

UTAH OIL AND GAS CONSERVATION COMMISSION

REMARKS WELL LOG ELECTRIC LOGS FILE **X** WATER SANDS LOCATION INSPECTED SUB REPORT abd

DATE FILED **1-30-86**
 LAND FEE & PATENTED STATE LEASE NO PUBLIC LEASE NO **U-55567** INDIAN

DRILLING APPROVED **2-24-86**

SPUDED IN:
 COMPLETED PUT TO PRODUCING:

INITIAL PRODUCTION

GRAVITY API

GOR

PRODUCING ZONES

TOTAL DEPTH

WELL ELEVATION

DATE ABANDONED **LA'D 5-7-87**

FIELD **WILDCAT**

UNIT

COUNTY **SAN JUAN**

WELL NO **AZTEC FEDERAL 43-33** API #**43-037-31245**

LOCATION **1360' FSL** FT. FROM (N) (S) LINE. **1020' FEL** FT. FROM (E) (W) LINE **NE SE** 1.4 - 1.4 SEC **33**

TWP	RGE	SEC	OPERATOR	TWP	RGE	SEC	OPERATOR
38S	25E	33	MERIDAN OIL INC.				

CC: DR Nelson
RJ Firth
JR Baza

MERIDIAN OIL

January 24, 1986

RECEIVED

JAN 27 1986

Board of Oil, Gas and Mining
Department of Natural Resources
State of Utah
4241 State Office Building
Salt Lake City, Utah 84114

DIVISION OF OIL
GAS & MINING

Re: Request for Exception Location
43-33 Aztec-Federal
NESE Section 33-38S-25E
San Juan County, Utah

Gentlemen:

Meridian Oil Inc. requests the approval to drill an unorthodox location in Section 33-38S-25E of San Juan County, Utah. The above referenced location was staked 1360' FSL - 1020' FEI. of Section 33.

A lease ownership plat is attached as Exhibit "A". Meridian Oil Inc. owns 75% of the oil and gas leasehold working interest (Lease U-55567) within a 660' radius of the proposed exception location. BWAB Inc. owns the remaining 25% interest in Lease U-55567 and is participating in the drilling of this well. BWAB Inc. has been notified and is in agreement with this location. No other offset owners are required to be notified since the offset acreage is owned by Meridian and BWAB Inc.

This exception location for the 43-33 Aztec-Federal is requested due to topographical reasons as per attached map.

Thank you for your consideration.

Sincerely,


Suzann S. Nelson
Sr. Operations Technician

Attachments

ssn

cc: BWAB Inc.
Denver, CO

Cindy Crawley
Meridian Oil
Denver District

1175N

MERIDIAN OIL

January 28, 1986

Board of Oil, Gas and Mining
Department of Natural Resources
State of Utah
4241 State Office Building
Salt Lake City, Utah 84114

RECEIVED

JAN 30 1986

DIVISION OF OIL
GAS & MINING

Re: Application for Permit to Drill
43-33 Aztec-Federal
NESE Section 33-38S-25E
San Juan County, Utah
Federal Lease No. U-55567

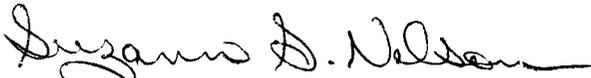
Gentlemen:

Enclosed are original and three copies of Form 3160-3, Application for Permit to Drill with attachments for the above referenced location.

Please be advised that Meridian Oil Inc. requests that all pertinent data for this location be granted TIGHT HOLE status.

If you have any questions, please do not hesitate to call me at 406-256-4122.

Sincerely,



S. S. Nelson
Sr. Operations Technician

ssn

Encl

1175N

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

5. LEASE DESIGNATION AND SERIAL NO.
U-55567

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
--

7. UNIT AGREEMENT NAME
--

8. FARM OR LEASE NAME
Aztec-Federal

9. WELL NO.
43-33

10. FIELD AND POOL, OR WILDCAT
Aztec (Wildcat)

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Section 33-38S-25E

12. COUNTY OR PARISH | 13. STATE
San Juan | Utah

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
DRILL DEEPEN PLUG BACK

b. TYPE OF WELL
OIL WELL GAS WELL OTHER
SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
MERIDIAN OIL INC.

3. ADDRESS OF OPERATOR
P. O. Box 1855, Billings, MT 59103

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)
At surface NESE (1360' FSL - 1020' FEL)

At proposed prod. zone Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
5 miles Northeast of Hatch Trading Post, Utah

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
1360'

16. NO. OF ACRES IN LEASE
320

17. NO. OF ACRES ASSIGNED TO THIS WELL
40

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
5280'

19. PROPOSED DEPTH
5960'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
4966'

22. APPROX. DATE WORK WILL START*
March 15, 1986

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2	13-3/8	48#	80'	Redi-Mix to sfc
12-1/4	8-5/8	24#	2,000'	Cmt to sfc w/1500 sx "B" Lite &
12-1/4	8-5/8	32#	3,500'	250 sx "B"
7-7/8	5-1/2	15.5#	5,960'	Single stage, top of cmt @ 3000'

The Upper Ismay and/or the Desert Creek will be selectively perforated and tested in this well.

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.

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING
DATE: 2/24/86
BY: John R. Bays
WELL SPACING: 302.1

CONFIDENTIAL

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 Gregory D. Nelson TITLE Sr. Operations Technician DATE 1/28/86

