructed around all storage facilities sufficient in size to contain the storage capacity of the tanks.

K. No well and/or production equipment within the irrigable fields of the Navajo Indian Irrigation Project will exceed two feet above the natural ground surface elevation, and will be adequately barricaded for safety.

L. All roads on public land must be maintained in a good passable condition.

M. A proposed use of pesticide, herbicide or other possible hazardous chemical on Bureau of Land Management land shall be cleared for use prior to application.

2. Cultural Resources (Archaeology)

A. The lessee will not commence construction on the lease until the cultural resource inventory has been approved by BLM (per 36 CFR 800).

B. Surface disturbance activities shall be kept 100' away from any archaeological site(s) located off the well pad, unless approved otherwise by the Area Manager.

C. If, in its operations, the APD grantee discovers any historic or prehistoric ruin, monument or site, or any object of antiquity subject to the Antiquities Act of 1906, The Archaeological Resources Protection Act of 1979, and 43 CFR Part 3, then work will be suspended and the discovery promptly reported to the BLM Area Manager. The BLM will then specify what action is to be taken. The APD grantee will obtain at his expense, a qualified archaeologist to carry out the specific instructions of the BLM.

3. Reseeding and Abandonment

A. All surface areas disturbed during drilling activities and not in use for production activities, will be reseeded the first July - September period after the reserve pit has been filled in and/or location abandoned.

B. Compacted areas of the well pad will be plowed or ripped to a depth of 12" before reseeding. All seeding is recommended to be done between July 1 and September 15. Seeding will be done with a disc-type drill with two boxes for various seed sizes. The drill rows will be eight to ten inches apart. The seed will be planted between one-half inch deep and three quarter inch deep. The seeder will be followed with a drag, packer or roller to insure uniform coverage of the seed, and adequate compaction. Drilling of the seed will be done on the contour where possible. Where slopes are too steep for contour drilling a "cyclone" hand-seeder or similar broadcast seeder will be used, using twice the recommended seed per acre. Seed will then be covered to a depth described above by whatever means is practical.

C. If, in the opinion of the surface management agency, the seeding is unsuccessful, the lessee/operator may be required to make subsequent seedings.

D. If, upon abandonment of wells, the retention of access road is not considered necessary for the management and multiple use of the natural resources, it will be ripped a minimum of 12" in depth. After ripping, water bars will be installed as stated in 1.H. All ripped surfaces are to be protected from vehicular travel by construction of a dead-end ditch and earthen barricade at the entrance to these ripped areas. (Reseeding of the affected areas may be required).

E. Recommended Seed Mixtures. *Species to be planted in pounds
 pure-live-seed per acre: Pure Live Seed = Germination x Purity

X Seed Mix No. 1--BLM

CRESTED WHEATGRASS	1
SMOOTH BROME	1/2
FOURWING SALTBUSH (dewinged)	1/2
NOMAD ALFALFA	1
INDIAN RICEGRASS	1/2
WESTERN WHEATGRASS	1

Seed Mix No. 2--BLM

CRESTED WHEATGRASS	1 1/2
FOURWING SALTBUSH (dewinged)	1
SAND DROPSEED	1/4
INDIAN RICEGRASS	1
WESTERN WHEATGRASS	1

Seed Mix No. 3--BLM

FOURWING SALTBUSH (dewinged)	1
SAND DROPSEED	1/4
ALKALI SACATON	1/4
INDIAN RICEGRASS	1

Seed Mix No. 4--NIIP

INDIAN RICEGRASS	1
SAND DROPSEED	1
GALLETA	2

Seed Mix No. 5--NIIP

ALKALI SACATON	1
SAND DROPSEED	1
GALLETA	2

Seed Mix No. 6--BIA (Crownpoint)

CRESTED WHEATGRASS	3
ALKALI SACATON	1/2
SAND DROPSEED	1/2
PUBESCENT WHEATGRASS	2
INDIAN RICEGRASS	2

Seed Mix No. 7 Forest Service No. 3

CRESTED WHEATGRASS	4
PUBESCENT WHEATGRASS	6
BURNET	1
LADAK ALFALFA	1
PERENNIAL RYE	2

Seed Mix No. 8--Forest Service No. 4

PUBESCENT WHEATGRASS	6
LADAK ALFALFA	1
PERENNIAL RYE	2
SAND DROPSEED	1
INDIAN RICEGRASS	1/2

Seed Mix No. 9--Forest Service (Cuba)

PUBESCENT WHEATGRASS	6
BURNET	1
LADAK ALFALFA	1/2
PERENNIAL RYE	2
WESTERN WHEATGRASS (Arriba Variety)	4

Seed Mix No. 10--Forest Service (Cuba)

PUBESCENT WHEATGRASS	_____
BURNET	_____
LADAK ALFALFA	_____
PERENNIAL RYE	_____
SAND DROPSEED	_____
INDIAN RICEGRASS	_____
WESTERN WHEATGRASS (Arriba Variety)	_____

Seed Mix No. 11 (Jicarilla)

PUBESCENT WHEATGRASS	4
INTERMEDIATE WHEATGRASS	4
WESTERN WHEATGRASS	4
SMOOTH BROME	2
YELLOW CLOVER	1/2

F. Note Attachments.

NOTE: If the land is privately owned, these requirements may be varied to comply with the operator - landowner agreement.

Office, Fluids Surface Management Staff, at (505) 325-4572, approximately 48 hours prior to construction activities.

☒ 2. No construction or drilling activities shall be conducted between November 1 and March 31 because of elk/deer/bald eagle winter habitat areas. Contact BLM wildlife biologist (Dave Renwald) at 325-3581, with any questions.

☐ 3. The Fluids Surface Management Staff shall be notified upon site completion, prior to moving on drilling rig. (505) 325-4572.

☐ 4. A _____ (ft.) tree screen will be left on the _____ sides of the location.

☐ 5. Pits and/or pad will be constructed long and narrow, or to conform to natural contour of terrain, so as to avoid the edge of hazard by an amount that prevents pit failure.

☐ 6. Pits will be lined with an impervious material.

☐ 7. Earthen berm(s) will be placed on the _____ side(s) of the location between the reserve pit and the wash.

☐ 8. The _____ corner of the well pad will be rounded off to avoid _____.

☒ 9. The wash shall be diverted around the S side of the well pad: (TO WEST)

☒ 10. Diversion ditch(es) will be constructed on the S side of the location above/below (circle one) the cut slope, draining to the W.

☐ 11. A culvert of sufficient size will be placed where the drainage crosses access road.

☐ 12. The proposed access road shall utilize the upgraded 2-track trail approximately _____ (ft. or mi.) as agreed upon during on-site inspection. Remainder of planned access road will follow flagged route.

☐ 13. The access road shall be rerouted around the _____ edge of the well pad during construction and drilling activities for safety reasons. Upon completion of drilling and cleanup, the road will be returned to its original alignment.

☒ 14. The cut slope shall not exceed a 4:1, 3:1 2:1, or 1:1 ratio (circle). Hydr mulching or netting _____ is ☒ is not required on the slopes.

☒ 15. Paint color Green seed mix I.

☒ 16. Woven wire shall be required on all pits (See Standard Stipulation I.E.).

☐ 17. No hardwood tree with a diameter of ten inches or more at the base or any Ponderosa pine, Douglas-fir or aspen tree is to be removed or damaged without approval from the Authorized Officer.

☐ 18. Due to an active raptor nest no drilling or construction activities shall be conducted between March 1 and June 30. Contact BLM Wildlife Biologist at 325-3581, with any questions.

☐ 19. No surface disturbance shall occur until a paleontological resource investigation has been conducted by a BLM paleontologist or a professional paleontologist acceptable to BLM. The results of this investigation will dictate site specific stipulations for avoidance or salvage of any potentially significant paleontological resources.

☐ 20. _____

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Budget Bureau No. 1004-0135
Expires August 31, 1985

5. LEASE DESIGNATION AND SERIAL NO.

SF 079382

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

San Juan 30-6 Unit

8. FARM OR LEASE NAME

San Juan 30-6 Unit

9. WELL NO.

404

10. FIELD AND POOL, OR WILDCAT

Undes. Fruitland

11. SEC., T., R., M., OR BLE. AND
SURVEY OR AREA

Sec. 23, T-30-N, R- 7-W
N.M.P.M.

12. COUNTY OR PARISH 13. STATE

Rio Arriba NM

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 ☐ GAS WELL ☐ OTHER ☒

2. NAME OF OPERATOR

El Paso Natural Gas Company

3. ADDRESS OF OPERATOR

Post Office Box 4289, Farmington, NM 87499

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*
See also space 17 below.)
At surface 1135'N, 1635'E

14. PERMIT NO.

JUL 16 1986

15. ELEVATIONS (Show whether OF, ST, GR, etc.)

6141'GL

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

BUREAU OF LAND MANAGEMENT
FARMINGTON RESOURCE AREA

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF

PULL OR ALTER CASING

FRACTURE TREAT

MULTIPLE COMPLETE

SHOOT OR ACIDIZE

ABANDON*

REPAIR WELL

CHANGE PLANS

(Other)

SUBSEQUENT REPORT OF:

WATER SHUT-OFF

REPAIRING WELL

FRACTURE TREATMENT

ALTERING CASING

SHOOTING OR ACIDIZING

ABANDONMENT*

(Other)

(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.)*

It is intended to increase the size of the pad on this location as shown on the attached plat.

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

SIGNED

TITLE Drilling Clerk

DATE 7-16-86

(This space for Federal or State office use)

APPROVED BY

TITLE

CONDITIONS OF APPROVAL, IF ANY:

APPROVED

JUL 18 1986

*See Instructions on Reverse Side

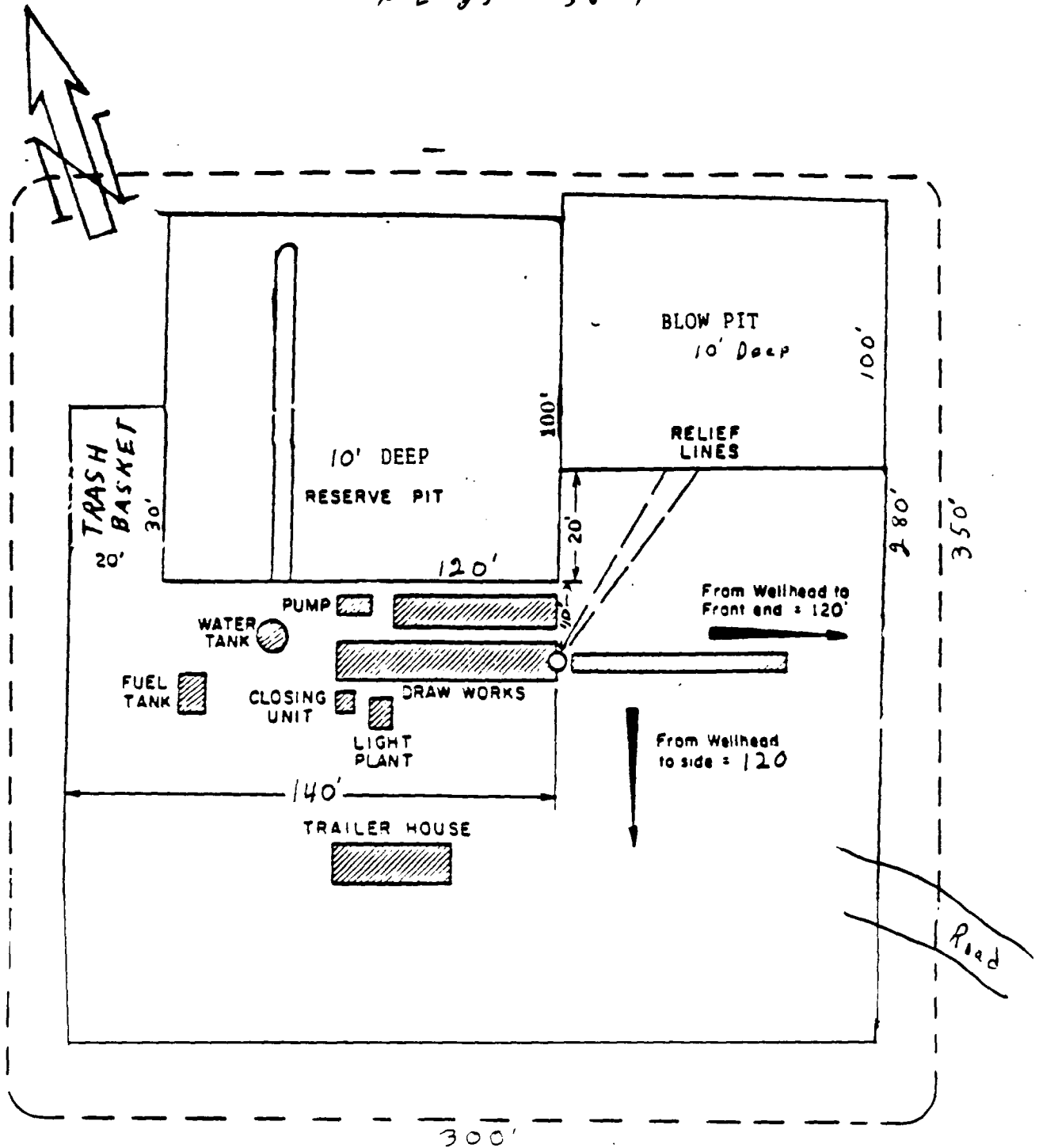
OPERATOR

AREA MANAGER

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

San Juan 30 Unit #404

NE 23 30-7



		ENG. REC.	DATE
		DRAWN	C.A.G. 2-2085
		CHECKED	
		CHECKED	
		PROJ. APP.	
T. SEP. DATE	TO	W.O.	DESIGN

MERIDIAN OIL INC.
TYPICAL LOCATION PLAT FOR
FRUITLAND COAL DRILL SITE

DWGP

The approval . . . this action does NOT grant or . . . ly approval of any off-lease or off-unit action. It is the responsibility of the applicant to obtain any such approvals from the appropriate Surface Management Agency, including BLM, and/or any private landowners.

NOTE: If the land is privately owned, these requirements may be varied to comply with the operator - landowner agreement.

Office, Fluids Surface Management Staff, at (505) 325-4572, approximately 10 months prior to construction activities.

☒ 2. No construction or drilling activities shall be conducted between November 1 and March 31 because of elk/deer/bald eagle winter habitat areas. Contact BLM wildlife biologist (Dave Renwald) at 325-3581, with any questions.