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

COMPANY MERIDIAN OIL INCORPORATED

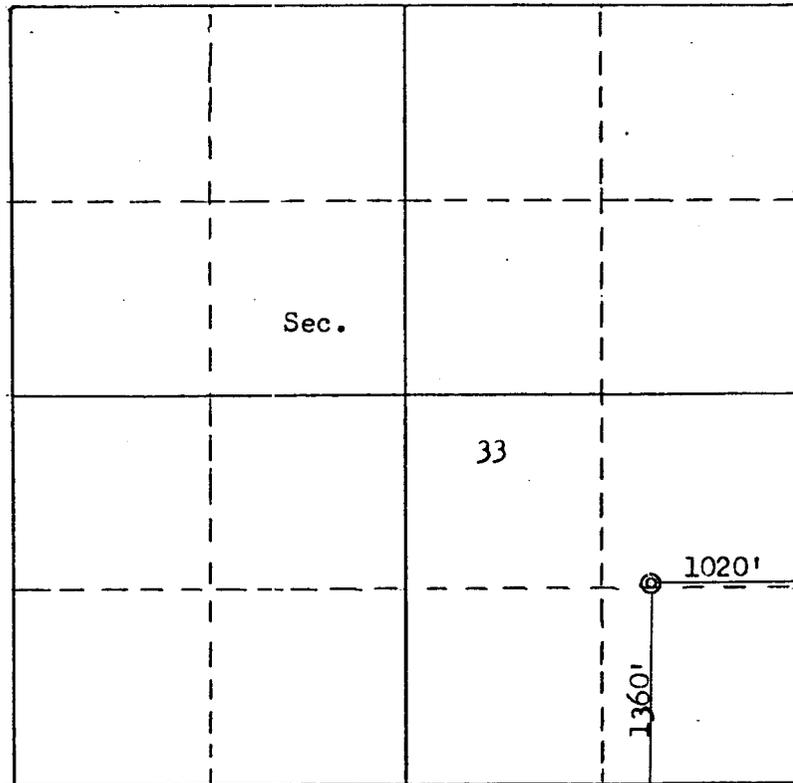
LEASE AZTEC-FEDERAL WELL NO. 43-33

SEC. 33, T. 38S, R. 25E

County: San Juan State: Utah

LOCATION 1360' FSL 1020' FEL

ELEVATION 4966 ungraded ground



SCALE—4 INCHES EQUALS 1 MILE

CONFIDENTIAL INFORMATION

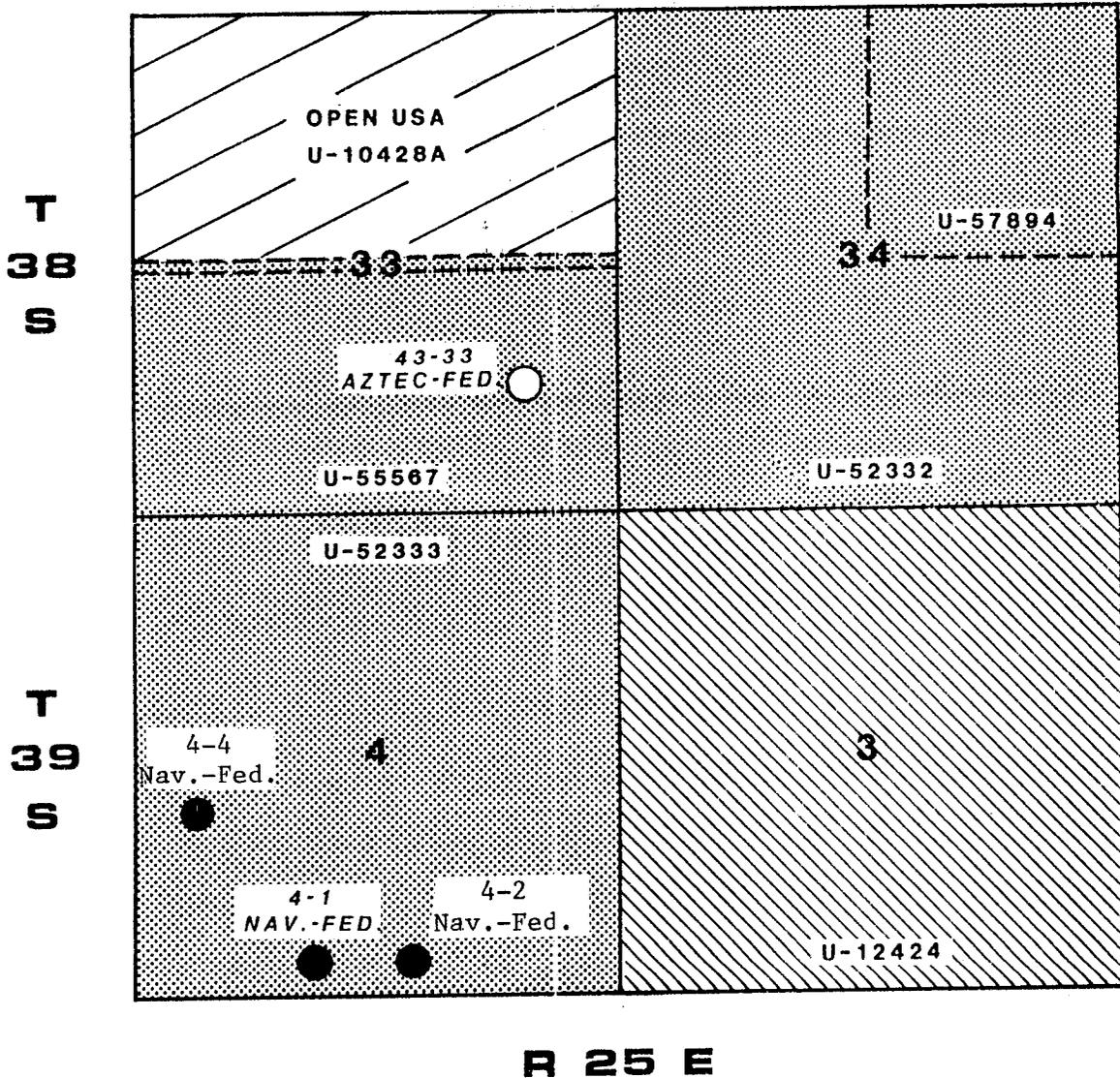
THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTE OF ACTUAL SURVEYS MADE BY ME UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

SEAL:

[Signature]
Registered Land Surveyor
Reg. 3950
H. MERR, JR.

SURVEYED December 16 1985

EXHIBIT A



KEY: LEASEHOLD OWNERSHIP



MERIDIAN OIL INC. - 75%, BWAB 25%
(FEDERAL SERIAL NO. U-55567)
(FEDERAL SERIAL NO. U-52333)
(FEDERAL SERIAL NO. U-52332)
(FEDERAL SERIAL NO. U-57894)



OPEN USA - U-10428A



GETTY OIL COMPANY (50%), DONALD B. ANDERSON, LTD. (25%),
CHORNEY OIL COMPANY (25%)
(FEDERAL SERIAL NO. U-12424)



PROPOSED LOCATION - MOI. #43-33 AZTEC FEDERAL
1360' FSL - 1020' FEL

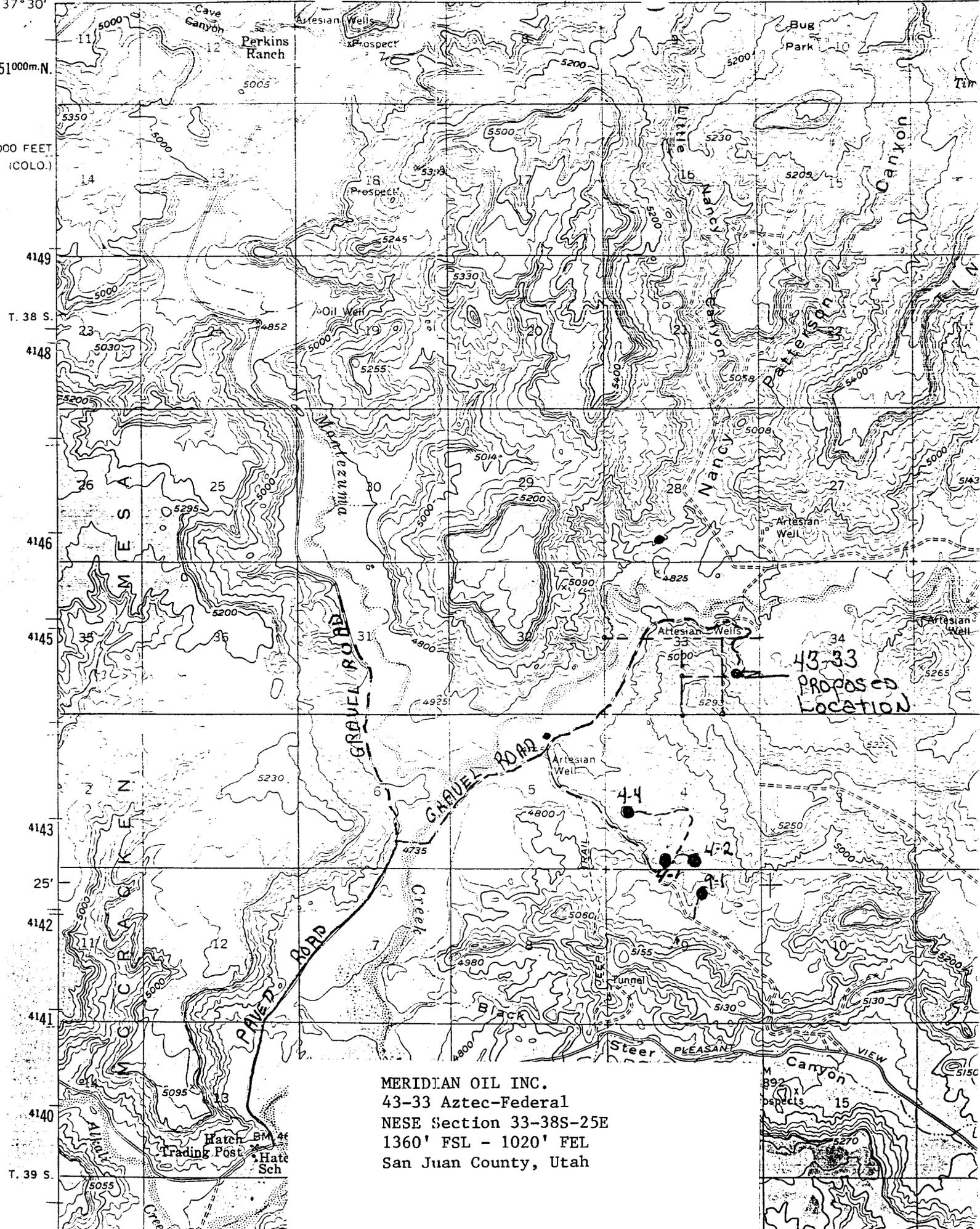


EXISTING WELL - MOI. #4-1 NAVAJO FEDERAL
370' FSL - 1940' FWL
EXISTING WELL - MOI. #4-2 NAVAJO FEDERAL
300' FSL - 2225' FEL
EXISTING WELL - MOI. #4-4 NAVAJO FEDERAL
1980' FSL - 660' FEL
(FEDERAL SERIAL NO. U-52333)

MERIDIAN OIL

AZTEC PROSPECT
T 38 S, T 39 S, R 25 E
SAN JUAN COUNTY, UTAH

SCALE 1" = 2000'



MERIDIAN OIL INC.
 43-33 Aztec-Federal
 NESE Section 33-38S-25E
 1360' FSL - 1020' FEL
 San Juan County, Utah

1167N/0073N/III

OIL AND GAS ORDER NO. 1

MERIDIAN OIL INC.

LEASE NAME: #43-33 Aztec-Federal
LEASE NO. U-55567
LOCATION: NESE Section 33-38S-25E
1360' FSL - 1020' FEL
San Juan County, Utah
Aztec Prospect

CONFIDENTIAL INFORMATION

A. EIGHT POINT DRILLING PROGRAM

1. & 2. Estimated Tops:

Morrison	Surface	
Entrada	725	
Navajo	916	fresh water
Chinle	1616	
Shinarump	2471	
Cutler	2758	
Hermosa	4557	
Upper Ismay	5600	oil
A Shale	5718	
Lower Ismay	5720	
Desert Creek	5800	oil
LDC Porosity	5868	
Chimney Rock	5900	
Akah	5921	
TD	5960	

3. Pressure Control Equipment:

- a. A 3000 psi WP and 6000 psi test double gate preventer equipped with blind and pipe rams.
- b. BOP systems will be consistent with API RP 53. Pressure tests will be conducted before drilling out from under all casing strings which are set and cemented in place. Blowout preventor controls will be installed prior to drilling the surface casing plug and will remain in use until the well is completed or abandoned. Preventers will be inspected and operated at least daily to ensure good mechanical working order, and this inspection recorded on the daily drilling report. Preventers will be pressure tested before drilling casing cement plugs.

4. Casing program:

Anticipated cement tops will be reported as to depth, not the expected number of sacks. The San Juan Resource Area will be notified 1 day before running casing strings and cement.

Hole Size	Size	Depth	Casing				Cementing Program
			Weight	Grade	Thrd	Cond	
17-1/2	13-3/8	80	48#	H-40	ST&C	New	Redi-Mix to surface.
12-1/4	8-5/8	2,000	24#	K-55	ST&C	New	Two stage, DV tool @ 1500' Cement to sfc w/1500 sx "B" Lite (35/65/6) +2% CaCl ₂ & 250 sx "B" +2% CaCl ₂ .
12-1/4	8-5/8	3,500	32#	K-55	ST&C	New	
7-7/8	5-1/2	5,960	15.5#	K-55	LT&C	New	Single stage, top of cmt @ 3000'. Caliper log + 40% excess. "B" Lite (35/65/6) + 1/4#/sx Flocele & Class "B" + fluid loss additive.

CONFIDENTIAL INFORMATION

5. Proposed drilling mud program:

A water base mud system from surface to TD. Maximum anticipated mud weight is 10#/gallon.

A mud logging unit will be on location from 3500' to TD.

6. Testing program:

Lower Desert Creek - Probable
 Upper Ismay - Possible

Logging program:

Cal/GR/DLL/MSFL Base surface casing to TD (GR to surface)
 Cal/GR/Sonic Base surface casing to TD (GR to surface displays)
 Cal/GR/CNL/Lithoden 5200' to TD
 Dipmeter: If Desert Creek indicates productive.

Coring program:

None planned.

Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analysis, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. If requested, samples (cuttings, fluids, and/or gases) will be submitted to the District Manager.

CONFIDENTIAL INFORMATION

7. Anticipated abnormal BHP or BHT:

No abnormal BHP or BHT are expected in this well.

Potentially hazardous conditions anticipated:

No H₂S has been found, reported or is known to exist at these depths in this area.

8. Anticipated Starting Dates and Notifications of Operations

The operator will contact the San Juan Resource Area at 801-587-2201, 48 hours before beginning any dirt work.

No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the District Manager. If operations are to be suspended, prior approval of the District Manager will be obtained and notification given before resumption of operations.

The spud date will be reported orally to the San Juan Area Manager, a minimum of 24 hours before spudding. A Sundry Notice (Form 3160-5) will be sent within 24 hours after spudding, reporting the spud date and time. The Sundry will be sent to the District Manager. If the spudding is on a weekend or holiday, the Sundry will be submitted on the following regular work day.

In accordance with Onshore Oil and Gas Order No. 1, this well will be reported on Form 9-329 "Monthly Report of Operations," starting with the month in which operations begin and continue each month until the well is physically plugged and abandoned. This report will be sent to the BLM District Office, P. O. Box 970, Moab, Utah 84532.

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported to the Resource Area in accordance with requirements of NTL-3A.

If a replacement rig is planned for completion operations, a Sundry Notice (Form 3160-5) to that effect will be filed, for prior approval of the District Manager. All conditions of this approved plan are applicable during all operations conducted with the replacement rig. In emergencies, verbal approval can be given by the District Petroleum Engineer.

If the well is successfully completed for production, then the District Manager will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communication, not later than 5 business days following the date on which the well is placed on production.

CONFIDENTIAL INFORMATION

No well abandonment operations will begin without the prior approval of the District Manager. In the case of newly drilled dry holes or failures, and in emergencies, oral approval will be obtained from the District Petroleum Engineer. A "Subsequent Report of Abandonment" (Form 3160-5), will be filed with the District Manager, within 30 days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration.

Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the San Juan Area Manager, or the appropriate surface manager.

Approval to vent/flare gas during initial well evaluation will be obtained from the District Office. This preliminary approval will not exceed 30 days or 50 MMCF gas. Approval to vent/flare beyond this initial test period will require District Office approval pursuant to guidelines in NTL-4A.

Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6. The following information will be permanently beaded-on with a welding torch: Fed, well number, location by 1/4 1/4 section, township and range, Lease number.

A first production conference will be scheduled within 15 days after receipt of the first production notice. The San Juan Area Manager will schedule the conference.

Other: A separate rig will be used for completion operations.

The following may be inspected and/or witnessed:

1. The cementing and testing of surface casing.
2. (Dry Hole) Setting and testing of surface casing shoe plug.
3. (Depleted Producer) The setting and testing of plugs across the producing horizon and if applicable, the surface casing shoe plug and/or annulus (casing to formation) squeeze jobs.

Notify the San Juan Resource Area (Mike Wade) one day or on dry hole as soon as possible prior to the above at (801) 587-2201 (Home) (801) 587-2026 or if unable to reach Mike, call Moab District office Greg Noble at (801) 259-6111 (Home) (801) 259-8811.

CONFIDENTIAL INFORMATION

B. THIRTEEN POINT SURFACE USE PLAN

1. Existing Roads (Yellow)

- a. To find location, go north from Hatch Trading Post on existing county road approximately 4 miles. Turn right and continue to location on new road about 1/2 mile. (See attached Exhibit "1").
- b. Existing and new access shall be maintained in good or better condition.

2. Roads to be Constructed and Reconstructed (Blue)

- a. Access road will be inspected between the Bureau of Land Management and the dirt contractor prior to any work being done.
- b. Running surface width will be 18 feet.
- c. Maximum grade is 10%.
- d. There will be no turnouts.
- e. Road is centerline flagged.
- f. Road will be drained as needed.
- g. If well is drilled during wet winter conditions, surface materials may be required to avoid maintenance problems.
- g. Surface disturbance and vehicular travel will be limited to the approved location and approved access route. Any additional area needed will be approved in advance by the San Juan Area Manager.

The access road will be water barred or brought to Class III Road Standards within 60 days of dismantling of the drill rig. If this time frame cannot be met, the San Juan Area Manager will be notified so that temporary drainage control can be installed along the access road.

The Class III Road Standards which ensure drainage control over the entire road through the use of natural, rolling topography; ditch turnouts; drainage dips; outsloping; crowning; low water crossing; and culverts will be determined at the appropriate field inspection.

3. Location of Existing Wells (1 mile radius)

- a. Existing wells in the area are shown on attached Exhibit "1".

4. Location of Existing and/or Proposed Facilities if Well is Productive

Battery facility is shown on attached Exhibit "4".

CONFIDENTIAL INFORMATION

All permanent (on site for 6 months or longer) above ground facilities (including pump jacks) will be painted a flat, nonreflective, earthtone color to match the standard environmental colors, as determined by the Rocky Mountain 5-State Interagency Committee. All facilities will be painted within 6 months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded. The color will be Desert Brown.

If a tank battery is constructed on this lease, it will be surrounded by a dike of sufficient capacity to contain 1-1/2 times the storage capacity of the battery.

All loading lines will be placed inside the berm surrounding the tank battery.

All site security guidelines identified in 43 CFR 3162.7 regulations will be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed.

All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the District Manager.

Gas meter runs for each well will be located within 500 feet of the wellhead. The gas flowline will be buried from the wellhead to the meter and 500 feet downstream of the meter on or any production facilities. Meter runs will be housed and/or fenced.

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place before any deliveries. Tests for meter accuracy will be conducted monthly for the first 3 months on new meter installations and at least quarterly thereafter. The San Juan Area Manager will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the San Juan Area Manager. All meter measurement facilities will conform with the API standards for liquid hydrocarbons and the AGA standard for natural gas measurement.

5. Location and Type of Water Supply

All water needed for drilling purposes will be obtained from Benally water well, located NWNE Section 5-39S-25E.

Use of water for this operation will be approved by obtaining a temporary use permit from the Utah State Engineer, (801) 637-1303 and by receiving permission from the landowner or surface management agency to use the land containing the water source.

CONFIDENTIAL INFORMATION

6. Source of Construction Materials

Native soil materials from drilling location and access trail, which is available, will be used. Any additional materials needed will be hauled in from authorized commercial sources.

The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

7. Methods for Handling Waste Disposal

The reserve pit will be lined with commercial bentonite sufficient to prevent seepage. At least half of the capacity will be in cut.

Three sides of the reserve pit will be fenced with four strands of barbed wire before drilling starts. The fourth side will be fenced as soon as the drilling is completed. The fence will be kept in good repair while the pit is drying.

A trash pit will be constructed near the mud tanks and dug at least six feet into solid undisturbed material. It will be totally enclosed with a fine wire mesh before the rig moves in. The road and pad will be kept litter free.

A burning permit is required for burning trash between May 1 and October 31. This can be acquired by contacting the State fire Warden, John Baker, at (801) 587-2705.

Produced waste water will be confined to a (lined/unlined) pit for a period not to exceed 90 days after initial production. During the 90 day period, an application for approval of a permanent disposal method and location, along with the required water analysis, will be submitted for the District Manager's approval pursuant to Onshore Oil and Gas Order No. 3 (NTL-2B).