3. The Fluids Surface Management Staff shall be notified upon site completion, prior to moving on drilling rig. (505) 325-4572.

4. A _____ (ft.) tree screen will be left on the _____ sides of the location.

5. Pits and/or pad will be constructed long and narrow, or to conform to natural contour of terrain, so as to avoid the edge of hazard by an amount that prevents pit failure.

6. Pits will be lined with an impervious material.

7. Earthen berm(s) will be placed on the _____ side(s) of the location between the reserve pit and the wash.

8. The _____ corner of the well pad will be rounded off to avoid _____.

☒ 9. The wash shall be diverted around the S side of the well pad. To west

☒ 10. Diversion ditch(es) will be constructed on the S side of the location above/below (circle one) the cut slope, draining to the W.

11. A culvert of sufficient size will be placed where the drainage crosses access road.

12. The proposed access road shall utilize the upgraded 2-track trail approximately _____ (ft. or mi.) as agreed upon during on-site inspection. Remainder of planned access road will follow flagged route.

13. The access road shall be rerouted around the _____ edge of the well pad during construction and drilling activities for safety reasons. Upon completion of drilling and cleanup, the road will be returned to its original alignment.

☒ 14. The cut slope shall not exceed a 4:1, 3:1, 2:1, or 1:1 ratio (circle). Hydro mulching or netting _____ is ☒ is not required on the slopes.

☒ 15. Paint color Green seed mix I.

☒ 16. Woven wire shall be required on all pits (See Standard Stipulation I.E.).

17. No hardwood tree with a diameter of ten inches or more at the base or any Ponderosa pine, Douglas-fir or aspen tree is to be removed or damaged without approval from the Authorized Officer.

18. Due to an active raptor nest no drilling or construction activities shall be conducted between March 1 and June 30. Contact BLM Wildlife Biologist at 325-3581, with any questions.

19. No surface disturbance shall occur until a paleontological resource investigation has been conducted by a BLM paleontologist or a professional paleontologist acceptable to BLM. The results of this investigation will dictate site specific stipulations for avoidance or salvage of any potentially significant paleontological resources.

20. _____

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*
(Other instructions on re-
verse side)

Form approved.
Budget Bureau No. 1004-0135
Expires August 31, 1985

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. <input type="checkbox"/> OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER	7. UNIT AGREEMENT NAME San Juan 30-6 Unit
2. NAME OF OPERATOR Meridian Oil Inc.	8. FARM OR LEASE NAME San Juan 30-6 Unit
3. ADDRESS OF OPERATOR Post Office Box 4289, Farmington, NM 87499	9. WELL NO. 404
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface 1135'N, 1635'E	10. FIELD AND POOL, OR WILDCAT Undes. Fruitland
14. PERMIT NO.	11. SEC., T., R., W., OR BLK. AND SUBST. OR AREA Sec. 23, T-30-N, R-7 -W N.M.P.M.
15. ELEVATIONS (Show whether of FORMING) 6141'GL	12. COUNTY OR PARISH, 13. STATE Rio Arriba NM

RECEIVED
MAR 19 1987
BUREAU OF LAND MANAGEMENT
FARMINGTON RESOURCE AREA

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

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF	<input type="checkbox"/>	PULL OR ALTER CASING	<input type="checkbox"/>
FRACTURE TREAT	<input type="checkbox"/>	MULTIPLE COMPLETION	<input type="checkbox"/>
SHOOT OR ACIDIZE	<input type="checkbox"/>	ABANDON*	<input type="checkbox"/>
REPAIR WELL	<input type="checkbox"/>	CHANGE PLANS	<input type="checkbox"/>
(Other)	<input type="checkbox"/>		<input type="checkbox"/>

SUBSEQUENT REPORT OF:

WATER SHUT-OFF	<input type="checkbox"/>	REPAIRING WELL	<input type="checkbox"/>
FRACTURE TREATMENT	<input type="checkbox"/>	ALTERING CASING	<input type="checkbox"/>
SHOOTING OR ACIDIZING	<input type="checkbox"/>	ABANDONMENT*	<input type="checkbox"/>
(Other)	<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.)

The attached operations plan reflects our current design plans and is being submitted for approval. Specific changes are in the Casing Program (Section IV) and Cementing Program (Section V). Also note the operator has changed from El Paso Natural Gas Company to Meridian Oil Inc.; and the drill site diagram has been changed. Due to the proximity of Navajo Lake, the orientation of this pad was changed to keep the reserve and blow pits upslope to reduce the chance for an accidental fluid spill.

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

SIGNED

[Signature]

TITLE Drilling Clerk

(This space for Federal or State office use)

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY:

TITLE

APPROVED

DATE

MAR 20 1987
[Signature]
AREA MANAGER

*See Instructions on Reverse Side

OPERATOR

OPERATIONS PLAN

Well Name - San Juan 30-6 Unit #404

Date: 12-Mar-87

I. Location: 1135'N, 1635'E, Sec.23, T-30-N, R-7-W, Rio Arriba Co., NM

Field: Undesignated Fruitland

Elevation: 6141' GL

II. Geology:

A. Formation Tops: Surface San Jose
 Ojo Alamo 1980
 Kirtland 2200
 Fruitland 2760
 Total Depth 3055

B. Logging Program: I-ES & GR-FDC-CNL at Total Depth.

C. Coring: None

III. Drilling:

A. Mud Program: Mud from surface to 3055 .

IV. Materials:

A. Casing Program:	Hole Size	Depth	Csg. Size	Weight	Grade
	12 1/4"	200	9 5/8"	32.3#	H-40
	8 3/4"	2820	7"	20.0#	K-55
	6 1/4"	3055	5 1/2"	23.0#	P-110

5 1/2" liner hung @ 2670', w/ Baker Double Grip
Packer

B. Float Equipment: 9 5/8" surface casing - Saw Tooth guide shoe

7" production casing - guide shoe and self-fill insert valve, one stage cementer equipped for two stage cementing. Set tool for second stage at 2300 . Run 11 centralizers spaced as follows: one on each of the bottom five joints, one below the stage tool and five above spaced every other joint.

5 1/2" production liner - bull nose guide shoe on bottom. Liner predrilled with 12 holes per foot.

C. Tubing: 3055 of 2 3/8", 4.7#, J-55 8rd EUE tubing with an expendable check valve on bottom. Run an F-nipple one joint off bottom.

D. Wellhead Equipment: 9 5/8" 2000 psi x 11" casing head with 11" x 7" casing hanger, 11" 2000 psi x 7 1/16" 3000 psi xmas tree.

OPERATIONS PLAN

Well Name - San Juan 30-6 Unit #404

Date: 12-Mar-87

V. Cementing:

9 5/8" surface casing-use 106 sks. of Class B cement with 1/4# gel-flake/sk. and 3% calcium chloride (125 cu.ft. of slurry, 100% excess to circulate to surface). WOC 12 hours. Test casing to 600 psi for 30 minutes.

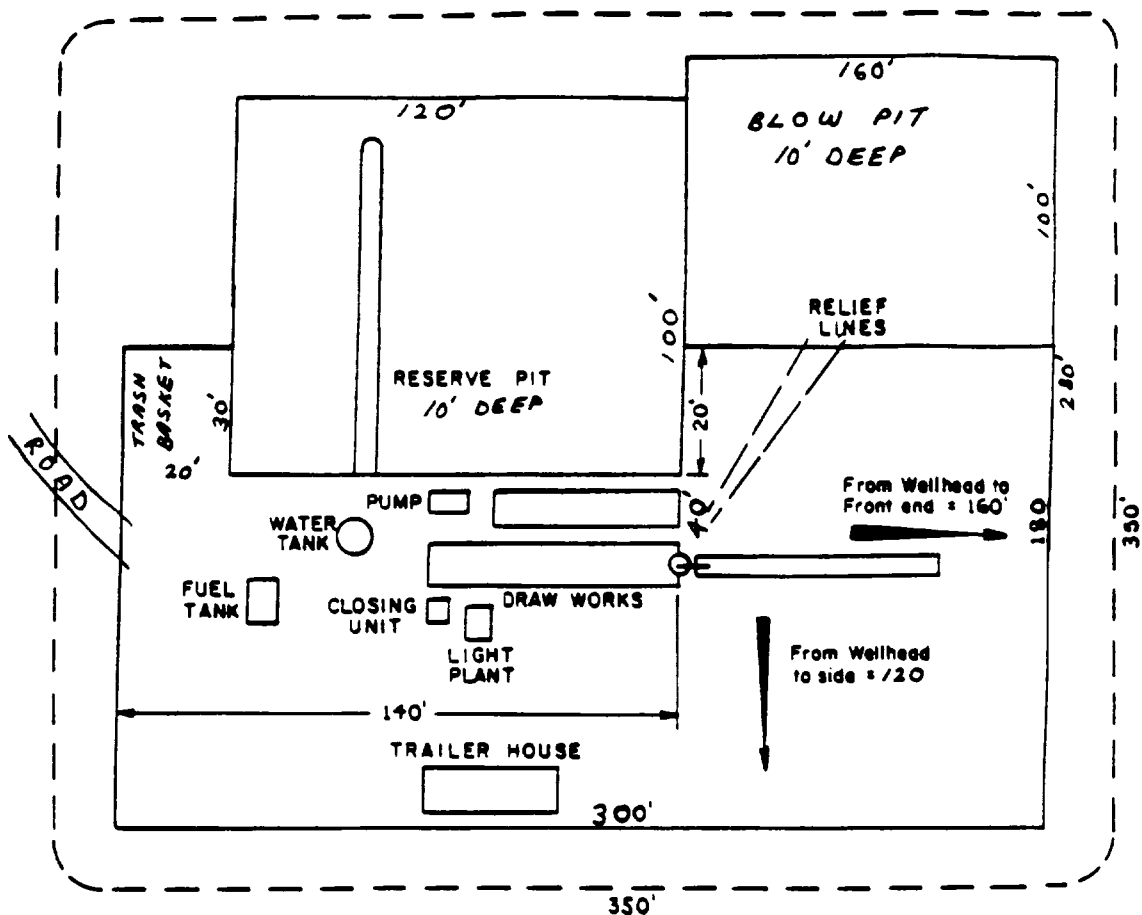
7" production casing:

First stage use - 132 sks. 50/50 Class B Poz with 2% gel, and 1/4 cu. ft. Gilsonite per sk. (5.4 gallons of water per sk.)
(186 cu. ft. of slurry, 100% excess to cover the Kirtland).

Second stage - Circulate with mud for 2.5 hours, then cement with 427 sks. of 65/35 Class B Poz with 6% gel, 2% calcium chloride and 8.3 gallons water per sk. (691 cu.ft. of slurry, 100% excess to circ. to surface). Run temperature survey on top stage at 8 hours. WOC 18 hrs.

5 1/2" liner:

Do not cement.



SAN JUAN 30-6 UNIT # 404 1135' N. 1635' E. SEC 23 T-30-N. R-7-W

END REC DATE		MERIDIAN OIL, INC TYPICAL LOCATION PLAT FOR FRUITLAND COAL DRILL SITE
DRAWN <i>10/25/16/17</i>		
CHECKED		
CHECKED		
PROD APP		
DESIGN		SCALE
PRINT RECORD		DWG NO
		REV

Form 7 132R (Rev. 5-73)

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*
(Other instructions on re-
verse side)

Budget Bureau No. 1004-0135
Expires August 31, 1985

5. LEASE DESIGNATION AND SERIAL NO.

SF079382

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

San Juan 30-6 Unit

8. FARM OR LEASE NAME

San Juan 30-6 Unit

9. WELL NO.

404

10. FIELD AND POOL, OR WILDCAT

Undes. Fruitland

11. SEC., T., R., N., OR S.E. AND
SUBVY OR AREA

Sec. 23, T-30-N, R-7-W
NMPM

12. COUNTY OR PARISH 13. STATE

Rio Arriba NM

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 ☐ GAS WELL ☒ OTHER ☐

2. NAME OF OPERATOR

Meridian Oil Inc.

3. ADDRESS OF OPERATOR

PO Box 4289, Farmington, NM 87499

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*
See also space 17 below.)
At surface

1135'N, 1635'E

14. PERMIT NO.

15. ELEVATIONS (Show whether OF, RT, OR, ETC.)

6141'GL

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

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF ☐

FRACTURE TREAT ☐

SHOOT OR ACIDIZE ☐

REPAIR WELL ☐

(Other)

PULL OR ALTER CASING ☐

MULTIPLE COMPLETE ☐

ABANDON* ☐

CHANGE PLANS ☒

Horizontal Wellbore ☒

SUBSEQUENT REPORT OF:

WATER SHUT-OFF ☐

FRACTURE TREATMENT ☐

SHOOTING OR ACIDIZING ☐

(Other)

REPAIRING WELL ☐

ALTERING CASING ☐

ABANDONMENT* ☐

(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.)

The attached design summary, operations plan and wellbore diagram reflect Meridian Oil's proposal for the subject well. Specific changes are in the casing and cementing programs and the wellbore schematic.

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

SIGNED

TITLE Drilling Clerk

DATE 04-21-87

(This space for Federal or State office use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side

Design Summary

San Juan 30-6 Unit #404

The following is a summary of the manner in which Meridian Oil Inc. intends to drill and complete the subject well:

1. Drill 17 1/2" hole to 200' TVD. Set and cement 13 3/8" casing to surface.
2. Drill 12 1/4" hole to 2565' TVD. Set 9 5/8" casing. Cement to surface.
3. Drill 8 3/4" vertical hole to 2910' TVD.
4. Core 130' of gross coal thickness from 2910' TVD to 3040' TVD. Run orientation surveys on core samples to determine fracture orientation of coal seams.
5. Plug back 8 3/4" hole with cement plug to kick off point (KOP) at 2626' TVD.
6. Kick off at an orientation approximately N38°E (magnetic).
7. Drill 412' arc length of $r = 286'$ (build rate of 20°/100') to 3038' MD, 2910' TVD.
8. Drill 1000' lateral section hole at 82.5° from vertical to 4038' MD, 3040' TVD.
9. Run 5 1/2" production string to 4038' MD, 3040' TVD. Production string is predrilled with 12 holes/foot from 4038' MD to 3038' MD, 3040' TVD to 2910' TVD.
10. Run 2 3/8" EUE tubing to 4038' MD, 3040' TVD.