8. Ancillary Facilities

Camp facilities will not be required.

9. Well Site Layout

Rig layout, cuts and fills are shown on attached Exhibit "9".

The top 6 inches of soil material will be removed from the location and stockpiled separate from the trees on the standard side. Topsoil along the access will be reserved in place.

Access to the well pad will be from the Northwest corner.

CONFIDENTIAL INFORMATION

10. Reclamation:

- a. Immediately on completion of drilling, all trash and debris will be collected from the location and surrounding area. All trash and debris will be disposed of in the trash pit and will then be compacted and buried under a minimum of two feet of compacted soil.
- b. The operator/holder or his contractor will contact the San Juan Resource Area office in Monticello, Utah, (801) 587-2201, 48 hours before starting reclamation work that involves earthmoving equipment and upon completion of restoration measures.
- c. Before any dirt work to restore the location takes place, the reserve pit must be completely dry.
- d. All disturbed areas will be recontoured to blend as nearly as possible with the natural topography. This includes removing all berms and refilling all cuts.
- e. The stockpiled topsoil will be spread evenly over the disturbed area. All disturbed areas will be ripped 12 inches deep with the contour.

- f. Water bars will be built as follows to control erosion.

<u>Grade</u>	<u>Spacing</u>
2%	Every 200 feet
2-4%	Every 100 feet
4-5%	Every 75 feet
5+%	Every 50 feet

- g. Seed will be broadcast between October 1 and February 28 with the following prescription. A harrow or similar implement will be dragged over the area to assure seed cover.

<u>3</u>	lbs/acre Galleta (<u>Hilaria jamesii</u>)
<u>3</u>	lbs/acre crested wheatgrass (<u>Agropyron desertorum</u>)
<u>2</u>	lbs/acre Fourwing saltbush (<u>Atriplex canescens</u>)
<u>1/2</u>	lbs/acre Yellow sweet clover

- h. After seeding is complete, the stockpiled trees will be scattered evenly over the disturbed areas. The access will be blocked to prevent vehicular access.
- i. The reserve pit and that portion of the location and access road not needed for production or production facilities will be reclaimed as described in the reclamation section. Enough topsoil will be kept to reclaim the remainder of the location at a future date. This remaining stockpile of topsoil will be seeded in place using the prescribed seed mixture.

CONFIDENTIAL INFORMATION

11. Surface Ownership: Federal
Mineral Ownership: Federal

12. Other Information

Approximately 1/10th mile of access road is privately owned by Richard C. Perkins.

There will be no change from the proposed drilling and/or workover program without prior approval from the District Manager. Safe drilling and operating practices must be used. All wells, whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162.2.

"Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3164.

The dirt contractor will be provided with an approved copy of the surface use plan.

If subsurface cultural materials are exposed during construction, work in that spot will stop immediately and the San Juan Resource Area Office will be contacted. All people who are in the area will be informed by the operator/holder that they are subject to prosecution for disturbing archaeological sites or picking up artifacts. Salvage or excavation of identified archaeological sites will be done by a BLM approved archaeologist only if damage occurs.

This permit will be valid for a period of one year from the date of approval. After permit termination a new application will be filed for approval for any future operations.

Your contact with the District Office is: Greg Noble.
Office Phone: 801-259-6111 Address: P. O. Box 970, Moab, UT 84532

Resource Area Manager's Address and contacts:
Address: P. O. Box 7, Monticello, UT 84535

Your contact is: Rich McClure
Office Phone: 801-587-2201

13. Lessee or Operator's Field Representative and Certification

Meridian Oil Inc.
P. O. Box 1855
Billings, Montana 59103

- | | | | |
|----|--|--------------|--------------|
| 1. | Johnny L. Wright, Drilling Supt. | 406-256-4175 | 406-252-2889 |
| 2. | Rick Muncrief, Area Drilling Engineer | 406-256-4155 | 406-245-9896 |
| 3. | Barry Winstead, Area Drilling Engineer | 406-256-4030 | 406-656-7521 |
| 4. | John Pulley, Drilling Manager | 406-256-4124 | 406-259-6156 |

CERTIFICATION:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct, and, that the work associated with the operations proposed herein will be performed by Meridian Oil Inc. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

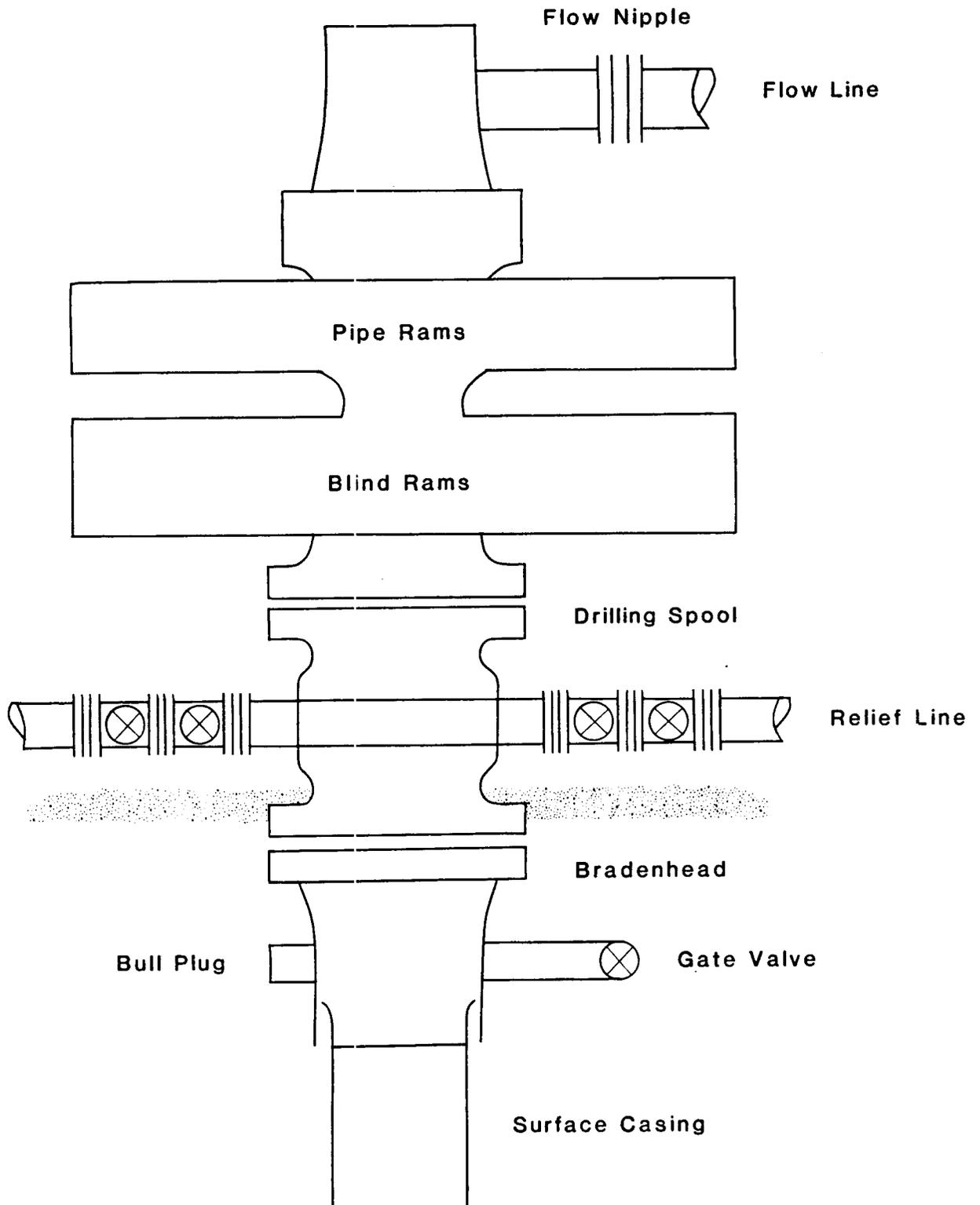

Barry J. Winstead
Area Drilling Engineer

1/27/86
Date

SSN

CONFIDENTIAL INFORMATION

TYPICAL B.O.P. INSTALLATION



**Series 900 Double Gate B.O.P.,
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.

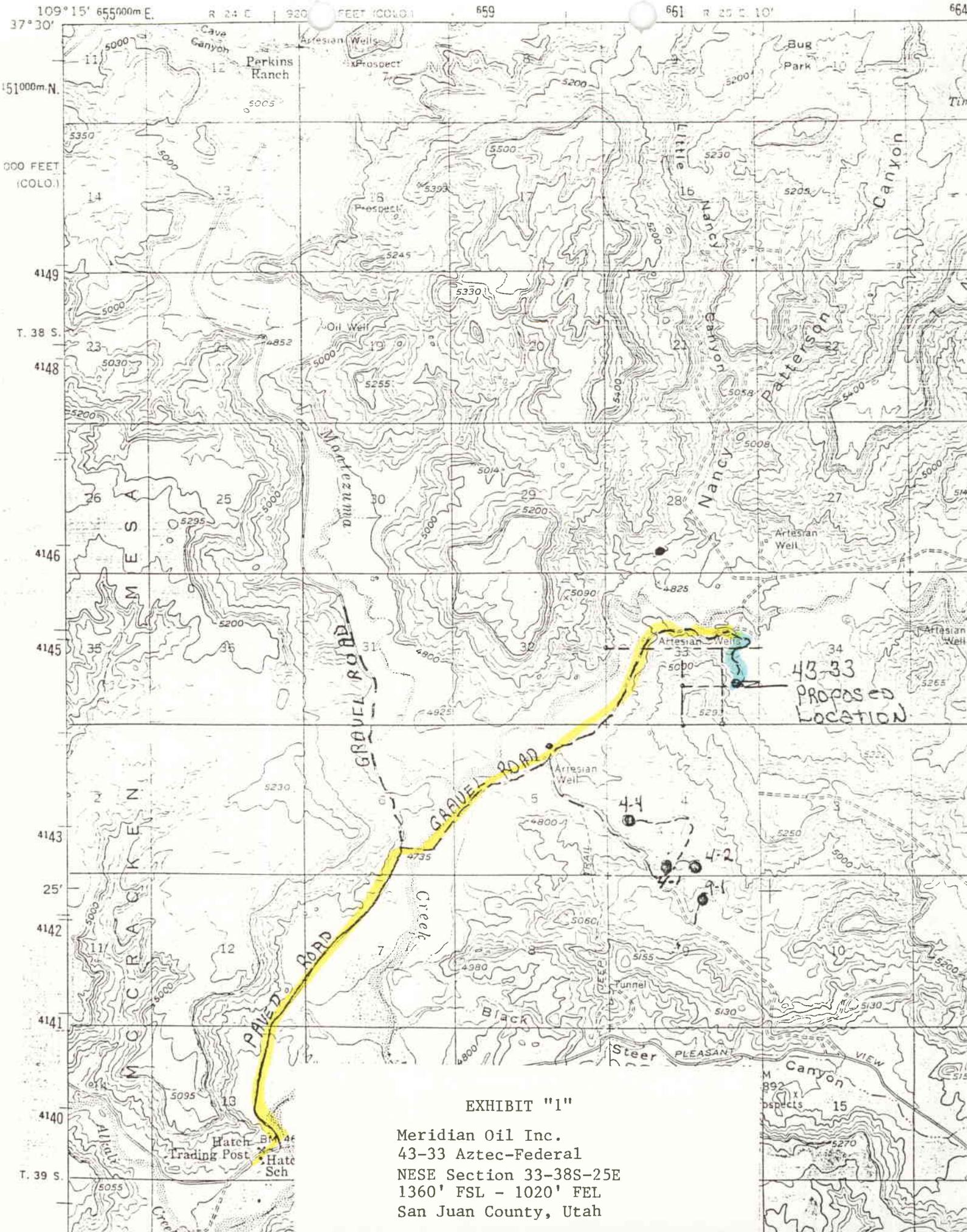


EXHIBIT "1"

Meridian Oil Inc.
 43-33 Aztec-Federal
 NESE Section 33-38S-25E
 1360' FSL - 1020' FEL
 San Juan County, Utah

Profile for
 MERIDIAN OIL INCORPORATED #43-33 AZTEC-FEDERAL
 1360'FSL 1020'FEL Sec. 33-T38S-R25E
 SAN JUAN COUNTY, UTAH

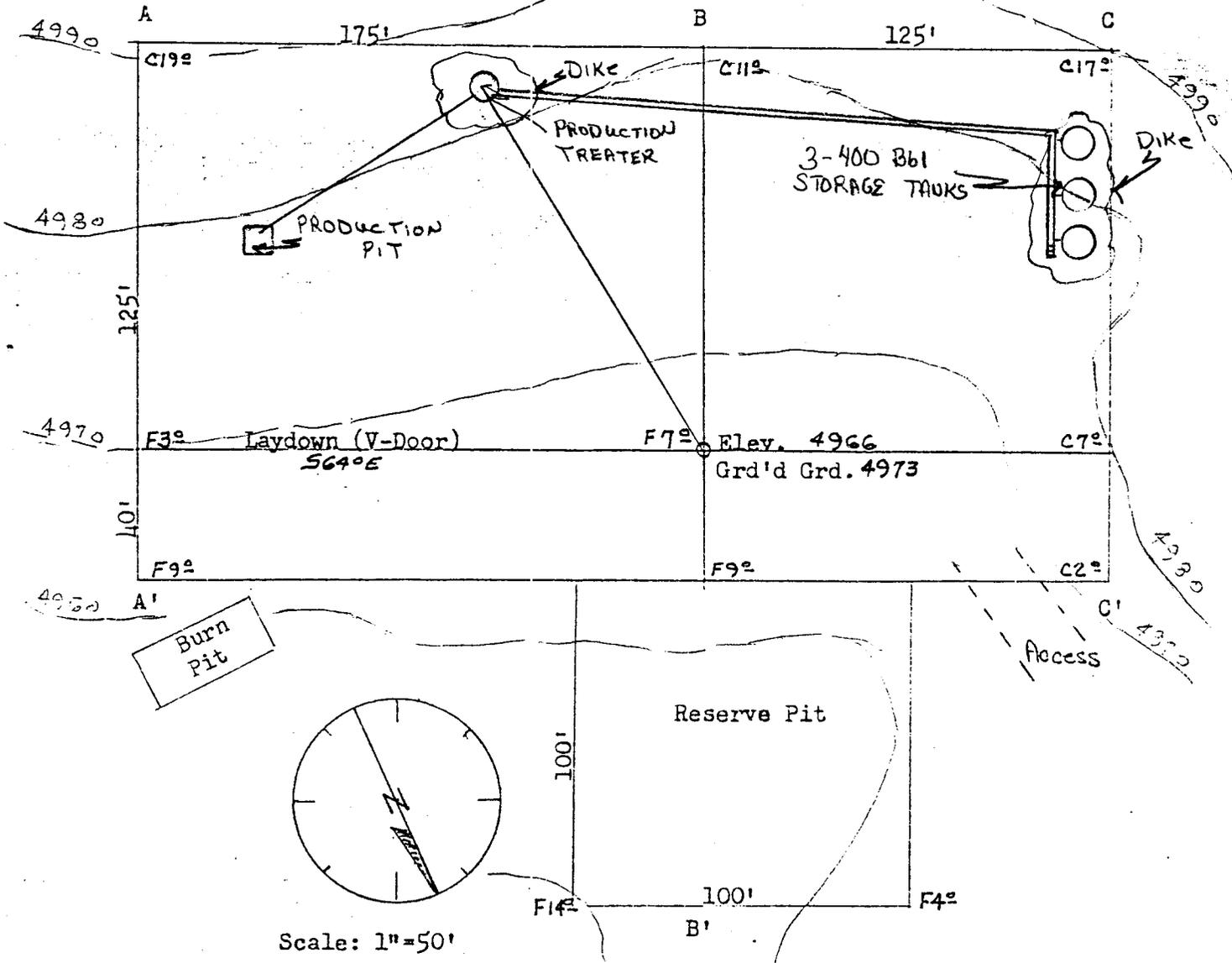
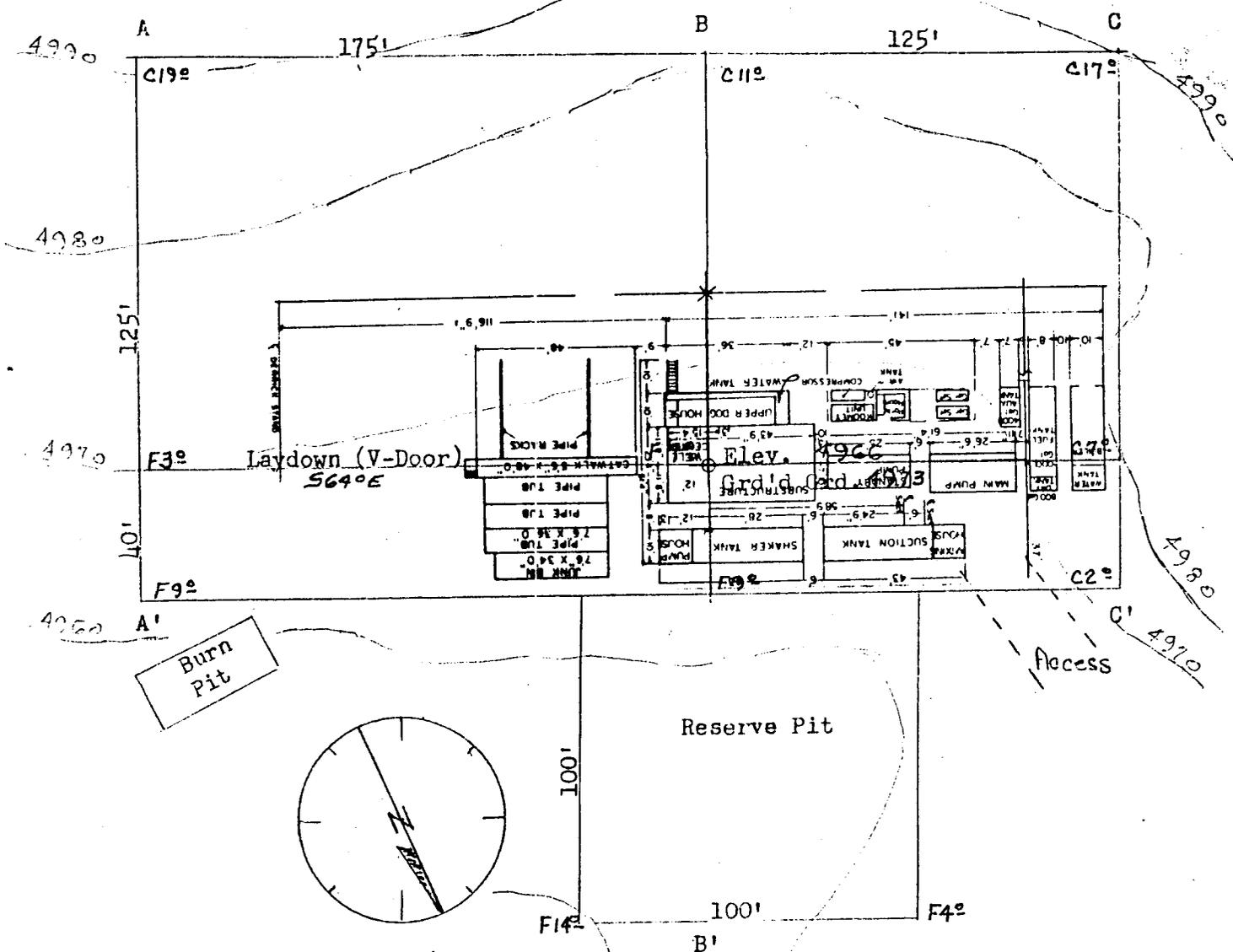