OPERATIONS PLAN

Well Name - San Juan 30-6 Unit #404

Date: 21-Apr-87

I. Location: 1135'N, 1635'E, Sec.23, T-30-N, R-7-W, Rio Arriba Co., NM

Field: Undesignated Fruitland

Elevation: 6141' GL

II. Geology:

A. Formation Tops: Surface San Jose
 Ojo Alamo 1980
 Kirtland 2200
 Fruitland 2760
 Total Depth 3040

B. Logging Program: I-ES & GR-FDC-CNL at Total Depth.

C. Coring: Oriented core from 2910' to 3040'.

III. Drilling:

A: Mud Program: Mud from surface to 3040 .

IV. Materials:

A. Casing Program:	Hole Size	Depth	Csg. Size	Weight	Grade
	17 1/2"	200	13 3/8"	48.0#	H-40
	12 1/4"	2565	9 5/8"	40.0#	N-80
	8 3/4"	3040	5 1/2"	23.0#	P-110

B. Float Equipment: 13 3/8" surface casing - Saw Tooth guide shoe

7" intermediate casing - guide shoe and self-fill insert valve. Run 5 centralizers spaced one on each of the bottom five joints.

5 1/2" production casing - bull nose guide shoe on bottom. Production casing predrilled with 12 holes per foot from 2910' TVD - 3040' TVD.

C. Tubing: 4038' of 2 3/8", 4.7#, J-55 8rd EUE tubing with an expendable check valve on bottom. Run an F-nipple one joint off bottom.

D. Wellhead Equipment: 13 3/8" x 12" 3000 psi casing head with a 12" x 9 5/8" casing hanger. 12" 3000 psi x 11" 3000 psi casing spool with an 11" x 5 1/2" casing hanger. 11" 3000 psi x 7 1/16" 3000 psi xmas tree assembly.

OPERATIONS PLAN

Well Name - San Juan 30-6 Unit #404

Date: 21-Apr-87

V. Cementing:

13 3/8" surface casing: 236 sks. of Class B cement with 1/4# gel-flake/sk. and 3% calcium chloride (278 cu.ft. of slurry, 100% excess to circulate to surface). WOC 12 hours. Test casing to 600 psi for 30 minutes.

9 5/8" intermediate casing: lead slurry is 905 sks. 65/35 class B poz with 6% gel, 2% calcium chloride and 8.3 gallons water per sack. Tail with 100 sks. 50/50 class B poz with 2% gel and 1/4 cu.ft. gilsonite per sk. (1607 cu.ft. of slurry, 100% excess to circulate to surface.) Run temperature survey on top stage at 8 hours. WOC 18 hrs.

5 1/2" production casing: Do not cement.

Prepared by: J.D.Falconi

OPERATIONS PLAN

Well Name - SAN JUAN 30-6 UNIT #404

Date: 11-Apr-86

I. Location: 1135'N, 1635'E, SEC.23, T-30-N, R-7-W, RIO ARRIBA CO., NM

Field: UNDESIGNATED FRUITLAND

Elevation: 6141' GL

II. Geology:

A. Formation Tops: Surface SAN JOSE
 Ojo Alamo 1980
 Kirtland 2200
 Fruitland 2760
 Total Depth 3065

B. Logging Program: I-ES & GR-FDC-CNL at Total Depth.

C. Coring: None

III. Drilling:

A: Mud Program: Mud from surface to 3065 .

IV. Materials:

A. Casing Program:	Hole Size	Depth	Csg. Size	Weight	Grade
	12 1/4"	500	9 5/8"	36.0#	K-55
	8 3/4"	2565	7"	20.0#	K-55
	8 3/4"	3065	7"	23.0#	K-55

B. Float Equipment: 9 5/8" surface casing - Saw Tooth guide shoe

7" production casing - guide shoe and self-fill insert valve, one stage cementer equipped for two stage cementing. Set tool for second stage at 2080 . Run 18 centralizers spaced as follows: two on each of the bottom five joints, one on the next two joints, one below the stage tool and five above spaced every other joint.

C. Tubing: 3065 of 2 7/8", 6.5#, J-55 8rd EUE tubing bull plugged on bottom. Run a common pump seating nipple, a pump out plug, and a 10' perforated pup joint one joint off bottom.

D. Wellhead Equipment: 9 5/8" 2000 psi x 11" casing head with 11" x 7" casing hanger, 11" 2000 psi x 7 1/16" 2000 psi xmas tree.

OPERATIONS PLAN

Well Name - SAN JUAN 30-6 UNIT #404

Date: 15-Apr-86

V. Cementing:

9 5/8" surface casing-use 265 sks. of Class B cement with 1/4# gel-flake/sk. and 3% calcium chloride (313 cu.ft. of slurry, 100% excess to circulate to surface). WOC 12 hours. Test casing to 600 psi for 30 minutes.

7" production casing:

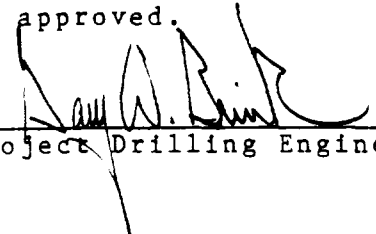
First stage use - 184 sks. 50/50 Class B Poz with 2% gel, and 1/4 cu. ft. Gilsonite per sk. (5.4 gallons of water per sk.)
(260 cu. ft. of slurry, 100% excess to cover the Kirtland).

Second stage - Circulate with mud for 2.5 hours, then cement with 386 sks. of 65/35 Class B Poz with 6% gel, 2% calcium chloride and 8.3 gallons water per sk. (625 cu.ft. of slurry, 100% excess to circ. to surface). Run temperature survey on top stage at 8 hours. WOC 18 hrs.

Multi-Point Surface Use Plan
EPNG San Juan 30-6 Unit #404

1. Existing Road - Please refer to Maps No. 1 and 2 which show the existing roads. New roads which will be required have been marked on this map. All existing and new roads will be properly maintained during the duration of this project.
2. Planned Access Roads - Please refer to Map No. 2. The maximum grade of the access roads will be 3°. Approximately 100 feet of road will be constructed that 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. No culverts will be required to control drainage. No gates or cattleguards will be installed.
3. Location of Existing Wells - Please refer to Map No. 3.
4. Location of Tank Batteries, Production Facilities, and Production Gathering and Service Lines - Please refer to Maps No. 2 and 3. Map No. 3 shows the existing gas gathering lines. Map No. 2 shows the existing roads and new proposed access roads. All proposed production facilities are shown on the attached anticipated production facility plat.
5. Location and Type of Water Supply - Water will be hauled by truck for the proposed project and will be obtained from Francis Creek located in SE 14-30-7.
6. Source of Construction Materials - No additional materials will be required to build either the access road or the proposed location.
7. Methods of Handling Waste Materials - All garbage and trash materials will be put into trash baskets on location. A latrine, the location of which is also shown on Plat No. 1, will be provided for human waste. If large amounts of 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 any of these materials into the watershed. No earthen pit will be located on natural drainage; all earthen pits will be so constructed as to prevent leakage from occurring.

8. Ancillary Facilities - No camps or air strips will be associated with this project.
9. Wellsite Layout - Please refer to the attached plat that includes cut and fill, orientation diagram and shows access road. The reserve pit will not be lined.
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 reseedling operations to be carried out. Seed mixture as designated by the responsible government agency will be used. The reseedling operations will be performed during the time period set forth by the regulatory body. The location production equipment will be painted as designated by the responsible government agency.
11. Other Information- Terrain is Navajo Lake with pinon, juniper and sage growing. Mr. Roque Abeyta is the surface owner. Deer, elk, rabbits and cattle are occasionally seen on the proposed project site.
12. Operators Representative - D. C. Walker, Post Office Box 4289, Farmington, NM 87499, telephone (505) 327-0251.
13. Certification - 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 El Paso Natural Gas Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.



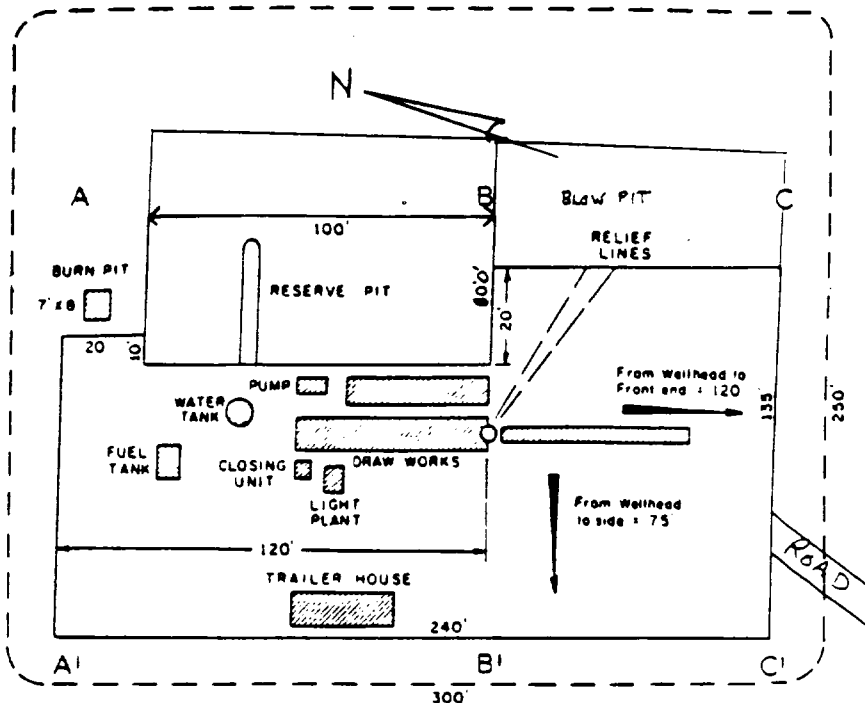
Project Drilling Engineer

GWB:pd

MERIDIAN OIL

WELL NAME

El Paso Natural Gas Company
San Juan 30-6 Unit #404
1135 F/NL 1635 F/EL
Section 23 T-30-N R-7-W
Rio Arriba Co., N.M.
Fruitland

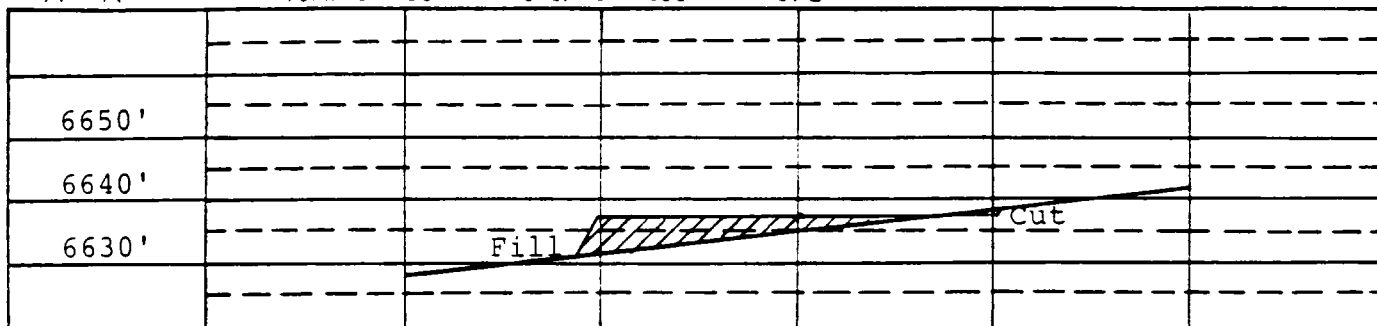


A - A'

Vert.: 1" = 30'

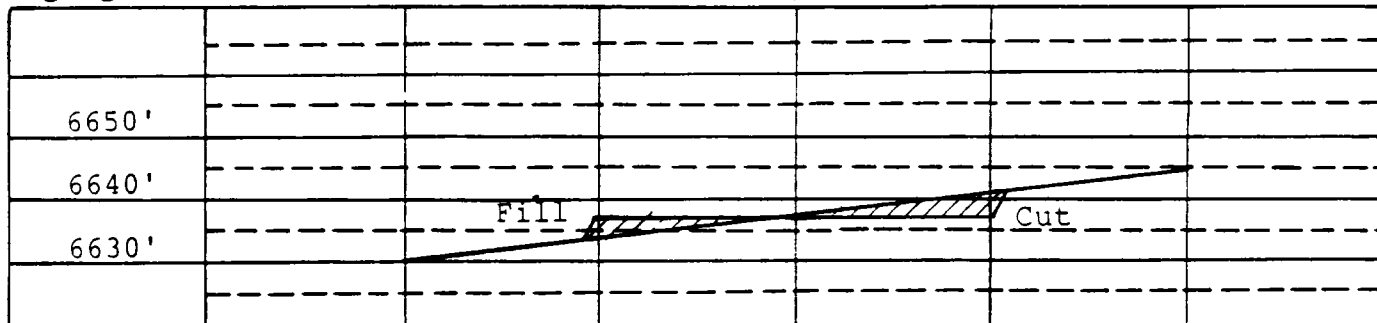
Horiz.: 1" = 100'

C/L



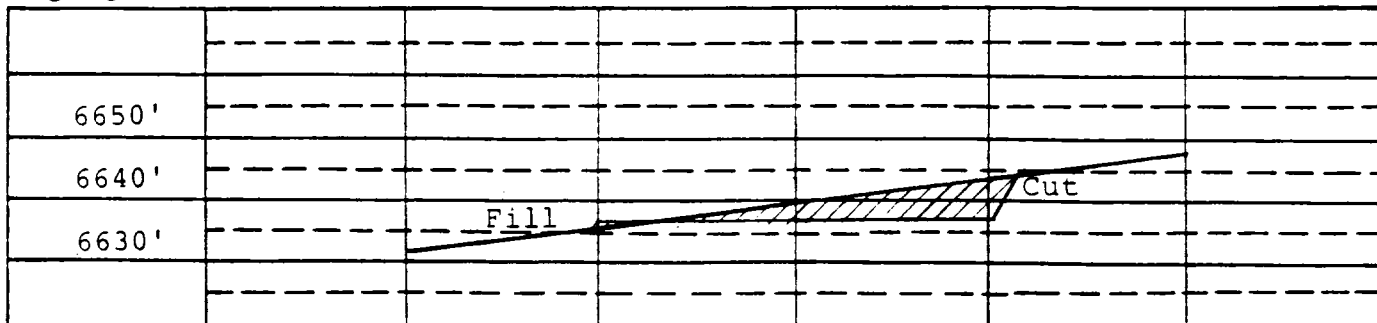
B - B'