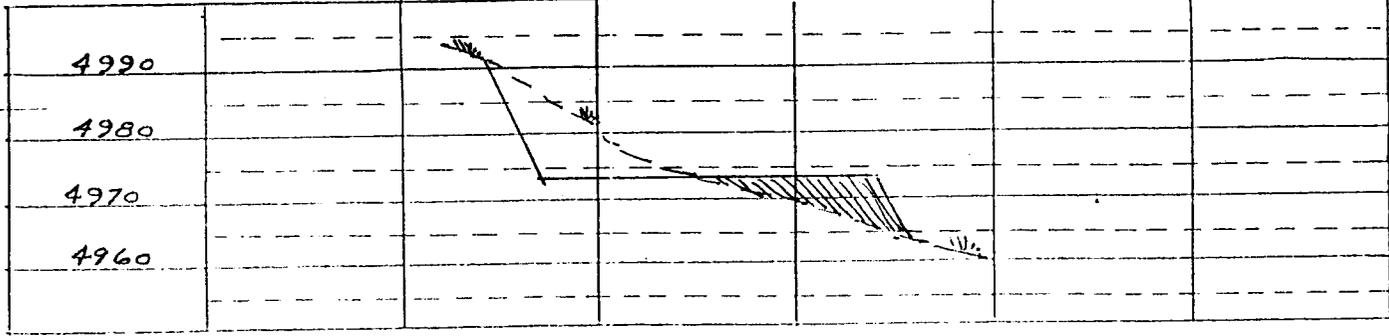
EXHIBIT "4"
 Battery Layout

Profile for
 MERIDIAN OIL INCORPORATED #13-33 A, 1EC-FEDERAL
 1360' FSL 102C' FEL Sec. 33-T38S-R25E
 SAN JUAN COUNTY, UTAH

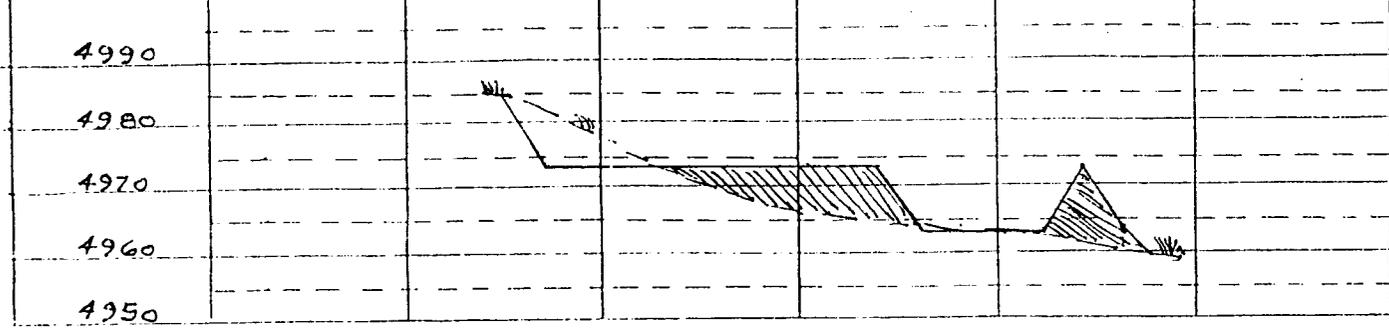


Scale: 1"=50'

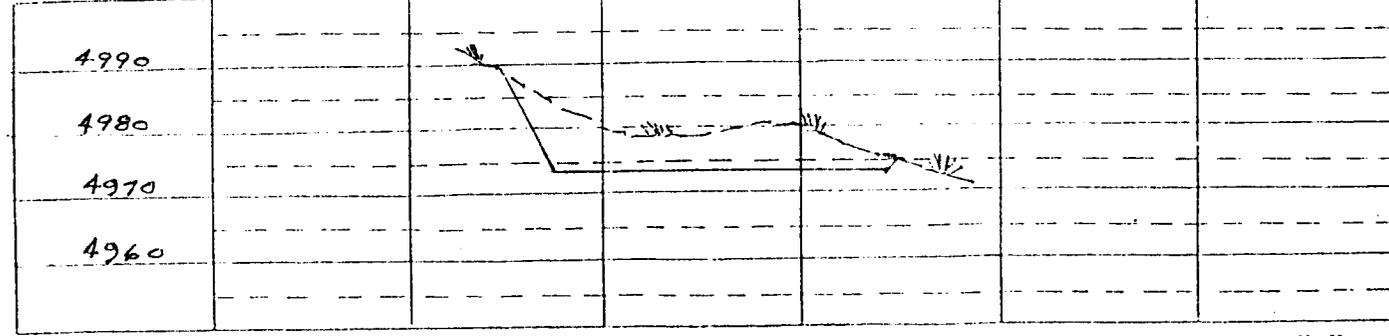
A-A' Vert: 1"=30' Horiz: 1"=100' C/L



B-B' C/L



C-C' C/L



CONFIDENTIAL

OPERATOR Meridian Oil, Inc. DATE 2-3-86

WELL NAME Antea Fed. 43-33

SEC N64E 33 T 38S R 2SE COUNTY San Juan

43-037-31245
API NUMBER

Fed.
TYPE OF LEASE

CHECK OFF:

PLAT

BOND

NEAREST WELL

LEASE

FIELD

POTASH OR OIL SHALE

PROCESSING COMMENTS:

No other wells in Sec. 33 or 34

Need water permit

APPROVAL LETTER:

SPACING: 203 _____ UNIT

302

_____ CAUSE NO. & DATE

302.1

STIPULATIONS:

1- Water

MERIDIAN OIL

February 19, 1986

State of Utah Natural Resources
Oil, Gas and Mining
355 W. North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

Attention: Arlene Sollis

Re: Request for Exception Location
43-33 Aztec-Federal
NESE Section 33-38S-25E
San Juan County, Utah

RECEIVED
FEB 21 1986

DIVISION OF
OIL, GAS & MINING

Gentlemen:

Attached is a copy of our letter dated January 24, 1986, requesting the approval to drill an exception location. The letter and attachments were mailed to an incorrect address and apparently were lost.

Your immediate attention to this matter will be sincerely appreciated.

Sincerely,



Suzann S. Nelson
Sr. Operations Technician

Attachments

ssn

1175N

January 24, 1986

Board of Oil, Gas and Mining
Department of Natural Resources
State of Utah
~~4241 State Office Building~~
Salt Lake City, Utah 84114

RECEIVED
FEB 21 1986

Re: Request for Exception Location
43-33 Aztec-Federal
NESE Section 33-38S-25E
San Juan County, Utah

DIVISION OF
OIL, GAS & MINING

Gentlemen:

Meridian Oil Inc. requests the approval to drill an unorthodox location in Section 33-38S-25E of San Juan County, Utah. The above referenced location was staked 1360' FSL - 1020' FEL of Section 33.

A lease ownership plat is attached as Exhibit "A". Meridian Oil Inc. owns 75% of the oil and gas leasehold working interest (Lease U-55567) within a 660' radius of the proposed exception location. BWAB Inc. owns the remaining 25% interest in Lease U-55567 and is participating in the drilling of this well. BWAB Inc. has been notified and is in agreement with this location. No other offset owners are required to be notified since the offset acreage is owned by Meridian and BWAB Inc.

This exception location for the 43-33 Aztec-Federal is requested due to topographical reasons as per attached map.

Thank you for your consideration.

Sincerely,

Suzann S. Nelson
Sr. Operations Technician

Attachments

ssn

cc: BWAB Inc.
Denver, CO

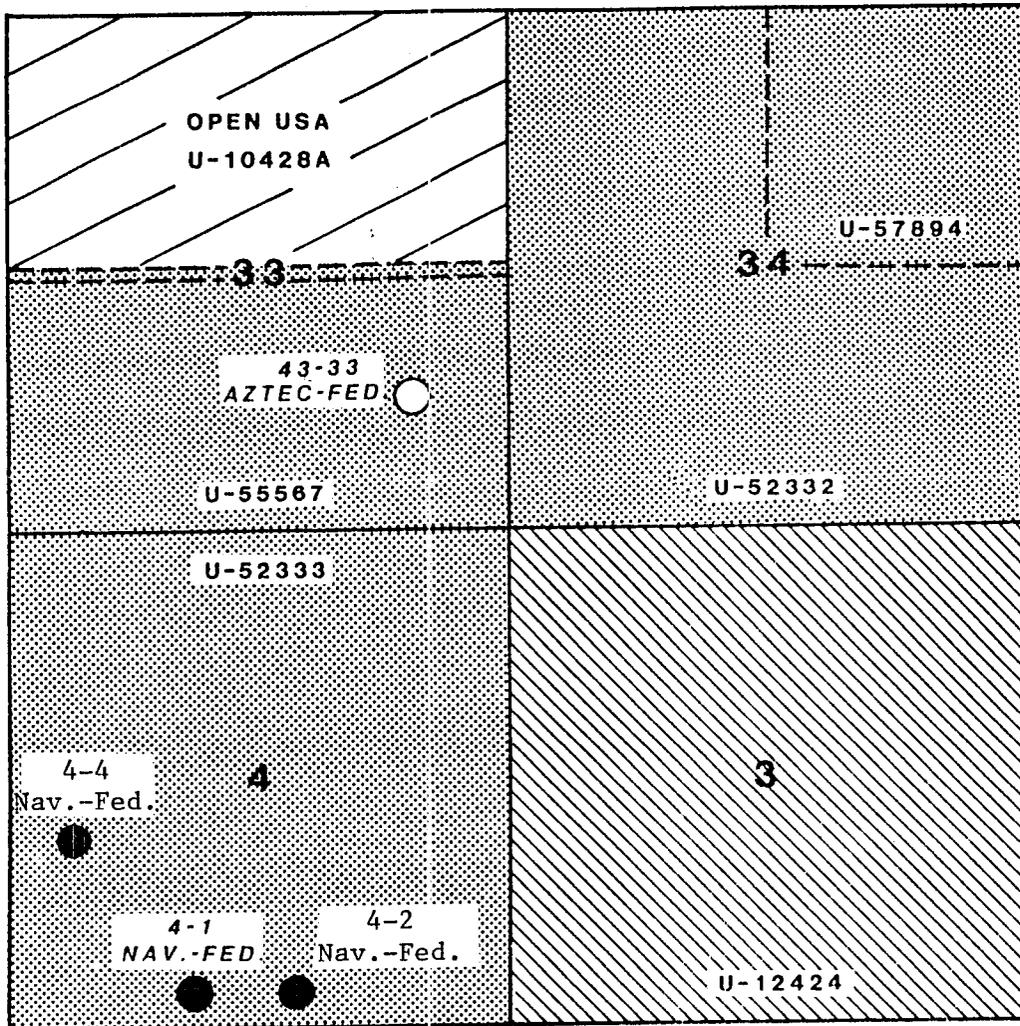
Cindy Crawley
Meridian Oil
Denver District

1175N

EXHIBIT A

T
38
S

T
39
S



R 25 E

KEY: LEASEHOLD OWNERSHIP



MERIDIAN OIL INC. - 75%, BWAB 25%
(FEDERAL SERIAL NO. U-55567)
(FEDERAL SERIAL NO. U-52333)
(FEDERAL SERIAL NO. U-52332)
(FEDERAL SERIAL NO. U-57894)



OPEN USA - U-10428A



GETTY OIL COMPANY (50%), DONALD B. ANDERSON, LTD. (25%),
CHORNEY OIL COMPANY (25%)
(FEDERAL SERIAL NO. U-12424)



PROPOSED LOCATION - MOI. #43-33 AZTEC FEDERAL
1360' FSL - 1020' FEL



EXISTING WELL - MOI. #4-1 NAVAJO FEDERAL
370' FSL - 1940' FWL
EXISTING WELL - MOI. #4-2 NAVAJO FEDERAL
300' FSL - 2225' FEL
EXISTING WELL - MOI. #4-4 NAVAJO FEDERAL
1980' FSL - 660' FEL
(FEDERAL SERIAL NO. U-52333)

RECEIVED

FEB 21 1986

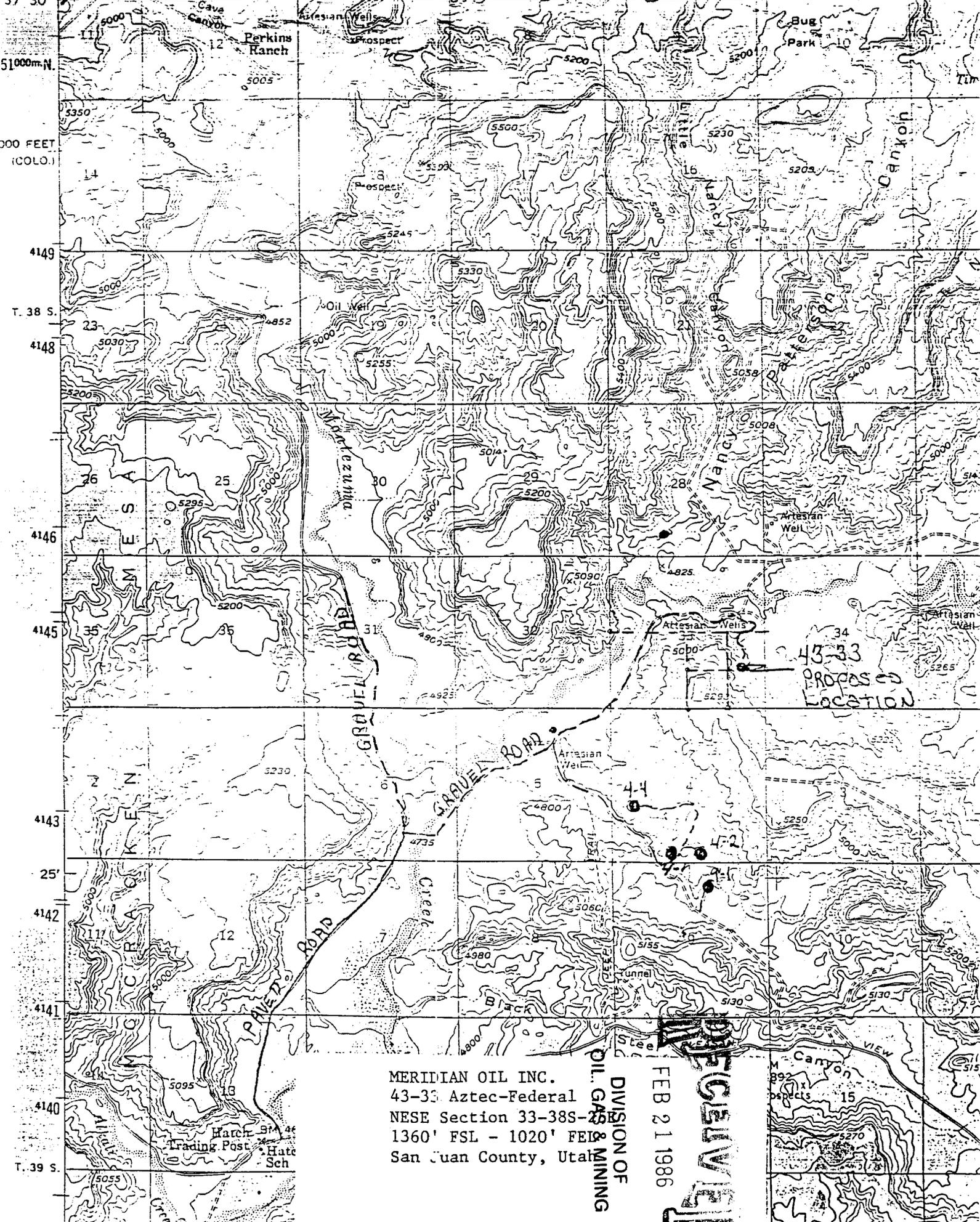
DIVISION OF
OIL, GAS & MINING

MERIDIAN OIL

AZTEC PROSPECT
T 38 S, T 39 S, R 25 E
SAN JUAN COUNTY, UTAH

SCALE 1" = 2000'

109° 15' 655000m.E. R 24 E. 1920 FEET (COLO.) 659 661 R 25 C 10' 664



MERIDIAN OIL INC.
 43-33 Aztec-Federal
 NESE Section 33-38S-24E
 1360' FSL - 1020' FEET
 San Juan County, Utah

DIVISION OF
 OIL, GAS & MINING

FEB 21 1986

RECEIVED

VIEW
 Canyon
 15



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Norman H. Bangerter, Governor
Dee C. Hansen, Executive Director
Dianné R. Nielson, Ph.D., Division Director

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

February 24, 1986

Meridian Oil Incorporated
P. O. Box 1855
Billings, Montana 59103

Gentlemen:

Re: Well No. Aztec Federal 43-33 - NE SE Sec. 33, T. 38S, R. 25E
1360' FSL, 1020' FEL - San Juan County, Utah

Approval to drill the above-referenced well is hereby granted in accordance with Rule 302.1, Oil and Gas Conservation General Rules, subject to the following stipulations:

1. Prior to commencement of drilling, receipt by the Division of evidence providing assurance of an adequate and approved supply of water as required by Chapter 3, Title 73, Utah Code Annotated.