C/L



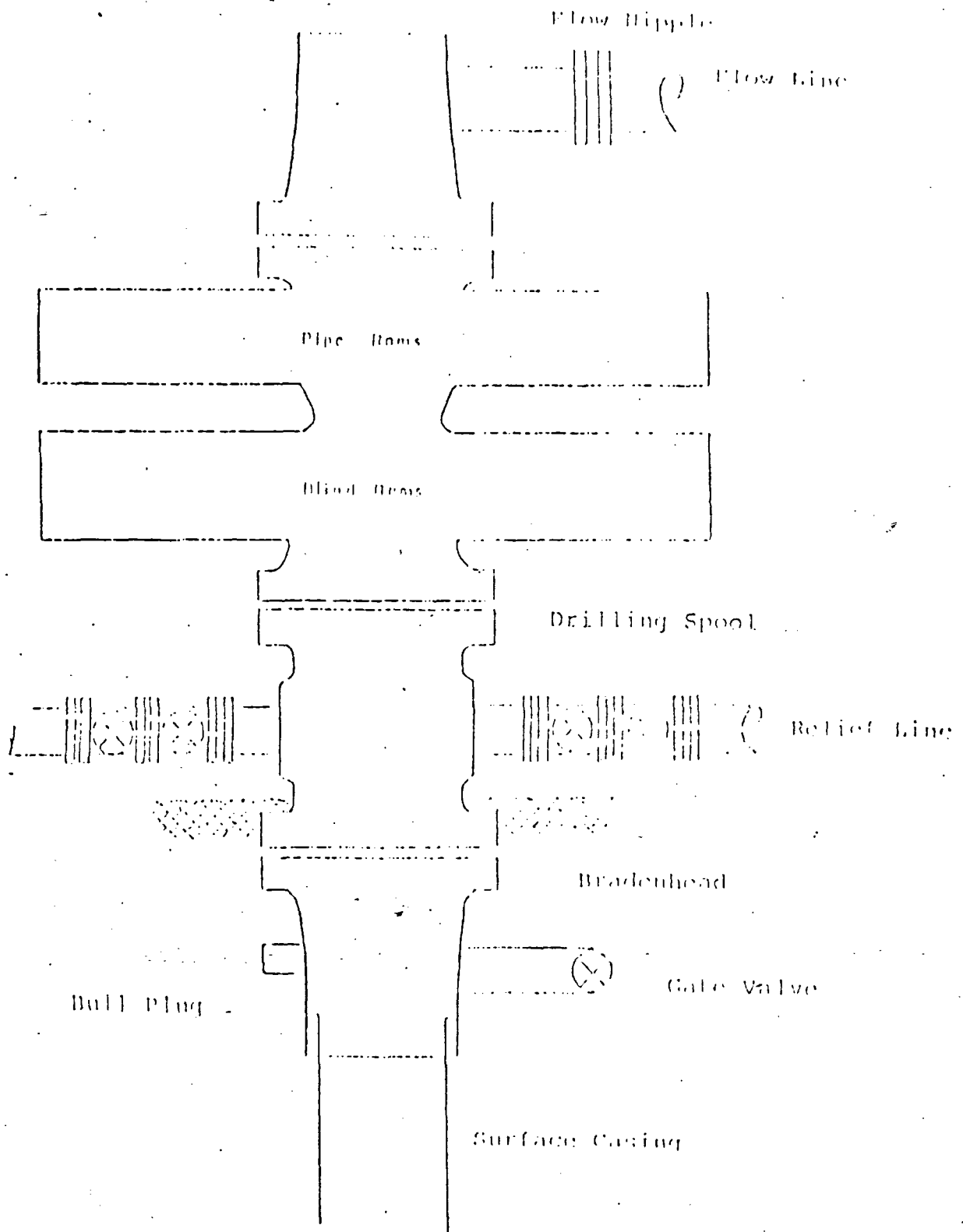
C - C'

C/L

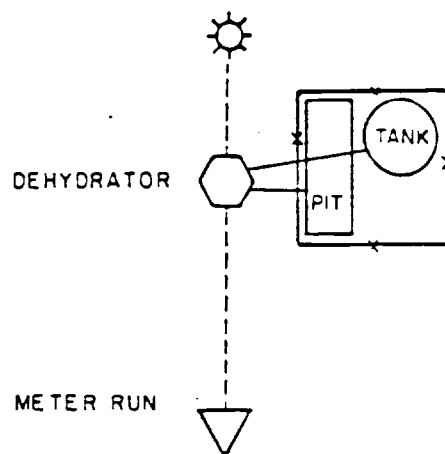


TYPICAL LOCATION PLAT FOR PICTURED CLIFFS DRILL SITE

Typical R.O.T. Installation
for Bona Verde Well



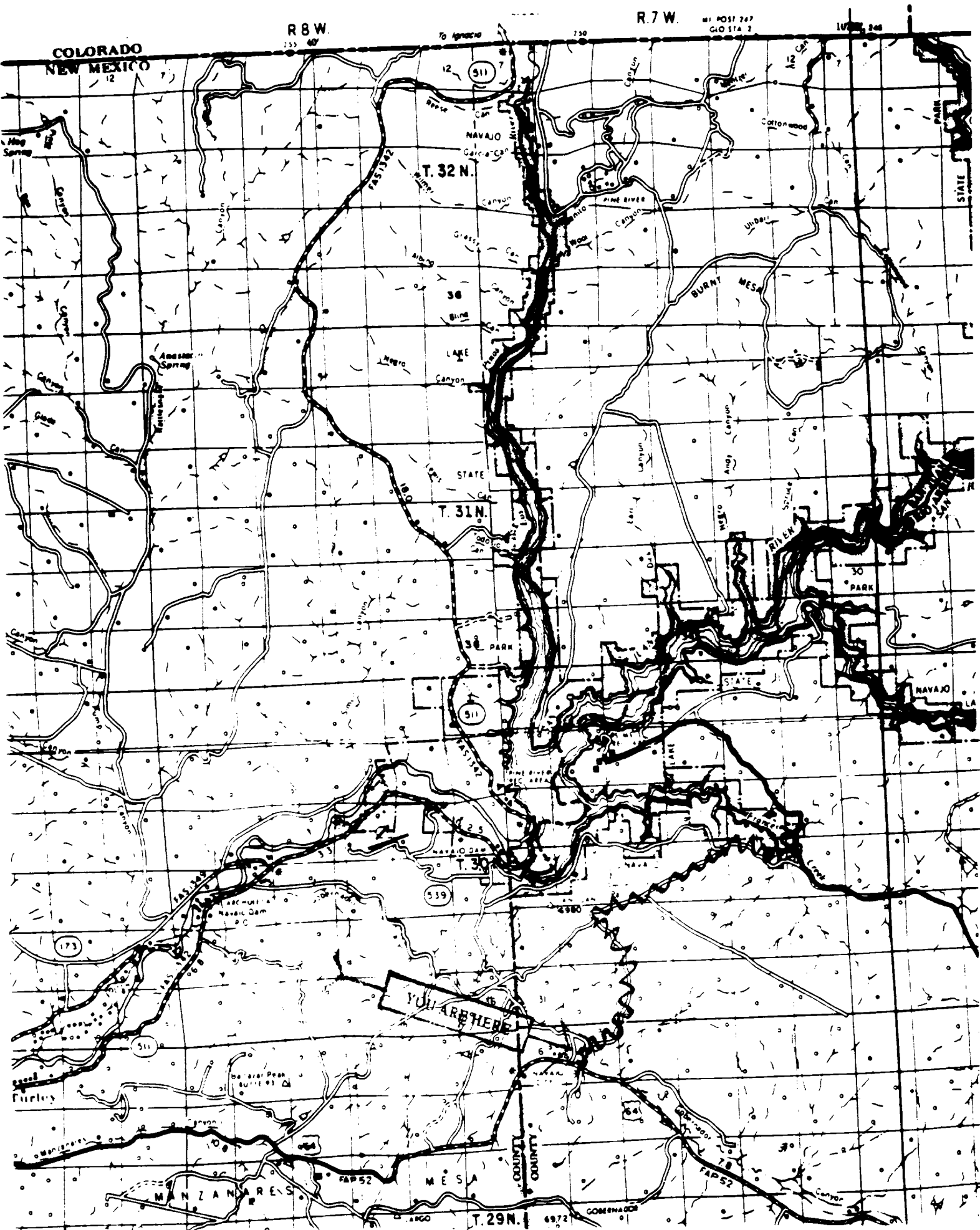
Series 900 Double Gate BOP, rated
at 3000 psi Working Pressure
When gas drilling operations begin a Shaffer type 50
or equivalent rotating head is installed on top of the
flow nipple and the flow line is converted into a blowie line



					ENG. REC.	DATE
					DRAWN	
					CHECKED	
					CHECKED	
					PROJ. APP.	
PRT	SEP	1955	50	W.C.	DESIGN	

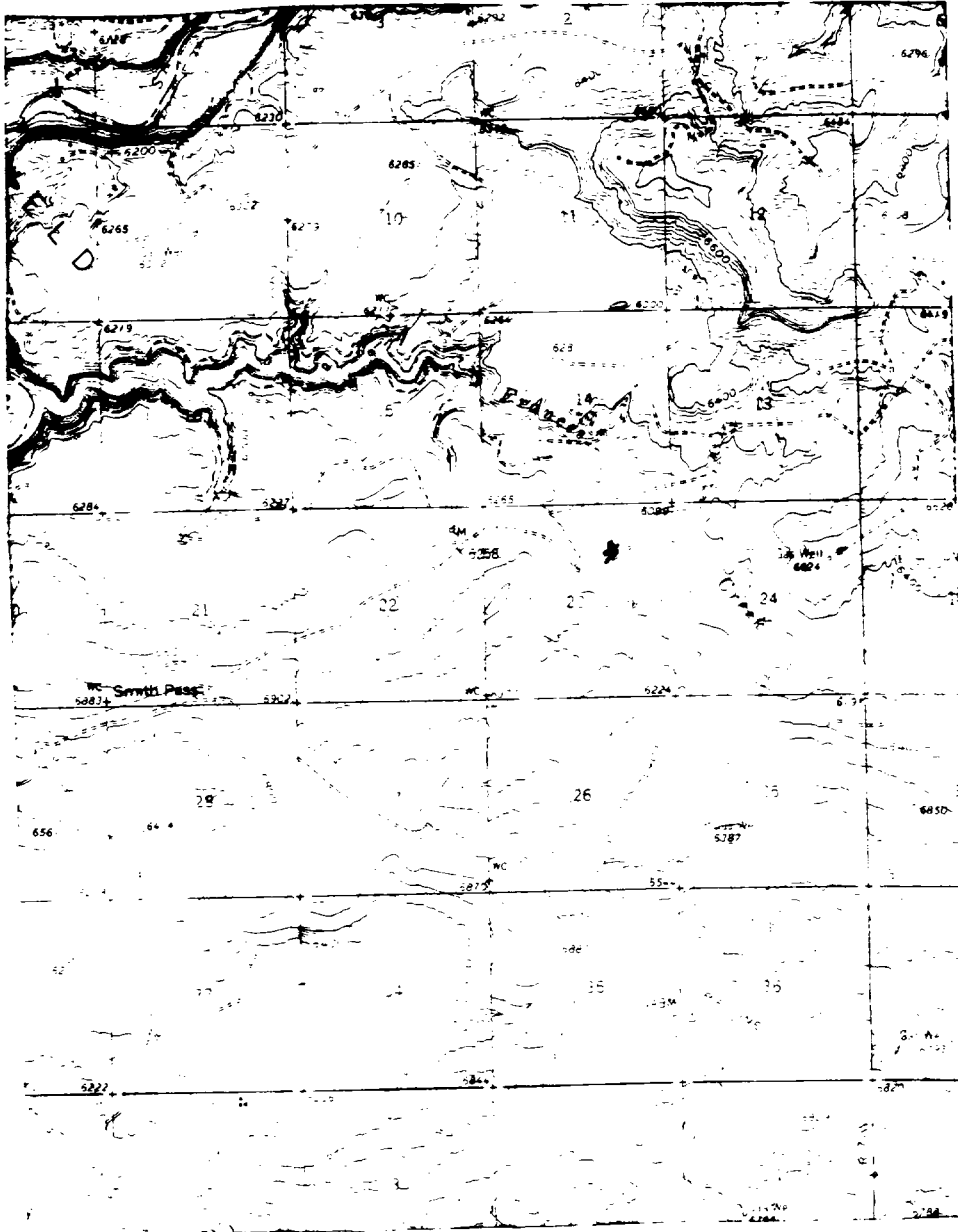


Anticipated Production Facilities For
Mesaverde or Dakota Well



SAN JUAN 30-6 Unit 404

NE 23-30-7



Map #2

LEGEND OF RIGHT-OF-WAYS

EXISTING ROADS

EXISTING PIPELINES

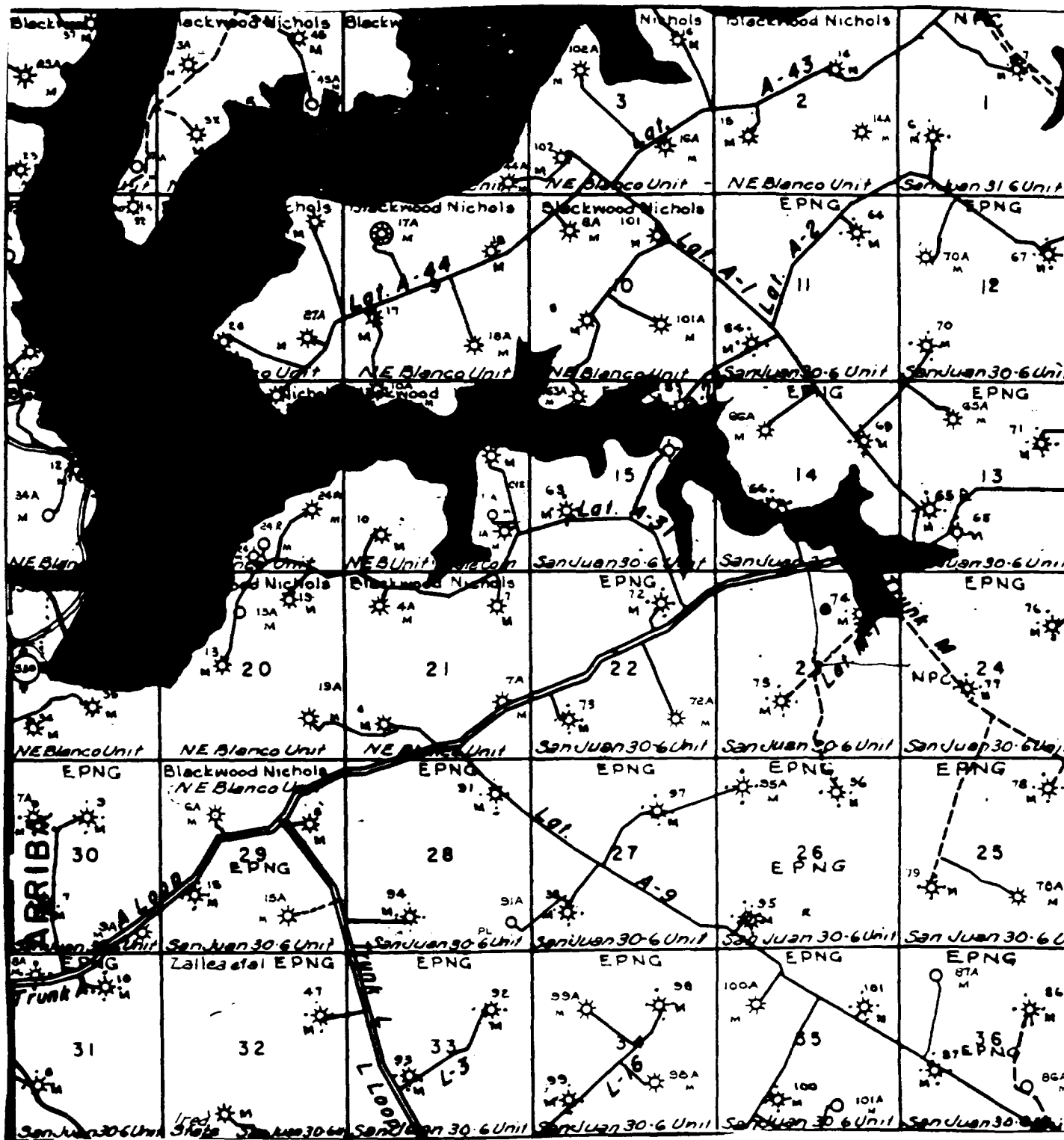
EXISTING ROAD & PIPELINE

PROPOSED ROADS

PROPOSED PIPELINES

PROPOSED ROAD & PIPELINE

T
30
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R-7-W

Map #3
Location o

"Requirements for Production Start-up"

This addendum supersedes Part 1(J) of the "GENERAL REQUIREMENTS FOR OIL AND GAS OPERATIONS ON FEDERAL AND INDIAN LEASES"

Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or Sundry Notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such Production has begun or resumed."

The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which gas is first measured through permanent metering facilities, whichever first occurs.

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162.4-1(b)(5)(ii).

The following information is required on the production start-up notice:

1. Operator name.
2. Well name and number.
3. Well location (1/4 1/4, sec., T., R., P.M., County and State).
4. Date well was placed on production.
5. The nature of the well's production, i.e., crude oil, or crude oil and casinghead gas, or natural gas and entrained liquid hydrocarbons.
6. The Federal or Indian lease prefix and number on which the well is located. Otherwise the non-Federal or non-Indian land category, i.e., State or private.
7. As appropriate, the unit agreement name, number and participating area name.
8. As appropriate, the communitization agreement number.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Caller Service 4104
Farmington, New Mexico 87499

IN REPLY REFER TO
3100 (016)

El Paso Natural Gas Company
#404 San Juan 30-6 Unit
Santa Fe 079382
NW $\frac{1}{4}$ NE $\frac{1}{4}$ sec. 23, T. 30 N., R. 7 W.
Rio Arriba County, New Mexico

Above Data Required on Well Sign

GENERAL REQUIREMENTS FOR OIL AND GAS OPERATIONS ON FEDERAL AND INDIAN LEASES

I. Operations:

These requirements apply generally to all oil and gas operations on Federal and Indian leases. They apply specifically to the above-described well. Special requirements that apply and are effective for this well, if any, are check-marked in Section 13 of these General Requirements. The failure of the operator to comply with these requirements and the filing of required reports may result in the assessment of liquidated damages or penalties pursuant to 43 CFR 3163.3 or 3163.4.

I. GENERAL

A. Full compliance with all applicable laws and regulations, with the approved Permit to Drill, and with the approved Surface Use and Operations Plan is required. Lessees and/or operators are fully accountable for the actions of their contractors and subcontractors.

B. Each well shall have a well sign in legible condition from spud date to final abandonment. The sign should show the operator's name, lease name or unit name, well number, location of the well, and the lease serial number, and whether lease is Tribal or allotted.

C. A complete copy of the approved Application for Permit to Drill and the accompanying Surface Use and Operations Plan, along with any conditions of approval, shall be available to authorized personnel at the drill site whenever active construction or drilling operations are under way.

D. For Wildcat wells only, a drilling operations progress report is to be submitted weekly from spud date until the well is completed and the Well Completion Report (Form 3160-4, formerly 9-330) is filed. The report should be on paper not less than 5 x 8 inches in size, and each page should identify the well by operator's name and number, and by well location.

E. Immediate notice is required of all blowouts, fires, spills and accidents involving life-threatening injuries or loss of life. (See NTL-3A).

F. No construction activities, such as roads, well sites, tank battery sites, pits, or other work involving surface disturbance of previously non-disturbed land will be commenced until a Surface Use and Operations Plan is submitted and approval obtained.

G. Prior approval of the Area Manager is required for variance from the approved drilling program and before commencing plugging operations, plugback work, casing repair work, corrective cementing operations, or suspending drilling operations indefinitely. Emergency approval may be obtained orally, but such approval does not waive the written report requirements.

H. Blowout prevention equipment is to be installed, tested and in working order before drilling below the surface casing, and shall be maintained ready for use until drilling operations are completed.

I. All shows of fresh water and minerals will be reported and protected.

J. This APD is approved subject to the requirement that, should the well be successfully completed for production, this Office must be notified when it is placed in a producing status. Such notification will be in writing and must be received in this Office by not later than the fifth business day following the date on which the well is placed on production. For oil wells first production is when first saleable oil is produced. (Includes oil re-covered from completion operations). Gas well is when a pipeline connection is made. The notification shall provide, as a minimum, the following informational items:

1. Operator name.
2. Well name and number.
3. Well location (1/4 1/4, sec., T., R., P.M., County and State).
4. Date well was placed on production.
5. The nature of the well's production, i.e., crude oil, or crude oil and casinghead gas, or natural gas and entrained liquid hydrocarbons.
6. The Federal or Indian lease prefix and number on which the well is located. Otherwise the non-Federal or non-Indian land category, i.e., State or private.
7. As appropriate, the unit agreement name, number and participating area name.

8. As appropriate, the communitization agreement number.

K. Note Site Security Requirements of 43 CFR 3162.7-4.

L. Unless drilling operations are commenced within one year, approval of Application for Permit to Drill will expire. A written request for extension may be granted if timely submitted.

M. Prior to commencing construction of road, pad, or other associated developments, operator will provide the dirt contractor with a copy of the Surface Use Plan, the conditions of approval, and a copy of Environmental Stipulations Section of these General Requirements.

2. CASING AND CEMENTING REQUIREMENTS

A. Surface casing is to be set at sufficient depth to protect fresh water zones and provide well control; and cement circulated to the surface.

B. Intermediate and production casing strings are to be set and cemented as necessary to effectively isolate and seal off all water, oil, gas, or coalbearing strata encountered, and all potable water zones are to be covered with cement. When cement is not circulated to surface, a temperature or cement bond log is required to determine the cement top.

C. Prior to drilling the plug after cementing, all casing strings shall be pressure tested. Test pressure shall not be less than 600 psi for surface casing, and a minimum of 1,500 psi or 0.2 psi/ft., whichever is greater, for other casing strings. If the pressure declines more than 10 percent in 30 minutes, or if there is other indication of a leak, the casing shall be recemented, repaired, or an additional casing string run, and the casing shall be tested again in the same manner.

D. After cementing but before commencing any tests, the casing string shall stand cemented until the cement has reached a compressive strength of at least 500 psi at the shoe, except that in no case shall tests be initiated until cement has been in place at least 8 hours, WOC time will be recorded in the driller's log.

E. The Area Office shall be notified in sufficient time for a representative to witness cementing of all casing strings.

3. BLOWOUT PREVENTION

A. Blowout preventers and related equipment for well control shall be installed, tested, and maintained in such a manner necessary to maintain well control at all times. All wells, as a minimum, shall be equipped with one blowout preventer rated to at least the anticipated formation pressure in accordance with API RP 53.

B. Blowout preventers shall be equipped with appropriate pressure control equipment for operations being performed. Appropriate size casing rams are required while running casing.

C. Pipe rams shall be activated to test proper functioning at least once each day. Blind rams shall be activated to test proper functioning once each trip. Annular type preventers shall be actuated on the drill pipe no less than once every 7 days.

D. Blowout preventers shall have handwheels installed and operable.

E. A remote kill line shall be properly installed and operable as specified by API recommendations. The kill line is not to be used as a fill up line. A choke line and choke manifold shall be properly installed and operable as specified by API recommendations.

F. The accumulator system shall have a pressure capacity to close all hydraulics on the blowout preventer stack under repeated operations, plus a 200 psi reserve above the recommended precharge pressure.

G. Drill string safety valves to fit all pipe in the drill string shall be maintained on the rig floor, in the open position, while drilling operations are in progress.

H. Blowout prevention drills shall be conducted at least once weekly to assure that equipment is operational and that each crew is properly trained to carry out emergency duties. All blowout prevention drills and tests shall be recorded in the driller's log.

I. The maximum pressure to be allowed on blowout preventers during well control operations shall be posted for each casing string.

J. The characteristics, use and testing of drilling mud shall be such as are necessary for well control. Quantities of mud materials sufficient to insure well control shall be maintained, readily accessible for use at all times.

K. From the time drilling operations are initiated and until drilling operations are completed, a member of the drilling crew or the toolpusher shall maintain rig surveillance at all times, unless the well is secured with blowout preventers or cement plugs.

4. REPORTS

A. The following reports shall be filed with the Resource Area Manager within 30 days after the work is completed:

1. Five copies of Sundry Report (Form 3160-5, formerly 9-331) giving complete information concerning:

a. Setting of each string of casing. Show size and depth of hole, grade and weight of casing, depth set, depth of any and all cementing tools that are used, amount (in cubic feet) and types of cement used, whether cement circulated to surface and all cement tops in the casing annulus, casing test method and results, and the date work was done. Show spud date on first report submitted.

b. Intervals tested, perforated (include; size, number and location of perforations), acidized, or fractured; and results obtained. Show date work was done (a Sundry Report is not required if a Completion Report is submitted within 30 days of the operation).

2. Well Completion Report (Form 3160-4, formerly 9-330) shall be filled out in compliance with instructions of April 1, 1982.

3. Two copies of all electrical and radioactivity logs run.

5. DRILLER'S LOG

A. The following shall be entered in the daily driller's log:

1. Blowout preventer pressure tests, including test pressures and results.

2. Blowout preventer tests for proper functioning.

3. Blowout prevention drill conducted.

4. Casing run, including size, grade, weight, and depth set.

5. How pipe was cemented, including amount of cement, type, whether cement circulated, location of cementing tools, etc.

6. Waiting on cement time for each casing string.

7. Casing pressure tests after cementing, including test pressure and results.

6. DRILLSTEM TESTS

A. Estimated amounts of oil and gas recovered and/or produced during drillstem tests are to be shown in the driller's log and reported in accordance with NTL-4A.

7. GAS FLARING

A. Approval is granted to flare gas while drilling and completion testing.

B. When gas is used for drilling, the blooey line will be located where no damage to vegetation will occur. If this is not possible, an earthen baffle will be constructed to keep the heat and residue within the operating area.

C. Approval is granted to flare gas during completion and initial testing operations not to exceed a period of 30 days or the production of 50 MMCF of gas, whichever occurs first. The 30 calendar day period commences the first day gas is produced. Any gas vented

other than that provided for above, and without approval, will result in compensation due the U. S. for the full value of gas so wasted. (See NTL-4A). All venting of gas after the initial 30 day period must be approved by the Area Manager prior to venting,

8. WATER DISPOSAL

A. An application for approval of the disposal method for water production from all new wells must be filed with the Area Manager within 30 days following first production, pursuant to Section VII of NTL-2B. Failure to timely file such application will be considered an incident of noncompliance and will be grounds for issuing a shut-in order until the application is submitted and/or assessments pursuant to 43 CFR 3163.3(h).

9. SAFETY

- A. All rig heating stoves are to be of the explosion-proof type.
- B. Drilling rig engines should have water-cooled exhausts.
- C. Rig safety lines are to be installed.
- D. Hard hats must be utilized.

10. SUBSEQUENT OR CHANGE OF PLANS

A. Any change of plans required in order to mitigate unanticipated conditions encountered during drilling operations, will require verbal approval of the Bureau of Land Management (Fluid Minerals Section) and submission of a Sundry Notice (Form 3160-5, formerly 9-331), five copies.

11. REMOVAL OF DRILLING RIG

A. Unless a well has been properly cased and cemented, or properly plugged, the drilling rig must not be moved from the drill-site without prior approval from the Bureau of Land Management (Fluids Section).

12. ABANDONMENT

A. If the well is dry it is to be plugged in accord with 43 CFR 3162.3-4, approval of the proposed plugging program may be obtained orally; however, oral approval must be confirmed in writing by immediately filing a Notice of Intention to Abandon on Form 3160-5 (formerly 9-331), in quintuplicate with the Area Manager. The report should show the total depth reached, the reason for plugging, and the proposed intervals, by depths, where cement plugs are to be placed, type of plugging mud, etc.

B. Upon completion of approved plugging, erect a regulation well marker which should not be less than 4 inches in diameter and extend at least 4 feet above general ground level. Heap up the dirt around the base of the marker about 12 inches to take care of any settling of

the cellar. The top of the marker must be closed or capped. The following minimum information shall be permanently placed on the marker with a plate, cap, or welded bead:

1. Operator
2. Well number and name
3. Section, Township and Range
4. Footage location

If approval is obtained to omit the dry hole marker, casings should be cut off three feet below ground level.