In addition, the following actions are necessary to fully comply with this approval:

1. Spudding notification to the Division within 24 hours after drilling operations commence.
2. Submittal to the Division of completed Form OGC-8-X, Report of Water Encountered During Drilling.
3. Prompt notification to the Division should you determine that it is necessary to plug and abandon this well. Notify John R. Baza, Petroleum Engineer, (Office) (801) 538-5340, (Home) 298-7695, or R. J. Firth, Associate Director, (Home) 571-6068.
4. Compliance with the requirements and regulations of Rule 311.3, Associated Gas Flaring, Oil and Gas Conservation General Rules.

Page 2
Meridian Oil Incorporated
Well No. Aztec Federal 43-33
February 24, 1986

5. Prior to commencement of the proposed drilling operations, plans for toilet facilities and the disposal of sanitary waste at each drill site shall be submitted to the local health department having jurisdiction. Any such drilling operations and any subsequent well operations must be conducted in accordance with applicable State and local health department regulations. A list of all local health departments and copies of applicable regulations are available from the Division of Environmental Health, Bureau of General Sanitation, telephone (801) 533-6163.
6. This approval shall expire one (1) year after date of issuance unless substantial and continuous operation is underway or an application for an extension is made prior to the approval expiration date.

The API number assigned to this well is 43-037-31245.

Sincerely,



R. J. Firth
Associate Director, Oil & Gas

as
Enclosures
cc: Branch of Fluid Minerals
Dianne R. Nielson
8159T

Pam,

Please just file
this under the application.
I know there is one
in there, but this was
sent a month ago —
(throw away yellow note!!)

Shanda
Arline

(Don't route - its
part of the APD)!!

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
 DRILL DEEPEN PLUG BACK

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
 MERIDIAN OIL INC.

3. ADDRESS OF OPERATOR
 P. O. Box 1855, Billings, MT 59103

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface NESE (1360' FSL - 1020' FEL)
 At proposed prod. zone Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 5 miles Northeast of Hatch Trading Post, Utah

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 1360'
 16. NO. OF ACRES IN LEASE 320
 17. NO. OF ACRES ASSIGNED TO THIS WELL 40

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 5280'
 19. PROPOSED DEPTH 5960'
 20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 4966'
 22. APPROX. DATE WORK WILL START* March 15, 1986

12. COUNTY OR PARISH San Juan 13. STATE Utah

5. LEASE DESIGNATION AND SERIAL NO. U-55567
 6. IF INDIAN, ALLOTTEE OR TRIBE NAME --
 7. UNIT AGREEMENT NAME --
 8. FARM OR LEASE NAME Aztec-Federal
 9. WELL NO. 43-33
 10. FIELD AND POOL, OR WILDCAT Aztec (Wildcat)
 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Section 33-38S-25E

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2	13-3/8	48#	80'	Redi-Mix to sfc
12-1/4	8-5/8	24#	2,000'	Cmt to sfc w/1500 sx "B" Lite & 250 sx "B"
12-1/4	8-5/8	32#	3,500'	Single stage, top of cmt @ 3000'
7-7/8	5-1/2	15.5#	5,960'	

RECEIVED
 APR 09 1986
 DIVISION OF OIL, GAS & MINING

24. SIGNED [Signature] TITLE Sr. Operations Technician DATE 1/28/86
 (This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____
 APPROVED BY /S/ GENE NODINE TITLE DISTRICT MANAGER DATE APR 07 1986
 CONDITIONS OF APPROVAL, IF ANY:

CONDITIONS OF APPROVAL ATTACHED

FLARING OR VENTING OF GAS IS SUBJECT OF NTL 4-A DATED 1/1/80

*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.

Date of Utah - DOGM

COMPANY MERIDIAN OIL INCORPORATED

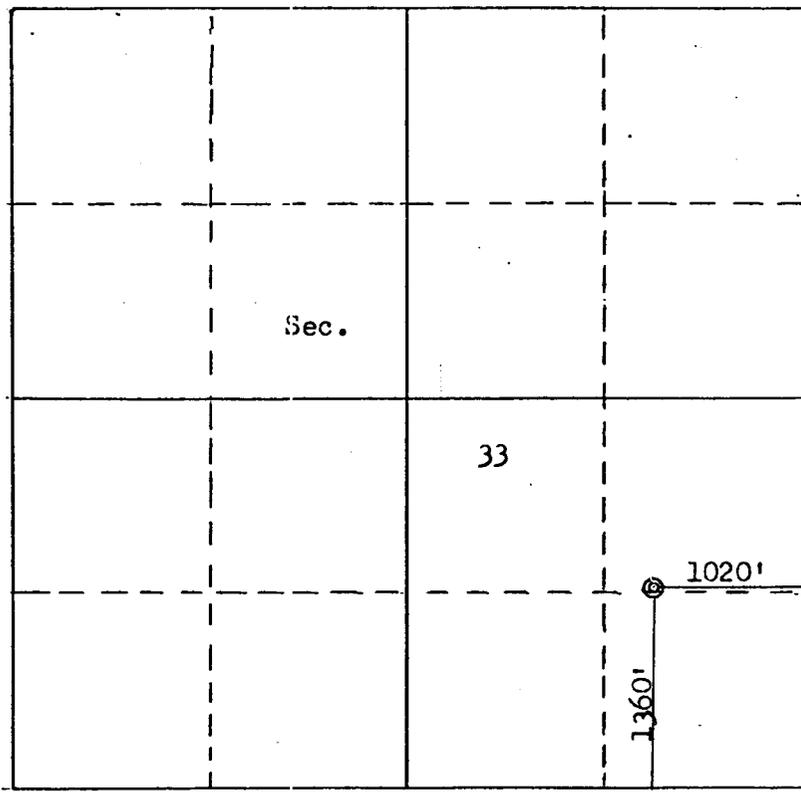
LEASE AZTEC-FEDERAL WELL NO. 43-33

SEC. 33, T. 38S, R. 25E

County: San Juan State: Utah

LOCATION 1360'FSL 1020'FEL

ELEVATION 4966 ungraded ground



SCALE—4 INCHES EQUALS 1 MILE

CONFIDENTIAL INFORMATION

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTE OF ACTUAL SURVEYS MADE BY ME UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF

SEAL:

[Signature]
 Registered Land Surveyor
 Reg. 3950
 H. KERR, JR.

SURVEYED December 16, 1985

Moab District
P. O. Box 970
Moab, Utah 84532

RECEIVED
MAY 06 1987

MAY 4 1987

Meridian Oil Inc.
P.O. Box 1855
Billings, MT 59103

**DIVISION OF
OIL, GAS & MINING**

**Re: Rescinding Application for
Permit to Drill
Well No. Aztec-Federal 43-33
Sec. 33, T. 38 S., R. 25 E.
San Juan County, Utah
Lease U-55567**

Gentlemen:

The Application for Permit to Drill the referenced well was approved on April 7, 1986. Since that date, no known activity has transpired at the approved location.

Applications for permit to drill are effective for a period of one year. In view of the foregoing, this office is rescinding the approval of the referenced application.

Should you intend to drill this location at a future date, a new application for permit to drill must be submitted.

If you have any questions, please contact the Branch of Fluid Minerals (801) 259-6111.

Sincerely yours,

/s/ Kenneth V. Rhee

ACTING District Manager

cc:
State of Utah, Division of Oil, Gas and Mining ✓
San Juan Resource Area

bcc:
U-942, Utah State Office

CFreudiger/cf 4/30/87



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Norman H. Bangerter, Governor
Dee C. Hansen, Executive Director
Dianne R. Nielson, Ph.D., Division Director

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

051107

May 7, 1987

Meridian Oil Inc.
P.O. Box 1855
Billings, Montana 59103

Gentlemen:

RE: Well No. Aztec Federal 43-33, Sec.33, T.38S, R.25E,
San Juan County, Utah, API NO. 43-037-31245

In concert with action taken by the U.S. Bureau of Land Management, approval to drill the above referenced well is hereby rescinded. A new Application for Permit to Drill must be filed with this office for approval, prior to future drilling of the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division of Oil, Gas and Mining immediately.

Sincerely,

A handwritten signature in black ink that reads "John R. Baza". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

John R. Baza
Petroleum Engineer

sb
cc: BLM-Moab
D. R. Nielson
R. J. Firth
Well file
0327T-75