C. Within 30 days after plugging the well, a Subsequent Report of Abandonment is to be filed on (Form 3160-5, formerly 9-331), in quintuplicate, showing the manner in which the well was plugged, including depths where casing was cut and pulled, intervals (by depths) where cement plugs were placed, and the date plugging was completed. When all surface restoration work is completed, advise the Farmington Resource Area Office by Sundry Notice so that a field inspection of the wellsite can be made.

13. SPECIAL STIPULATIONS

The following special requirements apply and are effective when checked:

☐ A. A Communitization Agreement covering the acreage dedicated to the well must be filed for approval with the Bureau of Land Management Branch of Fluids, P. O. Box 6770, Albuquerque, New Mexico 87102. The effective date of the agreement must be prior to any sales.

☐ B. In addition to the well-control equipment stipulated in Section 5, either an annular blowout preventer or a rotating head must be used while drilling below surface casing to _____

☐ C. Note attachments.

II. Environmental Stipulations

The following stipulations will apply to all wells unless a particular Surface Managing Agency has supplied to the BLM and the operator a contradictory environmental stipulation. The failure of the operator to comply with these requirements may result in the assessment of liquidated damages or penalties pursuant to 43 CFR 3163.3 or 3163.4.

An agreement between the operator and fee landowner will take precedence over BLM surface stipulations unless 1) the BLM determines that the operator's actions will affect adjacent Federal or Indian surface (43 CFR Part 3160), or 2) the operator does not maintain the well area and lease premises in a workmanlike manner with due regard for safety, conservation and appearance (43 CFR Part 3162.7-4), or 3) no such agreement exists (43 CFR Part 3160), or 4) in the event of well abandonment, minimal Federal restoration requirements will be required (43 CFR Part 3162.7-2).

1. Location and Access Road

A. Well area and lease premises will be maintained in a workmanlike manner with due regard to safety, conservation and appearance. All waste associated with oil and gas operations will be contained and then buried in place, or removed and deposited in an approved disposal site. If burial on site is used, waste must be buried at least 2' deep and metal containers will be crushed prior to burial. Trash pit must be secured during drilling activities, so as to keep the trash from spreading outside of the pit. Trash pits for drilling operations will be covered once the drilling rig leaves the location.

B. Pinyon and juniper trees will be uprooted from road rights-of-way and well pad locations and distributed beside rights-of-way and well pads for fuelwood salvage. Care will be taken to keep the trees as undamaged as practically possible. Large vegetation such as sagebrush, juniper and pinyon will not be incorporated into pit walls. Sagebrush removed during clearing operations will be placed in drainages and "walked down" by a crawler - type tractor. If no drainages are nearby, sagebrush will be buried in the reserve pit when it is filled in. All uprooted vegetation not subsequently buried will be scattered so it does not detract from the natural appearance of the area and does not accelerate erosion.

C. Surface disturbance and vehicular traffic will be limited to the approved location and approved access road.

D. Mud pits will be constructed so as not to leak, break, or allow discharge of liquids. The bottom of the reserve pit shall not be in fill material. Pits are not to be located in natural drainages. Any plastic material used to line pits must be removed to below-ground level before pits are covered. Pit walls are to be "walked down" by a crawler-type tractor following construction and prior to usage.

E. All unguarded pits containing liquids will be fenced. Drilling pits will be fenced on three sides and once the rig leaves the location, the fourth side will be fenced. Fencing must be a legal fence in accordance with New Mexico State Law. Liquids in pits will be allowed to evaporate, or be properly disposed of, before pits are filled and recontoured. (This office will be notified 24 hours prior to fluid hauling). Under no circumstances will pits be cut and drained.

F. Unless otherwise approved, the driving surface on all access roads must be limited to 20 feet in width, and total disturbance will be limited to 35 feet, excluding turnouts.

G. No gravel or other related minerals from new or existing pits on Federal land will be used in construction of roads, well sites, etc., without prior approval from the Surface Managing Agency.

H. Water bars will be constructed on the access road to the well location and conform to surface management specifications. The maximum slope distance between water bars will be:

<u>% Slope</u>	<u>Slope Distance</u>
Less than 1%	400 feet
1% - 5%	300 feet
5% - 15%	200 feet
15% - 25%	100 feet
Greater than 25%	50 feet

When the access road is graded, water bars will be left in the road or replaced immediately upon completion of grading.

I. Prior to crossing any fence located on federal land, or any fence between Federal land and private land, the grantee shall contact the grazing lessee or owner of said fence and offer them the opportunity to be present when the fence is cut in order to satisfy himself that it is adequately braced and tied off in accordance with the attached drawing. All cut fences are to be tied to the braces prior to cutting.

Grazing Lessee _____
 Address _____
 Telephone No. _____

The opening will be protected as necessary during construction to prevent the escape of livestock. A temporary closure will be installed on all cut fences the same day the fence is cut. A permanent cattleguard will be installed and maintained in any cut fence unless otherwise stipulated in writing. A twelve-foot gate will be installed adjacent to all new cattleguards.

J. Berms or firewalls will be constructed around all storage facilities sufficient in size to contain the storage capacity of the tanks.

K. No well and/or production equipment within the irrigable fields of the Navajo Indian Irrigation Project will exceed two feet above the natural ground surface elevation, and will be adequately barricaded for safety.

L. All roads on public land must be maintained in a good passable condition.

M. A proposed use of pesticide, herbicide or other possible hazardous chemical on Bureau of Land Management land shall be cleared for use prior to application.

2. Cultural Resources (Archaeology)

A. The lessee will not commence construction on the lease until the cultural resource inventory has been approved by BLM (per 36 CFR 800).

B. Surface disturbance activities shall be kept 100' away from any archaeological site(s) located off the well pad, unless approved otherwise by the Area Manager.

C. If, in its operations, the APD grantee discovers any historic or prehistoric ruin, monument or site, or any object of antiquity subject to the Antiquities Act of 1906, The Archaeological Resources Protection Act of 1979, and 43 CFR Part 3, then work will be suspended and the discovery promptly reported to the BLM Area Manager. The BLM will then specify what action is to be taken. The APD grantee will obtain at his expense, a qualified archaeologist to carry out the specific instructions of the BLM.

3. Reseeding and Abandonment

A. All surface areas disturbed during drilling activities and not in use for production activities, will be reseeded the first July - September period after the reserve pit has been filled in and/or location abandoned.

B. Compacted areas of the well pad will be plowed or ripped to a depth of 12" before reseeding. All seeding is recommended to be done between July 1 and September 15. Seeding will be done with a disc-type drill with two boxes for various seed sizes. The drill rows will be eight to ten inches apart. The seed will be planted between one-half inch deep and three quarter inch deep. The seeder will be followed with a drag, packer or roller to insure uniform coverage of the seed, and adequate compaction. Drilling of the seed will be done on the contour where possible. Where slopes are too steep for contour drilling a "cyclone" hand-seeder or similar broadcast seeder will be used, using twice the recommended seed per acre. Seed will then be covered to a depth described above by whatever means is practical.

C. If, in the opinion of the surface management agency, the seeding is unsuccessful, the lessee/operator may be required to make subsequent seedings.

D. If, upon abandonment of wells, the retention of access road is not considered necessary for the management and multiple use of the natural resources, it will be ripped a minimum of 12" in depth. After ripping, water bars will be installed as stated in I.H. All ripped surfaces are to be protected from vehicular travel by construction of a dead-end ditch and earthen barricade at the entrance to these ripped areas. (Reseeding of the affected areas may be required).

E. Recommended Seed Mixtures. *Species to be planted in pounds
 pure-live-seed per acre: Pure Live Seed = Germination x Purity

X Seed Mix No. 1--BLM

CRESTED WHEATGRASS	1
SMOOTH BROME	1/2
FOURWING SALTBUSH (dewinged)	1/2
NOMAD ALFALFA	1
INDIAN RICEGRASS	1/2
WESTERN WHEATGRASS	1

— Seed Mix No. 2--BLM

CRESTED WHEATGRASS	1 1/2
FOURWING SALTBUSH (dewinged)	1
SAND DROPSEED	1/4
INDIAN RICEGRASS	1
WESTERN WHEATGRASS	1

— Seed Mix No. 3--BLM

FOURWING SALTBUSH (dewinged)	1
SAND DROPSEED	1/4
ALKALI SACATON	1/4
INDIAN RICEGRASS	1

— Seed Mix No. 4--NIIP

INDIAN RICEGRASS	1
SAND DROPSEED	1
GALLETA	2

— Seed Mix No. 5--NIIP

ALKALI SACATON	1
SAND DROPSEED	1
GALLETA	2

— Seed Mix No. 6--BIA (Crownpoint)

CRESTED WHEATGRASS	3
ALKALI SACATON	1/2
SAND DROPSEED	1/2
PUBESCENT WHEATGRASS	2
INDIAN RICEGRASS	2

— Seed Mix No. 7 Forest Service No. 3

CRESTED WHEATGRASS	4
PUBESCENT WHEATGRASS	6
BURNET	1
LADAK ALFALFA	1
PERENNIAL RYE	2

Seed Mix No. 8--Forest Service No. 4

PUBESCENT WHEATGRASS	6
LADAK ALFALFA	1
PERENNIAL RYE	2
SAND DROPSEED	1
INDIAN RICEGRASS	1/2

Seed Mix No. 9--Forest Service (Cuba)

PUBESCENT WHEATGRASS	6
BURNET	1
LADAK ALFALFA	1/2
PERENNIAL RYE	2
WESTERN WHEATGRASS (Arriba Variety)	4

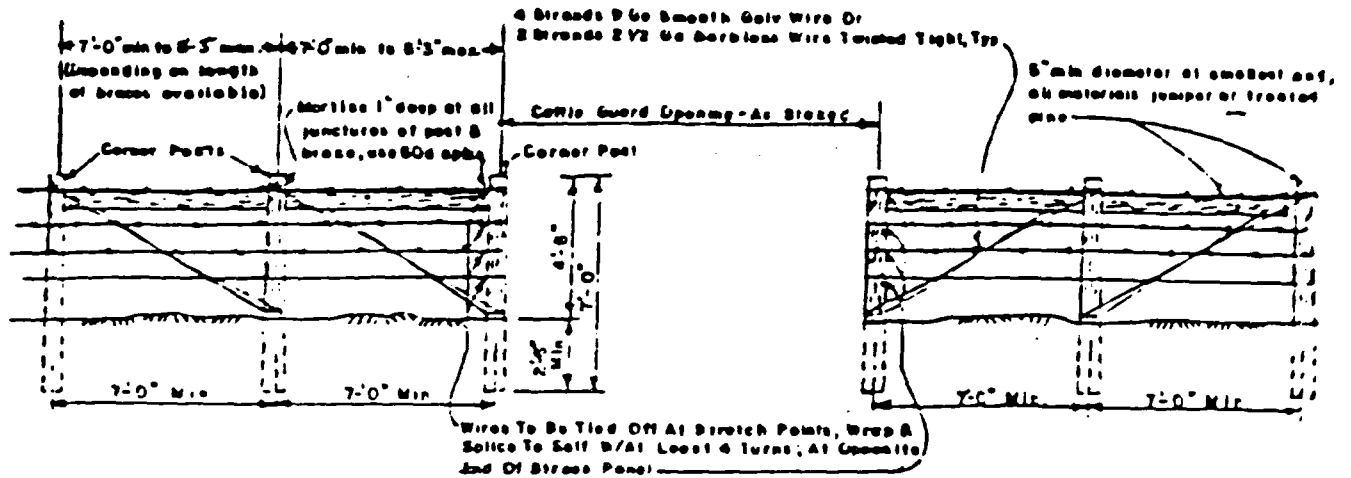
Seed Mix No. 10--Forest Service (Cuba)

PUBESCENT WHEATGRASS	_____
BURNET	_____
LADAK ALFALFA	_____
PERENNIAL RYE	_____
SAND DROPSEED	_____
INDIAN RICEGRASS	_____
WESTERN WHEATGRASS (Arriba Variety)	_____

Seed Mix No. 11 (Jicarilla)

PUBESCENT WHEATGRASS	4
INTERMEDIATE WHEATGRASS	4
WESTERN WHEATGRASS	4
SMOOTH BROME	2
YELLOW CLOVER	1/2

F. Note Attachments.



Stipulations:

1. A 12' gate must be installed between the cattleguard and brace assemblies on which ever side of the cattleguard is most convenient. If the gate is made of wire it must have at least four horizontal strands of barb wire, with at least four 3" diameter vertical wood stays evenly spaced. When the gate is closed the wires must be taut.
2. All cattleguards must have wings installed on both ends to prevent livestock from stepping around the ends. Cattleguards must be at least 8' wide, the length is left to the discretion of the operator. They must be set on concrete or pressure treated wood bases to prevent them from sinking. (If you will install the bases at least 12" above the surrounding contour, and provide drainage through the open area under the cattleguard, you will not have to clean them so often).
3. All cattleguards must have clearly visible identification marks welded into them indicating the ownership and well name and number associated with the cattleguard.

Office, Fluids Surface Management Staff, at (505) 325-4572, approximately 48 hours prior to construction activities.

☒ 2. No construction or drilling activities shall be conducted between November 1 and March 31 because of elk/deer/bald eagle winter habitat areas. Contact BLM wild-life biologist (Dave Renwald) at 325-3581, with any questions.

☐ 3. The Fluids Surface Management Staff shall be notified upon site completion, prior to moving on drilling rig. (505) 325-4572.

☐ 4. A _____ (ft.) tree screen will be left on the _____ sides of the location.

☐ 5. Pits and/or pad will be constructed long and narrow, or to conform to natural contour of terrain, so as to avoid the edge of hazard by an amount that prevents pit failure.

☐ 6. Pits will be lined with an impervious material.

☐ 7. Earthen berm(s) will be placed on the _____ side(s) of the location between the reserve pit and the wash.

☐ 8. The _____ corner of the well pad will be rounded off to avoid _____.

☒ 9. The wash shall be diverted around the S side of the well pad. (TO west)

☒ 10. Diversion ditch(es) will be constructed on the S side of the location above/below (circle one) the cut slope, draining to the W.

☐ 11. A culvert of sufficient size will be placed where the drainage crosses access road.

☐ 12. The proposed access road shall utilize the upgraded 2-track trail approximately _____ (ft. or mi.) as agreed upon during on-site inspection. Remainder of planned access road will follow flagged route.

☐ 13. The access road shall be rerouted around the _____ edge of the well pad during construction and drilling activities for safety reasons. Upon completion of drilling and cleanup, the road will be returned to its original alignment.

☒ 14. The cut slope shall not exceed a 4:1, 3:1 2:1, or 1:1 ratio (circle). Hydro mulching or netting _____ is ☒ is not required on the slopes.

☒ 15. Paint color Green seed mix I.

☒ 16. Woven wire shall be required on all pits (See Standard Stipulation I.E.).

☐ 17. No hardwood tree with a diameter of ten inches or more at the base or any Ponderosa pine, Douglas-fir or aspen tree is to be removed or damaged without approval from the Authorized Officer.

☐ 18. Due to an active raptor nest no drilling or construction activities shall be conducted between March 1 and June 30. Contact BLM Wildlife Biologist at 325-3581, with any questions.

☐ 19. No surface disturbance shall occur until a paleontological resource investigation has been conducted by a BLM paleontologist or a professional paleontologist acceptable to BLM. The results of this investigation will dictate site specific stipulations for avoidance or salvage of any potentially significant paleontological resources.

20. _____

NOTE: If the land is privately owned, these requirements may be varied to comply with the operator - landowner agreement.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*
(Other instructions on re-
verse side)

Form approved.
Budget Bureau No. 1004-0135
Expires August 31, 1985

5. LEASE DESIGNATION AND SERIAL NO.

SF 079382

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

San Juan 30-6 Unit

8. FARM OR LEASE NAME

San Juan 30-6 Unit

9. WELL NO.

404

10. FIELD AND POOL, OR WILDCAT

Undes. Fruitland

11. SEC., T., R., M., OR S.E. AND
SURVEY OR AREA

Sec. 23, T-30-N, R- 7-W
N.M.P.M.

12. COUNTY OR PARISH 13. STATE

Rio Arriba NM

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 ☐ GAS ☐ OTHER ☒
WELL WELL

2. NAME OF OPERATOR

El Paso Natural Gas Company

3. ADDRESS OF OPERATOR

Post Office Box 4289, Farmington, NM 87499

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*
See also space 17 below.)

At surface 1135'N, 1635'E

RECEIVED

14. PERMIT NO.

JUL 16 1986

15. ELEVATIONS (Show whether OF, ST, GR, etc.)

6141'GL

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

BUREAU OF LAND MANAGEMENT
FARMINGTON RESOURCE AREA

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

TEST WATER SHUT-OFF

PULL OR ALTER CASING

WATER SHUT-OFF

REPAIRING WELL

FRACTURE TREAT

MULTIPLE COMPLETE

FRACTURE TREATMENT

ALTERING CASING

SHOOT OR ACIDIZE

ABANDON*

SHOOTING OR ACIDIZING

ABANDONMENT*

REPAIR WELL

CHANGE PLANS

(Other)

(Other)

(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 perti-
nent to this work.)*

It is intended to increase the size of the pad on this
location as shown on the attached plat.

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

SIGNED Peggy Cook

TITLE Drilling Clerk

DATE 7-16-86

(This space for Federal or State office use)

APPROVED BY _____
CONDITIONS OF APPROVAL, IF ANY:

TITLE _____

APPROVED

JUL 18 1986

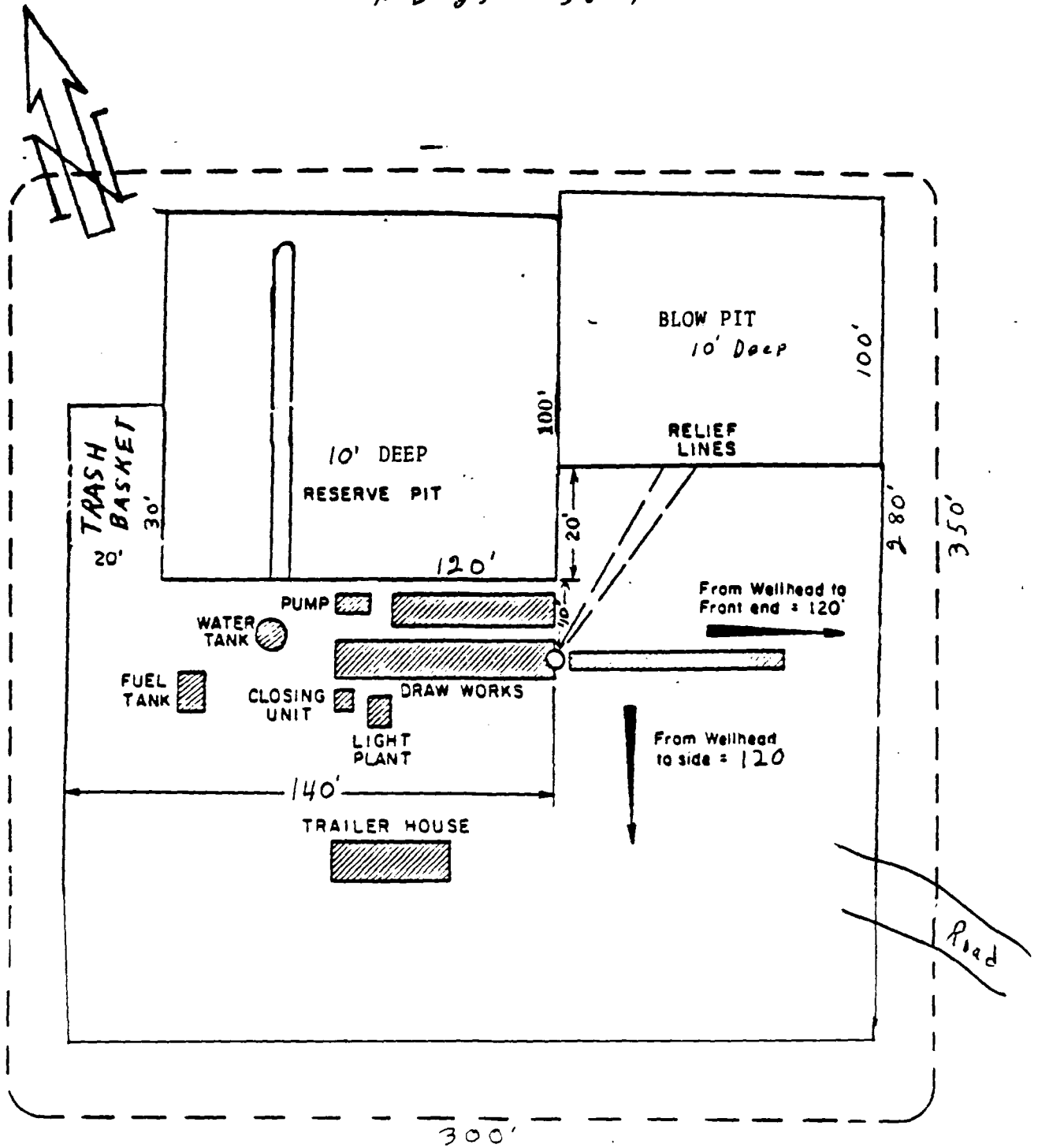
*See Instructions on Reverse Side

OPERATOR

AREA MANAGER

San Juan 30... Unit #404

NE 23 30-7



			ENG. REC.	DATE
			DRAWN	C.A.G. 2-2085
			CHECKED	
			CHECKED	
			PROJ. APP.	
BY	SEP.	DATE	TO	W.O.
			DESIGN	

MERIDIAN OIL INC.
TYPICAL LOCATION PLAT FOR
FRUITLAND COAL DRILL SITE

DWGP

The approval of this action does NOT grant or imply approval of any off-lease or off-unit action. It is the responsibility of the applicant to obtain any such approvals from the appropriate Surface Management Agency, including BLM, and/or any private landowners.

Office, Fluids Surface Management Staff, at (505) 325-4572, approximately 48 hours prior to construction activities.

☒ 2. No construction or drilling activities shall be conducted between November 1 and March 31 because of elk/deer/bald eagle winter habitat areas. Contact BLM wildlife biologist (Dave Renwald) at 325-3581, with any questions.

3. The Fluids Surface Management Staff shall be notified upon site completion, prior to moving on drilling rig. (505) 325-4572.

4. A _____ (ft.) tree screen will be left on the _____ sides of the location.

5. Pits and/or pad will be constructed long and narrow, or to conform to natural contour of terrain, so as to avoid the edge of hazard by an amount that prevents pit failure.

6. Pits will be lined with an impervious material.

7. Earthen berm(s) will be placed on the _____ side(s) of the location between the reserve pit and the wash.

8. The _____ corner of the well pad will be rounded off to avoid _____.

☒ 9. The wash shall be diverted around the S side of the well pad. To west

☒ 10. Diversion ditch(es) will be constructed on the S side of the location above/below (circle one) the cut slope, draining to the W.

11. A culvert of sufficient size will be placed where the drainage crosses access road.

12. The proposed access road shall utilize the upgraded 2-track trail approximately _____ (ft. or mi.) as agreed upon during on-site inspection. Remainder of planned access road will follow flagged route.

13. The access road shall be rerouted around the _____ edge of the well pad during construction and drilling activities for safety reasons. Upon completion of drilling and cleanup, the road will be returned to its original alignment.

☒ 14. The cut slope shall not exceed a 4:1, 3:1, 2:1, or 1:1 ratio (circle). Hydro mulching or netting _____ is ☒ is not required on the slopes.

☒ 15. Paint color Green seed mix I.

☒ 16. Woven wire shall be required on all pits (See Standard Stipulation I.E.).

17. No hardwood tree with a diameter of ten inches or more at the base or any Ponderosa pine, Douglas-fir or aspen tree is to be removed or damaged without approval from the Authorized Officer.

18. Due to an active raptor nest no drilling or construction activities shall be conducted between March 1 and June 30. Contact BLM Wildlife Biologist at 325-3581, with any questions.

19. No surface disturbance shall occur until a paleontological resource investigation has been conducted by a BLM paleontologist or a professional paleontologist acceptable to BLM. The results of this investigation will dictate site specific stipulations for avoidance or salvage of any potentially significant paleontological resources.

20. _____

NOTE: If the land is privately owned, these requirements may be varied to comply with the operator - landowner agreement.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*
(Other instructions on re-
verse side)

Form approved.
Budget Bureau No. 1004-0135
Expires August 31, 1985

5. LEASE DESIGNATION AND SERIAL NO.
SF 079382

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 type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>	7. UNIT AGREEMENT NAME San Juan 30-6 Unit
2. NAME OF OPERATOR Meridian Oil Inc.	8. FARM OR LEASE NAME San Juan 30-6 Unit
3. ADDRESS OF OPERATOR Post Office Box 4289, Farmington, NM 87499	9. WELL NO. 404
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface 1135'N, 1635'E	10. FIELD AND POOL, OR WILDCAT Undes. Fruitland
14. PERMIT NO.	11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 23, T-30-N, R-7 -W N.M.P.M.
15. ELEVATIONS (Show whether of, Farmington Resource Area) 6141'GL	12. COUNTY OR PARISH 13. STATE Rio Arriba NM

RECEIVED
MAR 19 1987

BUREAU OF LAND MANAGEMENT
FARMINGTON RESOURCE AREA

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

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETION <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>
(Other) <input type="checkbox"/>	

SUBSEQUENT REPORT OF:

WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
(Other) <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.)*

The attached operations plan reflects our current design plans and is being submitted for approval. Specific changes are in the Casing Program (Section IV) and Cementing Program (Section V). Also note the operator has changed from El Paso Natural Gas Company to Meridian Oil Inc.; and the drill site diagram has been changed. Due to the proximity of Navajo Lake, the orientation of this pad was changed to keep the reserve and blow pits upslope to reduce the chance for an accidental fluid spill.

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

SIGNED Rebecca Cook

TITLE Drilling Clerk

APPROVED 3-18-87

(This space for Federal or State office use)

APPROVED BY _____
CONDITIONS OF APPROVAL, IF ANY:

TITLE _____

DATE MAR 20 1987

James H. Hall
AREA MANAGER

*See Instructions on Reverse Side

OPERATOR

OPERATIONS PLAN

Well Name - San Juan 30-6 Unit #404

Date: 12-Mar-87

I. Location: 1135'N, 1635'E, Sec.23, T-30-N, R-7-W, Rio Arriba Co., NM

Field: Undesignated Fruitland

Elevation: 6141' GL

II. Geology:

A. Formation Tops:	Surface	San Jose
	Ojo Alamo	1980
	Kirtland	2200
	Fruitland	2760
	Total Depth	3055

B. Logging Program: I-ES & GR-FDC-CNL at Total Depth.

C. Coring: None

III. Drilling:

A: Mud Program: Mud from surface to 3055 .

IV. Materials:

A. Casing Program:	Hole Size	Depth	Csg. Size	Weight	Grade
	12 1/4"	200	9 5/8"	32.3#	H-40
	8 3/4"	2820	7"	20.0#	K-55
	6 1/4"	3055	5 1/2"	23.0#	P-110

5 1/2" liner hung @ 2670', w/ Baker Double Grip
Packer

B. Float Equipment: 9 5/8" surface casing - Saw Tooth guide shoe

7" production casing - guide shoe and self-fill insert valve, one stage cementer equipped for two stage cementing. Set tool for second stage at 2300 . Run 11 centralizers spaced as follows: one on each of the bottom five joints, one below the stage tool and five above spaced every other joint.

5 1/2" production liner - bull nose guide shoe on bottom. Liner predrilled with 12 holes per foot.

C. Tubing: 3055 of 2 3/8", 4.7#, J-55 8rd EUE tubing with an expendable check valve on bottom. Run an F-nipple one joint off bottom.

D. Wellhead Equipment: 9 5/8" 2000 psi x 11" casing head with 11" x 7" casing hanger, 11" 2000 psi x 7 1/16" 3000 psi xmas tree.

OPERATIONS PLAN

Well Name - San Juan 30-6 Unit #404

Date: 12-Mar-87

V. Cementing:

9 5/8" surface casing-use 106 sks. of Class B cement with 1/4# gel-flake/sk. and 3% calcium chloride (125 cu.ft. of slurry, 100% excess to circulate to surface). WOC 12 hours. Test casing to 600 psi for 30 minutes.

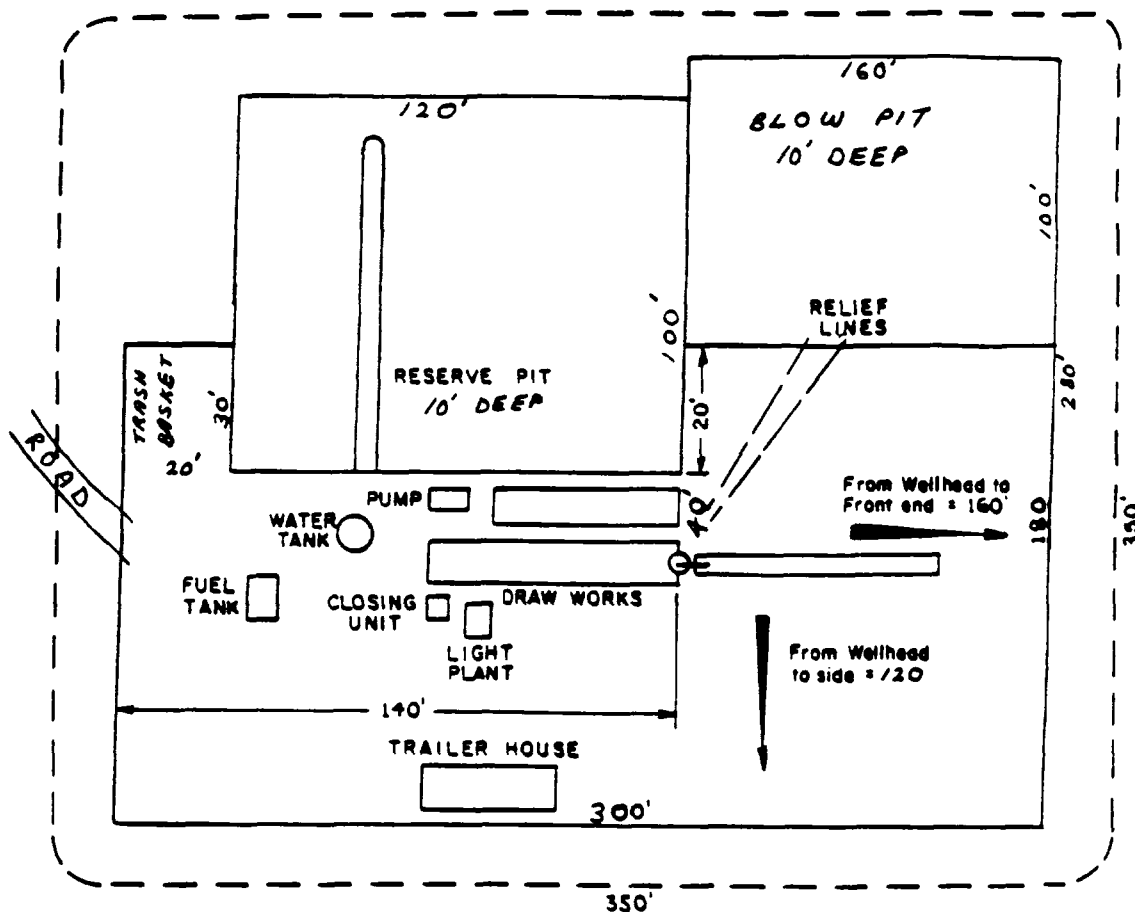
7" production casing:

First stage use - 132 sks. 50/50 Class B Poz with 2% gel, and 1/4 cu. ft. Gilsonite per sk. (5.4 gallons of water per sk.)
(186 cu. ft. of slurry, 100% excess to cover the Kirtland).

Second stage - Circulate with mud for 2.5 hours, then cement with 427 sks. of 65/35 Class B Poz with 6% gel, 2% calcium chloride and 8.3 gallons water per sk. (691 cu.ft. of slurry, 100% excess to circ. to surface). Run temperature survey on top stage at 8 hours. WOC 18 hrs.

5 1/2" liner:

Do not cement.



SAN JUAN 30-6 UNIT # 904 1135' N. 1635' E. SEC 23 T-30-N, R-7-W

ENG REC	DATE
DRAWN	1/15/17
CHECKED	
CHECKED	
PROJ. APP	
DESIGN	
PRINT RECORD	

MERIDIAN OIL, INC
TYPICAL LOCATION PLAT FOR
FRUITLAND COAL DRILL SITE

SCALE

DWG
NO

REV

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*
(Other instructions on re-
verse side)

Form approved.
Budget Bureau No. 1004-0135
Expires August 31, 1985

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.)

5. LEASE DESIGNATION AND SERIAL NO.

SF079382

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

San Juan 30-6 Unit

8. FARM OR LEASE NAME

San Juan 30-6 Unit

9. WELL NO.

404

10. FIELD AND POOL, OR WILDCAT

Undes. Fruitland

11. SEC., T., R., M., OR BLM. AND
SURVEY OR AREA

Sec. 23, T-30-N, R-7-W
NMPM

12. COUNTY OR PARISH 13. STATE

Rio Arriba NM

1. OIL WELL ☐ GAS WELL ☒ OTHER

2. NAME OF OPERATOR

Meridian Oil Inc.

3. ADDRESS OF OPERATOR

PO Box 4289, Farmington, NM 87499

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*
See also space 17 below.)

At surface

1135'N, 1635'E

14. PERMIT NO.

15. ELEVATIONS (Show whether DP, RT, GR, etc.)

6141'GL

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

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF

☐
☐
☐
☐

PCLL OR ALTER CASING

☐
☐
☐
☒

FRACTURE TREAT

MULTIPLE COMPLETE

SHOOT OR ACIDIZE

ABANDON*

REPAIR WELL

CHANGE PLANS

(Other)

Horizontal Wellbore

☒

SUBSEQUENT REPORT OF:

WATER SHUT-OFF

☐
☐
☐
☐

FRACTURE TREATMENT

SHOOTING OR ACIDIZING

(Other)

REPAIRING WELL

ALTERING CASING

ABANDONMENT*

☐
☐
☐
☐

(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.)*

The attached design summary, operations plan and wellbore diagram reflect Meridian Oil's proposal for the subject well. Specific changes are in the casing and cementing programs and the wellbore schematic.

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

SIGNED

Deane L. Lash

TITLE Drilling Clerk

DATE 04-21-87

(This space for Federal or State office use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side

Design Summary

San Juan 30-6 Unit #404

The following is a summary of the manner in which Meridian Oil Inc. intends to drill and complete the subject well:

1. Drill 17 1/2" hole to 200' TVD. Set and cement 13 3/8" casing to surface.
2. Drill 12 1/4" hole to 2565' TVD. Set 9 5/8" casing. Cement to surface.
3. Drill 8 3/4" vertical hole to 2910' TVD.
4. Core 130' of gross coal thickness from 2910' TVD to 3040' TVD. Run orientation surveys on core samples to determine fracture orientation of coal seams.
5. Plug back 8 3/4" hole with cement plug to kick off point (KOP) at 2626' TVD.
6. Kick off at an orientation approximately N38°E (magnetic).
7. Drill 412' arc length of $r = 286'$ (build rate of 20°/100') to 3038' MD, 2910' TVD.
8. Drill 1000' lateral section hole at 82.5° from vertical to 4038' MD, 3040' TVD.
9. Run 5 1/2" production string to 4038' MD, 3040' TVD. Production string is predrilled with 12 holes/foot from 4038' MD to 3038' MD, 3040' TVD to 2910' TVD.
10. Run 2 3/8" EUE tubing to 4038' MD, 3040' TVD.

OPERATIONS PLAN

Well Name - San Juan 30-6 Unit #404

Date: 21-Apr-87

I. Location: 1135'N, 1635'E, Sec.23, T-30-N, R-7-W, Rio Arriba Co., NM

Field: Undesignated Fruitland

Elevation: 6141' GL

II. Geology:

A. Formation Tops:	Surface San Jose	
	Ojo Alamo	1980
	Kirtland	2200
	Fruitland	2760
	Total Depth	3040

B. Logging Program: I-ES & GR-FDC-CNL at Total Depth.

C. Coring: Oriented core from 2910' to 3040'.

III. Drilling:

A: Mud Program: Mud from surface to 3040 .

IV. Materials:

A. Casing Program:	Hole Size	Depth	Csg. Size	Weight	Grade
	17 1/2"	200	13 3/8"	48.0#	H-40
	12 1/4"	2565	9 5/8"	40.0#	N-80
	8 3/4"	3040	5 1/2"	23.0#	P-110

B. Float Equipment: 13 3/8" surface casing - Saw Tooth guide shoe

7" intermediate casing - guide shoe and self-fill insert valve. Run 5 centralizers spaced one on each of the bottom five joints.

5 1/2" production casing - bull nose guide shoe on bottom. Production casing predrilled with 12 holes per foot from 2910' TVD - 3040' TVD.

C. Tubing: 4038' of 2 3/8", 4.7#, J-55 8rd EUE tubing with an expendable check valve on bottom. Run an F-nipple one joint off bottom.

D. Wellhead Equipment: 13 3/8" x 12" 3000 psi casing head with a 12" x 9 5/8" casing hanger. 12" 3000 psi x 11" 3000 psi casing spool with an 11" x 5 1/2" casing hanger. 11" 3000 psi x 7 1/16" 3000 psi xmas tree assembly.

OPERATIONS PLAN

Well Name - San Juan 30-6 Unit #404

Date: 21-Apr-87

V. Cementing:

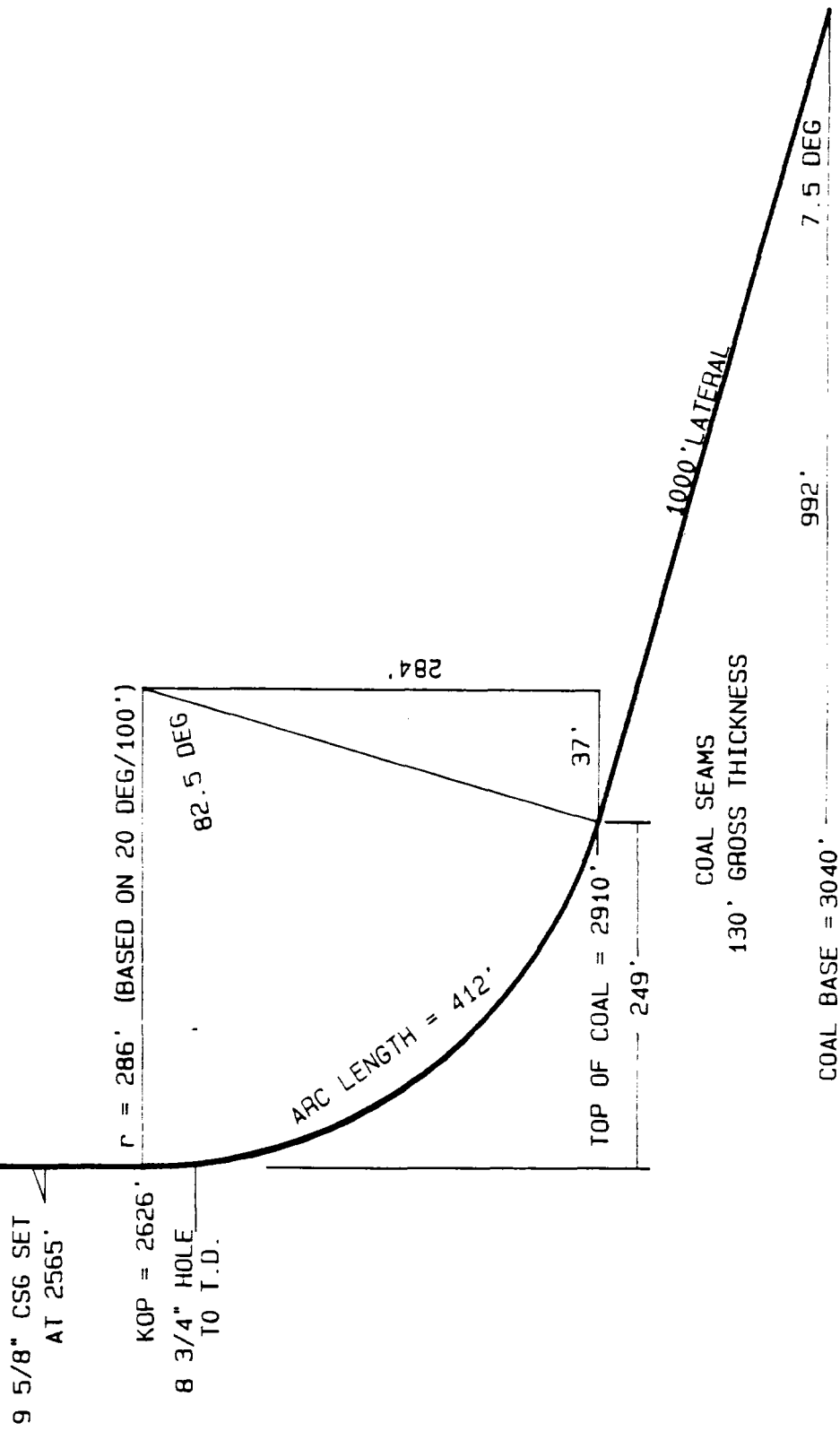
13 3/8" surface casing: 236 sks. of Class B cement with 1/4# gel-flake/sk. and 3% calcium chloride (278 cu.ft. of slurry, 100% excess to circulate to surface). WOC 12 hours. Test casing to 600 psi for 30 minutes.

9 5/8" intermediate casing: lead slurry is 905 sks. 65/35 class B poz with 6% gel, 2% calcium chloride and 8.3 gallons water per sack. Tail with 100 sks. 50/50 class B poz with 2% gel and 1/4 cu.ft. gilsonite per sk. (1607 cu.ft. of slurry, 100% excess to circulate to surface.) Run temperature survey on top stage at 8 hours. WOC 18 hrs.

5 1/2" production casing: Do not cement.

Prepared by: J.D.Falconi

SAN JUAN 30-6 UNIT #404 SCHEMATIC OF A WELLBORE TO DRILL AT 82.5 DEGREES THROUGH 130' GROSS THICKNESS OF COAL SEAMS



DEPTHS BASED ON OFFSET DATA FROM
 THE SAN JUAN 30-6 UNIT #400

J. D. FALCONI
 APRIL 20, 1987